



90<sup>th</sup>  
**ANNUAL  
REPORT  
2013-14**



**Karnataka Bank Ltd.**  
Your Family Bank. Across India.

## Board of Directors - ನಿರ್ದೇಶಕರ ಮಂಡಳಿ



Sri Ananthakrishna  
ಶ್ರೀ ಅನಂತಕೃಷ್ಣ  
Non-Executive Chairman  
ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ಅಧ್ಯಕ್ಷರು



Sri P. Jayarama Bhat  
ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್  
Managing Director  
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು



Sri T.S. Vishwanath  
ಶ್ರೀ ಟಿ.ಎಸ್. ವಿಶ್ವನಾಥ್



Sri S.V. Manjunath  
ಶ್ರೀ ಎಸ್.ವಿ. ಮಂಜುನಾಥ



Sri D. Harshendra Kumar  
ಶ್ರೀ ಡಿ. ಹರ್ಷೇಂದ್ರ ಕುಮಾರ್



Dr. H. Ramamohan  
ಡಾ. ಎಚ್. ರಾಮಮೋಹನ್



Sri T.R. Chandrasekaran  
ಶ್ರೀ ಟಿ.ಆರ್. ಚಂದ್ರಶೇಖರನ್



Sri Ashok Haranahalli  
ಶ್ರೀ ಅಶೋಕ್ ಹಾರನಹಳ್ಳಿ



Smt. Usha Ganesh  
ಶ್ರೀಮತಿ ಉಷಾ ಗಣೇಶ್



Sri Rammohan Rao Belle  
ಶ್ರೀ ರಾಮಮೋಹನ್ ರಾವ್ ಬೆಳ್ಳಿ

**CHIEF GENERAL MANAGER**

Sri M.S. Mahabaleshwara

ಮುಖ್ಯ ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ಎಮ್.ಎಸ್. ಮಹಾಬಲೇಶ್ವರ

**SENIOR GENERAL MANAGER**

Sri P. Jairama Hande

ಹಿರಿಯ ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ಪಿ. ಜೈರಾಮ ಹಂದೆ

**GENERAL MANAGERS**

Sri N. Upendra Prabhu

Sri M.V.C.S. Karanth

Dr. Meera Laetitia B. Aranha

Sri Raghurama

Sri Raghavendra Bhat M.

ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ಎನ್. ಉಪೇಂದ್ರ ಪ್ರಭು

ಶ್ರೀ ಎಮ್.ವಿ.ಸಿ.ಎಸ್. ಕಾರಂತ್

ಡಾ|| ಮೀರಾ ಲೇಟಿಶಿಯಾ ಬಿ. ಆರಾನ್ಹ

ಶ್ರೀ ರಘುರಾಮ

ಶ್ರೀ ರಾಘವೇಂದ್ರ ಭಟ್ ಎಂ.

**DEPUTY GENERAL MANAGERS**

Sri V.N. Manohar

Sri I. Santhosh Kumar

Sri S. Ramachandra Bhat

Sri Gajanan T. Hegde

Sri Subhaschandra Puranik

Sri S. Ramesh

Sri K.V. Vijayashankar Rai

Sri B. Chandrashekar Rao

Sri Muralidhar K. Rao

Sri Nagaraja Rao B.

Sri Venkappayya K. Bhat

Sri Rudraiah H.S.

Sri Nirmal Kumar K. Hegde

Sri Manjunatha Bhat B.K.

Sri Gokuldas Pai

Sri Ananthapadmanabha B.

Sri Suresh K.

ಉಪ ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ವಿ.ಎನ್. ಮನೋಹರ

ಶ್ರೀ ಐ. ಸಂತ್ಯೋಷ್ ಕುಮಾರ್

ಶ್ರೀ ಎಸ್. ರಾಮಚಂದ್ರ ಭಟ್

ಶ್ರೀ ಗಜಾನನ ಟಿ. ಹೆಗಡೆ

ಶ್ರೀ ಸುಭಾಸ್ ಚಂದ್ರ ಪುರಾನಿಕ್

ಶ್ರೀ ಎಸ್. ರಮೇಶ್

ಶ್ರೀ ಕೆ.ವಿ. ವಿಜಯಶಂಕರ ರೈ

ಶ್ರೀ ಬಿ. ಚಂದ್ರಶೇಖರ ರಾವ್

ಶ್ರೀ ಮುರಳಿದರ ಕೆ. ರಾವ್

ಶ್ರೀ ನಾಗರಾಜ ರಾವ್ ಬಿ.

ಶ್ರೀ ವೆಂಕಪ್ಪಯ್ಯ ಕೆ. ಭಟ್

ಶ್ರೀ ರುದ್ರಯ್ಯ ಹೆಚ್.ಎಸ್.

ಶ್ರೀ ನಿರ್ಮಲ್ ಕುಮಾರ್ ಕೆ. ಹೆಗ್ಡೆ

ಶ್ರೀ ಮಂಜುನಾಥ ಭಟ್ ಬಿ.ಕೆ.

ಶ್ರೀ ಗೋಕುಲದಾಸ್ ಪೈ

ಶ್ರೀ ಅನಂತಪದ್ಮನಾಭ ಬಿ.

ಶ್ರೀ ಸುರೇಶ್ ಕೆ.

**COMPANY SECRETARY**

Sri Y.V. Balachandra

ಕಂಪೆನಿ ಕಾರ್ಯದರ್ಶಿ

ಶ್ರೀ ಎಚ್.ವಿ. ಬಾಲಚಂದ್ರ

**LEGAL ADVISER**

Sri M.V. Shanker Bhat

ಕಾನೂನು ಸಲಹೆಗಾರರು

ಶ್ರೀ ಎಂ.ವಿ. ಶಂಕರ್ ಭಟ್

**AUDITORS**

M/s. R.K. Kumar & Co., Chennai

M/s. Kamath and Rau, Mangalore

ಲೆಕ್ಕ ಪರಿಶೋಧಕರು

ಮೆ|| ಆರ್.ಕೆ. ಕುಮಾರ್ ಎಂಡ್ ಕೋ., ಚೆನ್ನೈ

ಮೆ|| ಕಾಮತ್ ಎಂಡ್ ರಾವ್, ಮಂಗಳೂರು

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Integrated Enterprises (India) Ltd., Bangalore

ನೋಂದಣಾಧಿಕಾರಿ ಮತ್ತು ಶೇರು ವರ್ಗಾವಣಾ ಪ್ರತಿನಿಧಿ

ಮೆ|| ಇಂಟಿಗ್ರೇಟೆಡ್ ಎಂಟರ್‌ಪ್ರೈಸಸ್ (ಇಂಡಿಯಾ) ಲಿ., ಬೆಂಗಳೂರು

Regd. & Head Office: Mahaveera Circle, Mangalore

ನೋಂದಾಯಿತ ಮತ್ತು ಪ್ರಧಾನ ಕಛೇರಿ: ಮಹಾವೀರ ವೃತ್ತ, ಮಂಗಳೂರು

## Progress over a Decade

(Amount in lakh of Rupees)

Year	Capital & Reserves ₹	Deposits ₹	Advances ₹	Gross Earnings ₹	Net Profit ₹	Dividend Paid %	No. of Branches	No. of Employees
2004-2005	97804.06	1083705.81	628744.06	106108.19	14714.64	20	381	4393
2005-2006	111113.06	1324316.04	779156.78	118483.88	17603.39	30	395	4346
2006-2007	123862.77	1403743.54	955267.99	143052.31	17703.44	35	410	4456
2007-2008	137960.33	1701619.23	1084197.46	179789.76	24174.10	50	431	4677
2008-2009	156702.70	2033328.53	1181004.50	227055.14	26670.50	60	447	4947
2009-2010	183274.93	2373064.88	1443568.33	235468.10	16711.97	40	464	5244
2010-2011	242908.10	2733644.63	1734807.09	266260.26	20461.13	30	478	5795
2011-2012	259821.05	3160832.43	2072069.83	344726.74	24607.02	35	503	6087
2012-2013	285708.14	3605622.13	2520767.88	416192.94	34808.21	40	550	6339
2013-2014	305219.76	4058282.87	2834548.95	469440.99	31103.43	40	600	7185

## CONTENTS

Particulars	Page No.
◆ Directors' 90 <sup>th</sup> Annual Report	... 4
◆ Disclosure in respect of Employee Stock Option	... 23
◆ Disclosure Under Pillar III of Basel III Accord	... 24
◆ Corporate Governance	... 35
◆ Auditors' Certificate on Corporate Governance	... 49
◆ Balance Sheet	... 50
◆ Profit and Loss Account	... 51
◆ Cash Flow Statement	... 52
◆ Schedules Annexed to the Balance Sheet	... 53
◆ Schedules to Profit & Loss Account	... 58
◆ Basis of preparation and significant Accounting Policies	... 59
◆ Notes on Accounts	... 61
◆ Independent Auditors' Report to the Shareholders	... 77

**DIRECTORS' 90<sup>th</sup> ANNUAL REPORT**

Your Directors have pleasure in presenting the Ninetieth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2014 and the Auditors' Report.

**PERFORMANCE HIGHLIGHTS**

Your Directors are pleased to inform that during the year under report, your Bank has been able to achieve satisfactory growth in its business. Performance highlights for the financial year in the key financial areas are as under: -

Particulars	(₹ in Crore)	
	As on / for the year ended 31.03.2014	As on / for the year ended 31.03.2013
Deposits	40582.83	36056.22
Advances	28345.49	25207.68
Investments	15226.78	13432.48
Gross Income	4694.41	4161.93
Operating Profit	687.05	635.34
Net Profit	311.03	348.08

The total business turnover of the Bank was ₹68928.32 crore as on 31<sup>st</sup> March 2014, an increase of 12.51 percent over the preceding year. The total assets of the Bank increased from ₹ 41526.38 crore to ₹47028.80 crore recording a growth of 13.25 percent for the year 2013-14.

The total deposits of the Bank grew from ₹36056.22 crore as on 31<sup>st</sup> March, 2013 to ₹40582.83 crore as on 31<sup>st</sup> March 2014, registering a growth of 12.55 percent. During the year, low cost deposits of the Bank, viz. Savings and Current Account Deposits, have shown a growth of 14.75 percent and constitute 25.40 percent of the total deposits of the Bank. The market share of the Bank in deposits was 0.51 percent.

The total advances grew from ₹25207.68 crore as on 31<sup>st</sup> March, 2013 to ₹28345.49 crore as on 31<sup>st</sup> March, 2014, an increase of 12.45 percent. The priority sector advances increased from ₹9362.62 crore to ₹10882.20 crore which together with RIDF exposure formed 46.91 percent of Adjusted Net Bank Credit (ANBC) and agricultural advances increased from ₹3715.24 crore to ₹4141.16 crore which together with eligible RIDF exposure constituted 17.29 percent of ANBC. Lending under various socio-economic schemes has shown satisfactory progress. The market share of the Bank in loans and advances was 0.45 percent.

**ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ 90ನೇ ವಾರ್ಷಿಕ ವರದಿ**

ಬ್ಯಾಂಕಿನ 90ನೇ ವಾರ್ಷಿಕ ವರದಿ, 31ನೇ ಮಾರ್ಚ್, 2014ಕ್ಕೆ ಅಂತ್ಯಗೊಂಡ ಆರ್ಥಿಕ ವರ್ಷದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟ ಆಸ್ತಿ ಹೂಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭನಷ್ಟ ತಜ್ಞರು ಸ್ವೀಕೃತ ಪರಿಶೋಧಕರ ವರದಿಯೊಂದಿಗೆ ನಿಮ್ಮ ಮುಂದಿರಿಸಲು ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಸಂತೋಷಪಡುತ್ತಾರೆ.

**ಸಾಧನೆಯ ಹೆಗ್ಗುರುತುಗಳು**

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ವಹಿವಾಟುಗಳಲ್ಲಿ ತೃಪ್ತಿಕರವಾದ ಸಾಧನೆ ಮಾಡಿದೆ ಎನ್ನಲು ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಹರ್ಷಿಸುತ್ತಾರೆ. ಆರ್ಥಿಕ ವರ್ಷದ ಸಾಧನೆಯ ಪ್ರಮುಖ ಸೂಚಕಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ.

ವಿವರಗಳು	(₹ ಕೋಟಿಗಳಲ್ಲಿ)	
	31.03.2014 ವರ್ಷಾಂತ್ಯದಂತೆ	31.03.2013 ವರ್ಷಾಂತ್ಯದಂತೆ
ಠೇವಣಿಗಳು	40582.83	36056.22
ಮುಂಗಡಗಳು	28345.49	25207.68
ಹೂಡಿಕೆಗಳು	15226.78	13432.48
ಒಟ್ಟು ಆದಾಯ	4694.41	4161.93
ನಿರ್ವಹಣಾ ಲಾಭ	687.05	635.34
ನಿವ್ವಳ ಲಾಭ	311.03	348.08

ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ವ್ಯವಹಾರವು 31 ಮಾರ್ಚ್, 2014ಕ್ಕೆ ₹68928.32 ಕೋಟಿಗೆ ಏರಿದ್ದು ಇದು ಹಿಂದಿನ ವರ್ಷಕ್ಕಿಂತ ಶೇ. 12.51 ಹೆಚ್ಚಳವಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆಸ್ತಿಯು ₹41526.38 ಕೋಟಿಯಿಂದ ಶೇ. 13.25 ರಷ್ಟು ಅಭಿವೃದ್ಧಿಗೊಂಡು, 2013-14 ವರ್ಷಕ್ಕೆ ₹ 47028.80 ಕೋಟಿಯಷ್ಟಾಗಿದೆ.

ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಠೇವಣಿಯು 31, ಮಾರ್ಚ್ 2013ರಂದಿದ್ದ ₹36056.22 ಕೋಟಿಯಿಂದ 31, ಮಾರ್ಚ್ 2014ಕ್ಕೆ ₹ 40582.83 ಕೋಟಿಗೆ ತಲಪಿದ್ದು ಶೇ. 12.55 ವೃದ್ಧಿ ಸಾಧ್ಯಗೊಂಡಿದೆ. ಪ್ರಸ್ತುತ ವರ್ಷದಲ್ಲಿ ಕಡಿಮೆ ವ್ಯಯದ ಠೇವಣಿಗಳಾದ ಉಳಿತಾಯ ಮತ್ತು ಚಾಲ್ತಿ ಖಾತೆಗಳು ಶೇ. 14.75ರಷ್ಟು ಸಮೃದ್ಧಿಗೊಂಡು, ಇದು ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಠೇವಣಿಗಳ ಶೇ. 25.40ರಷ್ಟು ಭಾಗವಾಗಿದೆ. ಮಾರುಕಟ್ಟೆಯ ಒಟ್ಟು ಠೇವಣಿಯಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಅಂಶ ಶೇ. 0.51.

ಒಟ್ಟು ಮುಂಗಡವು 31 ಮಾರ್ಚ್ 2013ರಂದು ಇದ್ದು ₹25207.68 ಕೋಟಿಯಿಂದ ಶೇ. 12.45ರಷ್ಟು ಹೆಚ್ಚಳಗೊಂಡು 31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ ₹ 28345.49 ಕೋಟಿಗೆ ತಲಪಿದೆ. ಆದ್ಯತಾರಂಗದ ಮುಂಗಡವು ₹ 9362.62 ಕೋಟಿಯಿಂದ ₹10882.20 ಕೋಟಿಗೆ ಏರಿದ್ದು ಆರ್‌ಐಡಿಎಫ್ ಪಾಲನ್ನು ಒಳಗೊಂಡಂತೆ ಸರಿದೂಗಿಸಲ್ಪಟ್ಟ ನಿವ್ವಳ ಮುಂಗಡದಲ್ಲಿ (ಎಎನ್‌ಬಿಸಿ) ಶೇ. 46.91 ಪಾಲು ಪಡೆದಿದೆ ಮತ್ತು ಕೃಷಿ ರಂಗದ ಮುಂಗಡವು ₹3715.24 ಕೋಟಿಯಿಂದ ₹ 4141.16 ಕೋಟಿಗೆ ಏರಿದ್ದು ಇದು ಆರ್‌ಐಡಿಎಫ್ ಪಾಲನ್ನು ಒಳಗೊಂಡಂತೆ ಸರಿದೂಗಿಸಲ್ಪಟ್ಟ ನಿವ್ವಳ ಮುಂಗಡದಲ್ಲಿ (ಎಎನ್‌ಬಿಸಿ) ಶೇ. 17.29 ಪಾಲು ಪಡೆದಿದೆ. ವಿವಿಧ ಸಾಮಾಜಿಕ - ಆರ್ಥಿಕ ಯೋಜನೆಗಳನ್ವಯ ವಿತರಿಸಲಾದ ಮುಂಗಡಗಳಲ್ಲೂ ತೃಪ್ತಿಕರವಾದ ಅಭಿವೃದ್ಧಿ ದಾಖಲಾಗಿರುತ್ತದೆ. ಮಾರುಕಟ್ಟೆಯ ಒಟ್ಟು ಮುಂಗಡಗಳಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಅಂಶ ಶೇ. 0.45 ಆಗಿರುತ್ತದೆ.

As on 31<sup>st</sup> March, 2014 the total investments of the Bank stood at ₹15226.78 crore as against ₹13432.48 crore as on 31<sup>st</sup> March 2013, an increase of 13.36 percent.

### OPERATIONAL PERFORMANCE

In the competitive and challenging business environment, the overall performance of your Bank during the year 2013-14 was fairly satisfactory. The gross income of the Bank was ₹4694.41 crore and total expenditure (excluding provisions and contingencies) was ₹4007.36 crore. The net interest income was ₹1056.07 crore.

### PROFIT

Your Bank earned an operating profit of ₹687.05 crore for the year 2013-14 as against ₹635.34 crore for the previous year showing a growth of 8.14 percent. However the net profit of the Bank decreased from ₹348.08 crore to ₹311.03 crore on account of higher provisioning needs.

### APPROPRIATIONS

The net profit of ₹311.03 crore which along with a sum of ₹0.09 Crore brought forward from the previous year, aggregating ₹311.12 crore, is appropriated as under. The corresponding figure for the previous year was ₹348.11 Crore

Appropriation	₹ in Crore
Transfer to Statutory Reserve	147.00
Transfer to Revenue, General & Special Reserves	87.22
Transfer to Investment Reserve	(11.48)
Transfer to Proposed Dividend (including tax)	88.22
Balance carried to Balance Sheet	0.16
<b>Total</b>	<b>311.12</b>

### DIVIDEND

Having regard to the overall performance of the Bank and the positive outlook for the future, the Board of Directors recommended a dividend of ₹4 per share (i.e. 40 percent on the paid up capital same as the previous year) for the reporting year. The dividend payout ratio for the year works out to 24.25 percent.

### EARNING PER SHARE/BOOK VALUE

The earnings per share (basic) and the book value per share as on 31<sup>st</sup> March, 2014 stood at ₹16.51 and ₹162 respectively.

### NET OWNED FUNDS AND CAPITAL ADEQUACY RATIO

During the year under report, the net owned funds of your Bank increased from ₹2857.08 crore to ₹3052.20 crore, registering a growth of 6.83 percent. The Capital Adequacy Ratio stood at 13.30 percent as on

31<sup>st</sup> March 2014ರಂದು ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಹೂಡಿಕೆಯು ₹ 15226.78 ಕೋಟಿಯಾಗಿದ್ದು, ಇದು 31<sup>st</sup> ಮಾರ್ಚ್ 2013ರಂದು ₹ 13432.48 ಕೋಟಿಯಾಗಿದ್ದು, ಶೇ. 13.36 ಹೆಚ್ಚಳ ಕಂಡಿದೆ.

### ವ್ಯವಹಾರಿಕ ನಿರ್ವಹಣೆ

ತೀವ್ರ ಸ್ಪರ್ಧಾತ್ಮಕ ಮತ್ತು ಪಂಥಾಹ್ವಾನ ನೀಡುವ ವ್ಯವಹಾರಿಕ ನೆಲೆಯಲ್ಲಿ 2013-14ರ ಬ್ಯಾಂಕಿನ ಒಟ್ಟಾರೆ ವಹಿವಾಟು ತೃಪ್ತಿಕರವಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆದಾಯವು ₹4694.41 ಕೋಟಿಯಾಗಿದ್ದು, ಒಟ್ಟು ವೆಚ್ಚವು (ಸವಕಳಿ ಮತ್ತು ಆಕಸ್ಮಿಕ ಮೀಸಲಿನ ಹೊರತಾಗಿ) ₹4007.36 ಕೋಟಿಯಷ್ಟಾಗಿದೆ. ನಿವ್ವಳ ಬಡ್ಡಿ ಆದಾಯವು ₹ 1056.07 ಕೋಟಿಯಾಗಿದೆ.

### ಲಾಭ

ನಿಮ್ಮ ಬ್ಯಾಂಕು 2013-14ರಲ್ಲಿ ₹ 687.05 ಕೋಟಿ ನಿರ್ವಹಣಾ ಲಾಭವನ್ನು ದಾಖಲಿಸಿದೆ. ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಇದು ₹ 635.34 ಕೋಟಿಯಾಗಿದ್ದು ಶೇ. 8.14 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ. ಏನಿದ್ದರೂ, ಬ್ಯಾಂಕಿನ ನಿವ್ವಳ ಲಾಭವು ಹಿಂದಣ ವರ್ಷದ ₹ 348.08 ಕೋಟಿಯಿಂದ ₹ 311.03 ಕೋಟಿಗೆ ಇಳಿದಿದ್ದು ಇದು ಮೀಸಲು ಅಗತ್ಯದ ಪೂರೈಕೆಯ ಕಾರಣಗಳಿಂದಾಗಿ ಆಗಿದೆ.

### ವಿನಿಯೋಗಗಳು

ನಿವ್ವಳ ಲಾಭ ₹311.03 ಕೋಟಿಯೊಂದಿಗೆ ಹಿಂದಣ ವರ್ಷದ ಸೇರ್ಪಡೆ ₹ 0.09 ಕೋಟಿ ಒಳಗೊಂಡಂತೆ, ₹311.12 ಕೋಟಿಯಾಗಿದ್ದು, ಅದನ್ನು ಈ ಕೆಳಗೆ ಕಾಣಿಸಿದಂತೆ ವಿನಿಯೋಗಿಸಲಾಗಿದೆ. ಹಿಂದಣ ವರ್ಷದ ಅನುರೂಪ ಅಂಕಿ ಅಂಶ ₹ 348.11 ಕೋಟಿ.

ವಿನಿಯೋಗಗಳು	₹ ಕೋಟಿಗಳಲ್ಲಿ
ಶಾಸನಾತ್ಮಕ ಕಾಡಿಟ್ಟು ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	147.00
ಕಂದಾಯ-ಸಾಮಾನ್ಯ ಮತ್ತು ವಿಶೇಷ ಕಾಡಿಟ್ಟು ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	87.22
ಹೂಡಿಕೆ ಮೀಸಲು ಖಾತೆಗೆ ವರ್ಗಾವಣೆ	(11.48)
ಉದ್ದೇಶಿತ ಲಾಭಾಂಶ ವಿತರಣೆಗಾಗಿ (ತೆರಿಗೆ ಸೇರಿದಂತೆ) ವರ್ಗಾವಣೆ	88.22
ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿಗೆ ಶೇಷಾಂಶ ಸೇರಿಕೆ	0.16
<b>ಒಟ್ಟು</b>	<b>311.12</b>

### ಲಾಭಾಂಶ

ಬ್ಯಾಂಕಿನ ಸರ್ವಾಂಗೀಣ ನಿರ್ವಹಣೆ ಮತ್ತು ಭವಿಷ್ಯದ ಧನಾತ್ಮಕ ನೋಟಗಳನ್ನು ಆದ್ಯ ಗಮನದಲ್ಲಿಟ್ಟುಕೊಂಡು, ಪ್ರಸಕ್ತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಶೇರು ಒಂದರ ₹4/- (ಅಂದರೆ ಹಿಂದಣ ವರ್ಷದಂತೆ ಸಂದಾಯಿತ ಬಂಡವಾಳದ ಶೇ. 40ರಷ್ಟು) ಲಾಭಾಂಶ ನೀಡಿಕೆಯನ್ನು ನಿಮ್ಮ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಶಿಫಾರಸ್ಸು ಮಾಡಿರುತ್ತದೆ. ಪ್ರಸ್ತಾವಿತ ಲಾಭಾಂಶ ಹೊರಹರಿಸಿದ ಪ್ರಸಕ್ತ ವರ್ಷದ ಪರಿಮಾಣವು ಶೇ. 24.25 ಆಗಿರುತ್ತದೆ.

### ಶೇರಿನ ತಲಾ ಆದಾಯ / ಪುಸ್ತಕ ಮೌಲ್ಯ

31<sup>st</sup> ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಶೇರಿನ ತಲಾ ಆದಾಯ (ಮೂಲಭೂತ) ಮತ್ತು ಪುಸ್ತಕ ಮೌಲ್ಯ ಅನುಕ್ರಮವಾಗಿ ₹16.51 ಮತ್ತು ₹162 ಆಗಿರುತ್ತವೆ.

ನಿವ್ವಳ ಸ್ವಂತ ನಿಧಿ ಮತ್ತು ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತ ಪ್ರಸಕ್ತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ನಿವ್ವಳ ಸ್ವಂತ ನಿಧಿಯು ₹2857.08 ಕೋಟಿಯಿಂದ ₹ 3052.20 ಕೋಟಿಗೆ ವೃದ್ಧಿಯಾಗಿದ್ದು, ಶೇ. 6.83 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ. 31, ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತವು 13.30ರಷ್ಟಿದೆ. ಇದು ಬೇಸಲ್ II ಮಾದರಿಯನ್ನು ಯುತವಾಗಿ ದೃಢೀಕರಿಸಿದೆ.

March 31, 2014, as per BASEL II norms (Previous year 13.22 percent) and 13.20 percent as per BASEL III norms. The Bank has been consistently maintaining the Ratio well above the minimum of 9 percent stipulated by the Reserve Bank of India. The market capitalisation as on March 31, 2014 was ₹2209.14 crore.

**FOREX BUSINESS**

During the year under report, your Bank achieved a turnover of ₹12840.55 crore in foreign exchange business as against ₹10083.26 crore in the previous year. The outstanding advances to export sector stood at ₹1671.01 crore as on March 31, 2014.

**NON-PERFORMING ASSETS AND PROVISION COVERAGE RATIO**

Your Bank has been focusing on containing the non-performing assets through better credit monitoring as well as intensified efforts to recover the impaired assets. However, in view of continuing slow down in the economy and delinquencies in select sectors, the Bank's, Gross NPAs as on March 31, 2014 has increased from ₹638.86 crore (2.51 percent) to ₹835.93 crore (2.92 percent) by the year end. The Net NPAs stood at ₹538.04 crore (1.91 percent) as against ₹377.75 crore (1.51 percent) as on 31<sup>st</sup> March 2013. The Provision Coverage Ratio (PCR) computed in accordance with the RBI guidelines works out to 53.21 percent as on March 31, 2014 (Previous year 55.36 percent).

**CREDIT RATING**

ICRA Limited and Credit Analysis and Research Limited, ("CARE") who had rated the Unsecured Redeemable Non-Convertible Subordinated (Lower Tier-II) debt instruments issued during the earlier years have retained the rating "ICRA A" and "CARE A" respectively. The instruments with these rating are considered to have adequate / high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

**DISTRIBUTION NETWORK**

During the year under report, your Bank has opened 50 new branches in 11 States viz. two each in Andhra Pradesh and Rajasthan, one each in Assam, Goa, Gujarat, Maharashtra, Uttarakhand, West Bengal, 34 in Karnataka, three in Kerala and three in Tamil Nadu. Out of 34 new branches opened in Karnataka, 13 are in unbanked rural centres under financial inclusion initiatives of the Bank. Further, as per the direction of Govt. of India, your Bank has opened 17 Ultra Small Branches in the villages where Brick & Mortar Branches are not viable. Further, your Bank has added 196 ATM outlets at various locations during the year 2013-14.

(ಹಿಂದಣ ವರ್ಷ ಶೇ. 13.22) ಮತ್ತು ಬೇಸೆಲ್ III ಮಾದರಿಯನ್ವಯ ಇದು ಶೇ. 13.20 ಆಗಿರುತ್ತದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿಗದಿ ಪಡಿಸಿದ ಕನಿಷ್ಠ ಮಿತಿ ಶೇ. 9.00ಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ಮಟ್ಟವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ನಿರಂತರವಾಗಿ ಕಾಯ್ದುಕೊಂಡು ಬಂದಿದೆ. 31, ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಮಾರುಕಟ್ಟೆ ಬಂಡವಾಳೀಕರಣ ₹ 2209.14 ಕೋಟಿಯಾಗಿರುತ್ತದೆ.

**ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರ**

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರವು ₹ 12840.55 ಕೋಟಿ ತಲುಪಿದ್ದು, ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಇದು ₹ 10083.26 ಕೋಟಿಯಾಗಿತ್ತು. 31.03.2014ಕ್ಕೆ ನಿಯಾತ ವಲಯದ ಮುಂಗಡದ ಮಟ್ಟ ₹ 1671.01 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

**ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳು ಮತ್ತು ಹಂಚಿಕಾ ಅಭಿರಕ್ಷೆ ಅನುಪಾತ**

ಅನುತ್ಪಾದಕ ಮುಂಗಡಗಳನ್ನು ತಹಬಂದಿಗೆ ತರಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಜಾಗೃತ ಮುಂಗಡ ನಿಗಾ ಮತ್ತು ದುರ್ಬಲ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ವಸೂಲಾತಿಗಳಲ್ಲಿ ಕ್ಷಿಪ್ರ ಸ್ಪಂದನದ ಸಂಚಾಲನೆ ಕೈಗೊಂಡಿರುತ್ತದೆ. ವಿನಿದ್ಧರೂ, ಒಪ್ಪಾ ರೆ ಆರ್ಥಿಕತೆಯ ದುರ್ಬಲತೆ ಮತ್ತು ಆಯ್ದು ವಲಯಗಳಲ್ಲಿನ ಸೊರಗುವಿಕೆ ಕಾರಣಗಳಿಂದಾಗಿ, ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಮಟ್ಟ 31, ಮಾರ್ಚ್ 2014ಕ್ಕೆ ₹ 638.86 ಕೋಟಿಯಿಂದ (ಶೇ. 2.51) ₹ 835.93 ಕೋಟಿಗೆ ಏರಿತು (ಶೇ. 2.92). ನಿವ್ವಳ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಮಟ್ಟ, 31, ಮಾರ್ಚ್ 2014ಕ್ಕೆ ₹ 538.04 ಕೋಟಿ (ಶೇ. 1.91) ಆಗಿದ್ದು, ಇದು 31 ಮಾರ್ಚ್ 2013ರಲ್ಲಿ ₹ 377.75 ಕೋಟಿ (ಶೇ. 1.51) ಆಗಿತ್ತು. ಹಂಚಿಕಾ ಅಭಿರಕ್ಷೆ ಅನುಪಾತವನ್ನು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿ ಕೆಯನ್ವಯ ಲೆಕ್ಕ ಹಾಕಲಾಗಿದ್ದು ಅದು 31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಶೇ. 53.21 ಗಣನೆಯಾಗಿದೆ. (ಹಿಂದಣ ವರ್ಷದ ಗಣನೆ ಶೇ. 55.36)

**ವಿಶ್ವಾಸಾರ್ಹತೆ ಮೌಲ್ಯಮಾಪನ**

ಶೇವಣಿ ಉದರಿ ಮಾನದಂಡ ನಿರ್ಣಯಿಸುವ ಸಂಸ್ಥೆಯಾದ ಇಕ್ವಾ (ಐಎಆರ್ಎ) ಮತ್ತು ಕ್ರೆಡಿಟ್ ಅನಾಲಿಸಿಸ್ ಮತ್ತು ರಿಸರ್ಚ್ ಲಿಮಿಟೆಡ್ (ಸಿಎಆರ್ಇ)ಗಳು, ಹಿಂದಣ ವರ್ಷಗಳಲ್ಲಿ ಬಿಡುಗಡೆಗೊಳಿಸಿದ ಭದ್ರತಾರಹಿತ ವಿಮೋಚನೀಯ ಪರಿವರ್ತನಾರಹಿತ ಆಧೀನ (ಕೆಳಸ್ತರ ಶ್ರೇಣಿ II) ಋಣಪತ್ರಗಳ ಮೇಲೆ 'ಇಕ್ವಾ-ಎ' ಮತ್ತು 'ಕೇರ್-ಎ' ಮೌಲ್ಯಾಂಶಗಳನ್ನು ಅನುಕ್ರಮವಾಗಿ ನೀಡಿವೆ. ಈ ಮೌಲ್ಯಾಂಶವು ಉನ್ನತ ಮಟ್ಟದ್ದಾಗಿದ್ದು ಸಾಕಷ್ಟು ಸುರಕ್ಷತೆಗೆ ಉನ್ನತ ಸಂಕೇತವಾಗಿರುತ್ತದೆ. ಆರ್ಥಿಕ ಭದ್ರತೆಗೆ ಸಕಾಲಿಕ ಸೇವೆಯನ್ನು ನೀಡುವ ಸಾಮರ್ಥ್ಯವನ್ನೂ ಬಿಂಬಿಸುತ್ತವೆ. ಇಂತಹ ಋಣಪತ್ರಗಳು ಬಹಳ ಕಡಿಮೆ ಮುಂಗಡ ಅಪಾಯವನ್ನು ಹೊಂದಿವೆ.

**ಕಾರ್ಯಾಲಯ ಹಂಚಿಕೆ**

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ದೇಶದ 11 ರಾಜ್ಯಗಳಲ್ಲಿ ಒಟ್ಟು 50 ನೂತನ ಶಾಖೆಗಳನ್ನು ತೆರೆದಿದೆ. ತಲಾ ಎರಡು ಶಾಖೆಗಳಂತೆ ಆಂಧ್ರಪ್ರದೇಶ ಮತ್ತು ರಾಜಸ್ಥಾನ ರಾಜ್ಯಗಳಲ್ಲಿ, ತಲಾ ಒಂದು ಶಾಖೆಗಳನ್ನು ಅಸ್ಸಾಂ, ಗೋವಾ, ಗುಜರಾತ್, ಮಹಾರಾಷ್ಟ್ರ, ಉತ್ತರಖಂಡ, ಪಶ್ಚಿಮ ಬಂಗಾಳ ರಾಜ್ಯಗಳಲ್ಲಿ ಹಾಗೂ 34 ಶಾಖೆಗಳನ್ನು ಕರ್ನಾಟಕದಲ್ಲೂ ಹಾಗೂ ಕೇರಳ ಮತ್ತು ತಮಿಳುನಾಡಿನಲ್ಲಿ ತಲಾ ಮೂರು ಶಾಖೆಗಳನ್ನು ಪ್ರಾರಂಭಿಸಿದೆ. ಕರ್ನಾಟಕದ 34 ನೂತನ ಶಾಖೆಗಳಲ್ಲಿ 13 ಶಾಖೆಗಳು ಬ್ಯಾಂಕರಹಿತ ಗ್ರಾಮಗಳಲ್ಲಿ ವಿತ್ತೀಯ ಸೇವೆಗಳ ಯೋಜನೆಯನ್ವಯ ತೆರೆದಿದ್ದು, ಬ್ಯಾಂಕು ಇಟ್ಟ ಪುರೋಗಾಮಿ ಹೆಜ್ಜೆಗಳಾಗಿವೆ. ಅಲ್ಲದೇ ಭಾರತ ಸರ್ಕಾರದ ಆದೇಶದಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 17 ಅತ್ಯಂತ ಚಿಕ್ಕ ಶಾಖೆಗಳನ್ನು, ಬ್ರಿಕ್ ಆಂಡ್ ಮಾರ್ಟರ್ ಶಾಖೆಗಳು ಪ್ರಾಯೋಗಿಕವಾಗಿ ಯಶಸ್ವಿಯಾಗಿ ಲಾರದಂತಹ ಗ್ರಾಮಾಂತರ ಪ್ರದೇಶಗಳಲ್ಲಿ ವಿಶೇಷವಾಗಿ ಸ್ಥಾಪಿಸಿದೆ. ಹೆಚ್ಚುವರಿಯಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕು 196 ನೂತನ ಎಟಿಎಂ ಸ್ಥಾವರಗಳನ್ನು ವಿವಿಧ ತಾಣಗಳಲ್ಲಿ 2013-14 ವರ್ಷ ಸಾಲಿನಲ್ಲಿ ಪ್ರಾರಂಭಿಸಿದೆ.



As at March 31, 2014, your Bank had 1,304 Service Outlets i.e. 600 branches (which include two Corporate Finance branches at Fort, Mumbai & New Delhi-Connaught Place, ten Agricultural Development branches, 160 specialised MSME Branches and 60 Financial Inclusion Branches), four Extension Counters & 700 ATMs spread across 21 States and two Union Territories. Apart from the above, your bank has 10 Regional Offices, an International Division, a Data Centre, a Customer Care Centre, five Service branches, two Currency Chests, two Central Processing Centres and three Asset Recovery Management Branches.

Further, for better ambience and improved customer service, your Bank shifted 26 branches/offices to new premises during the year 2013-14.

#### EMPLOYEES STOCK OPTION SCHEME

A total of 69062 equity shares were allotted to the employees of your Bank, pursuant to the exercise of options vested under the Employees Stock Option Scheme of the Bank. Disclosure in respect of Employee Stock Option Scheme pursuant to SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 is given in Annexure I to this report.

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### Macro- economic and industry Developments:

As per Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) at factory cost at constant (2004-05 prices) was at 4.7 percent for the year 2013-14. The sub-5 percent growth of the economy in 2013-14 is primarily the result of the continued slowdown in the industrial sector that is estimated to grow at 0.7 percent in 2013-14 and lower growth in the 'trade, hotels, transport and communications' segment of the service sector. On the brighter side, Agriculture sector aided by satisfactory rainfall showed a higher growth of 4.6 percent in 2013-14, a major recovery from 1.4 percent in 2012-13. Services sector has grown by 6.9 percent during the year. Unsupportive external environment, domestic structural constraints, growth slowdown, inflationary pressures etc were the major contributory factors for slower GDP growth during the year.

The annual rate of inflation, based on monthly WPI, stood at 5.70% for the month of March, 2014 (over March, 2013) as compared to 4.68% for the previous month and 5.65% during the corresponding month of the previous year. Annual average CPI inflation has touched double digits or stayed just below for the last

31 ಮಾರ್ಚ್, 2014ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 1,304 ಸೇವಾ ಕೇಂದ್ರಗಳನ್ನು ಹೊಂದಿದ್ದು ಅವುಗಳಲ್ಲಿ 600 ಶಾಖೆಗಳಿದ್ದು (ಅವುಗಳಲ್ಲಿ ಮುಂಬೈನ ಫೋರ್ಟ್ ಮತ್ತು ನವದೆಹಲಿಯ ಕನ್ಯಾಟ್ ಪ್ಲೇಸ್‌ನ ಕಾರ್ಪೊರೇಟ್ ಪ್ಲಾನಸ್ ಶಾಖೆಗಳು, 10 ಕೃಷಿ ಅಭಿವೃದ್ಧಿ ಶಾಖೆಗಳು, 160 ವಿಶೇಷತಃ ಎಂಎಸ್‌ಎಂಇ ಶಾಖೆಗಳು ಮತ್ತು 60 ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಶಾಖೆಗಳು ಸೇರಿದಂತೆ) ಉಳಿದಂತೆ 4 ವಿಸ್ತರಣಾ ಕೌಂಟರ್‌ಗಳು ಮತ್ತು 700 ಎಟಿಎಂ ಸ್ಥಾವರಗಳು ದೇಶದ 21 ರಾಜ್ಯಗಳಲ್ಲಿ ಮತ್ತು 2 ಕೇಂದ್ರಾಡಳಿತ ಪ್ರದೇಶಗಳಲ್ಲಿ ವ್ಯಾಪಿಸಿದೆ. ಇದಲ್ಲದೇ 10 ಪ್ರಾದೇಶಿಕ ಕಚೇರಿಗಳು, ಒಂದು ಅಂತಾರಾಷ್ಟ್ರೀಯ ವಿಭಾಗ, ಒಂದು ದತ್ತಾಂಶ ಕೇಂದ್ರ, ಒಂದು ಗ್ರಾಹಕ ಸೇವಾ ನಿಗಾಕೇಂದ್ರ, ಐದು ಸೇವಾ ಶಾಖೆಗಳು, ಎರಡು ಕರೆನ್ಸಿ ಕೋಶಗಳು, ಎರಡು ಕೇಂದ್ರೀಯ ಸಂಸ್ಕರಣಾ ಕೇಂದ್ರಗಳು ಮತ್ತು ಮೂರು ಮುಂಗಡ ವಸೂಲಾತಿ ನಿರ್ವಹಣಾ ಶಾಖೆಗಳನ್ನು ಒಳಗೊಂಡಿವೆ.

ಇವಲ್ಲದೇ, ಶಾಖೆಗಳ ಆಕರ್ಷಕ ಸುಶೋಭೆಗಾಗಿ ಮತ್ತು ಗ್ರಾಹಕ ಸೇವಾಸುಧಾರಣೆಯ ಆದ್ಯ ನೆಲೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು 2013-14ರಲ್ಲಿ 26 ಶಾಖೆಗಳನ್ನು/ಕಚೇರಿಗಳನ್ನು ನೂತನ ವಿಸ್ತೃತ ಸುಸಜ್ಜಿತ ಅವರಣಗಳಿಗೆ ಸ್ಥಳಾಂತರಿಸಿದೆ.

##### ನೌಕರರ ನಿಧಿ ಪತ್ರ ಆಯ್ಕೆ

ಬ್ಯಾಂಕಿನ ನೌಕರರ ನಿಧಿ ಪತ್ರ ಆಯ್ಕೆ ಪ್ರಕ್ರಿಯೆಯನ್ವಯ ಒಟ್ಟು 69062 ಇಕ್ವಿಟಿ ಶೇರುಗಳನ್ನು ನೌಕರರಿಗೆ ಬಿಡುಗಡೆಗೊಳಿಸಲಾಗಿದೆ. 'ಸೆಬಿ' ನಿಯಮಾವಳಿಯಂತೆ ನಿಧಿ ಪತ್ರ ಆಯ್ಕೆ ಕುರಿತಂತೆ ಮಾರ್ಗದರ್ಶಿಕೆ 1999ರ ಅನ್ವಯ ಪ್ರಕಟಿಸಲಿಕ್ಕಿರುವ ಮಾಹಿತಿಗಳನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ-1ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

##### ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ

##### ಸ್ಥೂಲ - ಆರ್ಥಿಕತೆ ಮತ್ತು ಉದ್ಯಮ ಅಭಿವೃದ್ಧಿ

ಕೇಂದ್ರೀಯ ಸ್ಟೆಟಿಸ್ಟಿಕ್ಸ್ ಕಚೇರಿಯ ಮುಂಗಡ ಅಂದಾಜಿನಂತೆ, ಸಂಪೂರ್ಣ ದೇಶೀಯ ಉತ್ಪನ್ನವು, ಉದ್ಯಮ ಸಂಸ್ಥೆಯ ಮುಖಬೆಲೆಯಲ್ಲಿ ಸ್ಥಿರತೆಗೊಂಡು (2004-05ರ ಬೆಲೆ) ಅದನ್ನು ಶೇ. 4.7ರಷ್ಟು ಎಂದು 2013-14ಕ್ಕೆ ಅಂದಾಜಿಸಲಾಗಿತ್ತು. ಆದರೆ ಶೇ. 5ಕ್ಕಿಂತ ಕಡಿಮೆ ಬೆಳವಣಿಗೆ 2013-14ರ ಆರ್ಥಿಕತೆಗೆ ಎರಗಿದ್ದು ಇದಕ್ಕೆ ಮುಖ್ಯವಾಗಿ ಕೈಗಾರಿಕಾ ರಂಗದ ನಿಧಾನ ಗತಿಯ ನಿರಂತರತೆ ಕಾರಣವಾಗಿದ್ದು, ಅಂದಾಜು ಬೆಳವಣಿಗೆ ಶೇ. 0.7ರಷ್ಟು ಎಂದು 2013-14ಕ್ಕೆ ಮರು ಅಂದಾಜಿಸಲ್ಪಟ್ಟು ಮತ್ತು ಇದು ಉದ್ಯಮ ರಂಗ, ಹೊಟೆಲುಗಳು, ಸಾಗಾಟ ಮತ್ತು ಸಂವಹನ - ಸಂಪರ್ಕ ವಲಯಗಳ ಇಳಿಮುಖ ಬೆಳವಣಿಗೆಯಿಂದ ಬಾಧಿತಗೊಂಡಿತು. ಇನ್ನೊಂದು ಆತಾದಾಯಕ ಮಗ್ಗುಲಾದ ಕೃಷಿರಂಗ, ತೃಪ್ತಿಕರವಾದ ವರ್ಷಧಾರೆಯಿಂದ ಚೇತರಿಸಲ್ಪಟ್ಟು 2013-14ರಲ್ಲಿ ಹೆಚ್ಚು ಕಡಿಮೆ ಶೇ. 4.6ರಷ್ಟು ಸುಧಾರಣೆಗೊಂಡಿತು. 2012-13ಕ್ಕೆ ಹೋಲಿಸಿದರೆ ಶೇ. 1.4ರ ದೊಡ್ಡ ಮರುಚೇತರಿಕೆ ಇದಾಗಿದೆ. ಪ್ರಸಕ್ತ ವರ್ಷ ಸಾಲಿನಲ್ಲಿ ಸೇವಾರಂಗದ ಬೆಳವಣಿಗೆ ಶೇ. 6.9ರಷ್ಟು ಏರಿಕೆ. ಅಪ್ರೋತ್ಸಾಹದಾಯಕ ವಿದೇಶೀಯ ವಾತಾವರಣ, ದೇಶೀಯ ಸಂರಚನಾ ನಿರ್ಬಂಧಗಳು, ಬೆಳವಣಿಗೆಯ ಇಳಿಮುಖತೆ, ಬೆಲೆ ಏರಿಕೆಯ ಒತ್ತಡ ಇತ್ಯಾದಿ ಇತ್ಯಾದಿಗಳು ಪ್ರಸಕ್ತ ವರ್ಷದ ಸಂಪೂರ್ಣ ದೇಶೀಯ ಉತ್ಪನ್ನದ ಬೆಳವಣಿಗೆಗೆ ದಾರುಣ ತಡೆ ನೀಡಿರುವ ಪ್ರಮುಖ ಕಾರಣಗಳಾಗಿವೆ.

ವಾರ್ಷಿಕ ಹಣದುಬ್ಬರ ಪರಿಮಾಣವು, ಡಬ್ಲ್ಯೂಪಿಪಿ ಆಧರಿಸಿ, ಶೇ. 5.70 ಮಾರ್ಚ್ 2014 ಮಾಸದಲ್ಲಿ ನಿಂತರೆ (ಹಿಂದಣ ಮಾರ್ಚ್, 2013ರಿಂದ), ಹಿಂದಣ ಮಾಸದಲ್ಲಿ ಇದು ಶೇ. 4.68 ಇದ್ದು, ಹಿಂದಣ ವರ್ಷದ ಅನುರೂಪ ಮಾಸದಲ್ಲಿ ಇದು ಶೇ. 5.65 ಆಗಿತ್ತು. ವಾರ್ಷಿಕ ಸರಾಸರಿ ಸಿಪಿಐ ಹಣದುಬ್ಬರವು ಎರಡಂಕಿಯನ್ನು ಸ್ಪರ್ಶಿಸಿದ್ದು ಯಾ ಕೊಂಚ ಕಡಿಮೆ ಇದ್ದು ಕಳೆದ ಆರು ವರ್ಷಗಳಲ್ಲಿನ ಗರಿಷ್ಠ ವಿರಿಕೆಯಾಗಿತ್ತು. ಇದು ಸ್ಥೂಲ ಆರ್ಥಿಕ ಸ್ಥಿರತೆಯ

six years. This had a debilitating effect on macro-financial stability through several channels and has resulted in a rise in inflation expectations and contributed to financial disintermediation, lower financial and overall savings, a wider current account gap and a weaker currency.

In view of higher Current Account Deficit (CAD), the Reserve Bank of India initiated exceptional policy measures for further tightening the monetary policy. As a first line of defense, short-term interest rates were raised by increasing the marginal standing facility (MSF) rate by 200 bps and curtailing liquidity available under the liquidity adjustment facility (LAF) since July 2013. As orderly conditions were restored in the currency market by September 2013, in response to various other measures the Reserve Bank quickly moved to normalise the exceptional tightening of liquidity and monetary measures by lowering the MSF rate by 150 bps in three steps. However, with a view to containing inflation that was once again rising, the policy repo rate was hiked by 75 bps in three steps.

As part of monetary policy measure, RBI cut Repo rate by 25 basis points in May 2013 to boost growth. But as inflation again started moving up (mostly due to food products), RBI raised rates by a cumulative of 75 basis points during the financial year 2013-14. Cash Reserve Ratio (CRR) was maintained at 4.00 percent all through the year. There were frequent changes to the overnight borrowing limits under Repo and term Repo. While headline CPI inflation receded over the last three months from 11.2 percent in November 2013 to 8.1 percent in February 2014, the persistence of ex-food and fuel CPI inflation at around 8 percent for the last 20 months poses difficult challenges to monetary policy.

Benchmark ten year bond yield was close to 8 percent at the start of the financial year 2013-14 and closed the year at 8.85 percent. Benchmark yield fell in April and May (Repo cut) and yield touched close to a low of 7 percent. Subsequently, with rising inflation, yields moved up sharply. For short periods, yields crossed 9 percent levels but mostly remained in the 8.50 – 9 percent range. There was large outflow from debt segment in the months June to September and the market stabilized only after RBI received large inflows in the FCNR (B) scheme. After various measures to stabilize currency, benchmark yield also stabilized but remained relatively firm for most of the period.

Indian Rupee (INR) started the fiscal at ₹54.50 per US \$ and ended the year at ₹60.00. INR was extremely

ಮೇಲೆ ಗಾಢವಾಗಿ ಪರಿಣಾಮ ಬೀರಿ ನಿತ್ಯಾಂಗಿಗೊಳಿಸಿದ್ದು, ಹಲವಾರು ಪಥಗಳಿಂದ ಸತತ ಹೊಡೆತದಿಂದಾಗಿ ಹಣದುಬ್ಬರ, ಏರಿಕೆಯ ನಿರೀಕ್ಷೆಗೆ ಕಾರಣವಾಗಿದ್ದು, ಇದಕ್ಕೆ ಆರ್ಥಿಕ ಅಸ್ಥಿರತೆ, ನಿಮ್ಮ ಆರ್ಥಿಕತೆ ಮತ್ತು ಒಟ್ಟಾರೆ ಉಳಿತಾಯ ಕೊರತೆ, ಬಿಗುವಾದ ಚಾಲ್ತಿ ಖಾತೆ ಅಂತರ ಮತ್ತು ಕರೆನ್ಸಿಯು ದುರ್ಬಲತೆ ಮಾರಕ ಕಾರಣವಾಗಿವೆ.

ಚಾಲ್ತಿ ಖಾತೆ ಕೊರತೆ ಹೆಚ್ಚಿದ್ದರಿಂದಾಗಿ, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆರ್ಥಿಕ ಧೋರಣೆಯನ್ನು ದೃಢಗೊಳಿಸುವತ್ತ ಮತ್ತಷ್ಟು ಅನನ್ಯ ಧೋರಣಾ ಮಾನದಂಡಗಳನ್ನು ಪ್ರಯೋಗಿಸಿತು. ರಕ್ಷಣಾತ್ಮಕತೆಯ ಪ್ರಥಮ ಹೆಜ್ಜೆಯಾಗಿ ಮಾರ್ಚ್ನಲ್ಲಿ ಸ್ಟ್ಯಾಂಡಿಂಗ್ ಸೌಲಭ್ಯದ ದರವನ್ನು ಏರಿಕೆ ತನ್ಮೂಲಕ ಕಡಿಮೆ ಅವಧಿಯ ಬಡ್ಡಿ ದರವನ್ನು ಹೆಚ್ಚಿಸಿತ್ತು. ಇದರಿಂದ ಮಾರ್ಚ್ನಲ್ಲಿ ಸ್ಟ್ಯಾಂಡಿಂಗ್ ಸೌಲಭ್ಯದ ದರವು 200 ತಳಹದಿ ಬಿಂದು (ಬೆಸಿಸ್ ಪಾಯಿಂಟ್ಸ್) ಹೆಚ್ಚಿದ್ದು ಮತ್ತು ದ್ರವತ್ವ ಹೊಂದಾಣಿಕಾ ಸೌಲಭ್ಯದಲ್ಲಿ ಲಭ್ಯವಾಗುವ ದ್ರವೀಕರಣವನ್ನು ಜುಲೈ 2013 ರಿಂದ ಸಾಂದ್ರಗೊಳಿಸಿತು. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ದ್ರವತ್ವ ನಿಯಂತ್ರಣ ಹಾಗೂ ಕೈಗೊಂಡ ಇತರ ಹಣಕಾಸು ಮಾನದಂಡ ಪ್ರಯೋಗಗಳಿಂದಾಗಿ ಮಾರ್ಚ್ನಲ್ಲಿ ಸ್ಟ್ಯಾಂಡಿಂಗ್ ಸೌಲಭ್ಯ ದರವನ್ನು ಮೂರು ಹಂತಗಳಲ್ಲಿ 150 ತಳಹದಿ ಬಿಂದು (ಬೆಸಿಸ್ ಪಾಯಿಂಟ್ಸ್) ತನಕವೂ ಇಳಿಸಿದ ಕಾರಣದಿಂದಾಗಿ, ಸೆಪ್ಟೆಂಬರ್ 2013 ವೇಳೆಗೆ ಕರೆನ್ಸಿ ಮಾರುಕಟ್ಟೆಯು ಸಹಜ-ಸಾಮಾನ್ಯ ಸ್ಥಿತಿಗೆ ಮರಳುವಂತಾಯಿತು. ಏನಿದ್ದರೂ, ಹಣ ದುಬ್ಬರವನ್ನು ತಡೆ ಹಿಡಿಯುವ ಸರ್ವ ಯತ್ನದಲ್ಲಿದ್ದರೂ, ಪದೇ ಪದೇ ಇದು ಏರುಗತಿಯಲ್ಲಿರುವುದು ಕಳವಳಕಾರಿಯಾಗಿದ್ದು, ಧೋರಣಾ ರೇಪೋ ದರ ಮೂರು ಹಂತಗಳಲ್ಲಿ 75 ತಳಹದಿ ಬಿಂದುಗೆ (ಬೆಸಿಸ್ ಪಾಯಿಂಟ್ಸ್) ನೆಗೆಯಿತು.

ಆರ್ಥಿಕ ಧೋರಣಾ ಸುಧಾರಣೆಯ ಅಂಗವಾಗಿ, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ಮೇ, 2013 ರಲ್ಲಿ, ಅಭಿವೃದ್ಧಿಗೆ ವೇಗೋತ್ಕರ್ಷ ನೀಡಲು ಸಕಾಲಿಕ ಕಾಯಕಲ್ಪವಾಗಿ ರೇಪೋ ದರವನ್ನು 25 ರಷ್ಟು ತಳಹದಿ ಬಿಂದುಗೆ (ಬೆಸಿಸ್ ಪಾಯಿಂಟ್ಸ್) ಇಳಿಸಿತು. ಆದರೆ ಹಣ ದುಬ್ಬರ ಪ್ರಮಾಣವು ಪುನಃ ಏರುಗತಿ ಕಂಡಿದ್ದು (ಹೆಚ್ಚಾಗಿ ಕೃಷಿ ಉತ್ಪನ್ನಗಳಿಗೆ), ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ಹಂತಹಂತವಾಗಿ ಒಟ್ಟು 75 ತಳಹದಿ ಬಿಂದುವಿನಷ್ಟು (ಬೆಸಿಸ್ ಪಾಯಿಂಟ್ಸ್) ದರವನ್ನು 2013-14ನೇ ವರ್ಷ ಸಾಲಿನಲ್ಲಿ ಏರಿಸಿತು. ನಗದು ಮೀಸಲು ಅನುಪಾತವು ಶೇ. 4.00 ರಲ್ಲೇ ವರ್ಷಪೂರ್ತಿ ಕಾಯ್ದುಕೊಳ್ಳಲಾಯಿತು, ರೇಪೋ ಮತ್ತು ಸಾವಧಿ ರೇಪೋಗಳ ಮುಂಗಡ ಮಿತಿಗಳು ಆಗಿಂದಾಗ್ಗೆ ಬದಲಾವಣೆಗೊಳಗಾಗುತ್ತಿದ್ದುವು. ಪ್ರಧಾನ ಸಿ.ಪಿ.ಐ. ಹಣದುಬ್ಬರ ಪ್ರಮಾಣವು ನವೆಂಬರ್ 2013 ರಲ್ಲಿದ್ದ ಶೇ. 11.2 ರಿಂದ ಕಳೆದ 3 ತಿಂಗಳಲ್ಲಿ ಇಳಿಮುಖಗೊಂಡು ಫೆಬ್ರವರಿ 2014 ರ ವೇಳೆಗೆ ಶೇ. 8.1 ರ ಮಟ್ಟಕ್ಕೆ ತಲುಪಿತು. ಆಹಾರೇತರ ಮತ್ತು ಇಂಧನ ಸಿಪಿಐ ಹಣದುಬ್ಬರದ ಪ್ರಮಾಣವು ಕಳೆದ 20 ತಿಂಗಳುಗಳಲ್ಲಿ ಹೆಚ್ಚು ಕಡಿಮೆ ಶೇ. 8 ರ ಮಟ್ಟದಲ್ಲೇ ಉಳಿದದ್ದು, ಆರ್ಥಿಕ ಧೋರಣೆಗೆ ಸವಾಲಾಗಿ ಕಾಡಿತು.

2013-14 ವರ್ಷ ಸಾಲಿನ ಪ್ರಾರಂಭದಲ್ಲಿ ಬೆಂಚ್‌ಮಾರ್ಕ್ ಬಾಂಡ್‌ನ ಇಳುವರಿ ಶೇ. 8 ರ ಸಮೀಪಗತವಾಗಿದ್ದು, ವರ್ಷಾಂತ್ಯಕ್ಕೆ ಶೇ. 8.85ಕ್ಕೆ ತಲುಪಿತು. ಬೆಂಚ್‌ಮಾರ್ಕ್ ಇಳುವರಿ ಎಪ್ರಿಲ್ ಮತ್ತು ಮೇ (ರೇಪೋ ಕಡಿತ) ಸಮಯದಲ್ಲಿ ಇಳಿದು ಇಳುವರಿಯು ಶೇ. 7ಕ್ಕೆ ಕುಸಿಯಿತು. ಅನುರೂಪವಾಗಿ, ಹಣದುಬ್ಬರ ಏರುವಿಕೆಯಿಂದ ಇಳುವರಿ ತೀಕ್ಷ್ಣವಾಗಿ ಮೇಲೇರಿತು. ಅಲ್ಲ ಅಲ್ಲದಾಗಿ, ಇಳುವರಿಯು ಶೇ. 9 ರ ಮಟ್ಟವನ್ನು ದಾಟಿದ್ದರೂ ಹೆಚ್ಚು ಕಡಿಮೆ ಶೇ. 8.50-9.00 ರ ಅಂತರದಲ್ಲೇ ಉಳಿದಿತ್ತು. ಜೂನ್‌ನಿಂದ ಸೆಪ್ಟೆಂಬರ್ ತನಕ ಬಾಕಿ ಹೊರ ಹರಿವು ಪ್ರಧಾನವಾಗಿದ್ದು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಎಫ್‌ಸಿಎನ್‌ಆರ್ (ಬಿ) ಯೋಜನೆಯನ್ವಯ ಬೃಹತ್ ಒಳಹರಿವನ್ನು ತಂದಾಗ ಮಾತ್ರ ಇದು ತಹಬಂದಿಗೆ ಬಂದಿತು. ಕರೆನ್ಸಿ ಮೌಲ್ಯ ಸ್ಥಿರೀಕರಿಸುವ ವಿವಿಧ ಸುಧಾರಣಾ ತಂತ್ರಗಳ ಪ್ರಯೋಗವಾದರೂ, ಬೆಂಚ್‌ಮಾರ್ಕ್ ಇಳುವರಿ ಸಹ ಸ್ಥಿರೀಕರಿಸಿದ್ದು ಆದರೆ ಹೆಚ್ಚಿನ ಅವಧಿಯಲ್ಲಿ ಕೊಂಚ ಬಿಗುವಾಗಿಯೇ ಉಳಿಯಿತು.

ಆರ್ಥಿಕ ವರ್ಷದ ಪ್ರಾರಂಭದಲ್ಲಿ ರೂಪಾಯಿ ಮೌಲ್ಯ ಡಾಲರ್ ಎದುರು ₹ 54.50 ಇದ್ದು, ವರ್ಷಾಂತ್ಯದಲ್ಲಿ ಮೌಲ್ಯ ನಿವಾಶಗೊಂಡು ₹ 60ಕ್ಕೆ ತಲುಪಿತು.

volatile and touched a low ₹68.62 in September 2013. INR started weakening after Fed chairman hinted at tapering asset purchase in May. In the subsequent 3-4 months there were large outflow from the domestic debt market and INR plummeted to a low of ₹68.62 before recovering after RBI announced various measures to halt the slide. The most effective measure was allowing FCNR(B) with concessional swap window with RBI at a fixed rate of 3.50 percent. This got huge inflows (almost \$34.00 bn). Another measure which had a big positive impact was restriction on Gold imports. This caused gold import to fall by over \$20.0 bn compared with the previous year.

As exports got a boost because of weak INR and imports were sluggish, CAD came off sharply (estimated at \$33.00 bn for FY14 compared with \$87.00 bn for FY13) and resulted in the stability of INR. Foreign exchange reserve increased to US\$303.67 bn as on March 28, 2014 as against US\$293.37 bn a year ago.

Much awaited Companies Act 2013 has been notified in the Gazette of India on August 30, 2013 replacing 58 year old Companies Act, 1956. The various sections of the new company law are being implemented in phased manner. As on date a total of 283 sections out of 470 sections have been notified. The new Act has inserted new concepts such as E-voting for general body meeting, corporate social responsibility, independent directors, electronic mode of keeping records and servicing documents on members etc. As per the provisions of Section 135 of the Companies Act, as part of corporate social responsibility, your Bank is required to undertake project or programme as prescribed under schedule VII of the above Act by spending at least two percent of the average net profit during the three immediately preceding financial years. Your Bank has constituted a CSR Committee and the modalities of the implementation of projects / programmes will be finalized in due course in accordance with the Act.

#### Development in the Banking Sector

The overall growth in bank deposits was in the range of 14.60 percent during the year 2013-14 and advances had grown at a rate of 14.30 percent during the same period. While the Food credit of SCBs increased by 20.60 percent and stood at ₹98,480 crore as at March 21, 2014 as compared to a growth at 19.80 percent in the previous year. Non-food credit extended by the SCBs was up by 14.52 percent (₹7,50,570 crores) and total outstanding as at the end

ಭಾರತೀಯ ರೂಪಾಯಿ ಮೌಲ್ಯದ ಸ್ಥಿತಿ ಆತ್ಯಂತ ಚಂಚಲವಾಗಿದ್ದು, ಸೆಪ್ಟೆಂಬರ್ 2013ಕ್ಕೆ ಇದು ₹68.62 ಮಟ್ಟಕ್ಕೆ ಕುಸಿಯಿತು. ಭಾರತೀಯ ರೂಪಾಯಿ ಮೌಲ್ಯದ ಇಳಿಮುಖತೆಗೆ ಮೇ ತಿಂಗಳಲ್ಲಿ ಫೆಡರಲ್ ಅಧ್ಯಕ್ಷರು ಆಸ್ತಿ ಖರೀದಿಯ ಘನೀಕರಣದ ಸೂಚನೆ ನೀಡಿದ್ದು ಪ್ರಧಾನ ಕಾರಣವಾಗಿತ್ತು. ನಂತರದ ಮೂರು-ನಾಲ್ಕು ತಿಂಗಳುಗಳಲ್ಲಿ, ಭಾರತೀಯ ಬಾಕಿ ಮಾರುಕಟ್ಟೆಯ ಬೃಹತ್ ಹೊರಹರಿವು, ಭಾರತೀಯ ರೂಪಾಯಿ ಮೌಲ್ಯ ₹68.62 ಕುಸಿಯಲೂ ಒಂದು ಕಾರಣವಾಗಿದ್ದು, ಬಳಿಕ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್, ಮೌಲ್ಯಸ್ಥಿರೀಕರಣಕ್ಕಾಗಿ ವಿವಿಧ ಸೂತ್ರಗಳನ್ನು ತರುವಲ್ಲಿಯೂ ತನಕ ಮುಂದುವರಿಯಿತು. ಅತ್ಯಂತ ಫಲಪ್ರದ - ಪರಿಣಾಮಕಾರಿ ತಂತ್ರ ಎಫ್‌ಸಿಎನ್‌ಆರ್ (ಬಿ) ಒಳಹರಿವಿಗೆ ಆರ್.ಬಿ.ಐ, ವಿಶೇಷ ರಿಯಾಯಿತಿಗವಾಕ್ಷಿ ತೆರೆದದ್ದು, ಅದು ಶೇ. 3.50ರ ಸ್ಥಿರ ದರದಲ್ಲಿ ಇದು ಬೃಹತ್ ಒಳಹರಿವನ್ನು ತಂದೊಡಗಿಸಿತು. (ಹೆಚ್ಚು ಕಡಿಮೆ ಡಾಲರ್ 34.00 ಬಿಲಿಯನ್) ಇನ್ನೊಂದು ಧನಾತ್ಮಕ ಹೆಜ್ಜೆ ಚಿನ್ನದ ಆಮದಿನ ಮೇಲಣ ನಿರ್ಬಂಧ. ಹಿಂದಣ ವರ್ಷದಲ್ಲಿನ ಚಿನ್ನದ ಆಮದಿನ ಪರಿಮಾಣಕ್ಕೆ ಹೋಲಿಸಿದರೆ, ನಿರ್ಬಂಧದಿಂದಾಗಿ ಚಿನ್ನದ ಆಮದು ಡಾಲರ್ 20.00 ಬಿಲಿಯನ್ ನಷ್ಟು ಕುಸಿಯಿತು.

ದುರ್ಬಲ ಭಾರತೀಯ ರೂಪಾಯಿ ಮೌಲ್ಯದಿಂದಾಗಿ ರಫ್ತುರಂಗಕ್ಕೆ ವರದಾನ ವಾದರೆ, ಆಯಾತರಂಗ ಕುಸಿಯಿತು. ಸಿಎಡಿ ಸಹ ತೀವ್ರವಾಗಿ ಕುಸಿದು (2014 ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ಇದನ್ನು ಡಾಲರ್ 33.00 ಬಿಲಿಯನ್ ಗೆ ಆಂದಾಜಿಸಲಾಗಿದ್ದು, ಆರ್ಥಿಕ ವರ್ಷ 2013ರಲ್ಲಿ ಇದು ಡಾಲರ್ 87.00 ಬಿಲಿಯನ್ ನಷ್ಟು), ಇದರಿಂದಾಗಿ ಭಾರತೀಯ ರೂಪಾಯಿಯ ಮೌಲ್ಯವರ್ಧನೆ, ಸ್ಥಿರತೆಗೂ ಕಾರಣವಾಯ್ತು. 28, ಮಾರ್ಚ್ 2014ಕ್ಕೆ ವಿದೇಶಿ ವಿನಿಮಯ ಮೀಸಲು ಯು.ಎಸ್. ಡಾಲರ್ 303.67 ಬಿಲಿಯನ್ ಗೆ ಏರಿತು ಒಂದು ವರ್ಷದ ಹಿಂದೆ ಇದು ಯು.ಎಸ್. ಡಾಲರ್ 293.37 ಬಿಲಿಯನ್ ಆಗಿತ್ತು.

58 ವರ್ಷದ ಹಿಂದಣದ ಕಂಪೆನಿ ಕಾಯಿದೆ, 1956, ಬಹುನೀತಿತ್ವವಾಗಿ ಕಂಪೆನಿ ಕಾಯಿದೆ 2013 ಆಗಿ ಪರಿಷ್ಕರಿಸಿ ಅಗಸ್ಟ್ 30, 2013ರಂದು ಭಾರತದ ಗುರುತಿಸಲಾದ ಪ್ರಕಟಣೆಗೊಂಡಿತು. ಹೊಸ ಕಂಪೆನಿ ಕಾಯಿದೆಯ ವಿವಿಧ ಪರಿಷ್ಕರಣೆಗಳನ್ನು ಕ್ರಮೇಣ ವಿಧಿವತ್ತಾಗಿ ಅಳವಡಿಸಿಕೊಳ್ಳಲಾಗುತ್ತಿದೆ. ಈ ದಿನಾಂಕದವನು 470 ಸೆಕ್ಷನ್‌ಗಳಲ್ಲಿ 283 ಸೆಕ್ಷನ್‌ಗಳನ್ನು ಪ್ರಕಟಿಸಲಾಗಿದೆ. ಹೊಸ ಕಾಯಿದೆಯು, ನವೀನ ಕಲ್ಪನೆಗಳನ್ನು ಅಳವಡಿಸಿಕೊಂಡಿದ್ದು, ಅವುಗಳಲ್ಲಿ ಈ- ಓಟಿಂಗ್ (ಮಹಾಸಭೆಗಾಗಿ) ಕಾರ್ಪೊರೇಟ್ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ, ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರು, ದಾಖಲೆಗಳನ್ನು ಇಲೆಕ್ಟ್ರಾನಿಕ್ ರೂಢಿಯಲ್ಲಿರಿಸುವುದು ಮತ್ತು ಸದಸ್ಯರಿಗೆ ದಾಖಲೆ ಒದಗಿಸಿ ಸೇವೆ ನೀಡುವುದು ಇತ್ಯಾದಿ ಬರುತ್ತವೆ. ಕಂಪೆನಿ ಆಕ್ಟ್‌ನ ಸೆಕ್ಷನ್ 135ನೇ ವಿಧಿ ಪ್ರಕಾರ, ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿಯ ಅಂಗವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಂದು ಪ್ರಾಜೆಕ್ಟ್ ಅಥವಾ ಕಾರ್ಯಕ್ರಮವನ್ನು ಕಾಯಿದೆಯ ಷೆಡ್ಯೂಲ್ VIIನಲ್ಲಿ ಉಲ್ಲೇಖಿಸಿಗೊಂಡಂತೆ ಕೈಗೊಳ್ಳಬೇಕಾಗಿದ್ದು, ಇದಕ್ಕೆ ಮುಂಬರುವ ಮೂರು ಆರ್ಥಿಕ ವರ್ಷಗಳಲ್ಲಿ ಸರಾಸರಿ ನಿವ್ವಳ ಆದಾಯದ ಕನಿಷ್ಠ ಶೇ. 2ರಷ್ಟು ಪ್ರಮಾಣವನ್ನು ವ್ಯಯಿಸಬೇಕಾಗಿರುತ್ತದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈಗಾಗಲೇ ಸಿಎಸ್‌ಆರ್ ಸಮಿತಿಯನ್ನು ರಚಿಸಿದ್ದು, ಕಾಯಿದೆಗನುಸಾರವಾಗಿ ಪ್ರಾಜೆಕ್ಟ್ / ಪ್ರೋಗ್ರಾಂಗಳ ಅನುಷ್ಠಾನದ ಬಗೆಗೆ ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಕಾರ್ಯಾನುಷ್ಠಾನಗೊಳ್ಳುತ್ತದೆ.

#### ಬ್ಯಾಂಕಿಂಗ್ ರಂಗದಲ್ಲಿ ಅಭಿವೃದ್ಧಿ

2013-14ರ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕುಗಳ ಒಟ್ಟು ಶೇವಣಿ ಅಭಿವೃದ್ಧಿಯು ಶೇ. 14.60ರ ಶ್ರೇಣಿಯಲ್ಲಾಗಿದ್ದು, ಒಟ್ಟು ಮುಂಗಡಗಳ ವೃದ್ಧಿ ಶೇ. 14.30ರಷ್ಟು ಆಗಿದೆ. ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ ಆಹಾರ ಮುಂಗಡವು ಶೇ. 20.60 ವೃದ್ಧಿಗೊಂಡು ₹98,480 ಕೋಟಿಯನ್ನು 21 ಮಾರ್ಚ್ 2014ಕ್ಕೆ ತಲಪಿದ್ದು, ಹಿಂದಣ ವರ್ಷದ ವೃದ್ಧಿ ಶೇ. 19.80 ಆಗಿತ್ತು. ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ ಆಹಾರೇತರ ಮುಂಗಡವು ಶೇ. 14.52 (₹ 7,50,570 ಕೋಟಿ) ವೃದ್ಧಿಗೊಂಡಿದ್ದು, ಹಾಗೂ 31 ಮಾರ್ಚ್ 2014 ಒಟ್ಟು ಮುಂಗಡದ ಮೊತ್ತ

of March, 2014 stood at ₹59,14,610 crore (previous year ₹52,97,850 crores). Non performing Assets of the banking system continued to be on the higher side during the financial year also.

SCB's investment increased by 10.70 percent during 2013-14 compared to 15.08 percent in the previous year and stood at ₹ 22,21,650 crore at the end of the year.

**Opportunities**

With a view to improve the overall performance and the business of the Bank, your Bank had continued the various initiatives implemented under business process re-engineering exercise christened 'Project Tejas' with the help of M/s KPMG Advisory Services (P) Ltd., Chennai.

It is expected that the newly elected government's priority would be to revive the economy and bring it back to the high growth trajectory by removing all bottlenecks in decision making process and controlling inflation etc. This is expected to unleash the investment decisions across sectors. The spurt in the economic activities would provide ample opportunities to the Bank to increase its business in the coming years besides improving the quality of loan book.

**OUTLOOK**

From 2014 onwards, global growth prospects are projected to improve over the medium term at a gradual pace. In India, several reform measures have been undertaken including clearance of several large projects by the Cabinet Committee on Investment. These steps could help in revival of investment and growth in the economy. In addition, resurgence of exports, prospects of revival in the global economy and moderation in inflation observed recently, point to a better outlook for the Indian economy in 2014-15 vis-à-vis 2013-14. Increased economic activities, benign interest rate environment and proactive policy initiatives from the New Government may provide ample opportunities to the Banks to increase the credit to various sectors of the economy including agriculture, export industry etc.

**BUSINESS GOALS FOR THE CURRENT YEAR**

Your Bank has projected a growth rate at 20.40 percent in its business during the financial year 2014-15. While deposits are projected to grow at 18.30 percent, advances growth has been estimated at 23.40 percent. Your Bank is confident of achieving the growth through better customer service and operational efficiency. Besides, the Bank also plans to

₹ 59,14,610 ಕೋಟಿ (ಒಂದಣಿ ವರ್ಷದ ಮೊತ್ತ ₹ 52,97,850 ಕೋಟಿ) ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲೂ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯಲ್ಲಿನ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ಮೊತ್ತ ಉನ್ನತ ಎತ್ತರದಲ್ಲೇ ಇದೆ.

ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ ಹೂಡಿಕೆಗಳು ಶೇ. 10.70ರಷ್ಟು 2013-14ರಲ್ಲಿ ಹೆಚ್ಚುವರಿಗೊಂಡಿದ್ದು ಒಂದಣಿ ವರ್ಷದಲ್ಲಿ ಇದು ಶೇ. 15.08 ಹೆಚ್ಚುವರಿಕೊಂಡಿದ್ದು ವರ್ಷಾಂತ್ಯದ ಹೂಡಿಕೆಯ ಒಟ್ಟು ಮೊತ್ತ ₹ 22,21,650 ಕೋಟಿಯಾಗಿರುತ್ತದೆ.

**ಆವಕಾಶಗಳು**

ಸರ್ವಾಂಗೀಣ ನಿರ್ವಹಣೆ ಮತ್ತು ವ್ಯವಹಾರೋನ್ನತಿಯ ಆದ್ಯ ದೃಷ್ಟಿಕೋನದಿಂದ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹಲವಾರು ಸುಧಾರಣಾ ಪ್ರಕ್ರಿಯೆಗಳಿಗೆ ಚಾಲನೆ ನೀಡಿದ್ದು 'ಪ್ರವಹಾರ ಪ್ರಕ್ರಿಯೆ ಪುನರ್ ರೂಪಣೆ' ಎನ್ನುವ ಮಹತ್ವಾಕಾಂಕ್ಷಿ ಯೋಜನೆಯನ್ನು ಬ್ಯಾಂಕಿನಲ್ಲಿ ಈಗಾಗಲೇ ಆವಿಷ್ಕರಿಸಿದ್ದು 'ಪ್ರಾಜೆಕ್ಟ್ ತೇಜಸ್' ಎನ್ನುವ ತಿರೋಣಾಮೆಯಡಿ ಚೆನ್ನೈನ ಮೆ|| ಕೆಪಿಎಂಜಿ ಅಡ್ವೈಸರಿ ಸರ್ವಿಸಸ್ (ಪ್ರೈ) ಲಿಮಿಟೆಡ್ ಎನ್ನುವ ಸಂಸ್ಥೆಯ ನೆರವಿಂದ ಆಯೋಜಿಸಿದೆ.

ಹೊಸದಾಗಿ ರಚನೆಗೊಂಡ ಕೇಂದ್ರ ಸರ್ಕಾರ, ಹೊಸ ಆಲೋಚನೆಗಳಿಗೆ ಸ್ಪಂದನೆ ನೀಡುವಲ್ಲಿ ಹಾಗೂ ಆರ್ಥಿಕತೆಯನ್ನು ಪರಿಷೋಣ ಸಂರಚನೆಯಲ್ಲಿ ಪುನರ್ ರೂಪಿಸುವಲ್ಲಿ ಸಶಕ್ತ ಆರ್ಥಿಕತೆಯ ಬಲಿಷ್ಠ ಶಕ್ತಿಯಾಗುವಲ್ಲಿ ನಿರ್ಣಾಯಕ ಶಕ್ತಿಯ ಸಂಕುಲಿತ ಸ್ಥಿತಿಯ ಪುನರ್ ವಿಮೋಚನೆ ಮತ್ತು ಹಣದುಬ್ಬರದ ಸಶಕ್ತ ನಿರ್ವಹಣೆಯ ಯಶಸ್ವಿ ಸಾಧನೆಯ ಸೂಚನೆಗಳನ್ನು ಈಗಾಗಲೇ ರವಾನಿಸಿದೆ. ಹೂಡಿಕೆಯಲ್ಲಿ ಒತ್ತಡರಹಿತ ನಿರ್ವಹಣೆಯ ಮುಕ್ತವಾತಾವರಣವನ್ನು ವಲಯಗಳು ಬಯಸಿವೆ. ಆರ್ಥಿಕತೆಯ ಈ ಸಶಕ್ತ ಸಂಚಲನ ಬ್ಯಾಂಕುಗಳಿಗೆ ಸಾಕಷ್ಟು ಅವಕಾಶಗಳನ್ನು ತೆರೆದುಬಿಡುವುದಾಗಿದ್ದು, ತನ್ನ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಬೃಹತ್ ಏರಿಕೆ ಮತ್ತು ಮುಂಗಡ ಪುಸ್ತಕಗಳಲ್ಲಿ ಒಳ್ಳೆಯ ಗುಣಮಟ್ಟ ನಿರೀಕ್ಷಿಸಬಹುದಾಗಿದೆ.

**ಹೊರನೋಟ**

2014ರ ನಂತರ, ಜಾಗತಿಕ ಬೆಳವಣಿಗೆ ಅವಕಾಶಗಳು ಮಧ್ಯಮ ಸ್ವರದಲ್ಲಿ ಕ್ರಮೇಣ ವೇಗೋತ್ಕರ್ಷ ಹೊಂದುವ ಆಶಾವಾದದ ನಿರೀಕ್ಷೆ ಇದೆ. ಭಾರತದಲ್ಲಿ ಹಲವಾರು ಪುನರ್ ರೂಪಣೆ ಕಾರ್ಯಯೋಜನೆಗಳನ್ನು ಆಯೋಜಿಸಿದ್ದು ಹಲವಾರು ಬೃಹತ್ ಯೋಜನೆಗಳಿಗೆ, ಹೂಡಿಕೆಗಳಿಗೆ ಕ್ಯಾಬಿನೆಟ್ ಕಮಿಟಿ ಹಸಿರು ನಿಶಾನೆ ತೋರಿಸಿದೆ. ಇಂತಹ ಹೆಜ್ಜೆಗಳು ಹೂಡಿಕಾರಂಗದ ಚೇತರಿಕೆ ಮತ್ತು ಆರ್ಥಿಕತೆಯ ಸಶಕ್ತ ಬೆಳವಣಿಗೆಗೆ ಪೂರಕವಾಗುತ್ತವೆ. ಇದರೊಂದಿಗೆ ರಫ್ತುರಂಗಕ್ಕೆ ವಿಫಲ ಬೆಂಬಲ, ಜಾಗತಿಕ ಆರ್ಥಿಕತೆಯ ಚೇತರಿಕೆಯಿಂದ ಅವಕಾಶ, ಈಗಾಗಲೇ ಹಣದುಬ್ಬರ ನಿಯಂತ್ರಣದಲ್ಲಿ ಕಂಡುಬಂದ ಯಶಸ್ಸು, 2013-14ಕ್ಕಿಂತ ಉತ್ತಮ ಅವಕಾಶವನ್ನು ನಿರೀಕ್ಷಿಸುತ್ತಾ, 2014-15ರ ಭಾರತದ ಆರ್ಥಿಕ ಸಶಕ್ತತೆಯ ಬಗ್ಗೆ ಧನಾತ್ಮಕ ಹೊರನೋಟವನ್ನು ಬೀರಬಹುದಾಗಿರುತ್ತದೆ. ವೇಗೋತ್ಕರ್ಷಗೊಂಡ ಆರ್ಥಿಕ ಚಟುವಟಿಕೆಗಳು, ವ್ಯವಹಾರ ಸ್ನೇಹಿ ಬಡ್ಡಿದರಗಳ ವಾತಾವರಣ ಮತ್ತು ಪ್ರೋತ್ಸಾಹದಾಯಕ-ಧನಾತ್ಮಕ ಧೋರಣೆಯ ಹೊಸ ಸರ್ಕಾರದ ಬೆಂಬಲಿತ ಪರಿಸರ ಸಾಕಷ್ಟು ಬೃಹತ್ ಅವಕಾಶಗಳಿಗೆ ಮುಕ್ತ ಪಥ ನೀಡಬಲ್ಲದ್ದಾಗಿದ್ದು, ಬ್ಯಾಂಕುಗಳು ಸಹ ವಿವಿಧ ರಂಗಗಳಿಗೆ ಮುಂಗಡ ಒದಗಿಸುವಲ್ಲಿ ಯಶಸ್ವಿ ಸಾಧಿಸಬಹುದಾಗಿದೆ. ಕೃಷಿ ಹಾಗೂ ರಫ್ತುರಂಗಗಳಲ್ಲಿ ವಿಫಲ ಅವಕಾಶಗಳು ತೆರೆದಿವೆ.

**ಪ್ರಸ್ತುತ ವರ್ಷದ ವ್ಯವಹಾರ ಗುರಿ**

31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ಒಟ್ಟು ವ್ಯವಹಾರವನ್ನು ಶೇ. 20.40 ಅಭಿವೃದ್ಧಿ ಪರಿಮಾಣದಲ್ಲಿ ಎತ್ತರಿಸುವ ಗುರಿಯನ್ನು ಹೊಂದಿದೆ. ಇದರಲ್ಲಿ ಶೇವಣಿ ಅಭಿವೃದ್ಧಿಯ ಗುರಿ ಶೇ. 18.30 ಆಗಿದ್ದು, ಮುಂಗಡ ವೃದ್ಧಿಯ ಗುರಿ ಶೇ. 23.40 ಆಗಿರುತ್ತದೆ. ಅತ್ಯುತ್ತಮ ಗ್ರಾಹಕ ಸೇವೆ ಮತ್ತು ನಿರ್ವಹಣಾ ಶ್ರೇಷ್ಠತೆಯ ಮೂಲಕ ಈ ಗುರಿಗಳನ್ನು ಸಾಧಿಸುವ ವಿಶ್ವಾಸವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹೊಂದಿದೆ. ಅಂತೆಯೇ, ಬ್ಯಾಂಕು ತನ್ನ ಕಾರ್ತಾ ಸಂಖ್ಯೆಯನ್ನು 75 ಹೊಸ

increase its number of branches to 675 by opening of 75 new branches and ATMs to 1000 by opening 300 new ATMs.

### SEGMENT REPORTING

Pursuant to the Guidelines issued by RBI on Accounting Standard 17 (Segment Reporting), the Bank has identified four business segments viz., Treasury, Corporate / Wholesale banking, Retail Banking and Other Banking Operations for the year ended 31<sup>st</sup> March, 2014.

#### Treasury Operations

During the year-ended 31<sup>st</sup> March, 2014, your Bank has earned total revenue of ₹1178.21 crore from Treasury operations with a net result of ₹ (-) 4.38 crore.

#### Corporate / Wholesale Banking

The revenue earned by the Bank during year under report from this Segment was ₹1492.54 crore with a contribution of ₹50.73 crore.

#### Retail Banking

During the year 2013-14, this Segment has earned revenue of ₹1929.09 crore with a net result of ₹314.80 crore.

#### Other Banking Operations

During the year-ended 31<sup>st</sup> March 2014, this segment has generated revenues of ₹94.57 crore and a net result of ₹73.03 crore.

### RISKS AND CONCERNS

In the normal course of business a bank is exposed to various risks, namely, Credit Risk, Market Risk and Operational Risk, besides other residual risks such as Liquidity Risk, Interest Rate Risk, Concentration Risk, Strategic Risk, Reputation Risk etc. With a view to efficiently manage such risks, your Bank has put in place various risk management systems and practices. In line with the guidelines issued by the Reserve Bank of India from time to time, your Bank continues to strengthen various risk management systems that include policies, tools, techniques, systems and other monitoring mechanisms.

Your Bank aims at enhancing and maximizing the shareholder value by achieving appropriate trade-off between risks and returns. Your Bank's risk management objectives broadly cover proper identification, assessment, measurement, monitoring, controlling, mitigation and reporting of the risks across the various business segments of the Bank. The risk management strategy adopted by your Bank is based on a clear understanding of the risks

ತಾಬೆಗಳ ಸ್ಥಾಪನೆ ಮೂಲಕ 675 ಕ್ಕೆ ಏರಿಸುವ ಗುರಿ ಹಾಗೂ 300 ಹೊಸ ಎಟಿಎಂ ಸ್ಥಾಪನೆಗಳನ್ನು ತೆರೆಯುವ ಮೂಲಕ ಒಟ್ಟು ಎಟಿಎಂ ಸ್ಥಾಪನೆಗಳ ಸಂಖ್ಯೆಯನ್ನು ಒಂದು ಸಹಸ್ರಕ್ಕೆ ಏರಿಸುವ ಗುರಿಯನ್ನು ಹೊಂದಿರುತ್ತದೆ.

#### ವರದಿ ಮಾಡಲಿಕ್ಕಿರುವ ಭಾಗಗಳು

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿರ್ದೇಶಿಸಿದ ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ 17 (ವರದಿ ಮಾಡಲಿಕ್ಕಿರುವ ಭಾಗಗಳು) ಮಾರ್ಗದರ್ಶಿಗಳ ಅನುಸಾರವಾಗಿ ಬ್ಯಾಂಕು ವರ್ಷಾಂತ್ಯ 31, ಮಾರ್ಚ್ 2014ಕ್ಕೆ 4 ವ್ಯವಹಾರ ಅಂಗಗಳಲ್ಲಿ ಗುರುತಿಸಲ್ಪಟ್ಟಿದ್ದು ಅವುಗಳು ಖಜಾನೆ, ಸಾಂಸ್ಥಿಕ/ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್, ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ಚಟುವಟಿಕೆಗಳು-ಇವುಗಳನ್ನು ಒಳಗೊಂಡಿದೆ.

#### ಖಜಾನೆ ವಹಿವಾಟು

ಪ್ರಸ್ತುತ ವರ್ಷಾಂತ್ಯ 31, ಮಾರ್ಚ್ 2014ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಖಜಾನೆ ವಹಿವಾಟಿನಿಂದ ಒಟ್ಟು ₹ 1178.21 ಕೋಟಿ ಆದಾಯ ಗಳಿಸಿದ್ದು ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹ (-) 4.38 ಕೋಟಿಯಾಗಿದೆ.

#### ಸಾಂಸ್ಥಿಕ / ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್

ಈ ಅಂಗದಲ್ಲಿ ವರದಿ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕು ಗಳಿಸಿರುವ ಹುಟ್ಟುವಳಿ ₹ 1492.54 ಕೋಟಿಯಾಗಿದ್ದು ಕೊಡುಗೆ ₹ 50.73 ಕೋಟಿ ಆಗಿದೆ.

#### ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್

ಈ ಅಂಗದಲ್ಲಿ ಸದರಿ ವರ್ಷ 2013-14ರಲ್ಲಿ ₹ 1929.09 ಕೋಟಿ ಹುಟ್ಟುವಳಿ ಲಭ್ಯವಾಗಿದ್ದು ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹ 314.80 ಕೋಟಿಯಾಗಿರುತ್ತದೆ.

#### ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ವಹಿವಾಟುಗಳು

31, ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಈ ಅಂಗದಲ್ಲಿ ₹94.57 ಕೋಟಿ ಹುಟ್ಟುವಳಿ ಉತ್ಪನ್ನಗೊಂಡಿದ್ದು ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹ 73.03 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

#### ಸಂಭಾವ್ಯ ಅಪಾಯಗಳು ಮತ್ತು ಕಳಕಳಿಗಳು

ಬ್ಯಾಂಕಿನ ದೈನಂದಿನ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಸಾಮಾನ್ಯವಾಗಿ ಹಲವಾರು ಅಪಾಯಗಳಿಗೆ ಒಡ್ಡಿಕೊಳ್ಳಬೇಕಾಗಿರುವುದು ಅನಿವಾರ್ಯವಾಗಿದ್ದು ಅವುಗಳಲ್ಲಿ ಪ್ರಮುಖವಾಗಿ ಮುಂಗಡ ಅಪಾಯ, ಮಾರುಕಟ್ಟೆ ಅಪಾಯ ಮತ್ತು ನಿರ್ವಹಣಾ ಅಪಾಯ ಹಾಗೂ ಇತರ ಉಳಿಕೆ ಅಪಾಯಗಳಾದ ದ್ರವತ್ವದ ಅಪಾಯ, ಬಡ್ಡಿದರ ಅಪಾಯ, ಕೇಂದ್ರೀಕರಣ ಅಪಾಯ, ವ್ಯೂಹಾತ್ಮಕ ಅಪಾಯ, ಪ್ರತಿಷ್ಠಾ ಅಪಾಯ ಇತ್ಯಾದಿ. ಇಂತಹ ಅಪಾಯಗಳನ್ನು ದಕ್ಷತೆಯಿಂದ ನಿರ್ವಹಿಸಲು, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹಲವಾರು ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳನ್ನು ರಚಿಸಿ ಕಾರ್ಯರೂಪಕ್ಕೆ ತಂದಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಗಿಂದಾಗ್ಗೆ ನೀಡಿದ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ, ಹಲವಾರು ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳ ಮೂಲಕ ಧೋರಣೆ, ತಾಂತ್ರಿಕತೆ, ಪರಿಕರದ್ವಾರ ಅತ್ಯುತ್ತಮ ನಿರ್ವಹಣೆಯನ್ನು ಬಲಿಷ್ಠಗೊಳಿಸಿದ್ದು, ಅದನ್ನು ಬ್ಯಾಂಕು ಮುಂದುವರಿಸಿ ಕೊಂಡು ಬರುತ್ತಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಶೇರುದಾರರ ಹಿತಾಸಕ್ತಿ ಮೌಲ್ಯವನ್ನು ಗರಿಷ್ಠವಾಗಿ ಕಾಪಾಡಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಅಪಾಯ ಮತ್ತು ಉತ್ಪತ್ತಿಗಳ ನಡುವೆ ಸೂಕ್ತ ವಹಿವಾಟು ಕಡಿತದ ಮೂಲಕ ಕಾಳಜಿ ವಹಿಸುತ್ತಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ವಿಭಾಗವು ಪ್ರಮುಖವಾಗಿ ಅಪಾಯಗಳ ಸಕಾಲಿಕ ಗುರುತಿಸುವಿಕೆ, ಅಪಾಯಗಳ ಮಟ್ಟದ ತುಲನೆ, ಮೇಲ್ವಿಚಾರಣೆ ಹಾಗೂ ದಕ್ಷ ನಿರ್ವಹಣೆಯನ್ನು ಕೈಗೊಂಡು ವ್ಯವಹಾರದ ಪ್ರಕ್ರಿಯೆಯಲ್ಲಿ ಅಪಾಯ ಪಂಥಾಹ್ನಾನವನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸುತ್ತಿದೆ. ಬ್ಯಾಂಕು ಅಳವಡಿಸಿಕೊಂಡ ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ನಿರ್ವಹಣಾ ಧೋರಣೆಯು ಅಪಾಯಗಳ ಬಗ್ಗೆ ಸಂಪೂರ್ಣ ಅರಿವು ಮತ್ತು ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯ ಮಟ್ಟದ ಪೂರ್ಣ

and the level of risk appetite that is dependent on the willingness to take risks in the normal course of business. A Board level committee, viz., Integrated Risk Management Committee of your Bank, periodically reviews the risk profile, evaluates the overall risks faced by the Bank and develops policies and strategies for their effective management.

Various senior management committees such as Credit Policy Committee (CPC), Asset-Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC) etc operate within the broad policy framework of the Bank to ensure and enhance the risk control and governance framework within the Bank. The Risk Management Department at Head Office oversees the overall implementation of various risk management initiatives across the Bank.

In line with the guidelines issued by RBI, your Bank has implemented the New Capital Adequacy Framework and is Basel II compliant with effect from March 31, 2009, by adopting the basic approaches available under the guidelines. While complying with all the requirements of the basic approaches under Basel II, your Bank has taken the necessary steps to move over to Basel II Advanced Approaches as per the Road Map approved by the Bank's Board in this regard. As a part of the Basel II Pillar III –Market Disclosure requirement, your Bank has made a detailed Pillar III Disclosure, which is appended to this report as Annexure II. The Bank has complied with the Basel III guidelines from April 1, 2013 and has also assessed the future capital impacts.

In compliance with Basel II/III guidelines, the Bank has put in place a policy document for Internal Capital Adequacy Assessment Process (ICAAP) to evaluate its capital adequacy relative to its risks. Various stress testing framework are also put in place for better understanding of the likely impact even in high stress scenarios. The results of the ICAAP and Stress testing are reviewed periodically to assess the capital requirement for the projected business growth, keeping in view the risk appetite and risk profile of the Bank.

In line with guidelines issued by RBI, your Bank has reviewed the set-up of Chief Information Security Officer (CISO), who is responsible for articulating and enforcing the policies that Bank use to protect the information assets apart from coordinating the security related issues / implementation within the Bank. To evaluate and review the business performance of various business units / customers, your Bank has initiated the Fund Transfer Pricing (FTP) and Customer Profitability Management System (CPMS).

ತಿಳುವಳಿಕೆ ಹೊಂದಿದ್ದು, ಅಂತಹ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯನ್ನು ಅಭಿವೃದ್ಧಿಯ ದೃಷ್ಟಿಯಿಂದ ಸ್ವೀಕರಿಸಲು ಬ್ಯಾಂಕು ಮುಂದಾಗಿದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮಟ್ಟದ ಸಂಕೀರ್ಣ ಸಮಗ್ರ ಅಪಾಯ ನಿರ್ವಹಣಾ ಸಮಿತಿ ಆಗಿಂದಾಗ್ಗೆ ಬ್ಯಾಂಕಿಗೆ ಇದ್ದಿರಬಹುದಾದ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯ ಬಗ್ಗೆ ಅವಲೋಕನ, ಬ್ಯಾಂಕು ಒಟ್ಟಾರೆ ಎದುರಿಸುತ್ತಿರುವ ಅಪಾಯಗಳ ಬಗ್ಗೆ ಸೂಕ್ತ ಪುನರಾವಲೋಕನ, ಸೂಕ್ತ ಮೌಲಿಕರಣ ಮತ್ತು ಅತ್ಯುತ್ತಮ ನಿರ್ವಹಣೆಗಾಗಿ ಧೋರಣೆ ಮತ್ತು ಅನುಷ್ಠಾನಗಳ ಕಡೆ ಆದ್ಯ ಗಮನ ಹರಿಸುತ್ತಿದೆ.

ವರಿಷ್ಠ ಮಟ್ಟದ ವಿವಿಧ ವ್ಯವಸ್ಥಾಪನಾ ಸಮಿತಿಗಳನ್ನು ರಚಿಸಲಾಗಿದ್ದು ಅವುಗಳಲ್ಲಿ ಮುಂಗಡ ಧೋರಣೆ ಸಮಿತಿ, ಆಸ್ತಿ-ಉಣ ಸಮಿತಿ, ನಿರ್ವಹಣಾ ಅಪಾಯ ವ್ಯವಸ್ಥಾಪನಾ ಸಮಿತಿ ಮುಂತಾದವುಗಳು ಬ್ಯಾಂಕಿನ ವಿಸ್ತೃತ ಧೋರಣಾ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಕಾರ್ಯವಹಿಸುತ್ತಿದ್ದು, ಅಪಾಯ ನಿಯಂತ್ರಣಕ್ಕಾಗಿ ಬ್ಯಾಂಕಿನ ಪರಿಮಿತಿಯಲ್ಲಿ ಗರಿಷ್ಠ ಕ್ರಮ ನಿರ್ವಹಿಸುತ್ತಿವೆ. ಪ್ರಧಾನ ಕಚೇರಿಯ ಅಪಾಯ ನಿರ್ವಹಣಾ ವಿಭಾಗವು ಅಪಾಯ ನಿರ್ವಹಣೆಯ ಮತ್ತು ನಿಯಂತ್ರಣ ಕ್ರಮದ ಸಕಾಲಿಕ ಅನುಷ್ಠಾನದ ವಿವಿಧ ಚಟುವಟಿಕೆಗಳ ಮೇಲ್ವಿಚಾರಣೆ ನಡೆಸುತ್ತಿದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ನೂತನ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಬೇಸಲ್ II ಅನುಸರಣೆಯನ್ನು 31, ಮಾರ್ಚ್ 2009ಕ್ಕೆ ಪೂರ್ಣ ಆವಿಷ್ಟಾರಗೊಳಿಸಿದೆ. ಬೇಸಲ್ II ಅನುಸರಣೆಯನ್ನು ಪೂರ್ಣವಾಗಿ ಕಾರ್ಯಗತಗೊಳಿಸುವಾಗಲೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬೇಸಲ್ II ಪಥದರ್ಶಕದ ಮುಂದುವರಿಯ ಅನುಸರಣೆಯನ್ನು ಬ್ಯಾಂಕಿನ ಆಡಳಿತ ಮಂಡಳಿಯ ಅನುಮೋದನೆಯೊಂದಿಗೆ ಕಾರ್ಯರೂಪಕ್ಕೆ ತರಲು ಸರ್ವಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದೆ. ಈ ಕುರಿತಂತೆ ಬೇಸಲ್ II ಸ್ತಂಭಸೂಚಿ III - ಮಾರುಕಟ್ಟೆ ಪ್ರಕಾಶನ ಅಗತ್ಯತೆ ಸಂಬಂಧಿಸಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಂದು ವಿವರಣಾತ್ಮಕ ಸ್ತಂಭಸೂಚಿ IIIರ ಪ್ರಕಾಶನವನ್ನು ಮಾಡಿದ್ದು, ಅದನ್ನು ಅನುಬಂಧ IIರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ. ಬೇಸಲ್ III ಗುಣಮಟ್ಟ ಅಳವಡಿಕೆಯ ಬಳಿಕ, ಭವಿಷ್ಯದಲ್ಲಿನ ಬಂಡವಾಳ ಪರಿಣಾಮವನ್ನು ವಿಶ್ಲೇಷಿಸಲೂ ಸಹ ಬ್ಯಾಂಕು ಏಪ್ರಿಲ್ 1, 2013ರಂದು ಪ್ರಾರಂಭಿಸಿದೆ.

ಬೇಸಲ್ II ಮತ್ತು III ಪಥದರ್ಶಕಗಳ ಅನುಷ್ಠಾನದೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ ಆದೇಶಿಕೆಯ ಧೋರಣಾ ದಾಖಲೆ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಅರಂಭಿಸಿದ್ದು, ಇದು ಅಪಾಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆಯ ಅಂದಾಜು ನಿರೀಕ್ಷಿಸುವಲ್ಲಿ ಸಹಾಯ ಮಾಡುತ್ತದೆ. ಹಲವಾರು ಒತ್ತಡ ಪರೀಕ್ಷಣಾ ಚೌಕಟ್ಟುಗಳನ್ನು ಬ್ಯಾಂಕು ಸ್ಥಾನಾಪನಗೊಳಿಸಿದ್ದು, ಇದು ತೀವ್ರ ಒತ್ತಡ ಸಾಧ್ಯತೆಯ ಪರಿಣಾಮ ತಿಳಿಯುವಲ್ಲಿ ಸಹ ಪರಿಣಾಮಕಾರಿಯಾಗಿದೆ. ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ ಆದೇಶಿಕೆ ಮತ್ತು ಒತ್ತಡ ಪರೀಕ್ಷಣೆಯ ಬಗ್ಗೆ ಆಗಿಂದಾಗ್ಗೆ ನಿಯಮಿತವಾಗಿ ಮೇಲ್ಮೂಟೆ ಹರಿಸುವುದರಿಂದ, ಯೋಜಿತ ವ್ಯವಹಾರಾಭಿವೃದ್ಧಿಗೆ ಅಗತ್ಯವಾದ ಬಂಡವಾಳ ಅಗತ್ಯತೆಯನ್ನು ಅಂದಾಜಿಸುವಲ್ಲಿಯೂ, ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ಸಾಮರ್ಥ್ಯ ಸುಧಾರಿಸುವಲ್ಲಿಯೂ ಸಹಕಾರಿಯಾಗಿದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬ್ಯಾಂಕಿನಲ್ಲಿ 'ಚೀಫ್ ಇನ್‌ಫಾರ್ಮೇಶನ್ ಸೆಕ್ಯೂರಿಟಿ ಆಫೀಸರ್'ರನ್ನು ಪ್ರತಿಷ್ಠಾಪಿಸಿದ್ದು, ಅವರು ಈ ಕಾರ್ಯಭಾರಗಳನ್ನು ಪರಾಮರ್ಶಿಸುತ್ತಾರೆ, ಇವರು ಬ್ಯಾಂಕಿನ ಧೋರಣೆಗಳನ್ನು ಕಾರ್ಯರೂಪಕ್ಕೆ ತರುವಲ್ಲಿ ಹೊಣೆಗಾರರಾಗಿದ್ದು ಅಂತೆಯೇ ಮಾಹಿತಿ ಆಸ್ತಿಯ ಗೌಪ್ಯತೆ ಕಾಪಾಡಿಕೆಯ ಹೊಣೆಯೂ ಸೇರಿದಂತೆ ಇವರ ಜವಾಬ್ದಾರಿ ನಿರ್ದೇಶಿಸಲ್ಪಟ್ಟಿದೆ. ವ್ಯವಹಾರಗಳ ಯೂನಿಟ್ ಮತ್ತು ಗ್ರಾಹಕರ ವ್ಯವಹಾರ ನಿರ್ವಹಣೆಯ ಕುರಿತಂತೆ ಮೌಲಿಕರಣ ಮತ್ತು ಪುನರ್ನೋಟವನ್ನು ಹರಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು 'ಫಂಡ್ ಟ್ರಾನ್ಸ್‌ಫರ್ ಪ್ರೈಸಿಂಗ್' ಮತ್ತು 'ಕಸ್ಟಮರ್ ಪ್ರಾಫಿಟಿಬಿಲಿಟಿ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಸಿಸ್ಟಮ್' ಇವುಗಳನ್ನು ಜಾರಿಗೆ ತಂದಿದೆ.

**Information Technology**

The Core Banking System (CBS) covers all the branches / offices of the Bank as on 31.03.2014. Alternate delivery channels like ATM, Internet Banking, Mobile Banking etc., have been integrated with CBS. Disaster Recovery (DR) facilities for all the critical applications are established to ensure business continuity in the event of primary site failure. A three-way data replication aimed at zero data loss is also implemented for applications such as CBS, ATM, & Internet Banking. The Bank is part of the RBI initiated technology initiatives such as RTGS, NEFT, ECS, NECS, Speed Clearing, CTS etc which have proved to be highly beneficial to the customers.

The other technology enabled initiatives include the Asset Liability Management System (ALM), Central Data Repository (CDR), Credit Information System (CIS), and Anti Money Laundering (AML) system, Mobile Banking, Integrated Treasury, Interactive Voice Response (IVR) System, Solutions for managing Market Risk and Operational Risk etc. During the current year projects like Loan Automation Processing System (LAPS), Unique Customer Identification Code (UCIC) etc. are in the advanced stages of implementation.

Reserve Bank of India had published recommendations of working group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds for implementation covering the areas such as IT Governance, Information security, IT operations, Information system audit, Cyber frauds, Business Continuity Planning, Customer education and legal issues arising out of use of IT. Bank is in the advanced stage of completing the gaps related to the above mentioned areas.

**INTERNAL CONTROL SYSTEMS AND COMPLIANCE**

Your Bank has put in place an effective and robust internal control apparatus, commensurate with its size, geographical spread and complexity of its operations. The macro level guidance and direction on the control aspects is vested with the Audit Committee of the Board of Directors which takes an overall view on the internal control aspects and formulates all the related policy guidelines. The Bank has put in place an independent Compliance Department in charge of the entire compliance functions of the Bank.

An effective and sound internal audit function plays an important role in contributing to the effectiveness of the internal control system. The audit function would provide high quality counsel to the management on the effectiveness of risk management and internal controls, including the

**ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ**

ಬ್ಯಾಂಕಿನ ಸರ್ವಶಾಖೆಗಳು 31.03.2014ಕ್ಕೆ "ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೊಲ್ಯೂಷನ್"ಗೆ ಅಳವಡಿಸಲ್ಪಟ್ಟಿರುತ್ತದೆ. ಪರ್ಯಾಯ ಬಟವಾಡೆ ಸಾಧನೆಗಳಾದ, ಎಟಿಎಂ, ಇಂಟರ್ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್, ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಇತ್ಯಾದಿಗಳೂ ಸಹ "ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸಿಸ್ಟಮ್"ಗೆ ಸಂಯುಕ್ತಗೊಂಡಿವೆ. ವಿಪತ್ತು ನಿವಾರಕ ಸೌಲಭ್ಯವನ್ನು ಎಲ್ಲಾ ಸಂಕೀರ್ಣ ಕಾರ್ಯಾಚಾರದ ಸಾಧನಗಳಿಗೆ ಸಂಯೋಜಿಸಲಾಗಿದ್ದು, ತನ್ನೊಲಕ ನಿರಾತಂಕವಾದ ವ್ಯವಹಾರ ಸಾಧ್ಯವಾಗಿದ್ದು, ಪ್ರಾಥಮಿಕ ಹಂತದ ವಿಫಲತೆಗೆ ತತ್ಕ್ಷಣ ಪರಿಹಾರ ಒದಗಲ್ಪಡುತ್ತದೆ. ಪ್ರತಿಯೊಂದು ದತ್ತಾಂಶವೂ ಮೂರು ಸ್ಥಾನಗಳಲ್ಲಿ ದಾಖಲಾಗಿರುವುದರಿಂದ ದತ್ತಾಂಶ ನಾಶದ ಪ್ರಶ್ನೆ ಉದ್ಭವಿಸುವುದಿಲ್ಲ. ಈ ವ್ಯವಸ್ಥೆ "ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸಿಸ್ಟಮ್", ಎಟಿಎಂ ಮತ್ತು ಇಂಟರ್ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್ ನೊಂದಿಗೆ ಸಂಯುಕ್ತಗೊಂಡಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ರೂಪಿಸಿದ ತಂತ್ರಜ್ಞಾನವುತ ಬ್ಯಾಂಕಿಂಗ್ ಉತ್ಪನ್ನಗಳಾದ ಆರ್ ಟಿಜಿಎಸ್, ಎನ್ ಇಎಫ್ ಟಿ, ಇಸಿಎಸ್, ಎನ್ ಇಸಿಎಸ್, ಸ್ಪೀಡ್ ಕ್ಲೀಯರಿಂಗ್, ಸಿಟಿಎಸ್ ಇತ್ಯಾದಿ ಸೌಲಭ್ಯಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಏರ್ಪಡಿಸುತ್ತಿದೆ. ಇದು ಗ್ರಾಹಕ ಸ್ನೇಹ ಸೇವೆಗಳಾಗಿ ಯಶಸ್ವಿಯಾಗಿವೆ.

ಇತರ ತಂತ್ರಜ್ಞಾನವುತ ಉಪಕ್ರಮಗಳಾದ ಆಸ್ತಿಯೂ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆ, ಕೇಂದ್ರೀಯ ದತ್ತಾಂಶ ಭಂಡಾರ, ಮುಂಗಡ ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಅಂತಿಮನಿ ಲಾಂಡರಿಂಗ್ ವ್ಯವಸ್ಥೆ ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್, ಸಂಕೀರ್ಣ ಖಜಾನೆ, ಇಂಟೆರಾಕ್ಟಿವ್ ವಾಯ್‌ರೆಸ್‌ಪಾನ್ಸ್ ವ್ಯವಸ್ಥೆ, ಮಾರುಕಟ್ಟೆ ಅಪಾಯ ಮತ್ತು ನಿರ್ವಹಣಾ ಅಪಾಯ ನಿರ್ವಹಣೆಯಲ್ಲಿ ಸೂಕ್ತ ನಿವಾರಣಾ ವ್ಯವಸ್ಥೆ ಇತ್ಯಾದಿಗಳು ಕಾರ್ಯವೆಸಗುತ್ತಿವೆ. ಪ್ರಸ್ತುತ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕು "ಲೋನ್ ಅಟೋಮೇಶನ್ ಪ್ರಾಸೆಸಿಂಗ್ ಸಿಸ್ಟಮ್", "ಯುನಿಕ್ ಕಸ್ಟಮರ್ ಐಡೆಂಟಿಫಿಕೇಶನ್ ಕೋಡ್" ಇತ್ಯಾದಿ ಯೋಜನೆಗಳನ್ನು ಅನುಷ್ಠಾನಿಸುವ ಅಂತಿಮ ಹಂತದಲ್ಲಿದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ಮಾಹಿತಿ ಭದ್ರತೆ ಕುರಿತಂತೆ ತನ್ನ ಅನುಮೋದನೆ ಗಳನ್ನು ಪ್ರಕಟಿಸಿದ್ದು ಇವುಗಳಲ್ಲಿ "ಇಲೆಕ್ಟ್ರಾನಿಕ್ ಬ್ಯಾಂಕಿಂಗ್", "ಟೆಕ್ನೋಲಜಿ ರಿಸ್ಕ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್" ಮತ್ತು "ಸೈಬರ್ ಫ್ರಾಡ್ ಇಂಪ್ರೂವೆಂಟ್‌ಮೆಂಟ್" ಒಳಗೊಂಡಿದ್ದು, ಇದರ ಹರುವು "ಐಟಿ ಗವರ್ನನ್ಸ್", ಮಾಹಿತಿ ಭದ್ರತೆ, ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ನಿರ್ವಹಣೆ, ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆಯ ಆಡಿಟ್, ಸೈಬರ್ ಫ್ರಾಡ್ಸ್ ವ್ಯವಹಾರ ನಿರಂತರತೆ ಯೋಜನೆ, ಗ್ರಾಹಕ ಶಿಕ್ಷಣ ಮತ್ತು ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಬಳಕೆಯಿಂದಾಗಬಹುದಾದ ಕಾನೂನು ಪ್ರಕರಣಗಳು ಇತ್ಯಾದಿ ಕ್ಷೇತ್ರಗಳನ್ನು ಒಳಗೊಂಡಿವೆ. ಮೇಲ್ಕಾಣಿಸಿದ ಮುಂದುವರಿದ ತಂತ್ರಜ್ಞಾನವುತ ಸೇವೆಗಳ ಅನುಷ್ಠಾನಕ್ಕಾಗಿ ಬ್ಯಾಂಕು ಅಂತಿಮ ಹೆಜ್ಜೆ ಇರಿಸುತ್ತಿದೆ.

**ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಗಳು ಮತ್ತು ಅನುಸಂಯಗಲು**

ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬ್ಯಾಂಕಿನ ಗಾತ್ರ ಮತ್ತು ವ್ಯವಹಾರಗಳಲ್ಲಿನ ಸೂಕ್ಷ್ಮತೆ ಹಾಗೂ ಭೌಗೋಳಿಕ ವ್ಯಾಪಕತೆಗೆ ಅನುಗುಣವಾಗಿ, ಪರಿಣಾಮಕಾರಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯನ್ನು ಪಾಲಿಸುತ್ತಿದೆ. ಸ್ಥೂಲ ಮಟ್ಟದ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ನಿರ್ದೇಶನ, ನಿಯಂತ್ರಣ ಪರಿಣಾಮಕಾರಿಯ ಕುರಿತಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಆಡಿಟ್ ಸಮಿತಿ ನೀಡುತ್ತಿದ್ದು, ಇದು ಆಂತರಿಕ ನಿಯಂತ್ರಣದ ಸರ್ವಾಂಗೀಣ ಮೇಲ್ನೋಟ ಹಾಗೂ ಧೋರಣಾ ಮಾರ್ಗದರ್ಶಕಿಯ ಪರಾಮರ್ಶ ನಡೆಸುತ್ತದೆ. ಅಲ್ಲದೇ, ಬ್ಯಾಂಕು ಸ್ವತಂತ್ರವಾದ ಪರಿಪಾಲನಾ ವಿಭಾಗವನ್ನು ಸ್ಥಾಪಿಸಿದ್ದು ಇದು ಆಂತರಿಕ ಕಾರ್ಯಭಾರದ ವೀಕ್ಷಣೆಯನ್ನು ಸದಾ ಜಾಗೃತಿಯಿಂದ ನೋಡುತ್ತಿದೆ.

ಪರಿಣಾಮಕಾರಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಸದೃಢವಾದ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಕೌಶಲ್ಯ ಪ್ರಮುಖ ಪಾತ್ರ ವಹಿಸುತ್ತದೆ. ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಪ್ರಕ್ರಿಯೆಯು, ಬ್ಯಾಂಕ್ ಆಡಳಿತಕ್ಕೆ ಉತ್ತಮ ಗುಣಮಟ್ಟದ ನಿಖರ ಅಭಿಪ್ರಾಯವನ್ನು ಒದಗಿಸುವಲ್ಲಿ ಸಹಕಾರಿ. ಈ ಅಭಿಪ್ರಾಯವು ಪರಿಣಾಮಕಾರಿ ಅಪಾಯ ನಿರ್ವಹಣೆ ಮತ್ತು ಆಂತರಿಕ ನಿಯಂತ್ರಣ, ಬ್ಯಾಂಕ್ ಪೂರೈಸಬೇಕಾದ ನಿಯಮಿತ ನೀಡಿಕೆಗೆ ವಿಶೇಷ ಸಹಕಾರಿಯಾಗುತ್ತದೆ. ಚಾರಿತ್ರಿಕವಾಗಿ

regulatory compliance by the Bank. Historically, the internal audit system in banks has been concentrating on transaction testing, testing of accuracy and reliability of accounting records and financial reports, integrity, reliability and timeliness of control reports and adherence to legal and regulatory requirements. Now, in addition to these, with the implementation of Risk-Based Internal Audit (RBIA), greater emphasis is placed on the internal auditor's role in mitigating various risks. While continuing with the traditional risk management and control methods involving transaction testing etc., the risk-based internal audit would, not only offer suggestions for mitigating current risks but also on potential future risks, thereby playing an important role in the risk management process of the Bank.

The RBIA assessment is undertaken, inter-alia, for the purpose of drawing the annual audit plan. The risk assessment would, as an independent activity, cover risks at various levels (corporate and branch; portfolio and individual transactions etc.) as also the processes in place to identify, measure, monitor and control the risks. The internal audit department is devising the RBIA risk assessment methodology, with the approval of the Board of Directors, keeping in view the size and complexity of the business undertaken by the Bank. The risk assessment process would include the identification of 'inherent business risks' in the various activities undertaken by the Bank, and evaluate the effectiveness of the control systems for monitoring the inherent risks of the business activities ('Control Risk') and then draw up a risk-matrix by taking into account both the factors viz., inherent business and control risks.

In pursuance of seeking periodic assurances on the adequacy and efficacy of internal control functions, the Bank causes periodic Regular Inspections and Information System (IS) Audits of all the branches and offices, concurrent audit of select branches - the aggregate turnover of which branches put together account for over 70% of the gross bank credit and over 50% of aggregate deposits of the Bank, Short Inspections of all the branches which are not subjected to concurrent audit and concurrent audit of treasury functions, International Division, Forex transactions, Information Systems audit of Data Centre and DR Site etc. Beside, the Bank has also been causing Stock and Credit audits of large borrowal accounts by external, professional audit firms in furtherance of effective credit administration. The Bank has also taken prompt action on the implementation of the RBI Guidelines on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds.

ಬ್ಯಾಂಕುಗಳ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವ್ಯವಸ್ಥೆಯ ಕಾರ್ಯ ಚಟುವಟಿಕೆಗಳ ಪರಿವೀಕ್ಷಣೆ, ನಿಖರತೆಯ ಪರೀಕ್ಷೆ ಮತ್ತು ಲೆಕ್ಕಗಳ ದಾಖಲೆ ಪರೀಕ್ಷೆ, ಲೆಕ್ಕಪತ್ರಗಳ ವರದಿಗಳ ಸಾಚಾತನ ಪರೀಕ್ಷೆ, ವಿಶ್ವಾಸಾರ್ಹತೆಯ ಪರೀಕ್ಷೆ, ನಿಯಂತ್ರಕ ವರದಿಗಳ ಸಕಾಲಿಕ ಸಲ್ಲಿಕೆಯ ಪರಿವೀಕ್ಷಣೆ, ಕಾನೂನು ಮತ್ತು ನಿಯಂತ್ರಕ ಅಗತ್ಯಗಳಿಗೆ ಬದ್ಧವಾಗಿದೆಯೇ ಎನ್ನುವುದನ್ನು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳುವುದನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ. ಇದಕ್ಕೆ ಹೆಚ್ಚುವರಿಯಾಗಿ ಇದೀಗ ವಿವಿಧ ಅಪಾಯಗಳನ್ನು ಮಿತಗೊಳಿಸುವಲ್ಲಿ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಪಾತ್ರ ಹೆಚ್ಚಿನ ಮಹತ್ವ ಹೊಂದಿದೆ. ಪರಿಣಾಮಕಾರಿ ಅಪಾಯ ನಿರ್ವಹಣೆ ಮತ್ತು ನಿಯಂತ್ರಣವನ್ನು ಕೇಂದ್ರೀಕರಿಸುವುದರೊಂದಿಗೆ ಪರಿಣಾಮಕಾರಿ ಸಾಚಾತನ ಪರೀಕ್ಷೆಯನ್ನು ಒಡಗೂಡಿ, ಅಪಾಯ ಸಂಭಾವ್ಯತಾ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯು ಚಾಲ್ತಿ ಅಪಾಯಗಳನ್ನು ಮಿತಗೊಳಿಸುವುದರೊಂದಿಗೆ, ವಿವಿಧ ಕ್ಷೇತ್ರಗಳಲ್ಲಿ ಬಂದೆರಗಬಹುದಾದ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯನ್ನು ನಿಖರವಾಗಿ ಅಂದಾಜಿಸುವ ಗುರುತರವಾದ ಹೊಣೆಯನ್ನು ಬ್ಯಾಂಕಿನ ಪರವಾಗಿ ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಯು ಹೊರುತ್ತದೆ.

ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯಲ್ಲಿ ಇತರ ವಿಷಯಗಳ ಜತೆಗೆ ಅಪಾಯದ ಮಾಪನವೂ ಸೇರಿದ್ದು, ಲೆಕ್ಕ ಪರಿಶೋಧನೆ, ಯೋಜನೆಯ ರೂಪಣೆಗೆ ಸಹಕಾರಿಯಾಗುತ್ತದೆ. ಅಪಾಯ ನಿರ್ಧರಣೆ-ಯಾ-ಮಾಪನ ಒಂದು ಸ್ವತಂತ್ರ ಕಾರ್ಯಭಾರವಾಗಿದ್ದರೂ ವಿವಿಧ ಸ್ತರಗಳಲ್ಲಿ (ಸಾಂಸ್ಥಿಕ ಮತ್ತು ಶಾಖಾಹಂತಗಳಲ್ಲಿ ಪೋರ್ಟ್‌ಫೋಲಿಯೋ ಮತ್ತು ಏಕವ್ಯಕ್ತಿಪರ ವಹಿವಾಟು ಇತ್ಯಾದಿ) ಕಾರ್ಯ ಜರಗಿಸುತ್ತಾ, ಅಪಾಯದ ಗುರುತಿಸುವಿಕೆ, ಮೌಲ್ಯಮಾಪನ, ನಿಗಾ ಮತ್ತು ನಿಯಂತ್ರಣಕ್ಕೆ ಸಹಾಯವೆಸಗುತ್ತದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಒಪ್ಪಿಗೆಯೊಂದಿಗೆ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ವಿಭಾಗವು ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಅಪಾಯ ಮಾಪನಾ ವ್ಯವಸ್ಥೆಯನ್ನು ಕಾರ್ಯರೂಪಕ್ಕೆ ತಂದು, ಬ್ಯಾಂಕು ನಡೆಸುವ ವ್ಯವಹಾರದ ಗಾತ್ರ ಮತ್ತು ಸಂಕೀರ್ಣತೆಗೆ ಅನುಸಾರವಾಗಿ ನಿರ್ವಹಿಸುತ್ತಿದೆ. ಅಪಾಯ ಮಾಪನಾ ಪ್ರಕ್ರಿಯೆಯು ಬ್ಯಾಂಕು ಕೈಗೊಳ್ಳುವ ವಿವಿಧ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಸಹಜವಾಗಿ ಅಂತರ್ಗತವಾಗಿರುವ ವ್ಯವಹಾರ ಅಪಾಯವನ್ನು ಗುರುತಿಸುವ ಜವಾಬ್ದಾರಿಯನ್ನು ಹೊಂದಿದ್ದು, ಅಂತರ್ಗತ ಅಪಾಯದ ಮೌಲ್ಯಮಾಪನವನ್ನು ಪರಿಣಾಮಕಾರಿ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯ ರೂಪಣೆಯನ್ನು ವ್ಯವಹಾರ ಚಟುವಟಿಕೆಯೊಂದಿಗೆ ಅಂತರ್ಗತವಾದ ಅಪಾಯದ ಮೇಲೆ ನಿಗಾ, ಅಪಾಯ ನಿಯಂತ್ರಣ ಹಾಗೂ ನಿಯಂತ್ರಣಕ್ಕೆ ಅನುರೂಪವಾದ ಅಪಾಯದ ವಿರುದ್ಧ ಕ್ರಿಪ್ತ ಕಾರ್ಯಾಚರಣೆಯನ್ನು ಅಂತರ್ಗತವಾದ ವ್ಯವಹಾರದ ಅಪಾಯ ಮತ್ತು ಅಪಾಯ ನಿಯಂತ್ರಣದಲ್ಲಿ ಬಳಸುತ್ತದೆ.

ಇದರೊಂದಿಗೆ ಬ್ಯಾಂಕು ಕಾಲಕಾಲಕ್ಕೆ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ಚಟುವಟಿಕೆಯ ದಕ್ಷತೆ ಮತ್ತು ಅನುರೂಪತೆ ಖಾತ್ರಿಗೊಳಿಸುವಾಗ ನಿಯಮಿತ ಪರಿವೀಕ್ಷಣೆ, ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆ (ಐ.ಎಸ್.) ಪರಿವೀಕ್ಷಣೆ ಎಲ್ಲಾ ಶಾಖೆ ಮತ್ತು ಕಚೇರಿಗಳಲ್ಲೂ ನಡೆಯುತ್ತಿದೆ. ಆಯ್ದು ಶಾಖೆಗಳಲ್ಲಿ (ಇವುಗಳ ವ್ಯವಹಾರದ ಮೊತ್ತ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಮುಂಗಡದ ಶೇ. 70 ಹಾಗೂ ಕೇವಲಯ ಶೇ. 50 ಮೀರಿರಲಿಲ್ಲ) ಸಹಗಾಮಿ ಲೆಕ್ಕ ಪರಿಶೋಧನೆ ಜರಗುತ್ತಿದೆ. ಸಹಗಾಮಿ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯಿಂದ ಹೊರತಾದ ಶಾಖೆಗಳಲ್ಲಿ ಕಿರುಪರಿವೀಕ್ಷಣೆ ಜರಗುತ್ತಿದೆ. ಅಲ್ಲದೇ, ಖಜಾನೆ ವಿಭಾಗದ ಸಹಗಾಮಿ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯೊಂದಿಗೆ ಅಂತರಾಷ್ಟ್ರೀಯ ವಿಭಾಗ, ವಿದೇಶೀ ವಿನಿಮಯ ವ್ಯವಹಾರ, ದತ್ತಾಂಶ ಕೇಂದ್ರದ ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆಯ ಲೆಕ್ಕ ಪರಿಶೋಧನೆ ಯೊಂದಿಗೆ ಡಿಜಿಟಲ್ ಸ್ಥಾವರದ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯೂ ಜರಗುತ್ತದೆ. ಇದರೊಂದಿಗೆ, ಬೃಹತ್ ಮುಂಗಡ ಖಾತೆಗಳ ದಾಖಲಾತಿ ಲೆಕ್ಕ ಪರಿಶೋಧನೆ ಮತ್ತು ಮುಂಗಡ ಪರಿಶೋಧನೆಗಳನ್ನು ವೃತ್ತಿಪರ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಂಸ್ಥೆಗಳ ನೆರವಿನಿಂದ ಮುಂದುವರಿಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಇದು ಮುಂಗಡ ಖಾತೆಗಳ ಪರಿಣಾಮಕಾರಿ ನಿರ್ವಹಣೆಗೆ ಸಹಕಾರಿಯಾಗಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಗಳನ್ನು ಚಾಚು ತಪ್ಪದೇ ಬ್ಯಾಂಕು ಪಾಲಿಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು ಮಾಹಿತಿ ಭದ್ರತೆ, ಇಲೆಕ್ಟ್ರಾನಿಕ್ ಬ್ಯಾಂಕಿಂಗ್, ಟೆಕ್ನೋಲಜಿ ರಿಸ್ಕ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಮತ್ತು ಸೈಬರ್ ಫ್ರಾಡ್‌ಗಳ ಬಗ್ಗೆ ಸಕಲ ಮುನ್ನೆಚರಿಕೆಗಳನ್ನು ವಾಲಿಸುತ್ತಿದೆ.



As an important element in Corporate Governance structure, the Bank has set up a robust Compliance function with sufficient independence supported by a healthy compliance culture within the organization. The Bank's compliance function ensures strict observance of, all statutory provisions, guidelines from RBI & other regulators, standards and codes prescribed by regulatory bodies besides Bank's internal policies and fair practices code. Further, the compliance function includes interpretation/ dissemination of regulatory and statutory guidelines, observing proper standards of market conduct, managing conflicts of interest and treating customers fairly. The Bank's compliance function assists the top management in managing the Compliance Risk effectively. The risk- based compliance programme of the bank, subject to the oversight by head of compliance, ensures appropriate coverage across businesses and co-ordination among risk management functions besides verifying the level of compliance through 'Compliance Testing' of branches. The Bank carries out an annual compliance risk assessment to identify and assess major compliance risks faced by it and takes steps to manage the risks effectively.

#### HUMAN RESOURCES

With the advent of economic reforms and globalization, the Banking sector has experienced drastic changes in all areas of its functioning. New areas have been thrown open to venture out. Global competition and higher customer expectations have also emerged as a result of explosion of information technology. In the Banking industry too, far reaching changes have taken place resulting in new innovations in the product range and services. The main focus is on increasing productivity and profitability with customer centric approach. In this scenario banker has to possess required skill, be a good decision maker and should be pragmatic in his approach to achieve the desired goals.

Human resource development plays a major role in equipping the man power with required skills to face all challenges and at the same time enabling the Bank to reach its organizational goal apart from the personal growth of individuals. Your Bank gives utmost importance to training and human resource development activities by deputing the staff members to various training and developmental programmes with an objective to equip them to perform their tasks efficiently with high precision, shoulder higher responsibilities and understand fast changing structures and rules.

Your Bank has a state of art training college with experienced faculty members to train the various

ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ ಸಂರಚನೆಯ ಪ್ರಮುಖ ಅಂಗವಾಗಿ ಬ್ಯಾಂಕು, ಅನುನಯ ಯಾ ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯನ್ನು ಆದ್ಯೋಪಾದಿಯಲ್ಲಿ ಪೂರೈಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಇದು ಸಾಕಷ್ಟು ಪರಿಮುಕ್ತ ವಾತಾವರಣದಲ್ಲಿ ಜರುಗುತ್ತಿದ್ದು, ಸಂಸ್ಥೆಯ ಸಕಲ ಚಟುವಟಿಕೆಗಳಲ್ಲಿ ಪರಿಪಾಲನೆಯೂ ಒಂದು ಉದ್ಯಮ ಸಂಸ್ಕೃತಿಯೇ ಆಗಿ ರೂಪುಗೊಂಡಿರುತ್ತದೆ. ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯು ಬಿಗು ಉಸ್ತುವಾರಿಯಲ್ಲಿ ಪರ್ಯಾಪ್ತ ಮೀಸಲು, ಆರ್ ಬಿಐ ಮಾರ್ಗದರ್ಶಕ ಮತ್ತು ಇತರ ನಿಯಂತ್ರಣಗಳು, ಸ್ಟಾಂಡರ್ಡ್ ಮತ್ತು ಕೋಡ್ (ನಿಯಂತ್ರಕ ಸಂಸ್ಥೆಗಳ ಆದೇಶಿತ) ಮುಂತಾದವುಗಳ ಪರಿಪಾಲನೆಯನ್ನು ಜರಗಿಸುತ್ತದೆ. ಅಲ್ಲದೇ, ಪರಿಪಾಲನಾ ಕಾರ್ಯಚಟುವಟಿಕೆಯು, ಪರ್ಯಾಪ್ತ ಮತ್ತು ನಿಯಂತ್ರಕಗಳ ಆದೇಶಿಕೆಗಳ ವಿವರಣಾತ್ಮಕತೆಯನ್ನು / ವಿಸ್ತಾರವನ್ನು ಒಳಗೊಂಡಿದ್ದು ಮಾರುಕಟ್ಟೆ ನಡತೆಯ ಗುಣಮಟ್ಟ, ಗ್ರಾಹಕ ಸ್ನೇಹಿ ಹಾಗೂ ಕುಂದುಕೊರತೆ ನಿವಾರಣೆ ಮುಂತಾದವುಗಳು ಬಗ್ಗೆ ವಿಶೇಷ ನಿಗಾ ವಹಿಸಿ ಪರಿಪಾಲನೆ ಪೂರೈಸುತ್ತಿದೆ. ಬ್ಯಾಂಕಿನ ಪರಿಪಾಲನಾ ಕಾರ್ಯಚಟುವಟಿಕೆಯು, ಉನ್ನತ ಆಡಳಿತಕ್ಕೆ ಪರಿಪಾಲನಾ ಅಪಾಯವನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸುವಲ್ಲಿ ಬೆಂಬಲಿಸುತ್ತದೆ. ಬ್ಯಾಂಕಿನ ಅಪಾಯ ತಳಹದಿಯ ಮೇಲಣ ಪರಿಪಾಲನಾ ಕಾರ್ಯಕ್ರಮವು ಬ್ಯಾಂಕಿನ ಪರಿಪಾಲನಾ ಪ್ರಮುಖರ ಕಣ್ಗಾವಲಿನಲ್ಲಿ ನಡೆಯುತ್ತಿದ್ದು, ಶಾಖೆಗಳ "ಪರಿಪಾಲನಾ ಪರೀಕ್ಷೆ" ಯಾದಿಯಾಗಿ, ಅಪಾಯ ನಿರ್ವಹಣೆ ಕಾರ್ಯವಿಧಾನ, ಪರಿಪಾಲನಾ ಮರುಪರೀಕ್ಷೆ - ತುಲನೆ ಮೂಲಕ ಸಾಕಷ್ಟು ಪರಿಪೂರ್ಣ ಹಾಗೂ ವ್ಯವಹಾರಗಳ ನಿಖರ ಮಾಹಿತಿಯ ಬಗ್ಗೆ ಆತ್ಮವಿಶ್ವಾಸ ತಾಳುವಂತೆ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತದೆ. ಬ್ಯಾಂಕು, ವಾರ್ಷಿಕ ಅಪಾಯ ಪರಿಪಾಲನಾ ಅಂದಾಜನ್ನು ಜರಗಿಸುತ್ತಾ, ಅಪಾಯದ ಅಂದಾಜಿನ ಗುರುತಿಸುವಿಕೆ ಮತ್ತು ಪ್ರಮುಖ ಪರಿಪಾಲನಾ ಅಂದಾಜಿನ ಮೇಲುಸ್ತುವಾರಿ ನಡವಳಿ, ಅಪಾಯಗಳ ಮಟ್ಟ ಮತ್ತು ಗ್ರಹಿಸುವಲ್ಲಿ ಮತ್ತು ಪರಿಹರಿಸುವಲ್ಲಿ ಪ್ರಮುಖ ಮತ್ತು ಸಕಾಲಿಕ ಪಾತ್ರ ವಹಿಸುತ್ತಿದೆ.

#### ಮಾನವ ಸಂಪನ್ಮೂಲ

ಆರ್ಥಿಕ ಪರಿಷ್ಕರಣೆ ಮತ್ತು ಜಾಗತೀಕರಣದ ವಿದ್ಯಮಾನದಲ್ಲಿ ಬ್ಯಾಂಕಿಂಗ್ ವಲಯ ತನ್ನೆಲ್ಲಾ ಕಾರ್ಯ ಚಟುವಟಿಕೆಯಲ್ಲಿ ಮಹತ್ವಾದ ಬದಲಾವಣೆಗಳನ್ನು ಅನುಭವಿಸುತ್ತಿದೆ. ಹೊಸ ಹೊಸ ಪಂಥಾಪ್ಪಾನ ವಲಯಗಳು ತೆರೆಯುತ್ತಿವೆ. ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನದ ಅವಿಷ್ಕಾರದ ಬಳಿಕ ಜಾಗತಿಕ ಸ್ಪರ್ಧೆ ಹಾಗೂ ಹೆಚ್ಚುತ್ತಿರುವ ಗ್ರಾಹಕ ಆಕಾಂಕ್ಷೆಗಳನ್ನು ತೃಪ್ತಗೊಳಿಸುವುದು ಎದುರಿಸಬೇಕಾಗುತ್ತದೆ. ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮದಲ್ಲೂ ದೂರಗಾಮೀ ಬದಲಾವಣೆಗಳು ಆವಿಷ್ಕಾರ ಗೊಂಡಿದ್ದು ನವನವೀನ ಅನ್ವೇಷಣೆಯ ಉತ್ಪನ್ನಗಳ ಹರವು ಮತ್ತು ಸೇವೆ ಗಮನಾರ್ಹವಾಗಿರುತ್ತದೆ. ಗ್ರಾಹಕ ಕೇಂದ್ರಿತ ಪುರೋಗಾಮಿ ಕ್ರಮಣದೊಂದಿಗೆ ಉತ್ಪಾದಕತೆ ಮತ್ತು ಲಾಭಗಳ ಹೆಚ್ಚಳ ಪ್ರಧಾನ ಗುರಿಗಳಾಗುತ್ತವೆ. ಈ ಒಂದು ವಿದ್ಯಮಾನದಲ್ಲಿ ಬ್ಯಾಂಕರ್ ತನಗತ್ಯವಾದ ಕೌಶಲ್ಯವನ್ನು ಹೊಂದಿದ್ದು ಉತ್ತಮ ನಿರ್ಣಾಯಕತ್ವದೊಂದಿಗೆ, ಉದ್ದೇಶಿತ ಗುರಿ ತಲುಪುವ ಫಲ ಹೊಂದಿರಬೇಕು.

ಮಾನವ ಸಂಪನ್ಮೂಲ ಅಭಿವೃದ್ಧಿ ಪ್ರತಿಯೊಬ್ಬ ನೌಕರನ ಸ್ವಾಭಿವೃದ್ಧಿ ಯೊಂದಿಗೆ ಆತ್ಮತ್ಯಮ ವ್ಯವಹಾರ ಕೌಶಲ್ಯ ಹೊಂದಿ, ತನ್ನೊಂದಿಗೆ ತನ್ನ ಸಂಸ್ಥೆಯನ್ನು ಉದ್ದೇಶಿತ ಗುರಿಯತ್ತ ಸಾಗಿಸುವ ಮಹಾನ್ ಜವಾಬ್ದಾರಿಯನ್ನು ಒಳಗೊಂಡಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಮಾನವ ಸಂಪನ್ಮೂಲ ಅಭಿವೃದ್ಧಿಯತ್ತ ಅದ್ಭುತವಾದ ಹರಿವನ್ನು ಅಗತ್ಯವಿರುವ ವಿವಿಧ ತರಬೇತಿಗಳನ್ನು ಸಕಾಲದಲ್ಲಿ ತನ್ನ ನೌಕರರಿಗೆ ಒದಗಿಸುತ್ತಾ, ಅಭಿವೃದ್ಧಿ ಕಾರ್ಯಕ್ರಮಗಳಲ್ಲಿ ಭಾಗಿಯಾಗಲು ಅವರನ್ನು ನಿಯೋಜಿಸುತ್ತಾ, ಅವರ ದಕ್ಷತೆ, ಕಾರ್ಯಕುಶಲತೆ ಗರಿಷ್ಠ ಮಟ್ಟಕ್ಕೆ ಕೇರಲು ಹಾಗೂ ಹೆಚ್ಚಿನ ಹೊಣೆಗಾರಿಕೆ ಹೊರಲು ಸಿದ್ಧತೆ ಒದಗಿಸುತ್ತಾ ಕ್ಷಿಪ್ರವಾಗಿ ಬದಲಾಗುತ್ತಿರುವ ಸಂರಚನೆಯ ಸಂಹಿತೆ ಮತ್ತು ನಿಯಮಗಳನ್ನು ಅರ್ಥೈಸಲು ಸತತವಾಗಿ ಪ್ರೋತ್ಸಾಹಿಸುತ್ತಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು ನುರಿತ ಬೋಧನಾ ಸದಸ್ಯರನ್ನೊಳಗೊಂಡ ಆತ್ಮತ್ಯಮ ದರ್ಜೆಯ ತರಬೇತಿ ಕೇಂದ್ರವನ್ನು ಹೊಂದಿದ್ದು, ಇಲ್ಲಿ ವರ್ಷದುದ್ದಕ್ಕೂ ವಿವಿಧ

categories of staff members through out the year. Apart from conducting training programmes at its staff training college your Bank also deputed its staff members to the training programmes conducted by reputed institutions such as IIM, Ahmedabad, National Institute of Bank Management (NIBM), Pune, College of Agricultural Banking (CAB), Pune, Institute for Development and Research in Banking Technology (IDRBT), Hyderabad, SIBSTC, Bangalore etc. During the year 2013-14, the Bank has deputed as many as 1250, 754 and 39 personnel to various trainings / workshops / conferences in the category of Officers, Clerks & Attenders respectively, to update and improve their knowledge.

The Bank is aiming to implement a well integrated Human Resources Management System (HRMS) to support its growth initiatives in a cost effective manner and also putting focus on enhancing employee experience in terms of quality of HR services as per the BPR initiative. The Bank intends to introduce the best-practiced processes and techniques in HR in managing its workforce. The new technology and practices in the areas of HRMS would enable the Bank to achieve the objectives of operational efficiency, streamlined process and work flow automation in respect of HR functions.

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Bank has put in place necessary institutional framework for prevention of sexual harassment of women at workplace and matters connected thereto. Your Bank maintains cordial industrial relations in an atmosphere of peace and harmony in the Bank. The number of employees in the Bank stood at 7185 as on 31<sup>st</sup> March 2014. The Business per employee (excluding inter bank deposits) has marginally decreased from ₹9.66 crore as on 31<sup>st</sup> March 2013 to ₹9.59 crore as on 31<sup>st</sup> March 2014 due to increase in number of employees during the fag end of the year.

**DIRECTORS**

Mr Sitarama Murty M, retired as a Director of the Bank upon attaining the upper age of 70 years on 18.12.2013 as per the extant guidelines of RBI. Messrs R V Shastri and U R Bhat completed their term of eight years in Office and retired from the Office as Directors of the Bank on 27.01.2014. The Board places on record its appreciation of the active involvement and useful contribution made by the above directors.

Further, the Board has appointed Mrs Usha Ganesh (IAS Retd), former member of Karnataka Administrative Tribunal, Bangalore and Mr Rammohan Rao Belle, former Managing Director and

ತ್ರೇಣಿಯ ಸಿಬ್ಬಂದಿಗಳಿಗೆ ಸರಣಿ ತರಬೇತಿಗಳು ಜರಗುತ್ತಾ ಇರುತ್ತವೆ. ತನ್ನ ಸ್ವಂತ ತರಬೇತಿ ವಿದ್ಯಾಲಯದಲ್ಲಿ ತರಬೇತಿ ನೀಡುವುದರೊಂದಿಗೆ, ವಿಶೇಷ ತರಬೇತಿಗಳಿಗಾಗಿ ಐಐಐಂ - ಆಹಮದಾಬಾದ್, ಎಸ್‌ಐಬಿಎಂ - ಪುಣೆ, ಕಾಲೇಜ್ ಆಫ್ ಅಗ್ರಿಕಲ್ಚರಲ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ - ಪುಣೆ, ಐಡಿಆರ್‌ಬಿಟಿ - ಹೈದರಾಬಾದ್, ಎಸ್‌ಐಬಿಎಸ್‌ಟಿಸಿ - ಬೆಂಗಳೂರು ಮುಂತಾದೆಡೆಗೆ ತನ್ನ ಸಿಬ್ಬಂದಿಗಳನ್ನು ಬ್ಯಾಂಕು ನಿಯೋಜಿಸುತ್ತದೆ. 2013-14ನೇ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕು 1250 ಅಧಿಕಾರಿಗಳನ್ನು 754 ಗುಮಾಸ್ತರುಗಳನ್ನು ಮತ್ತು 39 ಉಪಸಿಬ್ಬಂದಿಗಳನ್ನು ವಿವಿಧ ತರಬೇತಿ / ಕಾರ್ಯಾಗಾರ / ಸಮ್ಮೇಳನಗಳಿಗೆ ಆವರಣ್ಯ ಮತ್ತು ಕೌಶಲ ಅಭಿವೃದ್ಧಿಗಾಗಿ ನಿಯೋಜಿಸಿದೆ.

ಬ್ಯಾಂಕು ಅತ್ಯುತ್ತಮ ಸಂಕೀರ್ಣ "ಮಾನವ ಸಂಪನ್ಮೂಲ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆ" ರೂಪಣೆಗಾಗಿ ಆದ್ಯ ಗಮನವಿರಿಸಿಕೊಂಡು, ಬೆಳವಣಿಗೆಯ ಮಹತ್ವಾಕಾಂಕ್ಷಿ ಪಾದಾಕ್ಷಾಂತವನ್ನು ಬೆಂಬಲಿಸಲು ಹಾಗೂ ಸಿಬ್ಬಂದಿಗಳ ಮಾನವ ಸಂಪನ್ಮೂಲ ಕ್ಷಮತೆ ವೃದ್ಧಿಗಾಗಿ ವಿಶೇಷ ಪರಿಕ್ರಮಗಳೊಂದಿಗೆ, "ಬಿಬಿಆರ್" ಉಪಕ್ರಮದನ್ವಯ ಚಟುವಟಿಕೆಗೆ ವೇಗೋತ್ಕರ್ಷ ನೀಡಿದೆ. ಮಾನವ ಸಂಪನ್ಮೂಲ ಸಂಬಂಧದಲ್ಲಿ ಅತ್ಯುತ್ತಮ ಪ್ರಯೋಗಿಸಿದ ವಿಧಾನಗಳನ್ನು / ತಾಂತ್ರಿಕತೆಯನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುವ ಆಶಯ ಹೊಂದಿದ್ದು ತನ್ಮೂಲಕ ಮಾನವ ಸಂಪನ್ಮೂಲವನ್ನು ಹೆಚ್ಚು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಬಳಸಿಕೊಳ್ಳಲು ಉದ್ದೇಶಿಸಲಾಗಿದೆ. ಎಚ್‌ಆರ್‌ಎಂಎಸ್‌ನಿಂದ ಹೊಸ ತಾಂತ್ರಿಕ ಮತ್ತು ಪ್ರಾಯೋಗಿಕ ವಿಧಾನಗಳು ಬ್ಯಾಂಕು ಉನ್ನತ ಮಟ್ಟದ ಸಾಧನೆ ಹಾಗೂ ನಿರ್ವಹಣಾ ದಕ್ಷತೆ, ಪ್ರಾಯೋಗಿಕ ಏಕಮುಖಿತ ಮತ್ತು ಕೆಲಸದ ಹರಿವಿನಲ್ಲಿ ತಾಂತ್ರಿಕತೆಯಿಂದ ಮಾನವ ಸಂಪನ್ಮೂಲ ಸದೃಶಕ ಇನ್ನಷ್ಟು ಪ್ರಭಾವಶಾಲಿ ಯಾದಿತೆನ್ನುವ ಆಶಯ ಹೊಂದಿದೆ.

"ಸೆಕ್ಯುವರ್ ಹ್ಯಾರಾಸ್‌ಮೆಂಟ್ ಆಫ್ ವಿಮೆನ್ ಎಟ್ ವರ್ಕ್‌ಪ್ಲೇಸ್" (ಪ್ರತಿಬಂಧ, ನಿಷೇಧ ಮತ್ತು ನಿವಾರಣೆ) ಅಕ್ಟೋಬರ್ 2013 ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅಗತ್ಯವಿರುವ ಕ್ರಮ ಹಾಗೂ ಸಾಂಸ್ಥಿಕ ರಕ್ಷಣಾತ್ಮಕ ಚೌಕಟ್ಟನ್ನು ನಿರ್ಮಿಸಿದ್ದು ಮಹಿಳಾ ಉದ್ಯೋಗಿಗಳಿಗೆ ಲೈಂಗಿಕ ಕಿರುಕುಳದಂತಹ ಸನ್ನಿವೇಶ ಒದಗದಂತೆ ಸಾಕಷ್ಟು ಜಾಗೃತೆ ವಹಿಸಲಾಗಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅತ್ಯುತ್ತಮ ಇಂಡಸ್ಟ್ರಿಯಲ್ ರಿಲೇಶನ್ಸ್ (ನೌಕರ - ಸಾಂಸ್ಥಿಕ ಸಂಬಂಧ)ಹೊಂದಿದ್ದು ವಾರ್ಷಿಕ ಹಾಗೂ ಪ್ರತಾಂತ ಪಾತಾವರಣ ಬ್ಯಾಂಕಿನಲ್ಲಿ ನೆಲೆಸಿದೆ. 31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ 7185 ಉದ್ಯೋಗಿಗಳು ಬ್ಯಾಂಕಿನಲ್ಲಿದ್ದಾರೆ. ತಲಾ ಉದ್ಯೋಗಿ ವ್ಯವಹಾರ (ಇಂಟರ್‌ಬ್ಯಾಂಕ್ ಠೇವಣಿ ಹೊರತಾಗಿ) 31 ಮಾರ್ಚ್ 2013 ರಲ್ಲಿ ಇದ್ದ ₹9.66 ಕೋಟಿಯಿಂದ 31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಕೊಂಚ ಇಳಿದಿದ್ದು ₹9.59 ಕೋಟಿಯಷ್ಟಿದೆ. ಇದಕ್ಕೆ ವರ್ಷದ ಕೊನೆಯ ಹಂತದಲ್ಲಿ ಹೆಚ್ಚು ಉದ್ಯೋಗಿಗಳ ಸೇರ್ಪಡೆಯಾದದ್ದು ಕಾರಣವಾಗಿದೆ.

**ನಿರ್ದೇಶಕರು**

ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರುಗಳಲ್ಲಿ ಒಬ್ಬರಾಗಿದ್ದ ಶ್ರೀ ಸೀತಾರಾಮ ಮೂರ್ತಿ ಎಂ. ಅವರು 18.12.2013ರಂದು 70 ವರ್ಷಗಳ ಉನ್ನತ ಪ್ರಾಯ ಗಡಿಯನ್ನು ಕ್ರಮಿಸಿದುದರಿಂದ ಪ್ರಸಕ್ತ ಆರಬಿಐ ಮಾರ್ಗದರ್ಶಿಯಂತೆ ನಿರ್ದೇಶಕರ ಸ್ಥಾನದಿಂದ ವಿಶ್ರಾಂತರಾಗಿದ್ದಾರೆ. ಶ್ರೀ ಆರ್. ವಿ. ಶಾಸ್ತ್ರಿ ಮತ್ತು ಶ್ರೀ ಯು. ಆರ್. ಭಟ್ ಅವರುಗಳು 8 ವರ್ಷಗಳ ಕಾಲಾವಧಿಯನ್ನು ಕ್ರಮಿಸಿದವರಾಗಿ ದಿನಾಂಕ 27.01.2014ರಂದು ನಿರ್ದೇಶಕರ ಸ್ಥಾನಗಳಿಂದ ವಿಶ್ರಾಂತರಾಗಿದ್ದಾರೆ. ಮೇಲ್ಕಂಡ ನಿರ್ದೇಶಕರು ನೀಡಿದ ಅಮೂಲ್ಯ ಕೊಡುಗೆ ಮತ್ತು ಸಕ್ರಿಯ ಸಮಾವೇಶಕ್ಕೆ ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮೆಚ್ಚುಗೆ ದಾಖಲಿಸಿ ಪಡಿಸುತ್ತದೆ.

ಅಲ್ಲದೇ, ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಶ್ರೀಮತಿ ಉಷಾ ಗಣೇಶ್ (ವಿಶ್ರಾಂತ ಐಎಎಸ್) ಕರ್ನಾಟಕ ಅಡ್ಮಿನಿಸ್ಟ್ರೇಟಿವ್ ಟ್ರಿಬ್ಯೂನಲ್‌ನ ಹಿಂದಣ ಸದಸ್ಯರು, ಬೆಂಗಳೂರು ಮತ್ತು ಶ್ರೀ ರಾಮ ಮೋಹನ್ ರಾವ್ ಬೆಳ್ಳೆ, ಎಸ್. ಬಿ. ಜನರಲ್ ಇನ್ಸೂರೆನ್ಸ್ ಕಂಪೆನಿ ಲಿಮಿಟೆಡ್‌ನ ಹಿಂದಣ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು

CEO of SBI General Insurance Company Ltd, as additional directors on 31.07.2013 and 21.10.2013 respectively.

Even though one third of the total number of directors were liable to retire by rotation at the Annual General Meeting under erstwhile Section 256 of the Companies Act, 1956, with the coming into force the provisions of Section 149 and 152 of the Companies Act, 2013 relating to appointment and retirement of directors by rotation at every Annual General Meeting w. e. f April 1, 2014, your Bank has received necessary declarations from all the directors other than whole-time director as required under Section 149(6) of the Companies Act, 2013. The Board, after having taken into consideration the declarations and other information is of the opinion that all the directors of the Bank other than whole time director are 'Independent Directors' and therefore are not liable to retire by rotation under Section 152 of the Companies Act, 2013. It is proposed to reappoint them for a term as required under Section 149(10) of the Act having regard to the provisions of the Banking Regulation Act, 1949 and the extant guidelines at the ensuing Annual General Meeting.

The brief resume and other details relating to the above directors who are to be re-appointed are furnished in the notice of the Annual General Meeting (AGM).

### CORPORATE GOVERNANCE

Your Bank is committed to follow the best practices of corporate governance to protect the interests of all the stakeholders of the Bank, viz. shareholders, depositors, other customers, employees and the society in general and maintain transparency at all levels. A detailed report on corporate governance practices is given as Annexure III to this report.

### DIRECTORS' RESPONSIBILITY REPORT

As per Section 217(2AA) of Companies (Amendment) Act, 2000, your Directors report that:

- The accounts for the year 2013-14 were prepared by following the accounting standards in so far as they apply to banks.
- Accounting policies adopted and applied consistently by the Bank are in tune with the RBI guidelines issued from time to time. Reasonable prudent judgments and estimates have been made in the accounts, so as to give a true and fair view of the state of affairs of the Bank and of the profit of the Bank for the financial year ended 31<sup>st</sup> March, 2014.
- The Bank had taken proper and sufficient care for maintaining adequate records in accordance with the provisions of the Companies Act 1956, in so far as they apply to banks.

ಸಿಇಒ ಇವರುಗಳನ್ನು ಹೆಚ್ಚುವರಿ ನಿರ್ದೇಶಕರನ್ನಾಗಿ 31.07.2013ರಂದು ಮತ್ತು 21.10.2013ರಂದು ಅನುಕ್ರಮವಾಗಿ ಸೇರ್ಪಡೆಗೊಳಿಸಿಕೊಳ್ಳಲಾಗಿದೆ.

ಕಂಪನಿಯ ಕಾಯಿದೆ 1956, ಹಿಂದಣ ಸೆಕ್ಷನ್ 256ರ ಪ್ರಕಾರ 1/3ರ ಭಾಗ ನಿರ್ದೇಶಕರುಗಳು ಸರದಿಯಂತೆ ನಿವೃತ್ತರಾಗಿರಬೇಕಾಗಿದ್ದರೂ, ಏಪ್ರಿಲ್ 1, 2014ರಿಂದ ಕಂಪನಿಯ ಕಾಯಿದೆ 2013 ಜಾರಿಗೆ ಬಂದಿರುವುದರಿಂದಿಗೆ ಪ್ರತಿ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ನಿರ್ದೇಶಕರ ನೇಮಕಾತಿ ಮತ್ತು ಸರದಿಯಂತೆ ನಿವೃತ್ತಿಯ ಬಗ್ಗೆ ಸೆಕ್ಷನ್ 149 ಮತ್ತು 152ರಲ್ಲಿ ಹೇಳಿರುವಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಪೂರ್ಣಕಾಲೀನ ನಿರ್ದೇಶಕರನ್ನು ಹೊರತುಪಡಿಸಿ, ಎಲ್ಲಾ ನಿರ್ದೇಶಕರುಗಳಿಂದ ಅವಶ್ಯಕ ಘೋಷಣಾಪತ್ರವನ್ನು ಕಂಪನಿ ಕಾಯಿದೆ 2013ರ ಸೆಕ್ಷನ್ 149 (6)ರಂತೆ ಪಡೆದುಕೊಂಡಿರುತ್ತದೆ. ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಘೋಷಣಾಪತ್ರ ಮತ್ತು ಇತರೆ ಮಾಹಿತಿಯನ್ನು ಪರಿಗಣಿಸಿ ಪೂರ್ಣಕಾಲೀನ ನಿರ್ದೇಶಕರನ್ನು ಹೊರತುಪಡಿಸಿ, ಬ್ಯಾಂಕಿನ ಇತರ ಎಲ್ಲಾ ನಿರ್ದೇಶಕರುಗಳು "ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕ"ರಾಗಿದ್ದು ಕಂಪನಿ ಕಾಯಿದೆ 2013ರ ಸೆಕ್ಷನ್ 152ರ ಅಡಿಯಲ್ಲಿ ಹೇಳಿರುವಂತೆ ಸರದಿ ಪ್ರಕಾರ ನಿವೃತ್ತಿ ಹೊಂದಬೇಕಾಗಿಲ್ಲವೆಂಬ ತೀರ್ಮಾನಕ್ಕೆ ಬಂದಿರುತ್ತದೆ. ಸದ್ಯ ಕಾಯಿದೆಯ ಸೆಕ್ಷನ್ 149 (10)ರನ್ವಯ, ಅವಿರಲರನ್ನೂ ಪುನಃ ಸೇರ್ಪಡೆಗೊಳಿಸುವ ವಿಧಿವಿಧಾನಗಳನ್ನು ಆಯೋಜಿಸಿದ್ದು, ಮುಂಬರುವ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಕಾಯಿದೆ 1949ರ ಉಪಬಂಧಕ್ಕನುಸಾರವಾಗಿ ಹಾಗೂ ಜಾರಿಯಲ್ಲಿರುವ ನಿರ್ದೇಶನಗಳಂತೆ ಕ್ರಮಕೈಗೊಳ್ಳಲಾಗುವುದು.

ಪುನಃ ನೇಮಕಗೊಳ್ಳುವ ಮೇಲ್ಕಂಡ ನಿರ್ದೇಶಕರುಗಳ ಕಿರುಪರಿಚಯ ಮತ್ತು ಇತರ ವಿವರಗಳನ್ನು ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ನೋಟೀಸಿನಲ್ಲಿ ಜಾಹೀರುಗೊಳಿಸಲಾಗಿದೆ.

### ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅತ್ಯುತ್ತಮ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನವನ್ನು ಪಾಲಿಸಲು ಬದ್ಧವಾಗಿದ್ದು, ತನ್ನೂಲಕ ಬ್ಯಾಂಕಿನ ಸರ್ವಪಾಲುದಾರರ ಅಂದರೆ ಶೇರುದಾರರ, ಲೇವಣಿದಾರರ, ಗ್ರಾಹಕರ ಮತ್ತು ನೌಕರರ ಹಾಗೂ ಪ್ರಮುಖವಾಗಿ ಸಮಾಜದ ಹಿತಾಸಕ್ತಿಯನ್ನು ಕಾಯ್ದುಕೊಂಡಿದ್ದು ನಿರ್ವಹಣೆಯ ಸರ್ವ ಸ್ತರದಲ್ಲೂ ಪಾರದರ್ಶಕತೆಯನ್ನು ಕಾಪಾಡುವ ಗುರಿ ಮತ್ತು ಬದ್ಧತೆಯನ್ನು ಹೊಂದಿರುತ್ತದೆ. ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ವಿವರವಾದ ವರದಿಯನ್ನು ಈ ವಾರ್ಷಿಕ ವರದಿಯ ಅನುಬಂಧ III ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

### ನಿರ್ದೇಶಕರ ಜವಾಬ್ದಾರಿಗಳ ಬಗ್ಗೆ ವರದಿ

ಕಂಪನಿ (ತಿದ್ದುಪಡಿ) ಕಾಯಿದೆ 2000, ವಿಭಾಗ 217 (2ಎಎ) ಪ್ರಕಾರ, ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಈ ಕೆಳಕಂಡಂತೆ ವರದಿ ಮಾಡುತ್ತಾರೆ.

- 2013-14ರ ಸಾಲಿನ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಬ್ಯಾಂಕುಗಳಿಗೆ ಅನ್ವಯಿಸುವ ಲೆಕ್ಕಪತ್ರ ಸಂಹಿತೆಯನ್ನು ಅನುಸರಿಸಿ ತಯಾರಿಸಲಾಗಿದೆ.
- ಬ್ಯಾಂಕು ಅಳವಡಿಸಿರುವ ಮತ್ತು ನಿಯಮಿತವಾಗಿ ಅನುಸರಿಸುತ್ತಿರುವ ಲೇಖಾ ವಿಧಾನ ನೀತಿಗಳು, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ಕಾಲಕಾಲಕ್ಕೆ ಹೊರಡಿಸಿರುವ ಮಾರ್ಗದರ್ಶಿ ಸೂತ್ರಗಳಿಗೆ ಅನುಗುಣವಾಗಿದೆ. 31 ಮಾರ್ಚ್ 2014ರಂದು ಅಂತ್ಯಗೊಂಡ ವರ್ಷದಂದು ಇದ್ದ ಬ್ಯಾಂಕಿನ ಸ್ಥಿತಿಗತಿಯ ಮತ್ತು ಲಾಭದ ನಿಜವಾದ ಹಾಗೂ ಯಥಾರ್ಥವಾದ ಚಿತ್ರಣ ಕೊಡಲು ಯಥೋಚಿತ ವಿವೇಕಯುಕ್ತ ತೀರ್ಮಾನಗಳನ್ನು ಮತ್ತು ಅಂದಾಜುಗಳನ್ನು ಲೆಕ್ಕಪತ್ರವನ್ನಿಡಲು ಮಾಡಲಾಗಿದೆ.
- 1956ರ ಕಂಪನಿ ಕಾಯಿದೆಯನ್ವಯ ಬ್ಯಾಂಕುಗಳಿಗೆ ಅನ್ವಯಿಸುವ ಉಪಬಂಧಗಳ ಪ್ರಕಾರ ಲೆಕ್ಕಪತ್ರವನ್ನಿಡಲು ಬ್ಯಾಂಕು, ಯುಕ್ತ ಮತ್ತು ಅಗತ್ಯವಾದ ಎಚ್ಚರಿಕೆಯನ್ನು ತೆಗೆದುಕೊಂಡಿದೆ.

iv. The annual accounts for the year ended 31<sup>st</sup> March, 2014 have been prepared on a "Going Concern" basis.

**STATUTORY DISCLOSURES**

Considering the nature of the Bank's business, the provisions of Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption do not apply to your Bank. The Bank has, however, used information technology extensively in its operations.

There were no employees who were in receipt of remuneration during the year ended March 31, 2014 requiring disclosure under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**SOCIAL INITIATIVES**

Businesses are an integral part of society and play a critical role in the sustenance and improvement of a healthy ecosystem, in fostering social inclusiveness and equity and in upholding the ethical practices and good governance. It is believed that integrating social, environmental and ethical responsibilities into governance of business ensures long term successes, competencies and sustainability. With this in mind your Bank continues to fulfil its various social responsibilities. The Corporate Social Responsibility initiatives of the bank are designed to ensure that the bank adds social, environmental and economic value in all its activities to make a positive, sustainable impact on both society and business. In this direction, your bank has been responding well over the years through various initiatives like participation in social, cultural, educational, environment awareness activities etc., aimed at improving the social values, promotion of cultural heritage, knowledge, standard of living and the quality of life of the people and the environment at large. The Bank firmly believes that being an integral part of society, it is the inclusive growth of society which contributes ultimately to the growth of the Bank and in this direction, your Bank has been strengthening its rural orientation through initiatives aimed at imparting financial literacy and extending banking services to the people in rural unbanked areas, in a fair and transparent manner, at an affordable cost. Towards this end, your Bank had opened 13 branches in unbanked rural centres during

iv. 31 ಮಾರ್ಚ್, 2014ರಂದು ಪುನಃಪರಿಶೀಲಿಸಿದ ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು "ಪ್ರಚಲಿತ ಸಂಸ್ಥೆ" ಮಾದರಿಯಂತೆ ತಯಾರಿಸಲಾಗಿದೆ.

**ಶಾಸನಬದ್ಧ ಪ್ರಕಟಣೆಗಳು**

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರ ಸ್ವರೂಪಕ್ಕನುಗುಣವಾಗಿ, ಶಕ್ತಿ ಸಂಪನ್ಮೂಲ ರಕ್ಷಣೆ ಮತ್ತು ತಂತ್ರಜ್ಞಾನ ಅಳವಡಿಕೆಗೆ ಸಂಬಂಧಿಸಿದ ಕಂಪನಿ ಕಾಯಿದೆ 1956, ವಿಭಾಗ 217(1) (ಇ) ನಿಮ್ಮ ಬ್ಯಾಂಕಿಗೆ ಅನ್ವಯಿಸುವುದಿಲ್ಲ. ಆದರೂ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನವನ್ನು ವಿಸ್ತೃತವಾಗಿ ಬಳಸುತ್ತಿದೆ.

ಕಂಪನಿ ಕಾಯಿದೆ 1956ರ ವಿಭಾಗ 217(2ಎ) ಹಾಗೂ ಕಂಪನಿಗಳ (ಸಿಬ್ಬಂದಿ ವಿವರ) ವಿಧಿ 1975ರ ನಿಯಮಾನುಸಾರ ಬಹಿರಂಗಪಡಿಸಬೇಕಾದ ಮಾಹಿತಿ ಏನೂ ಇರುವುದಿಲ್ಲ. 31 ಮಾರ್ಚ್, 2014 ವರ್ಷಾಂತ್ಯಕ್ಕೆ ಮೇಲ್ಕಾಣಿಸಿದ ಕಾಯಿದೆ ಅನುಸಾರವಾಗಿ ಯಾವೂಬ್ಬ ಸಿಬ್ಬಂದಿಯೂ ಬಹಿರಂಗಪಡಿಸ ಬೇಕಾದಷ್ಟು ಮೊತ್ತದ ವೇತನವನ್ನು ಪಡೆದಿರುವುದಿಲ್ಲ.

**ಸಾಮಾಜಿಕ ಉಪಕ್ರಮ**

ವ್ಯವಹಾರವನ್ನುವುದು ಸಮಾಜದೊಂದಿಗಿನ ನಿಕಟ ಬಾಂಧವ್ಯ. ಸಮಾಜದ ಅವಿಭಾಜ್ಯ ಅಂಗವೂ ಹೌದು. ಸಾಮಾಜಿಕ ಅರ್ಥವ್ಯವಸ್ಥೆಯ ಉನ್ನತಿಗಾಗಿ ಸಾಮಾಜಿಕ ಒಗ್ಗೂಡಿಕೆ ಹಾಗೂ ಸಮಾನತೆಯನ್ನು ಎತ್ತಿ ಹಿಡಿಯುವುದು, ಸಂಕೀರ್ಣ ಪಾತ್ರದೊಂದಿಗೆ ಸಾಮಾಜಿಕ ಹಿತಾಸಕ್ತಿ ಪೋಷಣೆ, ನೇತೃತ್ವ ಸೇವೆ ಹಾಗೂ ಉತ್ತಮ ಆಡಳಿತ ಒಂದು ಸಂಸ್ಥೆಯ ಹೊಣೆಯಾಗಿರುತ್ತದೆ. ಸಮಾಜ, ಪರಿಸರಗಳ ಸಮಗ್ರ ಪರಿಕಲ್ಪನೆಯಲ್ಲಿ ವ್ಯವಹಾರ ಪ್ರಶಾಸನ ನಡೆಸುವುದು ದೂರಗಾಮಿ ಯಶಸ್ಸು ಅರ್ಹತೆ ಮತ್ತು ಬಾಳಿಕೆಗೆ ತಳಹದಿಯಾಗಿದೆ. ಇದರ ಸಂಪೂರ್ಣ ಅರಿವಿನೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿಗಳನ್ನು ಸತತವಾಗಿ ಸ್ವೀಕರಿಸುವಲ್ಲಿ ನಿರಂತರವಾಗಿ ಶ್ರಮಿಸುತ್ತಿದೆ. ಹೀಗೆ ಸಾಂಸ್ಥಿಕ ಜವಾಬ್ದಾರಿಯ ಬ್ಯಾಂಕಿನ ಉಪಕ್ರಮವು, ಸಮಾಜ ಪರಿಸರ ಹಾಗೂ ಆರ್ಥಿಕ ಮೌಲ್ಯಗಳ ಉನ್ನತಿಗೆ ಧನಾತ್ಮಕ ಚಟುವಟಿಕೆಗಳಾಗಿ ಯೋಜಿತಗೊಂಡಿದ್ದು ತನ್ಮೂಲಕ ಸಮಾಜ ಮತ್ತು ವ್ಯವಹಾರ ಉನ್ನತಿಗೆ ಇದು ಸಹಕಾರಿಯಾಗುತ್ತಿದೆ. ಈ ದಿಸೆಯಲ್ಲಿ ಬ್ಯಾಂಕು ಸುದೀರ್ಘ ಕಾಲದಿಂದ ಸಾಮಾಜಿಕ ಉಪಕ್ರಮದಲ್ಲಿ ತನ್ನನ್ನು ತೊಡಗಿಸಿಕೊಳ್ಳುತ್ತಾ ಅನೇಕ ಸಾಮಾಜಿಕ, ಸಾಂಸ್ಕೃತಿಕ, ಶೈಕ್ಷಣಿಕ ಇತ್ಯಾದಿ ಚಟುವಟಿಕೆಗಳಲ್ಲಿ ಭಾಗಿಯಾಗುತ್ತಾ ಸಾಮಾಜಿಕ ಮೌಲ್ಯ, ಸಂಸ್ಕೃತಿ ಐಸಿರಿಯ ಪುನರುತ್ಥಾನ, ಜ್ಞಾನಾಭಿವೃದ್ಧಿ ಹೀಗೆ ಜನಸಾಮಾನ್ಯರ ಬದುಕಿನ ಮಟ್ಟದ ಸುಧಾರಣೆ ಹಾಗೂ ಪ್ರಗತಿಗಾಗಿ ನಿರಂತರವಾಗಿ ಪರಿಶ್ರಮಿಸುತ್ತಿದೆ. ಹೀಗೆ, ಸಮಾಜದ ಒಂದು ಭಾಗವೇ 'ತಾನು' ಎನ್ನುವುದನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ದೃಢವಾಗಿ ನಂಬಿದ್ದು, ಸಮಾಜದ ಸರ್ವಾಂಗೀಣ ಅಭಿವೃದ್ಧಿಯೇ ಬ್ಯಾಂಕಿನ ಸರ್ವಾಂಗೀಣ ಅಭಿವೃದ್ಧಿಗೆ ಪೂರಕವಾಗುತ್ತದೆ ಎನ್ನುವ ನಿಲುವನ್ನು ದೃಢವಾಗಿ ಹೊಂದಿರುತ್ತದೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಗ್ರಾಮೀಣ ಅಭಿಮುಖಿತೆಯನ್ನು, ಒಳಗೊಳ್ಳುವಿಕೆಯನ್ನು, ತೀವ್ರಗೊಳಿಸಿದ್ದು ಜನಸಾಮಾನ್ಯರಲ್ಲಿ ಕೂಡಾ ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆಯನ್ನು ಮೂಡಿಸುವ ಭಗೀರಥ ಯತ್ನದಲ್ಲಿ ತೊಡಗಿದ್ದು, ಬ್ಯಾಂಕು ಶಾಖಾರಹಿತ ಕುಗ್ರಾಮಗಳಲ್ಲಿ ನವನವೀನ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಪರಿಚಯಿಸುತ್ತಾ, ಗ್ರಾಮೀಣ ಪುನರಿಯ ಒಳಗೊಳ್ಳುವಿಕೆಯನ್ನು ಪ್ರೋತ್ಸಾಹಿಸುತ್ತಾ ಉತ್ತಮ ಹಾಗೂ ಪಾರದರ್ಶಕತೆಯ ತಂತ್ರಜ್ಞಾನವುತ ಸೇವೆಯನ್ನು ಅತ್ಯಂತ ಕನಿಷ್ಠ ಬೆಲೆಯಲ್ಲಿ ಜನಸಾಮಾನ್ಯರಿಗೆ ಒದಗಿಸುತ್ತಾ ಇದೆ. ಈ ನೆಲೆಯಲ್ಲಿ ಬ್ಯಾಂಕು 2013-14 ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಶಾಖಾರಹಿತ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲಿ ತನ್ನ 13 ನೂತನ ಶಾಖೆಗಳನ್ನು ಸ್ಥಾಪಿಸಿ, ತನ್ಮೂಲಕ ಮಹತ್ವಾಕಾಂಕ್ಷಿ ಯೋಜನೆ ಆರ್ಥಿಕ ಸೇವಾ ವಿಸ್ತರಣೆಯ ತನ್ನ ಕಾರ್ಯಕ್ಕೆ

the FY 2013-14 as part of its financial inclusion initiative, thus taking the total Financial Inclusion branches to 60. Your Bank had also opened 17 Ultra Small Branches, thus taking the total number of such branches to 41 as on March 31, 2014.

### CUSTOMER SERVICE

The customer has always been the focal point of our initiatives. We have been endeavouring to empower our customers by rolling out innovative products and services through optimal use of technology without compromising on the quality of service rendered across the counter and without losing sight of the safety and security aspects. In this direction, the Bank is actively involved in putting in place systems and procedures to comply with the recommendations of the Damodaran Committee on Customer Service, constituted by the Reserve Bank of India, to look into the banking services rendered to customers and the grievance redressal mechanism prevalent in banks. Most of the recommendations made by the said Committee have been complied with and the remaining few which require up-gradation of the Bank's Core Banking Solution are being pursued for early compliance.

### FINANCIAL INCLUSION

Financial Inclusion means making available the full range of banking services at an affordable cost to the people who do not have access to banking services. It mainly focuses on the section of society not having formal financial institutional support. Through the Financial Inclusion Plan, Bank aims at 'connecting people' with the Bank and not just opening accounts. This includes meeting the small credit needs of the rural public, giving them access to the payments system, providing remittance facility and life and health insurance. Efforts are being made to optimize the resources to achieve the goal of extending banking facilities to the un-banked areas / deprived sections.

All the branches of the Bank are under Core Banking Solution (CBS) and all the branches to be opened in future will also be under CBS. Out of 600 branches, Bank has 108 Rural branches and all these branches are provided with CBS offering all banking facilities to

ವೇಗೋತ್ಕರ್ಷ ಒದಗಿಸಿದೆ. ಇದರಿಂದಾಗಿ ವಿದ್ಯಮಾನ ಸೇವಾ ಯೋಜನಾ ಅನುಷ್ಠಾನಕ್ಕಾಗಿ ತೆರೆದ ವಿಶೇಷ ಶಾಖೆಗಳ ಒಟ್ಟು ಸಂಖ್ಯೆ 60ಕ್ಕೆ ಏರಿತು. ಅಲ್ಲದೇ 17 ಅತೀ ಸಣ್ಣ ಶಾಖೆಗಳನ್ನು ಗ್ರಾಮಾಂತರ ಪ್ರದೇಶಗಳಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತೆರೆದಿದ್ದು, 31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಇಂತಹ ವಿಶೇಷ ಶಾಖೆಗಳ ಒಟ್ಟು ಸಂಖ್ಯೆ 41ಕ್ಕೆ ಏರಿತು.

### ಗ್ರಾಹಕರ ಸೇವೆ

ಬ್ಯಾಂಕಿನ ಯಾವುದೇ ಉಪಕ್ರಮ ಅಥವಾ ಮೊದಲ ಹೆಜ್ಜೆಯ ಗುರಿ ಗ್ರಾಹಕರ ಸೇವೆಯೇ ಆಗಿದ್ದು ಗ್ರಾಹಕರ ಸಂತ್ಸುತಿ ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಯಾಗಿದೆ. ನಾವು ಗ್ರಾಹಕರಿಗಾಗಿ ಮುಡಿಪಾಗಿದ್ದು ನಮ್ಮ ನವನವೋದ್ದೇಶಶಾಲಿ ಬ್ಯಾಂಕಿಂಗ್ ಉತ್ಪನ್ನಗಳು ಮತ್ತು ಸೇವೆಗಳು, ತಂತ್ರಜ್ಞಾನದ ಗರಿಷ್ಠ ಬಳಕೆಯ ಸಾಧ್ಯತೆಯಿಂದ, ಸೇವೆಯಲ್ಲಿ ಯಾವುದೇ ಹೊಂದಾಣಿಕೆ ಮಾಡಿಕೊಳ್ಳದೇ ಕೌಟುಂಬದಲ್ಲಿ ಗ್ರಾಹಕರ ಮುಖಾಮುಖಿಯಾಗಿ ಒದಗಿಸುತ್ತಾ ಬಂದಿರುವುದು, ಸುರಕ್ಷತೆ ಮತ್ತು ಭದ್ರತೆಯ ಕುರಿತಾಗಿ ಗರಿಷ್ಠ ಕಾಳಜಿ ಹೊಂದಿರುವುದರ ದ್ಯೋತಕವೂ ಆಗಿರುತ್ತದೆ. ಈ ದಿಶೆಯಲ್ಲಿ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಮಾರ್ಗದರ್ಶಿ ಹಾಗೂ ಗ್ರಾಹಕರ ಸೇವೆ ಬಗೆಗಿನ ದಾಮೋದರನ್ ಕಮಿಟಿ ಅನುಮೋದನೆಗಳನ್ನು ನಿಷ್ಠಾವಾಗಿ ಪಾಲಿಸಿಕೊಂಡು, ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆ ಮತ್ತು ನಡವಳಿಯನ್ನು ಪೂರೈಸುತ್ತಾ ಅತ್ಯುತ್ತಮ ಗ್ರಾಹಕರ ಸೇವೆಯನ್ನು ವಿಸ್ತರಿಸುತ್ತಾ ಕುಂದುಕೊರತೆ ಸುಧಾರಣಾ ವ್ಯವಸ್ಥೆಯ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಬ್ಯಾಂಕು ತನ್ನಲ್ಲಿ ಅಳವಡಿಸಿಕೊಂಡಿದೆ. ಮೇಲೆ ತಿಳಿಸಿದ ಸಮಿತಿಯು ಅನುಮೋದಿಸಿದ ಉಪಕ್ರಮಗಳಲ್ಲಿ ಹೆಚ್ಚಿನವುಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈಗಾಗಲೇ ಕಾರ್ಯಗತಗೊಳಿಸಿದ್ದು ಉಳಿದ ಕೆಲವೊಂದರ ಅನುಷ್ಠಾನಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೊಲ್ಯೂಶನ್ ವ್ಯವಸ್ಥೆ ಇನ್ನು ಉನ್ನತ ಮಟ್ಟಕ್ಕೆ ಏರಬೇಕಾಗಿರುವುದರಿಂದ ಅದನ್ನು ಅತೀ ಶೀಘ್ರದಲ್ಲಿ ಅನುಷ್ಠಾನಕ್ಕೆ ತರಲಾಗುವುದು.

### ವಿದ್ಯಮಾನ ಸೇವಾ ಯೋಜನೆ

ವಿದ್ಯಮಾನ ಸೇವಾ ಯೋಜನೆ ಎಂದರೆ ಆಧುನಿಕ, ಸುಸಜ್ಜಿತ ಪೂರ್ಣ ಸ್ವರದ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಕೈಗೆಟುಕುವ ವೆಚ್ಚದಲ್ಲಿ ಕಡಿಮೆ ಆದಾಯದ ಜನ ಸಾಮಾನ್ಯರಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಪಡೆಯುವಷ್ಟು ಸ್ವಲ್ಪ ಇಲ್ಲದವರಿಗೆ ತಲುಪಿಸುವುದೇ ಆಗಿದೆ. ಯಾವುದೊಂದು ಸಾಮಾನ್ಯ ಆರ್ಥಿಕ ಸಂಸ್ಥೆಗಳ ಬೆಂಬಲವಿಲ್ಲದ ಸಮಾಜದ ದೀನಾದಿವೀನ ಮಂದಿಯ ಮನೆಬಾಗಿಲಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆ ತಲುಪಿಸುವುದು ವಿದ್ಯಮಾನ ಸೇವಾ ಯೋಜನೆಯ ಮೂಲ ಉದ್ದೇಶ. ವಿದ್ಯಮಾನ ಸೇವಾ ಯೋಜನೆಯಲ್ಲಿ ಬರೇ ಖಾತೆಗಳನ್ನು ತೆರೆಸುವುದಷ್ಟಕ್ಕೆ ಪರಿಮಿತವಾಗಿದರೇ, ಜನರನ್ನು ಬ್ಯಾಂಕಿಗೆ ಆಕರ್ಷಿಸಿ ಅವರನ್ನು ಬ್ಯಾಂಕ್ ವ್ಯವಹಾರಗಳೊಂದಿಗೆ ನಿಕಟಗೊಳಿಸುವುದು ಪ್ರಮುಖ ಉದ್ದೇಶವಾಗಿದೆ. ಜನಸಾಮಾನ್ಯರ ಸಣ್ಣ ಸ್ವರೂಪದ ಆರ್ಥಿಕ ಬೇಡಿಕೆಯನ್ನು ತಕ್ಷಣ ಪೂರೈಸುವುದು, ಬ್ಯಾಂಕಿನ ಪಾವತಿ ವ್ಯವಸ್ಥೆಯನ್ನು ಸದಾ ಅವರಿಗೆ ಒದಗಿಸುವುದು, ಹಣ ವರ್ಗಾವಣೆಯ ಸೌಲಭ್ಯವನ್ನು ಅವರಿಗೆ ತಿಳಿಸಿ ಪರಿಚಯಿಸುವುದು, ಆರೋಗ್ಯ ಮತ್ತು ಜೀವವಿಮಾ ಪಾಲಿಸಿಗಳ ಬಗ್ಗೆ ಅವರಿಗೆ ಮನದಟ್ಟಾಗಿಸುವುದು ಒಗ್ಗೂಡಿಕೆಯ ಕೆಲವೊಂದು ಇತರ ಮಗ್ಗುಲುಗಳಾಗಿವೆ. ಬ್ಯಾಂಕಿಂಗ್ ಸೇವಾ ವಂಚಿತರಿಗೆ / ಬ್ಯಾಂಕ್ ಶಾಖೆಗಳಿಲ್ಲದ ಹಳ್ಳಿಗಳಿಗೂ ಬ್ಯಾಂಕ್ ಶಾಖೆಯನ್ನು ವಿಸ್ತರಿಸುವಲ್ಲಿ ಸಾಕಷ್ಟು ಸಂಪನ್ಮೂಲ ಆಕರಣೆಯ ಸಾಕಷ್ಟು ಪ್ರಯತ್ನಗಳು, ಪ್ರಯೋಗಗಳು ಸಾಗಿವೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಶಾಖೆಗಳು 'ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೊಲ್ಯೂಶನ್' ಅಧೀನ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿದ್ದು ಮುಂದೆ ಸ್ಥಾಪಿಸಲಾಗುವ ಎಲ್ಲಾ ಶಾಖೆಗಳೂ ಇದೇ ತಂತ್ರಜ್ಞಾನದಿಂದ ಆಧರಿಸಲ್ಪಟ್ಟಿರುತ್ತವೆ. ಪ್ರಸ್ತುತವಿರುವ 600 ಶಾಖೆಗಳಲ್ಲಿ, 108 ಶಾಖೆಗಳು ಗ್ರಾಮಾಂತರ ಪ್ರದೇಶಗಳಲ್ಲಿದ್ದು, ಇವೆಲ್ಲವೂ ಸಿಬಿಎಸ್ ತಂತ್ರಜ್ಞಾನದಲ್ಲಿ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿವೆ. ಇವು ತಂತ್ರಜ್ಞಾನವೃತ್ತ ಅತ್ಯಾಧುನಿಕ

the rural clientele in the gram panchayats or villages where these branches are located. All the rural branches are acting as financial literacy centers (FLCs) and imparting Banking literacy among the rural Populace.

In accordance with revised Strategy & Guidelines of Department of Financial Services (DFS), Ministry of Finance, Govt. of India, financial inclusion plan of the Bank has been revised. Under the revised financial inclusion plan, Bank has been allocated with 207 Gram Panchayats consisting of 1002 villages with a population of about 10,31,000 as per 2001 census, in Karnataka, Andhra Pradesh & Chhattisgarh states. The Gram Panchayats are being financially included through Brick and Mortar Branches and Business Correspondents (BC).

**Brick and Mortar Branches**

As on March 31, 2014 bank has covered 465 villages of 94 GPs through Brick & Mortar Branches. 10 Branches were opened during financial year 2013-14.

**Business Correspondent Services (BC Services):**

Bank has entered in to an agreement with M/s BASIX Sub-k iTransaction Ltd and M/s Integra Micro Systems Pvt. Ltd. to provide online transaction facility and as on March 31, 2014 113 GPs with 537 villages of Karnataka, Andhra Pradesh and Chhattisgarh states were covered under the above arrangement. Total coverage through BC Model stood at 92 GPs covering 512 villages as on March 31, 2014.

**Ultra Small Branches (USBs)**

During the financial year, the Bank opened 17 Ultra Small Branches, taking the count of USBs to 41 as on March 31, 2014 (after accounting for upgradation of two USBs into regular Branches during the Financial Year 2013-14).

**Electronic Benefit Transfer (EBT) - Pilot Project of Govt. of Karnataka**

Bank is participating in Govt. of Karnataka (GOK) EBT Pilot project for NREGA/SSP beneficiaries under – “One District - Many Bank Model” and has started

ತ್ವರಿತ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಗ್ರಾಮಪಂಚಾಯತ್‌ನಲ್ಲಿರುವ ಗ್ರಾಮಾಂತರ ಶ್ರೀಸಾಮಾನ್ಯರಿಗೆ ಒದಗಿಸುತ್ತಿದೆ. ಈ ಎಲ್ಲಾ ಶಾಖೆಗಳು ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆಯನ್ನು ಬಿತ್ತರಿಸುವ ಪ್ರತಿನಿಧಿಯಾಗಿಯೂ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತವೆ.

ಕೇಂದ್ರ ಸರ್ಕಾರದ ವಿತ್ತ ಮಂತ್ರಾಲಯದ, ಡಿಪಾರ್ಟ್‌ಮೆಂಟ್ ಆಫ್ ಫೈನಾನ್ಸಿಯಲ್ ಸರ್ವೀಸಸ್ ವಿಭಾಗದ ಪರಿಷ್ಕೃತ ಕಾರ್ಯತಂತ್ರ ಮಾರ್ಗದರ್ಶಿಕೆಯ ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯು ನವೀಕೃತಗೊಂಡಿದೆ. ಪರಿಷ್ಕೃತ ನವೀನ ವಿತ್ತೀಯ ಯೋಜನೆಯಂತೆ, ಬ್ಯಾಂಕು 207 ಗ್ರಾಮ ಪಂಚಾಯತ್‌ಗಳ 1002 ಹಳ್ಳಿಗಳಲ್ಲಿನ ಒಟ್ಟು ಜನಸಂಖ್ಯೆ 10,31,000 (2001ನೇ ಜನಗಣತಿಯ ಆಧಾರ) ಮಂದಿಗೆ, ಕರ್ನಾಟಕ, ಆಂಧ್ರಪ್ರದೇಶ ಮತ್ತು ಭತ್ತೀಸ್‌ಗಡ ರಾಜ್ಯಗಳಲ್ಲಿ ಸೇವಾ ಕೈಂಕರ್ಯವನ್ನು ವಿತರಿಸುತ್ತಿದೆ. ಈ ಗ್ರಾಮ ಪಂಚಾಯತ್‌ಗಳು ಬ್ರಿಕ್ ಆಂಡ್ ಮಾರ್ಟರ್ ಶಾಖೆಗಳು ಮತ್ತು ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿಗಳಿಂದ ಸಂಪನ್ನಗೊಂಡಿದೆ.

**ಬ್ರಿಕ್ ಆಂಡ್ ಮಾರ್ಟರ್ ಶಾಖೆಗಳು**

31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಬ್ಯಾಂಕು 94 ಗ್ರಾಮ ಪಂಚಾಯತ್ ವ್ಯಾಪ್ತಿಯಲ್ಲಿ 465 ಹಳ್ಳಿಗಳಲ್ಲಿ ಬ್ಯಾಂಕಿಂಗ್ ಬ್ರಿಕ್ ಆಂಡ್ ಮಾರ್ಟರ್ ಶಾಖೆಗಳ ಮೂಲಕ ಸೇವೆಯನ್ನು ವಿತರಿಸುತ್ತಿದೆ. 2013-14ರ ವಿತ್ತೀಯ ವರ್ಷದಲ್ಲಿ 10ನೂತನ ಬ್ರಿಕ್ ಆಂಡ್ ಮಾರ್ಟರ್ ಶಾಖೆಗಳು ಸ್ಥಾಪನೆಗೊಂಡಿವೆ.

**ಬ್ಯುಸಿನೆಸ್ ಕರೆಸ್ಪಾಂಡೆನ್ಸ್ ಸರ್ವೀಸಸ್**

ಮೆ ಬಾಸಿಕ್ಸ್ ಸಬ್ - ಕೆಬಿ ಟ್ರಾನ್ಸಾಕ್ಷನ್ ಲಿಮಿಟೆಡ್ ಮತ್ತು ಇಂಟೀಗ್ರಾ ಮೈಕ್ರೋ ಸಿಸ್ಟಮ್ಸ್ ಪ್ರೈ. ಲಿಮಿಟೆಡ್‌ಗಳೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಪ್ಪಂದವ ನ್ನೇರ್ಪಡಿಸಿಕೊಂಡು, ಕರ್ನಾಟಕ, ಆಂಧ್ರಪ್ರದೇಶ ಮತ್ತು ಭತ್ತೀಸ್‌ಗಡ ರಾಜ್ಯಗಳ ಒಟ್ಟು 113 ಗ್ರಾಮ ಪಂಚಾಯತ್ ವ್ಯಾಪ್ತಿಯ 537 ಹಳ್ಳಿಗಳನ್ನು ವ್ಯಾಪ್ತಿಸಿಕೊಂಡಂತೆ 31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ, ಜನಸಾಮಾನ್ಯ ಗ್ರಾಮಾಂತರ ಗ್ರಾಹಕರಿಗೆ ಆನ್‌ಲೈನಿನಲ್ಲಿ ವಿದ್ಯುನ್ಮಾನದ ಮೂಲಕ ವಹಿವಾಟು ನಡೆಸಲು ಆಸಕ್ತರಾಗಿದ್ದಾರೆ. ಮೇಲಣ ಯೋಜನೆಯಂತೆ 31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಈ ಯೋಜನೆಯನ್ವಯ ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿಗಳ ಮೂಲಕ 92 ಗ್ರಾಮ ಪಂಚಾಯತ್ ವ್ಯಾಪ್ತಿಯ 512 ಗ್ರಾಮಾಂತರ ಪ್ರದೇಶಗಳಲ್ಲಿ ಸೇವಾ ಸಲ್ಲಿಕೆ ಕಾರ್ಯ ನಡೆಯುತ್ತಿದೆ.

**ಆತೀ ಸಣ್ಣ ಶಾಖೆಗಳು**

ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕು 17 ಆತೀ ಚಿಕ್ಕ ಶಾಖೆಗಳನ್ನು ತೆರೆದಿದ್ದು 31 ಮಾರ್ಚ್ 2014 ಇಂತಹ ಶಾಖೆಗಳ ಒಟ್ಟು ಸಂಖ್ಯೆ 41ಕ್ಕೆ ಏರಿತು. (2013-14ರ ವರ್ಷ ಸಾಲಿನಲ್ಲಿ 2 ಆತೀ ಸಣ್ಣ ಶಾಖೆಗಳನ್ನು ಪರಿಪೂರ್ಣ ಶಾಖೆಯಾಗಿ ಉನ್ನತೀಕರಣಗೊಳಿಸಿರುವುದನ್ನು ಗಣನೆಗೆ ತಂದುಕೊಂಡಂತೆ)

**ವಿದ್ಯುನ್ಮಾನ ಫಲ ಪರ್ಗಾವಣೆ - ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಮಾರ್ಗದರ್ಶಿ ಯೋಜನೆ**

ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಮಾರ್ಗದರ್ಶಿ ಯೋಜನೆ, ವಿದ್ಯುನ್ಮಾನ ಫಲ ಪರ್ಗಾವಣೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಕೈಜೋಡಿಸಿದೆ. ಈ ಯೋಜನೆಯು “ನ್ಯಾಷನಲ್ ರೂರಲ್ ಎಂಪ್ಲಾಯಿಮೆಂಟ್ ಗ್ಯಾರಂಟಿ ಆಕ್ಟ್” ಮತ್ತು

disbursing the payments under the above schemes to the beneficiaries using smart card and hand held machines at 5 Gram Panchayat locations in Chitradurga, Bellary and Yadgir districts.

#### Direct Benefit Transfer (DBT)

Bank is actively participating in Direct Benefit Transfer (DBT) Programme of Govt. India, wherein, the Govt. would transfer benefits of various Schemes directly to the beneficiaries Aadhaar enabled bank accounts. For this purpose, Bank has on boarded with NPCI for Aadhaar Payment Bridge System (APBS) under National Automated Clearing House (NACH). DBT for LPG is now implemented in 284 districts and out of this, Bank has its presence in 103 Districts with 447 branches.

#### Financial Literacy and Credit Counseling Centers (FLCCs)

Bank has sponsored two FLCCs at BC Road and Kundagol in Karnataka State. During the financial year FLCCs sponsored by the Bank has conducted 212 Financial Literacy campaigns and 11763 participants had been covered. In adherence to RBI guidelines all the rural branches of our Bank are conducting financial literacy Camps.

#### AWARDS AND RECOGNITIONS

Your Bank bagged the following awards during the year under report in recognition of its achievement under customer relations, risk management, HR, technology initiatives as well as for social banking and lending for export promotion.

##### 1. The Sunday Standard Best Bankers' Awards 2013:

- i) Best Banker award for customer orientation amongst private sector banks.
- ii) Best Banker award for customer friendliness in mid-sized bank category
- iii) Best Banker for HR amongst private sector banks.

##### 2. IDRBT awards:

- i) Best Bank award among small banks for managing IT risk

"ಸೋಸಿಯಲ್ ಸೆಕ್ಯೂರಿಟಿ ಪೆನ್ಷನ್" ಫಲಾನುಭವಿಗಳಿಗೆ "ಒಂದು ಜಿಲ್ಲೆ - ಒಂದು ಬ್ಯಾಂಕು" ಮಾದರಿ ಎನ್ನುವ ಶೀರೋನಾಮೆಯಡಿ ವಿದ್ಯುನ್ಮಾನ ಫಲವರ್ಗವಣಿ ಸೇವೆಗೈಯುತ್ತಿದೆ. ಚಿತ್ರದುರ್ಗ, ಬಳ್ಳಾರಿ ಮತ್ತು ಯಾದಗಿರಿ ಜಿಲ್ಲೆಗಳ 5 ಗ್ರಾಮ ಪಂಚಾಯತ್ ವ್ಯಾಪ್ತಿಯಲ್ಲಿನ ಯಂತ್ರಗಳಿಂದ ಸರ್ವ ಫಲಾನುಭವಿಗಳಿಗೂ ಸಹ ವಿದ್ಯುನ್ಮಾನ ಫಲವರ್ಗವಣಿ ಸೇವೆ, ಸ್ಮಾರ್ಟ್ ಕಾರ್ಡ್ ಬಳಕೆಯ ಮೂಲಕ ನಡೆಯುತ್ತಿದೆ.

#### ನೇರ ಫಲವರ್ಗವಣಿ

ಕೇಂದ್ರ ಸರ್ಕಾರದ 'ನೇರ ಫಲವರ್ಗವಣಿ' ಯೋಜನೆಯಲ್ಲಿ ಬ್ಯಾಂಕು ಭಾಗವಹಿಸಿದ್ದು, ವಿವಿಧ ಯೋಜನೆಗಳ ಫಲಾನುಭವಿಗಳ ಫಲವು ಬ್ಯಾಂಕಿನ ಶಾಖೆಗಳ ಮೂಲಕ ನೇರವಾಗಿ ಆಧಾರ್ ಕಾರ್ಡ್ ಸಂಯೋಜಿತ ಬ್ಯಾಂಕ್ ಖಾತೆಗೆ ಜಮಾಗೊಳ್ಳುತ್ತದೆ. ಈ ಉದ್ದೇಶಕ್ಕಾಗಿ ಬ್ಯಾಂಕು ಈಗಾಗಲೇ ಆಧಾರ್ ಪೇಮೆಂಟ್ ಬ್ರಿಡ್ಜ್ ಸಿಸ್ಟಂನೊಂದಿಗೆ (ನ್ಯಾಷನಲ್ ಅಟೋಮೇಟೆಡ್ ಕ್ಲಿಯರಿಂಗ್ ಹೌಸ್ ಅಧೀನದ) ಹೆಜ್ಜೆ ಇರಿಸಿದೆ. ಈ ಯೋಜನೆಯನ್ವಯ 284 ಜಿಲ್ಲೆಗಳಲ್ಲಿ ಆಡುಗೆ ಅನಿಲ ಸಿಲಿಂಡರ್ ಬಾಬು ನೇರಫಲ ವರ್ಗವಣಿ ನಡೆಯುತ್ತಿದ್ದು ಇವುಗಳಲ್ಲಿ 103 ಜಿಲ್ಲೆಗಳ ಬ್ಯಾಂಕಿನ 447 ಶಾಖೆಗಳಲ್ಲಿ ಎಲ್‌ಪಿಜಿಯ ನೇರಫಲವರ್ಗವಣಿ ಜರಗುತ್ತಿದೆ.

#### ವಿತ್ತೀಯ ಸಾಕ್ಷರತೆ ಮತ್ತು ಮುಂಗಡ ಸಮಾಲೋಚನಾ ಕೇಂದ್ರಗಳು

ಬ್ಯಾಂಕು, ಕರ್ನಾಟಕದ ಬಿ.ಸಿ.ರೋಡ್ ಮತ್ತು ಕುಂದಗೋಳಗಳಲ್ಲಿ ಮುಂಗಡ ಸಮಾಲೋಚನ ಕೇಂದ್ರಗಳನ್ನು ಪ್ರಾಯೋಜಿಸಿರುತ್ತದೆ. ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಪ್ರಾಯೋಜನೆಯಲ್ಲಿ ವಿವಿಧ ಭಾಗಗಳಲ್ಲಿ 212 ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಕ್ಯಾಂಪುಗಳು ಜರಗಿದ್ದು, 11763 ಭಾಗಾಂಶಗಳು ಪ್ರಯೋಜನವನ್ನು ಹೊಂದಿದ್ದಾರೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿ ಸೂತ್ರದಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಗ್ರಾಮಾಂತರ ಶಾಖೆಗಳು ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಕ್ಯಾಂಪುಗಳನ್ನು ಯಶಸ್ವಿಯಾಗಿ ಜರಗಿಸುತ್ತಿವೆ.

#### ಪ್ರಶಸ್ತಿಗಳು ಮತ್ತು ಸನ್ನದುಗಳು

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈ ಕೆಳಕಾಣಿಸಿದ ಪ್ರಶಸ್ತಿ ಹಾಗೂ ಸನ್ನದುಗಳನ್ನು ಗ್ರಾಹಕ ಸ್ನೇಹ ಸಂಬಂಧ, ಅಪಾಯ ನಿರ್ವಹಣೆ, ಮಾನವ ಸಂಪನ್ಮೂಲ, ತಾಂತ್ರಿಕ ಅಭಿಗಮನ, ಸಾಮಾಜಿಕ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ರಫ್ತು ಔನ್ನತ್ಯ ನಿರ್ವಹಣೆಯಲ್ಲಿನ ಶ್ರೇಷ್ಠತೆ ಮತ್ತು ಜ್ಞೇಷ್ಠತೆಗಾಗಿ ಗುರುತಿಸಲ್ಪಟ್ಟು ಗೌರವಿಸಲ್ಪಟ್ಟಿದೆ.

##### 1. ಸಂಡೇ ಸ್ಟಾಂಡರ್ಡ್ ಬೆಸ್ಟ್ ಬ್ಯಾಂಕರ್ಸ್ ಅವಾರ್ಡ್ 2013:

- i) ಖಾಸಗಿ ರಂಗದ ಬ್ಯಾಂಕುಗಳ ಪೈಕಿ ಗ್ರಾಹಕ ಸ್ನೇಹ ಯೋಜನೆಯಲ್ಲಿ ಬೆಸ್ಟ್ ಬ್ಯಾಂಕರ್ ಪ್ರಶಸ್ತಿ.
- ii) ಮಧ್ಯಮ ಗಾತ್ರದ ಬ್ಯಾಂಕುಗಳ ಪೈಕಿ ಗ್ರಾಹಕ ಸ್ನೇಹ ಸೇವಾ ಔನ್ನತ್ಯಕ್ಕಾಗಿ ಬೆಸ್ಟ್ ಬ್ಯಾಂಕರ್ ಪ್ರಶಸ್ತಿ.
- iii) ಖಾಸಗಿ ರಂಗದ ಬ್ಯಾಂಕುಗಳ ಪೈಕಿ ಅತ್ಯುತ್ತಮ ಮಾನವ ಸಂಪನ್ಮೂಲಕ್ಕಾಗಿ ಬೆಸ್ಟ್ ಬ್ಯಾಂಕರ್ ಪ್ರಶಸ್ತಿ.

##### 2. ಐಡಿಆರ್‌ಬಿಟಿ ಪ್ರಶಸ್ತಿಗಳು:

- i) ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಸಂಬಂಧಿತ ಅಪಾಯ ನಿರ್ವಹಣೆ ಸಣ್ಣ ಬ್ಯಾಂಕ್ ಸಮೂಹದಲ್ಲಿ ಬೆಸ್ಟ್ ಬ್ಯಾಂಕ್ ಪ್ರಶಸ್ತಿ.

ii) Best Bank award among small banks for use of IT in business innovation

**3. IBA Banking awards:**

i) Second runner up in the category of the best customer management initiative amongst private sector banks.

**4. ASSOCHAM social banking excellence awards 2013:**

i) Runner-up of ASSOCHAM social banking excellence awards 2013 under the private sector banks category.

**5. Southern region export excellence award 2012-13 from Federation of Indian Export Organisation (FIEO)**

**6. BFSI best bank (private sector) award.**

Further NQA, a leading assessment, verification and certification body accredited to the United Kingdom Accreditation Service (UKAS) has renewed ISO 27001:2005 certificate for our three IT set-ups viz. Data Centre, Near Line Site and Head Office – IT Department including Disaster Recovery Site.

**ACKNOWLEDGEMENTS**

Your Directors would like to place on record their sincere gratitude to the Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks for their continued guidance and support. Your directors also place on record their gratitude to the Bank's shareholders, depositors and other customers for their continued support, patronage and goodwill. Your directors express their deep sense of appreciation to all the staff members, for their contribution in your Bank's quest for sustained growth and profitability and look forward to their continued contribution in scaling greater heights.

For and on behalf of the Board of Directors

ii) ಸಣ್ಣ ಬ್ಯಾಂಕ್ ಸಮೂಹದಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ವ್ಯವಹಾರ ಅನ್ವೇಷಣೆಗಾಗಿ ಬೆಸ್ಟ್ ಬ್ಯಾಂಕ್ ಪ್ರಶಸ್ತಿ.

**3. ಐಬಿಎ ಬ್ಯಾಂಕಿಂಗ್ ಪ್ರಶಸ್ತಿ:**

i) ಖಾಸಗಿ ರಂಗದ ಬ್ಯಾಂಕುಗಳಲ್ಲಿ ಗ್ರಾಹಕ ನಿರ್ವಹಣೆಯಲ್ಲಿ ತೋರಿದ ಶ್ರೇಷ್ಠತೆಗಾಗಿ ರನ್ನರ್-ಅಪ್ ಪ್ರಶಸ್ತಿ.

**4. ಎಎಸ್‌ಎಸ್‌ಐಸಿಎಚ್‌ಎಎಮ್ - ಸೋಶಿಯಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಎಕ್ಸಲೆನ್ಸ್ ಅವಾರ್ಡ್ಸ್ 2013:**

i) ಎಎಸ್‌ಎಸ್‌ಐಸಿಎಚ್‌ಎಎಮ್‌ನಿಂದ ಸೋಶಿಯಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಎಕ್ಸಲೆನ್ಸ್‌ಗಾಗಿ ಖಾಸಗಿ ರಂಗದ ಬ್ಯಾಂಕುಗಳ ವಿಭಾಗದಲ್ಲಿ - ರನ್ನರ್ ಪ್ರಶಸ್ತಿ - 2013

**5. ಸದರ್ನ್ ರೀಜನ್ ಎಕ್ಸ್‌ಪೋರ್ಟ್ ಎಕ್ಸಲೆನ್ಸ್ ಅವಾರ್ಡ್ಸ್ - 2012-13 - ಇಂಡಿಯನ್ ಎಕ್ಸ್‌ಪೋರ್ಟ್ ಆರ್ಗನೈಸೇಷನ್ ಫೆಡರೇಶನ್ ನಿಂದ**

**6. ಬಿಎಫ್‌ಬಿಐ - ಬೆಸ್ಟ್ ಬ್ಯಾಂಕ್ ಅವಾರ್ಡ್ಸ್ (ಖಾಸಗಿ ರಂಗ):**

ಹೆಚ್ಚುವರಿಯಾಗಿ ಎನ್‌ಕ್ಯೂಎ - ಒಂದು ನಾಮಾಂಕಿತ ಮೌಲ್ಯಮಾಪನ, ಪ್ರಮಾಣೀಕರಣ ಮತ್ತು ದೃಢೀಕರಣ (ಯುನೈಟೆಡ್ ಕಿಂಗ್ ಡಮ್ ಎಕ್ಸಿಡೆಂಟೀಶನ್ ಸರ್ವಿಸ್ ಪ್ರಾಯೋಜಿತ) ಪಿಶ್ಚೆಸ್ ಸಂಸ್ಥೆ ಐಎಸ್‌ಐ 27001:2005 ದೃಢೀಕರಣ ಪತ್ರವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನದ ಮೂರು ಅಂಗಗಳಾದ ದತ್ತಾಂಶ ಕೇಂದ್ರ, ನಿಯರ್ ಲೈನ್ ಸೈಟ್ ಮತ್ತು ಪ್ರಧಾನ ಕಚೇರಿ - ಐಟಿ ವಿಭಾಗದ ವಿಪತ್ತು ನಿವಾರಣಾ ಸೈಟ್ - ಇವುಗಳ ಉತ್ತಮ ನಿರ್ವಹಣೆಗಾಗಿ ನವೀಕರಿಸಿದೆ.

**ಕೃತಜ್ಞತೆಗಳು:**

ನಿಮ್ಮ ನಿರ್ದೇಶಕರು, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ, ಇತರ ಸರಕಾರಿ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರದ, ಆರ್ಥಿಕ ಸಂಸ್ಥೆಗಳ, ಸಹಭಾಗಿ ಬ್ಯಾಂಕುಗಳ ನಿರಂತರ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ಬೆಂಬಲಗಳಿಗಾಗಿ ತಮ್ಮ ಹೃತ್ಪೂರ್ವಕ ಕೃತಜ್ಞತೆಗಳನ್ನು ದಾಖಲಿಸಲು ಇಚ್ಛಿಸುತ್ತಾರೆ. ಬ್ಯಾಂಕಿನ ಶೇರುದಾರರ, ಠೇವಣಿದಾರರ ಮತ್ತು ಸರ್ವ ಗ್ರಾಹಕರ ನಿರಂತರ ಬೆಂಬಲ, ಸಹಕಾರ ಮತ್ತು ವಿಶ್ವಾಸಗಳಿಗಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಚಿರಋಣಿಗಳಾಗಿದ್ದಾರೆ. ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಉದ್ಯೋಗಿ ಸದಸ್ಯರು ನೀಡಿದ ಸಕ್ರಿಯ ಬೆಂಬಲ, ಬ್ಯಾಂಕಿನ ನಿರಂತರ ಪ್ರಗತಿ ಮತ್ತು ಆದಾಯಕ್ಕಾಗಿ ನೀಡಿದ ಸಹಕಾರಕ್ಕಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಹೃತ್ಪೂರ್ವಕ ಮೆಚ್ಚುಗೆಯನ್ನು ದಾಖಲಿಸುತ್ತಾ ಮತ್ತು ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಬ್ಯಾಂಕನ್ನು ಇನ್ನೂ ಎತ್ತರಕ್ಕೆ ಕೊಂಡೊಯ್ಯುವಲ್ಲಿ ಇವರೆಲ್ಲರ ನಿರಂತರ ಸಹಕಾರವನ್ನು ನಿರೀಕ್ಷಿಸುತ್ತಾರೆ.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಪರವಾಗಿ ಮತ್ತು ಅಪ್ಪಣೆಯೊಂದಿಗೆ

Place: Bangalore  
Date : 07.06.2014

Ananthkrishna  
Chairman

ಸ್ಥಳ : ಬೆಂಗಳೂರು  
ದಿನಾಂಕ: 07.06.2014

ಅನಂತಕೃಷ್ಣ  
ಅಧ್ಯಕ್ಷರು



## ANNEXURES FORMING PART OF DIRECTORS' REPORT

### ANNEXURE - I

#### Disclosure in respect of Employee Stock Option Scheme pursuant to SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999.

In the year 2006, shareholders of the Bank had approved a stock option scheme to be implemented in the Bank. Under the Scheme a total of 15,00,000 stock options were available for grant. The Bank is yet to implement the second stock option scheme as approved by the shareholders at the Annual General Meeting held on August 8, 2009.

The status of the options outstanding under the Employee Stock Options Scheme (ESOS- 2006) as at March 31, 2014 is as under:

Total grants authorized under the Scheme	15,00,000 shares		
	Series 1	Series 2	Series 3
Number of Options outstanding at the beginning of the year	189521	1798	148185
Number of Options granted during the year	Nil	Nil	Nil
Pricing formula-After adjustments for the rights issue	₹ 46.20 per option/share	₹ 46.20 per option/share	₹ 46.20 per option/share
Number of Options vested during the year	-	-	-
Number of Options exercised during the year	34905	130	34027
Total Number of shares arising as a result of exercise of options during the year	34905	130	34027
Options lapsed / forfeited / cancelled (nos)	38345	736	0
Variation of terms of options	Nil	Nil	Nil
Money realized by exercise of options, including premium	1612611	6006	1572047.40
Total Number of Options in force as on March 31, 2014 - post rights issue	116271	932	114158
Grant to senior Managerial personnel during the year	Nil	Nil	Nil
Employees receiving 5 percent or more of the total number of options granted during the year ended	Nil	Nil	Nil
Employees granted options equal to or exceeding 1 percent of the issued capital	Nil	Nil	Nil

The Bank had followed the intrinsic value method for valuing the stock options. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. As all the cost on the basis of intrinsic value of options granted has already been accounted in the earlier year itself, there is no charge to the profit and loss account during this year and therefore there is no impact on the Earnings per share on account of Bank following the intrinsic value method of accounting vis-a-vis the fair value method of accounting.

**ANNEXURE - II****DISCLOSURE UNDER PILLAR III OF BASEL III ACCORD****1. SCOPE OF APPLICATION**

The Karnataka Bank Limited, a premier private sector Bank, was incorporated on February 18, 1924 in Mangalore. The Bank does not have any subsidiary / Associate companies under its Management.

The Bank presently is not involved in insurance business. However, Bank has entered in to a Joint venture agreement and holds equity investments to the extent of 15 percent in M/s Universal Sompo General Insurance Company Limited. The financials of the joint venture company are not consolidated with the balance sheet of the Bank. The investment in the joint venture is not deducted from the capital funds of the Bank but is assigned risk weights as an investment.

**2. CAPITAL STRUCTURE**

	Particulars	No. of equity shares	Face value per share (₹)	Amount (₹ in crore)
1	Authorized Capital	300000000	10	300.00
2	Issued Capital	188437120	10	188.44
3	Subscribed Capital	188428922	10	188.43
4	Called up / Paid up Capital	188412372	10	*188.42

\*inclusive of forfeited shares

The Bank's shares are listed on the National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd.

During the year ended March 31, 2014 the Bank has allotted 69062 equity shares to employees under its Employee Stock Option Plan and 200 shares as bonus shares allotted consequent to release of entitlements kept in abeyance during bonus issue 2002. Apart from the above, Bank has not raised any capital by IPO, Rights or by Public offer during the year ended March 31, 2014.

**Breakup of Capital Funds:****The Tier I Capital of the Bank comprises of**

(₹ in crore)

1	Paid up Capital (Including forfeited shares)	188.42
2	Reserves	2863.78
	<b>Total</b>	<b>3052.20</b>

**The Tier II Capital of the Bank comprises of**

(₹ in crore)

1	Undisclosed reserves	15.95
2	General Provisions and Loss Reserves	183.39
3	Subordinated debts eligible for inclusion in Lower Tier 2 Capital	500.00
	<b>Total</b>	<b>699.34</b>

**The Total capital comprises of**

(₹ in crore)

1	Tier I Capital	3052.20
2	Tier II Capital	699.34
	<b>Total</b>	<b>3751.54</b>

Details of the aggregate amounts of the bank's total interests in insurance entities, which are risk-weighted:

Name of the insurance entities/ country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity/ proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Universal Sompo General Insurance Co Ltd / India	General Insurance	₹ 350 crore	15%	CRAR is reduced by 0.08%

### Assessment of Capital Adequacy

An assessment of the capital requirement of the Bank is carried out through comprehensive projections of future business that takes cognizance of the strategic intent of the Bank, profitability of particular business and opportunities for growth. The proper mapping of credit, operational and market risks to this projected business growth enables assignment of capital that not only adequately covers the minimum regulatory capital requirements but also provides headroom for growth. The calibration of risk to business is enabled by a strong risk culture in the Bank aided by effective, technology based risk management systems.

A summary of the Bank's Capital requirement under Basel III for credit, market and operational risk and the capital adequacy ratio is detailed below.

(₹ in crore)

A	Capital requirement for Credit Risk	
	– Portfolios subject to Standardized approach	2228.92
	– Securitization exposures	–
B	Capital requirement for Market Risk	
	Standardized duration approach	149.23
	– Interest rate Risk	107.74
	– Foreign exchange risk	1.80
	– Equity Risk	39.69
C	Capital requirement for Operational Risk	
	– Basic Indicator approach	164.09
D	Total Capital requirement	2542.24
E	Total eligible Capital Funds of the Bank as per Basel III	3729.55
F	Total Risk Weighted Assets	28247.09
G	Common Equity Tier I ratio (CET1) (%)	10.73%
H	Tier I CRAR (%)	10.73%
I	Tier II CRAR (%)	2.47%
J	Total CRAR (%)	13.20%

### 3. RISK MANAGEMENT: OBJECTIVES AND ORGANIZATION STRUCTURE

The various risks taken by the Bank during the course of the business development are identified, assessed, measured, controlled, monitored, mitigated and reported effectively. The key components of the Bank's risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism. The Bank's risk governance architecture focuses attention on key areas of risk such as credit, market and operational risk and quantification of these risks wherever possible for effective and continuous monitoring.

#### a. Objectives and Policies

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Bank has a well documented Board approved 'Risk Management Policy' in place. The Board sets the overall risk appetite and philosophy for the Bank. The Board of Directors, the Integrated Risk Management Committee and the Audit Committee of the Board review various aspects of risk arising from the businesses of the Bank.

#### b. Structure and Organization

The Bank has a risk management system that is centralized with a three track committee approach. The committees are- Credit Policy Committee (CPC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC). An Integrated Risk Management Committee (IRMC) evaluates the overall risk factors faced by the bank and directly reports to the Board of directors.

CPC deals with credit policies and procedures, ALCO deals with Asset Liability Management (ALM) and Investment Policy of the Bank and ORMC formulates policies and procedures for managing operational risk.

#### 4. CREDIT RISK MANAGEMENT

Bank has developed online comprehensive credit risk rating system for all borrower accounts. Risk rating of borrowers intended to help banks in quantifying and aggregating the credit risk across various exposures. The bank has validated its existing rating models and refined/revised the corporate models, besides introduction of Specialized lending rating models, Retail score card models [Pool based approach] and Facility rating. Accordingly, bank is rating its credit portfolio as per the criteria laid down for rating in the Loan Policy of the Bank. The rating serves as a single point indicator of diverse risk factors of counter-party and for taking credit decisions. The risk rating system is drawn up in a structured manner, incorporating different factors such as borrower and industry specific characteristics. The Bank also undertakes periodic validation exercise of its rating models and also conducts migration and default rate analysis to test robustness of its rating models.

The Bank has formulated a comprehensive Loan Policy by incorporating various parameters and prudential limits to manage and control default, transaction and intrinsic / concentration risk. The credit exposures are taken after subjecting the proposals to analysis of various risk factors such as financial risk, industry risk, management risk, business risk, transaction risk etc.

The Bank analyses the migration of borrowers in various risk rating categories to gauge the quality of the loan portfolio. The Bank also conducts periodical review of the loan assets to ascertain conduct of the accounts. The Bank conducts periodical Credit Audit and Stock Audit of large credit exposures to limit the magnitude of credit risk and interest rate risk.

##### Credit sanction and related processes

Know Your Customer is a leading principle for all business activities. The other components of the credit processes are:

1. Sound credit approval process with well laid credit sanctioning criteria.
2. The acceptability of credit exposure, primarily based on the sustainability and adequacy of borrower's normal business operations and not based solely on the availability of security.
3. Portfolio level risk analysis and reporting to ensure optimal spread of risk across various rating classes to prevent undue risk concentration across any particular industry segments and monitor credit risk migration.
4. Sector specific studies at periodic intervals to highlight risks and opportunities in those sectors.
5. Adoption of rating linked exposure norms.
6. Industry-wise exposure ceilings based on the industry performance, prospects and the competitiveness of the sector.
7. Separate risk limits for credit portfolios like advances to NBFC and unsecured loans that require special monitoring.

##### Review and Monitoring

1. All credit exposures, once approved, are monitored and reviewed periodically against the approved limits. Borrowers with lower credit rating are subject to more frequent reviews.
2. Credit monitoring involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance with the sanction terms and conditions and effectiveness of loan administration.
3. Customers with emerging credit problems are identified early and classified accordingly. Remedial action is initiated promptly to minimize the potential loss to the Bank.

##### Concentration Risk

The Bank controls concentration risk by means of appropriate sectoral limits and borrowers limits based on creditworthiness. The Bank also captures the Concentration risk by monitoring the geographical exposure.

##### Large exposures to individual clients or group

The Bank has individual borrower-wise exposure ceilings based on the internal rating of the borrower as well as group-wise borrowing limits. The Bank monitors the level of credit risk (Low / Moderate / High / Very High) and direction of change in credit risk (increasing / decreasing / stable) at the portfolio level.

##### Definition of Non-Performing Assets

Bank has adopted the definition of the past due and impaired assets (for accounting purposes) as defined by the regulator for income recognition and asset classification norms.

## Exposures

### A. Total gross credit exposure including geographic distribution of exposure

(₹ in crore)

	Domestic	Overseas	Total
Fund Based	33026.37	–	33026.37
Non Fund based	4749.64	–	4749.64
<b>Total</b>	<b>37776.01</b>	<b>–</b>	<b>37776.01</b>

### Geographic distribution of credit exposure

(₹ in crore)

Sl.No.	State / Union Territory	Funded Exposure	Non Funded Exposure	Total
1	Andhra Pradesh	2784.55	734.94	3519.49
2	Assam	48.48	32.05	80.53
3	Bihar	9.79	0.00	9.79
4	Chhattisgarh	333.29	25.60	358.89
5	Delhi	3393.93	365.41	3759.34
6	Goa	165.07	36.82	201.89
7	Gujarat	298.93	54.00	352.93
8	Haryana	870.09	343.73	1213.82
9	Jharkhand	42.64	1.85	44.49
10	Karnataka	12644.69	1424.45	14069.14
11	Kerala	336.32	21.24	357.56
12	Madhya Pradesh	261.56	9.11	270.67
13	Maharashtra	5354.74	820.58	6175.32
14	Orissa	487.82	34.48	522.30
15	Puducherry	37.08	1.39	38.47
16	Punjab	378.86	70.89	449.75
17	Rajasthan	649.62	41.78	691.40
18	Tamilnadu	3095.77	449.78	3545.55
19	U.T. of Chandigarh	50.47	3.59	54.06
20	Uttar Pradesh	633.33	144.38	777.71
21	Uttarakhand	56.38	2.01	58.39
22	West Bengal	1092.96	131.56	1224.52
	<b>Total Exposure</b>	<b>33026.37</b>	<b>4749.64</b>	<b>37776.01</b>

While determining level and direction of credit risk, parameters like percentage of low- risk credit (investment grade and above) to credit risk exposure and migration from investment to non-investment grade (quantum as percentage of credit risk exposure) are also considered. The Bank monitors the rating-wise distribution of its borrowers also.

### Exposure to Industries

Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Particular attention is given to industry sectors where the Bank believes that there is a high degree of risk or potential for volatility in the future. The Bank has fixed internal limits for aggregate commitments to different sectors so that the exposures are evenly spread over various sectors.

The credit policy deals with short term as well as long term approach to credit risk management. The policy of the Bank embodies in itself the areas of risk identification, risk measurement, risk grading techniques, reporting and risk control systems / mitigation techniques, documentation practice and the system for management of problematic loans.

**B. Distribution of Credit Exposure by Industry Sector**

(₹ in crore)

Sl.No.	Industry	Fund based	Non Fund based	Grand Total
1	Coal and Mining	103.61	1.64	105.25
2	Iron and Steel	804.93	88.99	893.91
3	Metal and Metal Products	354.59	126.95	481.54
4	Other Engineering	612.63	296.60	909.23
5	Wood Based Industries	104.47	186.31	290.78
6	Electronics	25.80	3.65	29.45
7	Cotton Textile	775.27	85.58	860.85
8	Jute Textile	26.96	3.43	30.39
9	Other Textiles	860.46	91.14	951.59
10	Tea Industry	38.79	0.29	39.08
11	Kandasari and Sugar	38.05	2.10	40.15
12	Vegetable Oil	17.20	0.00	17.20
13	Tobacco and Tobacco Products	1.17	0.00	1.17
14	Paper and Paper Products	269.18	34.02	303.21
15	Rubber and Rubber Products	15.41	6.76	22.17
16	Plastic and Plastic Products	226.22	73.23	299.45
17	Chemicals, Dyes	84.06	21.11	105.17
18	Drugs and Pharmaceuticals	110.53	49.56	160.09
19	Cement and Cement Products	408.09	22.23	430.32
20	Leather and Leather Products	37.58	21.37	58.95
21	Petroleum Products	257.09	0.64	257.73
22	Distilleries, Breweries including soft drinks	22.57	0.35	22.92
23	Cashew nut Processing	21.28	0.00	21.28
24	Rice, Flour, Dhal Mills	359.93	20.14	380.08
25	Marine Products / Processing	0.02	0.00	0.02
26	Food and Food Products	277.49	10.51	288.00
27	Gems and Jewellery	652.06	40.27	692.33
28	Automobiles	491.50	26.04	517.54
29	Computer Software and Computer Hardware	18.83	22.80	41.63
30	All Other Industries	786.01	221.32	1007.32
31	Infrastructure advances	3110.05	213.04	3323.09
	<b>TOTAL INDUSTRIAL ADVANCE</b>	<b>10911.82</b>	<b>1670.06</b>	<b>12581.88</b>

The details of the Industry wherein the bank's exposure in the related Industry has exceeded the 5 percent of total gross credit exposure is furnished below.

Sl. No.	Industry / sectors classification	Percentage of the total credit exposure
1	Infrastructure advances	8.80 %

**C. Residual contractual maturity of Advances and Investments**

(₹ in crore)

SI.No.	Maturity Buckets	Advances	Investments
1	1 day	740.95	356.46
2	2 to 7 days	190.05	333.57
3	8 to 14 days	384.56	0.43
4	15-28 Days	221.18	72.16
5	29 Days to 3 Months	1800.43	311.22
6	Over 3 Months to 6 Months	1460.14	208.61
7	Over 6 Months to 12 Months	2998.43	675.54
8	Over 1 Year to 3 years	13300.88	2911.86
9	Over 3 Years to 5 Years	3053.56	2712.74
10	Over 5 Years	4195.30	7644.19
	<b>Total</b>	<b>28345.48</b>	<b>15226.78</b>

**D. Classification of Non Performing Advances**

(₹ in crore)

SI.No.	Particulars	31.03.2014
<b>A</b>	<b>Amount of NPA's ( Gross)</b>	<b>835.93</b>
	– Substandard	407.32
	– Doubtful 1	279.36
	– Doubtful 2	85.84
	– Doubtful 3	18.05
	– Loss	45.36
<b>B</b>	<b>Net NPAs</b>	<b>538.04</b>
	Gross NPAs to Gross Advances ratio (%)	2.92
	Net NPAs to Net Advances ratio (%)	1.91

**Movement of NPAs (Gross)**

(₹ in crore)

SI.No.	Particulars	31.03.2014
1	Opening Balance as on 01.04.2013	638.86
2	Additions	653.88
3	Reductions	456.81
<b>4</b>	<b>Closing Balance as on 31.03.2014</b>	<b>835.93</b>

**Movement of Provisions for NPAs**

(₹ in crore)

SI.No.	Particulars	31.03.2014
1	Opening Balance	198.41
2	Provision made during the period	210.54
3	Write off	137.42
4	Write back of excess provisions	0.00
<b>5</b>	<b>Closing Balance</b>	<b>271.53</b>

**E. Non Performing Investments and movement of provision for depreciation on Investments** (₹ in crore)

		<b>31.03.2014</b>
A	Amount of Non performing Investments	14.11
B	Amount of Provision held for Non performing Investments	14.11
C	Movement of provisions for depreciation on Investments	
	a) Opening balance	87.92
	b) Add: Provisions made during the year	26.99
	c) Less: Write off / write back of excess provisions	17.90
	d) Closing balance	97.01

**Disclosure for portfolios subject to the standardized approach**

Large corporate borrowers and Public Sector Enterprises are being encouraged to solicit ratings from approved external rating agencies and wherever such ratings are available the Bank uses the same in assigning risk weights. Bank has approved 6 domestic credit rating agencies identified by RBI i.e. CRISIL, CARE, India Ratings and Research Private Limited (earlier FITCH India), ICRA, Brickwork and SMERA Ratings Limited. The ratings available in public domain are mapped according to risk profile and specific risk characteristics of each rating grade of respective agencies as envisaged in RBI guidelines.

**The credit exposure [fund based & non fund based] after risk mitigation (subject to the standardized Approach) in different risk buckets are as under:**

(₹ in crore)

SI. No.	Risk weight	Exposure Outstanding
1	Below 100%	10401.06
2	100%	10350.41
3	More than 100%	4307.35
	<b>Total</b>	<b>25058.82</b>

**Credit Risk Mitigation: Disclosures for Standardized Approach**

As stipulated by the RBI guidelines, the Bank uses the comprehensive approach for collateral risk mitigation. Under this approach, the Bank reduces its credit exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible financial collateral as specified in the Basel guidelines.

**Types of eligible financial collateral / Guarantors:**

The Bank recognizes only specified types of financial collateral and guarantees (counter-guarantors) for providing capital relief in line with Basel II guidelines on credit risk mitigation.

This includes cash, Bank own deposits, gold (including bullion and jewellery, subject to collateralized jewellery being notionally converted / benchmarked to 99.99 percent purity), securities issued by the Central and State Governments, Kisan Vikas Patra, National Savings certificates, life insurance policies with a declared surrender value which is regulated by IRDA, certain debt securities rated by a recognized credit rating agency, certain debt securities not rated but issued by Banks and listed on a recognized exchange and are classified as senior debt, certain mutual fund units where daily Net Assets Value (NAV) is available in public domain.

**Eligible Guarantors (counter-guarantors):**

Credit protection given by the following entities is recognized:

- (i) Sovereigns, sovereign entities (including BIS, IMF, European Central Bank and European Community as well as permitted MDBs, ECGC, CRGFTLIH and CGTMSE), banks and primary dealers with a lower risk weight than the counterparty;
- (ii) Other entities that are externally rated except when credit protection is provided to a securitization exposure. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.
- (iii) When credit protection is provided to a securitization exposure, other entities that currently are externally rated BBB – or better and that were externally rated A – or better at the time the credit protection was provided. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.



The extent of total credit exposure (under the standardized approach) covered by eligible financial collaterals after application of haircuts are furnished below:

(₹ in crore)

Eligible financial collaterals after haircuts	4810.63
Eligible guarantees	702.53

## 5. MARKET RISK & LIQUIDITY RISK

The Bank has put in place Board approved Integrated Treasury Policy and Asset Liability Management (ALM) policy for effective management of market risk in the Bank. The objective of Integrated Treasury Policy is to assess and minimize risks associated with treasury operations by extensive use of various risk management tools. Broadly, it encompasses Policy prescriptions for managing systemic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risk arising out of various products in treasury and its business activities, the Bank has set regulatory / internal limits and ensures the adherence thereof. Migration of ratings is tracked regularly. Limits for exposures to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss Limits, Overnight limit, Daylight limit, Aggregate Gap limit, Individual gap limit, Value at Risk (VaR) limit for Forex, Inter-Bank dealing and various investment limits. For the Market Risk Management the Bank has a Mid Office. The functions of Mid Office are handled by Integrated Risk Management Department.

The Board, IRMC & ALCO are overseeing the market risk management of the Bank, procedures thereof, implementing risk management guidelines issued by regulator, best risk management practices followed globally and ensures that internal parameters, procedures, practices / policies and risk management prudential limits are adhered to.

The policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigates are discussed in ALCO and based on views taken by / mandates of ALCO, hedge deals are undertaken.

Liquidity risk of the Bank is assessed through daily gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limits fixed thereon. Advance techniques such as Stress testing, simulation, sensitivity analysis etc. are conducted on regular intervals to draw the contingency funding plan under different liquidity scenarios.

### Market Risk in Trading Book

Bank has adopted the Standardized Duration Approach as prescribed by RBI for computation of capital charge for market risk and is fully compliant with such RBI guidelines. Bank is now preparing itself for the Advanced Approach based on a Value at Risk (VaR) model, which is under implementation.

The capital requirements for market risk are detailed below:

(₹ in crore)

Sl. No.	Risk Category	Capital Charge
I	Interest Rate	107.74
II	Equity	39.69
III	Foreign Exchange, Gold and Derivatives	1.80
IV	Total Capital Charge for market Risk (I+II+III)	149.23

## 6. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

The interest rate risk is viewed from two perspectives i.e. 'Earnings Perspective' and 'Economic Value Perspective'. Generally, the former is measured using Earnings-at-Risk (EaR) under Traditional Gap Analysis (TGA) and the latter is measured through changes in the Market value of Equity (MVE) under Duration Gap Analysis (DGA).

- **Earnings-at-Risk (EaR):** All the Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) maturing / re-pricing up to 1 year are bucketed as per Traditional Gap Analysis (TGA) and EaR analysis is conducted by applying various shocks on product-wise weighted average interest rates in each time band. EaR is quantified by changes in the NII and NIM in comparison with the previous financial year end.

- **Impact on Market Value of Equity (MVE):** Impact on Market Value of Equity (MVE) is analyzed through Duration Gap Analysis (DGA) which involves bucketing of market value of all Rate Sensitive Assets and Rate Sensitive Liabilities as per residual maturity / re-pricing in various time bands and computing Modified Duration Gap. Accurate method is adopted for computing the market value by discounting each cash flow of all Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) with various discount curves as suggested by RBI. Notional interest rate shocks are applied on the resultant Modified Duration Gap to arrive at the changes in the Market Value of Equity (MVE).
- Prudential limits have been fixed for changes in NIM and MVE for 200bps shock in the interest rates and monitored on a monthly basis.

Earning at Risk for 200 bps interest rate shock is estimated at ₹ 33.94 crore and change in the Market value of Equity for 200 bps interest rate shocks is 4.60%.

## 7. OPERATIONAL RISK

### Strategies and Processes

Bank has initiated several measures to manage operational risk through identification, assessment and monitoring of inherent risks in all its business processes. A framework has been laid to capture loss data which can be mapped to operational risk events to measure the impact quantitatively. Bank has put in place a hierarchical structure to effectively manage operational risk through the formation of internal committee viz., Operational Risk Management Committee (ORMC).

### Scope and Nature of Operational Risk Reporting and Measurement Systems

A systematic process for reporting risk events, loss events, “near misses” and non-compliance issues relating to operational risks have been developed and implemented. The information gathered will be used to develop triggers to initiate corrective actions to improve controls. All critical risks and potential loss events are reported to the senior Management / ORMC / IRMC as appropriate for their directions and suggestions.

An Operational Risk Management Policy approved by the Risk Management Committee of the Board details the framework for hedging and / or mitigating operational risk in the Bank. As per the policy, all new products are vetted by the New Product Approval Committee to identify and assess potential operational risks involved and suggest control measures to mitigate the risks.

### Approach for Operational Risk Capital Assessment

As per the RBI guidelines, the Bank has adopted Basic Indicator Approach for computing capital charge for Operational Risk. Steps have been initiated to migrate to the Advanced Measurement Approach.

### Exposure Related to Counterparty Credit Risk

Counterparty Credit Risk exposures for banks are assessed based on Bank's business requirements and considering counterparty bank's parameters such as CRAR, net worth, NPA level etc. Counterparty exposures for other entities are assessed subject to exposure ceilings as per the Loan Policy of the Bank. Capital for Counterparty Credit Risk exposure is assessed based on Standardized Approach.

The Bank does not recognize bilateral netting. The credit equivalent amount of derivative exposure is calculated using Current Exposure Method and the balance outstanding as on 31st March, 2014 is as under:

(₹ in crore)

Particulars	Notional Amount	Current Exposure
Foreign exchange contracts	6974.65	343.79
Interest rate contracts	Nil	Nil
<b>Total</b>	<b>6974.65</b>	<b>343.79</b>

### **Composition of Capital**

Disclosures pertaining to composition of capital, including the capital disclosure templates, main features of equity and debt capital instruments and the terms and conditions of equity and debt capital instruments have been disclosed separately on the Bank's website under 'Regulatory Disclosures Section'. The link to this section is <http://ktkbank.com/ktk/BaselDisclosures.jsp>

### **Disclosures on Remuneration**

#### **a) Qualitative disclosure:**

##### **Remuneration Committee**

The Remuneration Committee of the Board consists of Independent Directors with two independent Director Members from Integrated Risk Management Committee.

##### **Objectives of Compensation Policy**

Compensation Policy aims to attract and retain the right candidates in the Bank. The policy is designed to support key business strategies and create a strong, performance-orientated environment besides providing reasonable remuneration commensurate with the growth of the Bank. It also ensures effective governance of compensation, alignment of compensation with prudent risk taking, effective supervisory oversight and stakeholder engagement. The Policy also aims at facilitating effective succession planning in the Bank.

The Remuneration Committee of the Board works in close coordination with the Integrated Risk Management Committee of the Board to ensure effective alignment of remuneration and risks. Other qualitative disclosures are as under:

##### **Risk adjustments in remuneration**

A wide variety of measures of credit, market and liquidity risks are used by bank in implementation of risk adjustment. The risk adjustment methods have both quantitative and judgmental elements. Compensation outcomes are symmetric with risk outcomes and compensation payouts are sensitive to the time horizon of the risk.

##### **Performance linked variable compensation, deferral and forms**

The bank's compensation policy stipulates that while fixing the Variable Pay performance parameters under financial and non-financial areas of operations are to be assessed and variable pay shall not exceed 70% of the fixed pay in a year. The variable pay could be in cash, or stock linked instruments or mix of both. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable remuneration paid.

Further, where the variable pay constitutes a substantial portion of the fixed pay (i.e. 50% or more of the fixed pay), an appropriate portion of the variable pay, say 40% to 60% must be deferred for over a period. The Board / RC / ESOP Committee may grant stock options under the Employees Stock Options Plan / Scheme as per Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, subject to the approval of Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949. Such Stock Options will be excluded from the components of variable pay. In case variable pay payable is 50% or more, deferral arrangements of variable pay shall be applied. The deferral period should not be less than three years. Compensation payable under deferral arrangements should vest on a pro-rata basis at such rates as may be decided by the Board / RC. In the event of negative contributions of the Bank and / or the relevant line of business in any year, the deferred compensation is subject to malus / clawback arrangements.

## b) Quantitative disclosures

(₹ in crore)

		Current Year (2013-14)	Previous Year (2012-13)
(i)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	One With effect from 01.09.2013 sitting fees of ₹15000/- to each non-whole time Director members per meeting attended.	One Sitting fees of ₹10000/- to each non-whole time Director members per meeting attended.
(ii)	Number of employees having received a variable remuneration award during the financial year.	No variable remuneration paid to any employees during the financial year 2013-14.	No variable remuneration paid to any employees during the financial year 2012-13.
	Number and total amount of sign-on awards made during the financial year.	NIL	NIL
	Details of guaranteed bonus, if any, paid as joining / sign on bonus.	NIL	NIL
	Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(iii)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL	NIL
	Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
(iv)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed : 0.53 Variable : NIL	Fixed : 0.48 Variable : NIL
(v)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	NIL	NIL
	Total amount of reductions during the financial year due to ex- post explicit adjustments.	NIL	NIL
	Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL

### ANNEXURE III

#### **CORPORATE GOVERNANCE**

Corporate Governance broadly refers to the set of systems, principles and processes by which a company is governed while fulfilling the goals and objectives of the company and also protecting the interest of all the stakeholders in the long run. It is based on principle such as conducting the business with integrity and fairness, being transparent in all transactions, making all the necessary disclosures and complying with all the applicable laws, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. Your Directors' present below the Bank's Report on compliance of Corporate Governance requirements as prescribed under clause 49 of the listing agreement with the stock exchanges:

#### **Philosophy of Corporate Governance**

The Basic philosophy of Corporate Governance in the Bank is the application of the best management practices that provide stability and growth to the enterprise, transparency, accountability, disclosures and value creation. Your Bank believes that good governance practices ultimately secure the goal of turning the Bank into a value driven organization. Your Bank's philosophy of Corporate Governance has been embedded in its Mission statement which reads as under:

"To be a technology savvy, customer centric progressive Bank with a national presence, driven by the highest standards of Corporate Governance and guided by sound ethical values".

#### **Board of Directors:**

**a) Composition of the Board:** The Board of Directors of the Bank consists of 10 directors including the Managing Director. The constitution of the Board conforms to the provisions of Section 10 B of the Banking Regulation Act, 1949 and Clause 49 of listing agreement entered into with the stock exchanges where the shares of the Bank are listed. The Board consists of eminent persons drawn from specialized fields such as banking, finance, accountancy, law, agriculture & rural economy, cooperation & SSI and other areas as specified in the Banking Regulation Act 1949. Except Mr P. Jayarama Bhat, Managing Director & CEO, all other directors on the Board are independent and non-executive directors.

#### **Board Meetings:**

During the financial year ended March 31, 2014 the Board met 14 times on the following dates;

SI. No.	Date of the meeting	SI. No.	Date of the meeting
1	30.04.2013	8	21.10.2013
2	15.05.2013	9	23.11.2013
3	27.06.2013	10	07.12.2013
4	06.07.2013	11	23.01.2014
5	31.07.2013	12	24.01.2014
6	27.08.2013	13	19.02.2014
7	19.09.2013	14	24.03.2014

Details of the attendance of directors at the Board meetings during the year under report and at the last Annual General Meeting and directorships / committee positions held in other companies were as under:

Name of the Director (Messrs/Mrs)	No of meetings Attended	Whether attended the last AGM	Directorship in other Public Limited Companies	Committee positions in other Public Limited Companies
Ananthakrishna	14	YES	02	01
P Jayarama Bhat	14	YES	NIL	NIL
R V Shastri <sup>@</sup> (upto 27.01.2014)	12	YES	-	-
U R Bhat <sup>@</sup> (upto 27.01.2014)	12	YES	-	-
T S Vishwanath	14	YES	02	03
Sitarama Murty M <sup>*</sup> (upto 17.12.2013)	10	YES	02	02
S V Manjunath	13	YES	NIL	NA
D Harshendra Kumar	11	YES	NIL	NA
Dr. H Ramamohan	14	YES	NIL	NA
T R Chandrasekaran	14	YES	NIL	NA
Ashok Haranahalli	09	YES	NIL	NA
Usha Ganesh <sup>#</sup> (w.e.f. 31.07.2013)	09	NA	NIL	NA
Rammohan Rao Belle <sup>#</sup> (w.e.f. 21.10.2013)	06	NA	NIL	NA

\* Retired as Director on 17.12.2013 upon attaining upper age limit of 70 years as per the extant guidelines of RBI.

@ Retired as directors on completion of 8 years term as per Banking Regulation Act, 1949.

# Appointed as additional Directors of the Bank.

**Note:** For the purpose of committee positions held in other public limited companies, only Audit Committee and Shareholders / Investors Grievance Committees have been considered.

None of the Directors of the Board serve as members of more than 10 Committees or they act as Chairman of more than 5 Committees across all companies. There is no relationship amongst directors inter-se.

#### Remuneration of Directors:

Mr Ananthakrishna, the non-executive part-time Chairman of the Bank is paid sitting fees for attending Board / Committee meetings and has been provided with the Bank's car for official purpose besides traveling and halting allowance as applicable to other Directors of the Bank as per his terms of appointment approved by Reserve Bank of India vide its letter DBOD. No. 3610/08.40.001/2012-13 dated September 5, 2012.

Mr P Jayarama Bhat, Managing Director & CEO, has been paid salary and other allowances as approved by the Reserve Bank of India. The details of the remuneration paid to Mr P Jayarama Bhat during the year ended March 31, 2014 were as under:

Break up of Remuneration	(₹ in Lakh)
Basic Salary	36.00
Dearness Allowance	7.20
House Rent Allowance	5.40
Contribution to Provident Fund	4.32
<b>Total</b>	<b>52.92</b>

Other benefits such as use of car, telephone at residence, LFC etc. were also provided to Mr P Jayarama Bhat during the reporting period. The remuneration of Mr P Jayarama Bhat, had been approved by the Reserve Bank of India vide its letter DBOD. No. 3285/08.40.001/2012-13 dated 29.8.2012.

Other directors were paid sitting fees @ ₹15000 / ₹10000/- (upto 31.8.2013) and ₹ 20,000 / ₹15000/- (w.e.f. 01.09.2013) for attending the meetings of the Board / Committees of the Board respectively during the year under report, the details of which were as under:

<b>Name of the Director (Messrs/Mrs.)</b>	<b>Sitting fees paid for the year 2013-14 (₹ in lakh)</b>
Ananthkrishna	5.20
R V Shastri	4.65
U R Bhat	3.75
T S Vishwanath	2.80
Sitarama Murty M	3.55
S V Manjunath	4.45
D Harshendra Kumar	3.50
Dr. H Ramamohan	4.90
T R Chandrasekaran	5.25
Ashok Haranahalli	1.60
Usha Ganesh	2.05
Rammohan Rao Belle	2.70

No Stock Option has been granted to any of the Directors of the Bank during the above period.

#### **COMMITTEES OF THE BOARD:**

In compliance with the regulatory requirements and for the operational needs, the Board had constituted several committees, which were continued during the reporting period, the details of which are given below;

##### **1. Executive Committee of the Board of Directors (EC):**

In order to facilitate the Board to concentrate on policy matters and strategic planning, etc., certain lending and non-lending powers have been delegated to the Executive Committee of Board of Directors. The Committee was headed by Mr P Jayarama Bhat, Managing Director. The other members of the Committee were Messrs R V Shastri, Sitarama Murty M, S V Manjunath, Dr H Ramamohan and Rammohan Rao Belle. During the year under report nine meetings of EC were held on 18.04.2013, 31.05.2013, 15.07.2013, 22.08.2013, 15.10.2013, 02.12.2013, 06.01.2014, 08.02.2014 and 14.03.2014. Details of the attendance at the meeting were as under;

##### **Meetings record**

<b>Name of the Director (Messrs)</b>	<b>No of meetings attended</b>
P Jayarama Bhat	09
R V Shastri (upto 27.01.2014)	06
Sitarama Murty M (upto 18.12.2013)	06
S V Manjunath	06
Dr H Ramamohan	09
Rammohan Rao Belle (w.e.f. 07.12.2013)	03

##### **2. Audit Committee of the Board of Directors (ACB):**

The Bank had constituted an Audit Committee of the Board (ACB) in 1995 as per the directions of the Reserve Bank of India to look into the matters specified by RBI. The functioning of the ACB was modified to fall in line with the requirements of the Listing Agreement and the Companies Act, 1956. The terms of reference of the ACB include the following:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors on any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

The ACB was headed by Mr T R Chandrasekaran, an Independent Director. The members of the ACB consisted of Messrs R V Shastri, U R Bhat, D Harshendra Kumar, Rammohan Rao Belle and Mrs Usha Ganesh and all the members of the ACB were financially literate. The Company Secretary acted as the secretary to the Committee. Chief Financial Officer, the Statutory Central Auditors, Chief Compliance Officer and the Head of the Inspection & Audit Department of the Bank were also invited to attend the meetings of the committee. During the year under review nine meetings of ACB were held on 15.05.2013, 14.06.2013, 31.07.2013, 05.08.2013, 23.09.2013, 21.10.2013, 07.01.2014, 24.01.2014 and 24.03.2014.

#### Meetings record of the ACB.

Name of the Director (Messrs/Mrs)	No. of meetings attended
R V Shastri (upto 27.01.2014)	07
U R Bhat (upto 27.01.2014)	08
D Harshendra Kumar	08
T R Chandrasekaran	09
Usha Ganesh (w.e.f. 29.01.2014)	01
Rammohan Rao Belle (w.e.f. 29.01.2014)	01

#### 3. Shareholders/Investors Grievance Committee:

A sub committee of the Board constituted during the year 2002 to specifically look into the grievances of shareholders / investors continued its functioning during the year ended March 31, 2014 also. The Committee was headed by Mr R V Shastri upto the date of his retirement and thereafter by Mr T S Vishwanath. The other



members of the committee were Messrs U R Bhat, Ashok Haranahalli and Rammohan Rao Belle. The Committee met twice during the year under report on 21.10.2013 and 24.03.2014 and reviewed all the complaints received from the shareholders and the investors.

**Name & designation of the Compliance Officer:** Y V Balachandra, Company Secretary.

A total of 97 complaints were received from the Investors / Shareholders including the complaints received through SEBI's Online portal i.e. SCORES during the year ended March 31, 2014 and all of them have been redressed satisfactorily. As required under the listing agreement a separate Email ID: **investor.grievance@ktkbank.com** had been maintained exclusively for the purpose of registering complaints by the investors.

#### **4. Special Committee for monitoring and investigation of large value frauds:**

As per the directions of the Reserve Bank of India, the Board had constituted a Special Committee on 17.02.2004 exclusively to monitor, investigate and follow up cases of fraud involving amounts of ₹ 1 crore and above. The terms of reference of the Committee were as under:

- a. Identify the systems lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- b. Identify the reasons for delay in detection, if any, in reporting to top management of the Bank and RBI.
- c. Monitor progress of CBI / Police investigation, and recovery position.
- d. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- e. Review the efficacy of the remedial action taken to prevent recurrence of frauds such as strengthening of internal controls.
- f. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

The Committee consisted of Messrs Ananthakrishna (Chairman of the Committee), P Jayarama Bhat, S V Manjunath, D Harshendra Kumar and T R Chandrasekaran. During the year under report four meetings of the Committee were held on 26.04.2013, 19.09.2013, 23.11.2013 and 07.01.2014.

#### **5. Integrated Risk Management Committee (IRMC):**

A Board level sub- committee called the Integrated Risk Management Committee (IRMC) was constituted on 24.12.2004 to devise a policy and strategy for integrated risk management containing various risk exposures of the Bank including credit risk and market risk. The Committee was headed by Mr. Ananthakrishna and other members of the Committee were Messrs P Jayarama Bhat, R V Shastri, Sitarama Murty M, T R Chandrasekaran and Mrs Usha Ganesh.

The functions of the Committee include the review of risk profile of the Bank, evaluation of the overall risks faced by the Bank, develop policies and strategies for integrating risk management containing the credit, market and operational risk exposures etc and to ensure a smooth transition to the new Capital Adequacy Framework.

IRMC met four times during the year on 13.06.2013, 22.08.2013, 22.11.2013, 19.02.2014

#### **6. Nomination Committee:**

Reserve Bank of India, vide Circular DBOD. No. BC.104/08.139.001/2003-04 dated June 25, 2004 required that:-

- i) Banks in private sector should undertake a process of due diligence to determine the suitability of the persons for appointment/ continuing to hold appointment as a director on the Board.
- ii) The process of due diligence should be undertaken by the banks in private sector at the time of appointment/ renewal of appointment.
- iii) The Boards of the Banks in private sector should constitute Nomination Committee to scrutinize the declarations.
- iv) Based on the information provided in the signed declarations, Nomination Committee should decide on the acceptance and may make references, where considered necessary to the appropriate authority.
- v) Banks should obtain annually a declaration that information already provided has not undergone change and where there is any change, requisite details are furnished by the Directors.
- vi) The Board of the Bank must ensure in public interest that nominated / elected directors execute the deeds of covenants every year.

Accordingly a Nomination Committee was constituted on 29.07.2004. The Committee consisted of Messrs Ananthkrishna (Chairman of the Committee), P Jayarama Bhat, R V Shastri, Sitarama Murty M, S V Manjunath and Dr H Ramamohan. During the year under report three meetings of the committee were held on 15.05.2013, 31.07.2013 and 15.10.2013.

#### **7. Customer Service Committee:**

With a view to strengthen the corporate governance structure and also mount innovative measures for enhancing the quality of customer service and improving the level of customer satisfaction for all categories of clientele at all times, the Reserve Bank of India has suggested Banks to constitute a Customer Service Committee of the Board in compliance with the recommendations of Committee on Procedures and Performance Audit on Public Service (CPPAPS). Accordingly Customer Service Committee headed by Chairman and CEO of the Bank was constituted on 25.09.2004. The role of the Committee is to address the formulation of a comprehensive deposit policy, product approval process, annual survey of depositor satisfaction, tri-annual audit of such services and to review the performance of the Ad hoc committee periodically. The Committee continued its functioning during this year also. The Committee was headed by Mr. Ananthkrishna, and other members of the Committee were Messrs P Jayarama Bhat, D Harshendra Kumar and Dr. H Ramamohan. The Committee met twice on 27.06.2013 and 16.12.2013 during the year under report. The Committee also invites customers to the meetings to get their feed back about the customer services in the Bank.

#### **8. Internal Capital Adequacy Assessment Committee (ICAAC):**

In order to review and recommend to the Board, the capital plan of the Bank and lay down the capital planning process and responsibilities as well as contingency planning for dealing with deviations and unexpected events and matters incidental thereto, ICAAC had been constituted in the Bank. The Committee was headed by Mr. Ananthkrishna and the other members of the committee were Messrs P Jayarama Bhat, U R Bhat, Sitarama Murty M, T R Chandrasekaran and Rammohan Rao Belle. Mr Mahabaleshwara M S, Chief General Manager, who is the head of the ICAAP Function Committee, was also a member of the Committee. Four meetings of the Committee were held during the year under report on 26.06.2013, 19.09.2013, 07.01.2014 and 25.03.2014.

#### **9. International Financial Reporting Standard (IFRS) Committee:**

In order to enable the Bank to have smooth convergence of Indian Accounting Standards with International Financial Reporting Standards (IFRS), a project steering committee viz. IFRS Committee was constituted during the last year as recommended by the working Group set by the Indian Banks' Association (IBA). The above Committee continued its functioning this year also. The Committee was headed by Mr Ananthkrishna. The other members of the Committee were Messrs P Jayarama Bhat and T R Chandrasekaran. The Chief General Manager, the General Manager in charge of Treasury & Accounts Department, Heads of HR& IR Department and Risk Management Department were also the members of the Committee. The Committee met once during the year under report on 25.03.2014.

#### **10. Committee for IT Strategy and Governance:**

To study the issues arising out of the increased dependency on Information Technology in Banks, RBI constituted a working Group under the Chairmanship of Sri G Gopalakrishna, Executive Director, RBI. Based on the recommendations of the Gopalakrishna Committee, RBI issued detailed circular vide DBS.CO.ITC.BC.No.6/31.02.008/2010-11 dated 29.04.2011 advising the commercial banks to implement the recommendations of the Committee. The recommendations covered nine major areas of IT such as IT Governance, Information Security, Information System Audit, IT Operations, IT Services Outsourcing, Cyber Fraud, Business Continuity Planning, Customer Awareness Programmes and Legal issues.

The implementation of recommendations need to be Risk based, commensurate with the nature and scope of activities engaged by banks, the technology environment prevalent in the bank and Support rendered by technology to the business processes. Banks with extensive leverage of technology to support business processes would be expected to implement all the stipulations outlined in the circular. Implementation of the RBI guidelines will enhance safety, security, efficiency in banking processes leading to benefits for banks and the customers.

As envisaged in the above guidelines, a Board level Committee on IT Strategy and Governance was constituted on 29.11.2011 to oversee the above areas. The Members of the Committee were Messrs Ananthkrishna, P Jayarama Bhat, U R Bhat and Rammohan Rao Belle. Two meetings of the Committee were held during the year under report i.e. on 27.07.2013 and 08.03.2014.

Some of the roles and responsibilities of this committee include:

- | Approving IT strategy and policy documents
- | Ensuring that the management has put an effective strategic planning process in place
- | Ratifying that the business strategy is indeed aligned with IT strategy
- | Ensuring that the IT organizational structure complements the business model and its direction
- | Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business
- | Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable
- | Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources
- | Ensuring proper balance of IT investments for sustaining bank's growth
- | Becoming aware about exposure towards IT risks and controls. And evaluating effectiveness of management's monitoring of IT risks
- | Assessing Senior Management's performance in implementing IT strategies
- | Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks)
- | Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT
- | Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks

The main objective of IT Governance is to achieve outcome viz., "Value Delivery by IT to business" and "IT Risk Management". The drivers of this outcome are "IT Strategic Alignment", "IT Resource Management" and "IT Performance Measurement".

#### **11. Remuneration Committee:**

The Reserve Bank of India vide circular No DBOD. No BC. 72/29. 67. 001/2011-12 dated January 13, 2012 had issued guidelines on compensation of Whole Time Directors (WTD) / Chief Executive Officers (CEOs) / Other Risk Takers, control function staff and other employees aiming to ensure effective governance of compensation, alignment of compensation with prudent risk taking and effective supervisory oversight and stakeholder engagement in compensation. As required under the above guidelines, a Remuneration Committee of Directors has been constituted to oversee the framing, review and implementation of the Compensation policy of the Bank on behalf of the Board. RC consists of four member Directors all being independent Non-executive Directors including one member from Integrated Risk Management Committee. The Remuneration Committee, inter-alia, shall ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.

During the year the Committee met once on 22.08.2013 jointly with IRMC members. The members of the Committee were Messrs Ananthakrishna, R V Shastri, Sitarama Murthy M, S V Manjunath, Dr. H Ramamohan and T R Chandrasekaran.

#### **COMMITTEES OF EXECUTIVES:**

Apart from the Board Committees, the Bank has also constituted other committees of executives such as Asset and Liability Management Committee (ALCO), Investment Management Committee (IMC), Credit Management Committee (CMC), Credit Policy Committee (CPC), Operational Risk Management Committee (ORMC), Committee for scrutiny of frauds, staff accountability Committee, New Product & Process Approval Committee, IT Steering Committee etc. The Committees meet regularly to take decisions on respective matters.

**GENERAL BODY MEETINGS:**

Venue and the date of the last three annual general meetings were as under:

Year	Venue	Date	Day	Time	Whether any special resolution/s passed
2013	Registered Office of the Bank, Mangalore	06.07.2013	Saturday	11.30 AM	Yes
2012	Registered Office of the Bank, Mangalore	30.08.2012	Thursday	11.30 AM	Yes
2011	Registered Office of the Bank, Mangalore	23.07.2011	Saturday	11.30 AM	No

No special resolution was passed in the previous year through postal ballot.

**DISCLOSURES:**

There were no materially significant transactions entered into by the Bank with its directors, management, or relatives conflicting with the interest of the Bank at large during the year ended March 31, 2014. Further it is declared that all the directors and senior management personnel have affirmed the compliance to the code of conduct laid down by the Bank.

**STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:**

There were no instances of non-compliances by the Bank, levy of penalties and strictures imposed by Stock Exchanges, RBI and SEBI / other regulatory authorities on any matter during the year under report.

**MEANS OF COMMUNICATION:**

The quarterly / half yearly / annual results are published in the leading national English dailies such as Business Standard, The Hindu Business Line, Financial Express, Economic Times etc and vernacular newspapers such as Udayavani, Samyukta Karnataka. The results were also posted on our web site [www.karnatakabank.com](http://www.karnatakabank.com). In view of this, no separate half yearly declaration of financial performance to the shareholders has been made.

**SHAREHOLDERS' INFORMATION:****A. Annual General Meeting:**

Date : August 09, 2014  
 Day : Saturday  
 Time : 11.30 AM  
 Venue : The Karnataka Bank Ltd.  
 Regd. & Head Office  
 Mahaveera Circle, Kankanady, Mangalore – 575 002

**B. Book closure:** July 12, 2014 to August 09, 2014 (both days inclusive)

**C. Financial Year:** The financial year of the Bank is from April to March. The financial results for the quarter/ half-year/year are generally published as under:

- Quarter ending June 30, 2014 : on or before August 14, 2014
- Quarter ending Sept. 30, 2014 : on or before November 14, 2014
- Quarter ending Dec. 31, 2014 : on or before February 14, 2015
- Quarter ending March 31, 2015 : on or before May 30, 2015

**D. Dividend:**

The Board of Directors has recommended a dividend of 40 percent on the paid up capital of the Bank for the year ended March 31, 2014 (i.e. ₹ 4/- per share) and the same will be paid to the shareholders / beneficial holders of shares holding shares as on July 11, 2014 as per the Register of members in the case of shares held in physical form and Register of beneficial owners in respect of shares held in electronic form.

**Dividend Payment Date:** Between August 11, 2014 to August 16, 2014

As per the provisions of section 205A of the Companies Act, 1956, the unclaimed dividend of ₹19,90,620/- for the financial year ended March 2005-2006 has been transferred to the Investor Education and Protection Fund established by the Central Government. The following Table gives the unclaimed dividend from the year 2006-2007 (position as on 31.03.2014) and the last date for transfer to Investor Education and Protection Fund.

Year	Unclaimed dividend (₹)	Date of declaration	Last date for claiming dividend
2006-2007	2443646	30.06.2007	29.07.2014
2007-2008	3980625	12.07.2008	11.08.2015
2008-2009	5553815	08.08.2009	07.09.2016
2009-2010	4633612	31.07.2010	30.08.2017
2010-2011	4779708	23.07.2011	22.08.2018
2011-2012	7288815	30.08.2012	29.09.2019
2012-2013	9096684	06.07.2013	05.06.2020

**Unclaimed shares suspense account:** Pursuant to amendments of Clause 5 A of Listing Agreement entered into with the Stock Exchanges, the Bank, after sending three reminder letters in respect of unclaimed shares to the shareholders at the addresses available through M/s Integrated Enterprise (India) Ltd, Registrar and Share Transfer Agent, had transferred these unclaimed shares to a separate demat suspense account. The summary of shares transferred and released in favour of shareholders is furnished below:

Particulars	No of shareholders	Total Number of shares
Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	2177	233865
Shareholders who approached us for transfer of shares from suspense account during the year.	42	14372
Shareholders to whom shares were transferred from suspense account during the year.	42	14372
Number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	2135	219493

#### E. Listing of shares:

The shares of the Bank are listed on the following stock Exchanges.

Name of the Stock Exchange	Address
National Stock Exchange of India Ltd.	Regd Office: Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai – 400 051
Bombay Stock Exchange Ltd.	Regd Office: Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001

The Bank has paid the annual listing fees for the year 2013-2014 to the above Stock Exchanges.

#### Stock Code

Trading symbol on the NSE : KTKBANK  
Scrip code on BSE : 532652  
ISIN at NSDL / CDSL : INE614B01018

#### Share transfer procedure:

The shares of the Bank being traded in dematerialized form are transferable through the depository system. The share transfers in physical form are processed by the Share Transfer Agent – M/s Integrated Enterprises (India) Ltd and approved by the Managing Director at least once in a fortnight. There are no share transfer requests pending for transfer as on March 31, 2014.

**Stock Market Data**

The shares of the Bank are traded on the Stock Exchanges only in dematerialized form as per the directives of Securities and Exchange Board of India (SEBI). The shares are regularly traded on National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE). The monthly high & low prices along with the volumes traded from 01.04.2013 to 31.03.2014 on the above Stock Exchanges are given below together with bench mark indices.

**Trading statistics on NSE**

Month	Share Price (₹)		No. of shares traded	CNX NIFTY	
	High	Low		High	Low
Apr 2013	152.15	126.95	74679083	5930.20	5495.10
May 2013	160.00	136.90	90151129	6187.30	5944
June 2013	146.85	108.60	105341185	5939.30	5588.70
July 2013	117.60	81.00	105588077	5898.85	5742
Aug 2013	79.85	70.20	76189467	5742.30	5285
Sep 2013	95.25	77.05	86310933	6115.55	5341.45
Oct 2013	109.05	85.65	136823756	6299.15	5780.05
Nov 2013	104.25	98.10	64240413	6317.35	5989.60
Dec 2013	112.90	97.85	71892901	6363.90	6139.05
Jan 2014	113.45	93.80	64733005	6345.65	6073.70
Feb 2014	106.95	93.20	33582979	6276.95	6000.90
Mar 2014	119.60	104.20	75189862	6704.20	6221.45

**Trading statistics on BSE**

Month	Share Price (₹)		No. of shares traded	S&P BSE Sensex	
	High	Low		High	Low
Apr 2013	152.20	126.85	12485435	19504.18	18226.48
May 2013	159.95	136.55	17727979	20286.12	19575.64
June 2013	150.10	107.75	21487113	19610.48	18540.89
July 2013	117.75	81.10	20479997	20302.13	19177.76
Aug 2013	79.85	70.15	15249991	19367.59	17905.91
Sep 2013	95.35	77.20	16923209	20646.64	18234.66
Oct 2013	108.90	85.70	25030423	21164.52	19517.15
Nov 2013	104.35	98.05	13033419	21239.36	20194.40
Dec 2013	112.90	97.90	12353640	21326.42	20612.14
Jan 2014	113.55	93.75	10156317	21373.66	20498.25
Feb 2014	106.95	93.25	5799521	21120.12	20193.35
Mar 2014	119.60	104.05	10885577	22386.27	20946.65

### Shareholding pattern

Share holding pattern of the Bank as on 31.3.2014 was as under:

Partly paid-up shares	No of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company
Held by promoter/promoter group	NIL	NA	NA
Held by Public	NIL	NA	NA
<b>Total</b>	<b>-</b>	<b>0</b>	<b>0</b>
Outstanding convertible securities	No of outstanding securities	As a % of total no. of Outstanding convertible securities	As a % of total no. of shares of the Company, assuming full conversion of the convertible securities
Held by promoter / promoter group	NIL	NA	NA
Held by Public	NIL	NA	NA
<b>Total</b>	<b>-</b>	<b>0</b>	<b>0</b>
	No of warrants	As a % of total no. of warrants	As a % of total no. of shares of the Company, assuming full conversion of warrants
Held by promoter/promoter group	NIL	NA	NA
Held by Public	NIL	NA	NA
<b>Total</b>	<b>-</b>	<b>0</b>	<b>0</b>
Total paid-up capital of the company assuming full conversion of warrants and convertible securities	<b>188,412,372</b>	<b>NA</b>	<b>100.00</b>

Category Code	Category of shareholder	Total Number of share holders	Total Number of shares	Number of shares held in dematerialized form	Total share holding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>	<b>NOT APPLICABLE</b>						
<b>(1)</b>	<b>Indian</b>	-	-	-	-	-	-	-
(a)	*Individuals / Hindu Undivided Family	-	-	-	-	-	-	-
(b)	Central Government / State Government (s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>							
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-

(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign investor	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>							
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>							
<b>(B)</b>	<b>Public shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds / UTI	16	2,282,195	2,282,195	1.21	1.21		
(b)	Financial Institutions/Banks	7	819,472	819,472	0.43	0.43		
(c)	Central Government / State Government (s)	0	0	0	0	0		
(d)	Venture Capital Funds	0	0	0	0	0		
(e)	Insurance Companies	6	11,490,297	11,490,297	6.10	6.10		
(f)	Foreign Institutional Investors	87	39,556,199	39,556,199	20.99	20.99		
(g)	Foreign Venture Capital Investors	0	0	0	0	0		
(h)	Qualified Foreign Investors	0	0	0	0	0		
(i)	Any Other (specify)	0	0	0	0	0		
	<b>Sub-Total (B)(1)</b>	116	54,148,163	54,148,163	28.74	28.74		
<b>(2)</b>	<b>Non-institutions</b>	0	0	0	0	0		
(a)	Bodies Corporate	1,207	25,980,076	25,722,592	13.79	13.79		
(b)	Individuals –	0	0	0	0	0		
i.	Individual shareholders holding nominal share capital up to ₹1 lakh	126,065	59,504,281	45,272,075	31.58	31.58		
ii.	Individual shareholders holding nominal share capital in excess of ₹1 lakh	956	44,780,053	42,210,758	23.77	23.77		
(c)	Qualified Foreign Investor	0	0	0	0	0		
(d)	Any Other (specify)	-	-	-	-	-		
	Trust	9	98118	98118	0.05	0.05		
	NRI	939	1509735	1504735	0.80	0.80		
	Clearing Member	569	2172453	2172453	1.15	1.15		
	Unclaimed Suspense A/C	1	219,493	219,493	0.12	0.12		
	<b>Sub-Total (B)(2)</b>	129,746	134,264,209	117,200,224	71.26	71.26		
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	129,862	188,412,372	171,348,387	100.00	100.00		
	<b>TOTAL (A)+(B)</b>	129,862	188,412,372	171,348,387	100.00	100.00	0	0.00
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
1	Promoter and Promoter Group	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-
	<b>Sub-Total (C)</b>	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>129,862</b>	<b>188,412,372</b>	<b>171,348,387</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

NOT APPLICABLE

NOT APPLICABLE



**Shareholdings of Directors as on March 31, 2014**

Name of the Directors (Messrs/Mrs)	Number of shares
Ananthakrishna	10000
P Jayarama Bhat	3000
T S Vishwanath	1508
S V Manjunath	62117
D Harshendra Kumar	3983
Dr H Ramamohan	11632
T R Chandrasekaran	301
Ashok Haranahalli	6000
Usha Ganesh	2520
Rammohan Rao Belle	200

**Distribution of shareholding as on 31<sup>st</sup> March, 2014**

Shares holding of nominal value of ₹	Shareholders		Share Amount	
	Number	% to Total	In ₹	% to Total
Upto 5,000	101624	78.26	143271930	7.60
5,001 – 10,000	12848	9.89	97456450	5.17
10,001 – 20,000	7479	5.76	109937790	5.83
20,001 – 30,000	2708	2.09	67630570	3.59
30,001 – 40,000	1336	1.03	46543250	2.47
40,001 – 50,000	925	0.71	42160100	2.24
50,001 – 1,00,000	1651	1.27	117070520	6.21
1,00,001 and above	1291	0.99	1260053110	66.89
<b>Total</b>	<b>129862</b>	<b>100.00</b>	<b>1884123720</b>	<b>100.00</b>

**Major shareholders**

As on March 31, 2014, the following shareholders were holding more than 1% of the paid up capital of the Bank.

Name of the shareholder	No of shares	% to total
Life Insurance Corporation of India	10434294	5.54
Kotak Mahindra Investments Ltd.	5884516	3.12
Religare Finvest Ltd.	5250443	2.79
B Sumanthkumar Reddy	4853054	2.58
Government Pension Fund Global	4294575	2.28
Credit Suisse (Singapore) Ltd.	3251245	1.73
Morgan Stanley Asia (Singapore) Pte.	2879139	1.53
Emerging India Focus Funds	2438721	1.29
LSY Emerging Markets Equity Fund LP	2399000	1.27
Dimensional Emerging Markets Value Fund	2195065	1.17
Swiss Finance Corporation (Mauritius) Ltd.	2162614	1.15
Macquarie Bank Ltd.	2088000	1.11
Morgan Stanley Mauritius Company Ltd.	1961310	1.03
<b>TOTAL</b>	<b>5,00,91,976</b>	<b>26.59</b>

**Dematerialization of shares:**

As per the directives of SEBI, the equity shares of the Bank are compulsorily traded in dematerialized form by all categories of investors with effect from 26.02.2001. The Bank had entered into tripartite agreement with the depositories viz. National Securities Depository Ltd. and Central Depository Services (India) Ltd. and share transfer agent M/s Alpha Systems (P) Ltd., Bangalore (since merged with M/s Integrated Enterprises India Ltd w.e.f.01.10.2010), for dematerialization of shares. The ISIN allotted for the shares of the Bank is INE614B01018. In view of the obvious benefits of holding the shares in demat form, over the period of time shareholders have converted their physical shares into electronic form. As on 31.03.2014, 90.94 percent of the equity shares of the Bank are in demat form.

**Registrar & share Transfer Agent:**

The Bank has appointed M/s Integrated Enterprises (India) Ltd., as common Share Transfer Agent for both physical and electronic shares. Therefore, all communications relating to share transfer, dividend, change of address for shares held in physical form and dematerialisation of shares etc are to be addressed to the Registrar and Share Transfer Agent at the following address:

Integrated Enterprises (India) Ltd.  
30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road  
Malleshwaram, BANGALORE - 560 003  
Tel: (080) 23460815-818  
Fax: (080) 23460819  
Email: [alfint@vsnl.com](mailto:alfint@vsnl.com) or [irg@integratedindia.in](mailto:irg@integratedindia.in)

***Non-mandatory requirements***

Presently the Bank has not adopted the non-mandatory requirements in regard to communication of half-yearly performance to the shareholders to their residence and evaluation of non-executive members of the Board.

**COMPLIANCE WITH THE CODE OF CONDUCT**

I confirm that all Directors and members of the Senior Management have affirmed compliance with the Bank's Code of Conduct for the year ended March 31, 2014.

**P. Jayarama Bhat**

Managing Director & CEO

Place : Bangalore

Date : 07.06.2014

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of The Karnataka Bank Limited

We have examined the records of The Karnataka Bank Ltd., concerning the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Bank with the National Stock Exchange of India (NSE) and the Bombay Stock Exchange Ltd (BSE) for the financial year ended 31<sup>st</sup> March 2014.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

We have conducted our examination on the basis of the relevant records and documents maintained by the Bank and furnished to us for our review and the information and explanations given to us by the Bank.

Based on such examination, in our opinion, the Bank has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Bank, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **R. K. Kumar & Co.**  
Chartered Accountants  
Firm Regn No. 001595S

**Sd/-**  
**(C R SUNDARARAJAN)**  
Partner – M. No. 025400

Place: Bangalore  
Date : 07.06.2014

For **Kamath & Rau**  
Chartered Accountants  
Firm Regn No. 001689S

**Sd/-**  
**(SRINIVAS S KAMATH)**  
Partner – M. No. 201716

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2014**

(000's omitted)

	Schedule No.	As on 31.03.2014 ₹	As on 31.03.2013 ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	188,42,22	188,35,29
Reserves and Surplus	2	2863,77,54	2668,72,85
Deposits	3	40582,82,87	36056,22,13
Borrowings	4	1915,19,11	1579,76,08
Other Liabilities and Provisions	5	1478,58,32	1033,31,65
<b>Total</b>		<b>47028,80,06</b>	<b>41526,38,00</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	2152,73,34	1717,95,58
Balances with Banks and Money at Call and Short Notice	7	184,66,90	235,84,18
Investments	8	15226,78,14	13432,48,47
Advances	9	28345,48,95	25207,67,88
Fixed Assets	10	197,48,10	166,95,65
Other Assets	11	921,64,63	765,46,24
<b>Total</b>		<b>47028,80,06</b>	<b>41526,38,00</b>
Contingent Liabilities	12	9007,93,21	6199,40,81
Bills for Collection		2838,63,21	1768,04,00
Significant Accounting Policies	17		
Notes on Account	18		

Sd/-  
**Muralidhar K. Rao**  
Deputy General Manager

Sd/-  
**P. Jairama Hande**  
Senior General Manager & C.F.O

Sd/-  
**M.S. Mahabaleshwar**  
Chief General Manager

Sd/-  
**P. Jayarama Bhat**  
Managing Director & C.E.O

Sd/-  
**Ananthkrishna**  
Chairman

Sd/-  
**T.S. Vishwanath**  
**S.V. Manjunath**  
Directors

Sd/-  
**D. Harshendra Kumar**  
**Dr. H. Ramamohan**  
Directors

Sd/-  
**T.R. Chandrasekaran**  
**Usha Ganesh**  
**Ramamohan Rao Belle**  
Directors

Refer our report of even date

**For R.K. Kumar & Co**  
Chartered Accountants  
Firm Regn. No. 001595S

**For Kamath & Rau**  
Chartered Accountants  
Firm Regn. No. 001689S

Sd/-  
**C R Sundararajan**  
Partner  
M.No. 025400

Sd/-  
**Srinivas S Kamath**  
Partner  
M.No. 201716

Place: Mangalore  
Date : May 15<sup>th</sup>, 2014

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(000's omitted)

	Schedule No.	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
<b>I. INCOME</b>			
Interest Earned	13	4188,82,82	3764,28,81
Other Income	14	505,58,17	397,64,13
<b>Total</b>		<b>4694,40,99</b>	<b>4161,92,94</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	3132,76,10	2860,55,63
Operating Expenses	16	874,60,10	666,03,58
Provisions and Contingencies		376,01,36	287,25,52
<b>Total</b>		<b>4383,37,56</b>	<b>3813,84,73</b>
<b>III. PROFIT</b>			
Net profit for the year		311,03,43	348,08,21
Profit brought forward		8,94	3,17
<b>Total</b>		<b>311,12,37</b>	<b>348,11,38</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		147,00,00	160,00,00
Transfer to Capital Reserve		0	3,25,77
Transfer to Revenue Reserve		63,00,00	62,70,00
Transfer to Special Reserve u/s 36 (1) (viii) of IT Act		23,21,48	21,10,67
Transfer to Investment Reserve Account		-11,47,63	11,47,63
Transfer to Other Funds		1,00,00	1,30,00
Transfer to Proposed dividend		75,40,89	75,37,72
Transfer to Tax on proposed dividend		12,81,57	12,80,65
Balance carried over to Balance Sheet		16,06	8,94
<b>Total</b>		<b>311,12,37</b>	<b>348,11,38</b>
Earning per share			
Basic	₹	16.51	18.48
Diluted	₹	16.50	18.46
Significant Accounting Policies	17		
Notes on Account	18		

Sd/-  
**Muralidhar K. Rao**  
Deputy General Manager

Sd/-  
**P. Jairama Hande**  
Senior General Manager & C.F.O

Sd/-  
**M.S. Mahabaleshwar**  
Chief General Manager

Sd/-  
**P. Jayarama Bhat**  
Managing Director & C.E.O

Sd/-  
**Ananthakrishna**  
Chairman

Sd/-  
**T.S. Vishwanath**  
**S.V. Manjunath**  
Directors

Sd/-  
**D. Harshendra Kumar**  
**Dr. H. Ramamohan**  
Directors

Sd/-  
**T.R. Chandrasekaran**  
**Usha Ganesh**  
**Ramamohan Rao Belle**  
Directors

Refer our report of even date

**For R.K. Kumar & Co**  
Chartered Accountants  
Firm Regn. No. 001595S

**For Kamath & Rau**  
Chartered Accountants  
Firm Regn. No. 001689S

Sd/-  
**C R Sundararajan**  
Partner  
M.No. 025400

Sd/-  
**Srinivas S Kamath**  
Partner  
M.No. 201716

Place: Mangalore  
Date : May 15<sup>th</sup>, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

(000's omitted)

	March 31, 2014		March 31, 2013	
	₹	₹	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax and extra ordinary items		548,95,23		465,30,17
Adjustments for :				
Depreciation on Fixed Assets including				
Lease Adjustment charges	25,53,22		24,03,31	
Provisions and Contingencies	278,39,74		171,15,37	
Amortisation of premium on Held to				
Maturity Investments	34,77,28		7,88,19	
		<u>338,70,24</u>		<u>203,06,87</u>
Operating profit before working capital changes		887,65,47		668,37,04
Adjustment for :				
i) Advances & Other Assets	-3309,31,89		-4417,22,12	
ii) Investments	-1838,16,24		-567,69,56	
iii) Deposits, Borrowings & Other Liabilities	4841,66,88		4652,50,59	
		-305,81,25		-332,41,09
Cash generated from operations		581,84,22		335,95,95
Direct taxes paid		177,91,33		233,21,81
<b>Net cash flow from operating activities (A)</b>		<b>403,92,89</b>		<b>102,74,14</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets		-56,89,27		-39,47,19
Sale of fixed assets		2,56,42		-40,94
<b>Net cash used in investing activities (B)</b>		<b>-54,32,85</b>		<b>-39,88,13</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital (net of expenses)		31,92		27,25
Proceeds from long term borrowings		121,00,70		100,81,60
Dividend paid (Including Tax on Dividend)		-87,32,18		-75,71,83
<b>Net Cash generated from Financing Activities(C)</b>		<b>34,00,44</b>		<b>25,37,02</b>
<b>Net increase in Cash &amp; Cash equivalents (A+B+C)</b>		<b>383,60,48</b>		<b>88,23,03</b>
Cash & cash equivalents as at (opening)		1953,79,76		1865,56,73
Cash & cash equivalents as at (closing)		2337,40,24		1953,79,76

Sd/-  
Muralidhar K. Rao  
Deputy General Manager

Sd/-  
P. Jairama Hande  
Senior General Manager & C.F.O

Sd/-  
M.S. Mahabaleshwar  
Chief General Manager

Sd/-  
P. Jayarama Bhat  
Managing Director & C.E.O

Sd/-  
Ananthkrishna  
Chairman

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S.V. Manjunath  
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Dr. H. Ramamohan  
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For R.K. Kumar & Co  
Chartered Accountants  
Firm Regn. No. 001595S

For Kamath & Rau  
Chartered Accountants  
Firm Regn. No. 001689S

Place: Mangalore  
Date : May 15<sup>th</sup>, 2014

Sd/-  
C R Sundararajan  
Partner  
M.No. 025400

Sd/-  
Srinivas S Kamath  
Partner  
M.No. 201716

**SCHEDULE ANNEXED TO THE BALANCE SHEET**

(000's omitted)

	As on 31.03.2014 ₹	As on 31.03.2013 ₹
<b>SCHEDULE - 1 CAPITAL</b>		
<b>Authorised Capital</b>		
30,00,00,000 Equity shares of ₹10/- each (Previous Year 30,00,00,000 Equity shares of ₹10/- each)	300,00,00	300,00,00
<b>Issued Capital</b>		
18,84,37,120 equity shares of ₹10 each (previous year 18,83,68,058 equity shares of ₹10/- each)	188,43,71	188,36,81
<b>Subscribed Capital</b>		
18,84,28,922 Equity shares of ₹10/- each (previous year 18,83,59,660 Equity shares of ₹10/- each)	188,42,89	188,35,97
<b>Paid-up Capital</b>		
18,84,12,372 Equity shares of ₹10/- each (Previous year 18,83,43,110 Equity shares of ₹10/- each)	188,41,24	188,34,31
Add : Forfeited Shares	98	98
<b>Total</b>	<b>188,42,22</b>	<b>188,35,29</b>
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
<b>I. Statutory Reserve</b>		
Opening balance	1376,00,00	1216,00,00
Additions during the year	147,00,00	160,00,00
	1523,00,00	1376,00,00
Deductions during the year	0	0
<b>Total</b>	<b>1523,00,00</b>	<b>1376,00,00</b>
<b>II. Capital Reserve</b>		
Opening balance	66,94,56	63,68,79
Additions during the year	0	3,25,77
	66,94,56	66,94,56
Deductions during the year	0	0
<b>Total</b>	<b>66,94,56</b>	<b>66,94,56</b>
<b>III. Share Premium</b>		
Opening balance	721,49,48	720,72,01
Additions during the year	93,52	77,47
	722,43,00	721,49,48
Deductions during the year	0	0
<b>Total</b>	<b>722,43,00</b>	<b>721,49,48</b>
<b>IV. Revenue and other Reserves</b>		
<b>a) Revenue Reserve</b>		
Opening balance	409,25,00	346,55,00
Additions during the year	63,00,00	62,70,00
	472,25,00	409,25,00
Deductions during the year	27,01,27	0
<b>Total</b>	<b>445,23,73</b>	<b>409,25,00</b>

(000's omitted)

	As on 31.03.2014 ₹	As on 31.03.2013 ₹
<b>b) Special Reserve u/s 36(1)(viii) of IT Act</b>		
Opening balance	79,47,25	58,36,58
Additions during the year	23,21,48	21,10,67
	102,68,73	79,47,25
Deletion during the year	0	0
<b>Total</b>	<b>102,68,73</b>	<b>79,47,25</b>
<b>c) Employee Stock Option Outstanding</b>		
Opening balance	3,99,99	4,56,11
Additions during the year	0	0
	3,99,99	4,56,11
Deductions during the year	68,53	56,12
<b>Total</b>	<b>3,31,46</b>	<b>3,99,99</b>
<b>d) Investment Reserve Account</b>		
Opening balance	11,47,63	0
Additions during the year	0	11,47,63
	11,47,63	11,47,63
Deductions during the year	11,47,63	0
<b>Total</b>	<b>0</b>	<b>11,47,63</b>
<b>V. Balance in Profit and Loss Account</b>	<b>16,06</b>	<b>8,94</b>
<b>GRAND TOTAL ( I TO V )</b>	<b>2863,77,54</b>	<b>2668,72,85</b>
<b>SCHEDULE - 3 DEPOSITS</b>		
<b>A.I. Demand Deposits</b>		
1. From Banks	2,53,50	3,24,16
2. From others	2746,28,54	2459,11,33
	<b>2748,82,04</b>	<b>2462,35,49</b>
<b>II. Savings Bank Deposits</b>	<b>7558,75,80</b>	<b>6519,97,03</b>
<b>III. Term Deposits</b>		
1. From Banks	38,88,95	25,45,24
2. From others	30236,36,08	27048,44,37
	<b>30275,25,03</b>	<b>27073,89,61</b>
<b>Total: (I, II and III)</b>	<b>40582,82,87</b>	<b>36056,22,13</b>
<b>B. 1. Deposits of branches in India</b>	40582,82,87	36056,22,13
<b>2. Deposits of branches outside India</b>	0	0
<b>Total (1+2)</b>	<b>40582,82,87</b>	<b>36056,22,13</b>
<b>SCHEDULE - 4 BORROWINGS</b>		
<b>I. Borrowings in India</b>		
1. Reserve Bank of India	665,00,00	350,00,00
2. Other Banks	8	48,97
3. Other Institutions and Agencies	650,19,03	439,27,36
4. Subordinated Debts for Tier II Capital	600,00,00	600,00,00
<b>Total</b>	<b>1915,19,11</b>	<b>1389,76,33</b>
<b>II. Borrowings outside India</b>	0	189,99,75
<b>Total: (I and II)</b>	<b>1915,19,11</b>	<b>1579,76,08</b>
Secured borrowings included in I & II above ₹	279,90,97	Nil



(000's omitted)

	As on 31.03.2014 ₹	As on 31.03.2013 ₹
<b>SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills Payable	236,34,44	221,07,56
II. Inter Office adjustments(Net)	2,47,61	1,01
III. Interest accrued	125,19,04	95,91,65
IV. Deferred Tax Liability (Net)	205,89,99	89,70,00
V. Others (including Provisions)	908,67,24	626,61,43
<b>Total</b>	<b>1478,58,32</b>	<b>1033,31,65</b>
<b>SCHEDULE - 6 CASH AND BALANCES WITH RBI</b>		
<b>I. Cash in hand</b> (including foreign currency notes)	300,91,19	273,67,99
<b>II. Balances with Reserve Bank of India</b>		
1. In Current Account	1851,82,15	1444,27,59
2. In Other Accounts	0	0
<b>Total</b>	<b>1851,82,15</b>	<b>1444,27,59</b>
<b>Total: (I and II)</b>	<b>2152,73,34</b>	<b>1717,95,58</b>
<b>SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
<b>I. IN INDIA</b>		
<b>i. Balances with Banks</b>		
a) In Current Accounts	41,03,27	54,10,85
b) In other deposit accounts	17,85,00	50,85,00
	<b>58,88,27</b>	<b>104,95,85</b>
<b>ii. Money at Call and Short Notice</b>		
a) With Banks	0	0
b) With other institutions	99,86,56	69,88,99
	<b>99,86,56</b>	<b>69,88,99</b>
<b>Total (i) &amp; (ii)</b>	<b>158,74,83</b>	<b>174,84,84</b>
<b>II. OUTSIDE INDIA</b>		
i. In Current Accounts	25,92,07	6,70,84
ii. In Other Deposit Accounts	0	54,28,50
iii. Money at Call and Short Notice	0	0
<b>Total</b>	<b>25,92,07</b>	<b>60,99,34</b>
<b>Grand Total (I and II)</b>	<b>184,66,90</b>	<b>235,84,18</b>

(000's omitted)

	As on 31.03.2014 ₹	As on 31.03.2013 ₹
<b>SCHEDULE - 8 INVESTMENTS</b>		
<b>I. Investments in India (Gross)</b>	15323,79,39	13520,40,43
Less: Provision for depreciation	97,01,25	87,91,96
<b>Net Investments In India</b>	<b>15226,78,14</b>	<b>13432,48,47</b>
<b>Break-up :</b>		
1. Government Securities	10434,00,34	8864,73,02
2. Other Approved Securities	0	0
3. Shares	149,85,70	163,89,38
4. Debentures and Bonds	1366,54,58	974,42,73
5. Subsidiaries and/or Joint Ventures	0	0
6. Others	3276,37,52	3429,43,34
<b>Total</b>	<b>15226,78,14</b>	<b>13432,48,47</b>
<b>II. Investments outside India</b>	0	0
<b>Total (I+II)</b>	<b>15226,78,14</b>	<b>13432,48,47</b>
<b>SCHEDULE - 9 ADVANCE</b>		
<b>A) 1. Bills Purchased and discounted</b>	958,20,15	957,25,03
2. Cash Credits, Overdrafts and Loans repayable on demand	10769,76,00	12969,23,34
3. Term Loans	16617,52,80	11281,19,51
<b>Total</b>	<b>28345,48,95</b>	<b>25207,67,88</b>
<b>B) 1. Secured by Tangible Assets (including book debts)</b>	25250,78,15	20974,10,12
2. Secured by Bank/Government Guarantees	1811,41,97	3214,59,69
3. Unsecured	1283,28,83	1018,98,07
<b>Total</b>	<b>28345,48,95</b>	<b>25207,67,88</b>
<b>C) I. Advances in India</b>		
1. Priority Sectors	10882,20,40	9362,61,55
2. Public Sectors	768,55,95	1604,47,38
3. Banks	0	0
4. Others	16694,72,60	14240,58,95
<b>Total</b>	<b>28345,48,95</b>	<b>25207,67,88</b>
<b>C) II. Advances outside India</b>		
1. Due from Banks	0	0
2. Due from others	0	0
a) Bills Purchased and Discounted	0	0
b) Syndicated Loans	0	0
c) Others	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (C. I and C. II)</b>	<b>28345,48,95</b>	<b>25207,67,88</b>

(000's omitted)

	As on 31.03.2014 ₹	As on 31.03.2013 ₹
<b>SCHEDULE - 10 FIXED ASSETS</b>		
<b>I. Premises</b>		
At cost as on 31st March of the preceding year	111,10,01	109,10,15
Additions during the year	20,70,04	3,53,50
	131,80,05	112,63,65
Deductions during the year	13,62	1,53,64
	131,66,43	111,10,01
Depreciation to-date	34,32,17	31,56,40
<b>Total</b>	<b>97,34,26</b>	<b>79,53,61</b>
<b>II. Other Fixed Assets (including Furniture and Fixtures)</b>		
At cost as on 31st March of the preceding year	256,33,16	225,44,59
Additions during the year	36,19,24	37,31,67
	292,52,40	262,76,26
Deductions during the year	5,26,55	6,43,10
	287,25,85	256,33,16
Depreciation to date	187,12,01	168,91,12
<b>Total</b>	<b>100,13,84</b>	<b>87,42,04</b>
<b>Total (I+II)</b>	<b>197,48,10</b>	<b>166,95,65</b>
<b>SCHEDULE - 11 OTHER ASSETS</b>		
I. Interest accrued	261,83,01	240,08,87
II. Tax paid in advance/tax deducted at source (net of provisions)	445,44,63	271,20,18
III. Stationery and Stamps	6,03,37	4,34,44
IV. Non-Banking Assets acquired in satisfaction of claims	1,61,02	19,47
V. Others	206,72,60	249,63,28
<b>Total</b>	<b>921,64,63</b>	<b>765,46,24</b>
<b>SCHEDULE - 12 CONTINGENT LIABILITIES</b>		
I. Claims against the Bank not acknowledged as debts	32,55,54	28,69,22
II. Liability for Partly paid investments	0	0
III. Liability on account of outstanding Forward Exchange Contracts including derivatives	6596,36,52	4027,77,77
IV. Guarantees given on behalf of constituents		
a) In India	1802,29,41	1561,69,14
b) Outside India	0	0
V. Acceptances, Endorsements and other Obligations	576,71,74	581,24,68
VI. Other items for which the bank is contingently liable	0	0
<b>Total</b>	<b>9007,93,21</b>	<b>6199,40,81</b>

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(000's omitted)

	As on 31.03.2014 ₹	As on 31.03.2013 ₹
<b>SCHEDULE - 13 INTEREST EARNED</b>		
I. Interest / discount on advances / bills	3161,55,17	2817,72,11
II. Income on Investments	1021,92,23	938,42,77
III. Interest on balances with R.B.I / other Inter-Bank funds	2,72,66	3,66,89
IV. Others	2,62,76	4,47,04
<b>Total</b>	<b>4188,82,82</b>	<b>3764,28,81</b>
<b>SCHEDULE - 14 OTHER INCOME</b>		
I. Commission, Exchange and Brokerage	213,65,44	187,15,12
II. Profit on sale of Investments (net)	101,69,70	53,09,56
III. Profit on Revaluation of Investments (net)	0	0
IV. Profit on sale of Land, Buildings and Other Assets (net)	1,72,82	-1,69,04
V. Profit on Exchange Transactions(net)	39,24,07	33,25,75
VI. Income earned by way of dividends etc., from Subsidiaries/ Companies and / or Joint Ventures abroad / in India	0	0
VII. Miscellaneous income	149,26,14	125,82,74
<b>Total</b>	<b>505,58,17</b>	<b>397,64,13</b>
<b>SCHEDULE - 15 INTEREST EXPENDED</b>		
1. Interest on deposits	2975,93,90	2726,25,33
2. Interest on Reserve Bank of India / Inter-Bank Borrowings	51,88,28	52,58,18
3. Others	104,93,92	81,72,12
<b>Total</b>	<b>3132,76,10</b>	<b>2860,55,63</b>
<b>SCHEDULE - 16 OPERATING EXPENSES</b>		
I. Payments to and provisions for employees	525,40,12	375,07,81
II. Rent, Taxes and Lighting	73,30,25	60,59,73
III. Printing and Stationery	7,22,35	5,05,10
IV. Advertisement and Publicity	6,28,15	5,54,18
V. Depreciation on Bank's property	25,52,90	24,02,98
VI. Directors' fees, allowances and expenses	98,74	73,45
VII. Auditors' fees and expenses (including branch audit fees)	2,11,02	1,74,51
VIII. Law charges	1,63,33	1,65,35
IX. Postage, telegrams, telephones etc.	11,17,99	9,40,19
X. Repairs and maintenance	17,64,58	16,38,65
XI. Insurance	42,13,69	33,81,93
XII. Other expenditure	161,16,98	131,99,70
<b>Total</b>	<b>874,60,10</b>	<b>666,03,58</b>

## SCHEDULE - 17

### BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARING FINANCIAL STATEMENTS

#### GENERAL:

The Karnataka Bank Limited incorporated at Mangalore in India is a publicly held Banking Company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of banking & financial services involving retail, corporate banking and para-banking activities in addition to treasury and foreign exchange business.

#### BASIS OF PREPARATION:

The accompanying financial statements have been prepared following the going concern concept, on historical cost basis and conform to the Generally Accepted Accounting Principles, (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under the Companies (Accounting Standards) Rules, 2006 to the extent applicable and current practices prevailing in the banking industry in India.

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The differences, if any between estimates and actual will be dealt appropriately in future periods.

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. REVENUE RECOGNITION:

Income is accounted for on accrual basis except in respect of income from Non Performing Assets, commission, exchange, FITL and rent on safe deposit lockers, which are all accounted on cash basis. Recoveries made in Non-performing advances (NPAs) are appropriated towards the principal, interest and charges in the order of demand except in the case of One Time Settlement (OTS) where recoveries are first adjusted to Principal balance.

##### 2. INVESTMENTS:

Investments are classified under the heads "Held to Maturity", "Available for Sale" and "Held for Trading" categories and are valued in accordance with the RBI guidelines. The value, net of depreciation is shown in the Balance Sheet.

The excess of acquisition cost over the face value of securities under "Held to Maturity" category is amortised over the remaining period to maturity.

Transfers of scrip, if any, from one category to another, are done at the lowest of the acquisition cost / book value/market value on the date of transfer and the depreciation, if any, on such transfers is fully provided for.

Provisions for non-performing investments are made as per RBI guidelines.

##### 3. DERIVATIVE CONTRACTS:

Derivative contracts are designated as hedging or trading and accounted in accordance with Reserve Bank of India's guidelines.

Derivatives deals for trading are marked to market and net depreciation is recognised while net appreciation is ignored.

Derivatives used for hedging are marked to market in cases where the underlying assets / liabilities are marked to market and Income / expenditure is accounted on accrual basis.

##### 4. ADVANCES:

Advances are classified into (a) Standard; (b) Sub-Standard; (c) Doubtful; and (d) Loss assets, in accordance with the RBI Guidelines and are stated net of provisions made towards Non- performing advances and unrealised interest. Provisions are made in accordance with the prudential norms prescribed by Reserve Bank of India.

In case of financial assets sold to Securitisation/reconstruction Company, if the sale is at a price below the net book value (NBV), the shortfall is debited to the Profit and Loss account. If the sale is for the price higher than the net book value, excess provision held is not reversed but held till redemption of the security receipt, wherever applicable.

**5. FIXED ASSETS:**

Premises and other fixed assets have been shown at cost as reduced by depreciation written off to date. Land and buildings are capitalized based on conveyance / letters of allotment / physical possession of the property. Software is capitalised along with computer hardware and included under Other Fixed Assets.

**6. DEPRECIATION:**

Depreciation on fixed assets is provided on Written Down Value (WDV) method as per the rates and in the manner specified under Schedule – XIV of the Companies Act 1956, except in respect of computers (including software) where depreciation is provided at a flat rate of 33.33 % on Straight Line Method (SLM) as per RBI guidelines, which is more than the amount required to be charged off under schedule – XIV of the Companies Act 1956.

Depreciation on assets purchased during the year is computed up to the end of the year including for the entire month in which the asset is capitalised, and on assets sold/scrapped, up to the end of the month in which it is sold / scrapped.

Premium paid on lease hold properties is charged off over the lease period.

Depreciation of leased assets is calculated so as to spread the depreciable amount over the primary lease period.

Carrying amount of assets is reviewed at each balance sheet date for indication of impairment if any and is recognized wherever the carrying amount of an asset exceeds its recoverable value.

**7. FOREIGN CURRENCY TRANSACTIONS:**

Monetary Assets and Liabilities, Forward Exchange Contracts, Guarantees, Letters of Credit, Acceptances, Endorsements and other obligations are evaluated at the closing spot rates / Forward rates for the residual maturity of the contract, as published by FEDAI and in accordance with the Accounting Standard 11.

Income and expenditure items are translated at the exchange rates ruling on the respective dates of the transaction.

The gain or loss on evaluation of outstanding monetary assets / liabilities and Foreign Exchange Contracts are taken to Profit and Loss Account.

**8. EMPLOYEE BENEFITS:**

Contribution made by the Bank to the Provident Fund and Contributory Pension Scheme are charged to the Profit and Loss Account.

Contribution to the recognised Gratuity Fund, Pension Fund and en-cashable Leave are determined and recognised in the accounts based on actuarial valuation as at the Balance Sheet date and net actuarial gains / Losses are recognised as per the Accounting Standard 15.

Provisions for short term employee benefits are accounted for on an estimated basis.

**9. EMPLOYEE STOCK OPTION:**

The Bank uses Intrinsic Value method to account for compensation cost of stock options granted to employees of the Bank. Intrinsic value is the amount by which the quoted market price of the underlying shares exceeds the exercise price of the options.

**10. SEGMENT REPORTING:**

The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.

Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations.

Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

**11. SHARE ISSUE EXPENSES:**

Share issue expenses are adjusted in share premium account.

**12. EARNINGS PER SHARE:**

Earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity share holders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per equity share are computed by using the weighted average number of equity shares and dilutive potential equity share outstanding as at the year end.

**13. TAXATION:**

Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 and are made after due consideration of the judicial pronouncement and legal opinions.

Deferred income taxes reflect the impact of current year timing differences, between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are not recognised unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.

**14. PROVISIONS AND CONTINGENT LIABILITIES:**

A provision is recognised when there is an obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

In case where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements under Contingent Liabilities.

**15. NET PROFIT:**

The net profit disclosed in the Profit & Loss Account is after making provisions for (i) Taxes, (ii) Non Performing Assets, (iii) Standard Advances, (iv) Restructured advances, and (v) Investments and other necessary and applicable provisions.

**SCHEDULE - 18**
**NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2014, THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014.**
**1. Disclosures as per RBI requirement:**
**1.1 Capital:**

Sl. No.	Particulars	Current Year		Previous Year
		Basel III	Basel II	Basel II
a	Common Equity Tier 1 capital ratio (%)	10.73	10.82	10.51
b	Tier 1 capital ratio (%)	10.73	10.82	10.51
c	Tier 2 capital ratio (%)	2.47	2.48	2.71
d	Total Capital ratio (CRAR) (%)	13.20	13.30	13.22
e	Amount of equity capital raised	Nil	Nil	Nil
f	Amount of additional Tier 1 capital raised, of which	Nil	Nil	Nil
	– PNCPS	Nil	Nil	Nil
	– PDI	Nil	Nil	Nil
g	Amount of Tier 2 capital raised (₹ in crore) of which	Nil	Nil	250.00
	– Debt capital instruments (₹ in crore)	Nil	Nil	250.00
	– Preference share capital instruments (₹ in crore)	Nil	Nil	Nil
	– Perpetual cumulative preference shares(PCPS)	Nil	Nil	Nil
	– Redeemable non cumulative preference shares (RNCPS)	Nil	Nil	Nil
	– Redeemable cumulative preference shares (RCPS)	Nil	Nil	Nil

## 1.2 Investments

(₹ in Crore)

Sl.No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Value of Investments</b>		
<b>A</b>	<b>Gross Value of Investments</b>		
a	In India	15323.79	13520.40
b	Outside India	Nil	Nil
<b>B</b>	<b>Provisions for Depreciation</b>		
a	In India	97.01	87.92
b	Outside India	Nil	Nil
<b>C</b>	<b>Net Value of Investments</b>		
a	In India	15226.78	13432.48
b	Outside India	Nil	Nil
<b>2</b>	<b>Movement of provisions held towards depreciation on investments</b>		
a	Opening balance	87.92	119.36
b	Add: Provisions made during the year	26.99	Nil
c	Less: Write-off / write back of excess provisions during the year	17.90	31.44
d	Closing balance	97.01	87.92

## 1.2.1 Repo Transactions (in face value terms)

(₹ in Crore)

Sl.No.	Particulars	Outstanding during the Year			Outstanding As on 31.03.2014
		Min	Max	Daily Average	
<b>1</b>	<b>Securities sold under Repo</b>				
a	Government securities	25.00	250.00	113.85	190.00
b	Corporate Debt securities	Nil	Nil	Nil	Nil
<b>2</b>	<b>Securities purchased under reverse Repo</b>				
a	Government securities	15.00	135.00	5.34	Nil
b	Corporate Debt securities	Nil	Nil	Nil	Nil

## 1.2.2 Non-SLR Investment Portfolio

## 1.2.2.i Issuer composition of Non-SLR investments:

(₹ in Crore)

Sl. No.	Issuer	Amount	Extent of Private placements	Extent of 'below investment grade' securities	Extent of 'un-rated' securities	Extent of 'un-listed' securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	658.26	361.16	Nil	Nil	Nil
2	Financial Institutions	2910.82	2517.58	Nil	Nil	Nil
3	Banks	538.73	31.99	Nil	Nil	Nil
4	Private Corporates	330.37	168.12	34.79	Nil	2.00
5	Subsidiaries / joint ventures	Nil	Nil	Nil	Nil	Nil
6	Others	427.77	70.90	Nil	Nil	Nil
7	Less Provision held towards deprecation	73.17				
	<b>TOTAL</b>	<b>4792.78</b>				

Amounts reported under columns (4) to (7) above are not mutually exclusive



**1.2.2.ii Non-performing Non-SLR Investments**

(₹ in Crore)

Particulars	Current Year	Previous Year
Opening Balance	12.85	Nil
Additions during the year	1.26	12.85
Reductions during the above period	Nil	Nil
Closing Balance	14.11	12.85
<b>Total Provision Held</b>	<b>14.11</b>	<b>12.85</b>

**1.2.2.iii. Sale and transfers to/from HTM Category**

Sale and transfers made during the financial year 2013-14 of securities to/from HTM Category exceeding 5% of the book value of investments held in HTM category in the beginning of the year is NIL.

**1.3 Derivatives**
**1.3.1 Forward Rate Agreement/ Interest Rate Swap: Nil**
**1.3.2 Exchange Traded Interest Rate Derivatives: Nil**
**1.3.3 Disclosure on risk exposure in Derivative**
**(i) Qualitative Disclosure:**

Operations in the Treasury are segregated into three functional areas, namely Front office, Mid-office and Back-office, equipped with necessary infrastructure and trained officers, whose responsibilities are well defined.

The Integrated Treasury policy of the Bank clearly lays down the types of financial derivative instruments, scope of usages, approval process as also the limits like the open position limits, deal size limits and stop loss limits for trading in approved instruments.

The Mid Office is handled by Risk Management Department. Daily report is generated by Risk Management department for appraisal of the risk profile to the senior management for Asset and Liability management.

The Bank's policy lays down that the transactions with the corporate clients are to be undertaken only after the inherent credit exposures are quantified and approved in terms of the approval process laid down in the Derivative Policy for customer appropriateness and suitability and necessary documents like ISDA agreements etc. are duly executed. The Bank adopts Current Exposure Method for monitoring the credit exposures. Besides, the Bank also uses financial derivative transactions for hedging its on or off Balance Sheet exposures.

The Integrated Treasury Policy of the Bank spells out the approval process for hedging the exposures. The hedge transactions are monitored on a regular basis and the notional profits or losses are calculated on MTM basis.

The hedged/non hedged transactions are recorded separately. The hedged transactions are accounted for on accrual basis.

In case of Option contracts, guidelines issued by FEDAI from time to time for recognition of income, premium and discount are being followed.

While sanctioning the limits, the competent authority may stipulate condition of obtaining collaterals/margin as deemed appropriate. The derivative limits are reviewed periodically along with other credit limits.

**(ii) Quantitative Disclosure:**

(₹ in Crore)

Sl. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)		
a	Hedging	2458.98	Nil
b	Trading	4515.68	Nil
2.	Marked to Market Positions		
	Assets(+)	211.87	Nil
	Liabilities(-)	(192.21)	Nil
3.	Credit Exposure	343.80	Nil
4.	Likely impact of 1% change in interest Rates (100*PV01)		
a	On hedging derivatives	Nil	Nil
b	On trading derivatives	Nil	Nil
5.	Maximum and Minimum of 100*PV01 observed during the year		
a	On hedging	Nil	Nil
b	On trading	Nil	Nil

## 1.4 Asset Quality

## 1.4.1 Non-Performing Assets

(₹ in crore)

Sl. No.	Particulars	Current Year	Previous Year
1	<b>Gross NPA to Gross Advances (%)</b>	2.92	2.51
2	<b>Net NPA to Net Advances (%)</b>	1.91	1.51
3	<b>Movement of NPAs (Gross)</b>		
	a) Opening Balance	638.86	684.72
	b) Additions during the year	653.88	413.45
	c) Reductions during the year	456.80	459.31
	d) Closing balance	835.94	638.86
4	<b>Movement of Net NPAs</b>		
	a) Opening Balance	377.75	435.20
	b) Additions during the year	508.26	312.15
	c) Reductions during the year	347.97	369.60
	d) Closing balance	538.04	377.75
5	<b>Movement of provisions for NPAs (Excluding Countercyclical provisions)</b>		
	a) Opening Balance	198.41	218.47
	b) Provision made during the year	210.54	172.33
	c) Write off / write back of excess provision	137.42	192.39
	d) Closing balance	271.53	198.41

## 1.4.2. Details of Loan assets subjected to Restructuring:

(₹ in crore)

Sl. No.	Type of Restructuring	Asset Classification->	Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
			STD	SS	DS	LS	Total	STD	SS	DS	LS	Total	STD	SS	DS	LS	Total	STD	SS	DS	LS	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	8	1	2	1	12	2	2	0	0	4	575	52	242	44	913	585	55	244	45	929
		Amount outstanding	157.18	47.95	9.35	2.83	217.31	18.29	12.93	0	0	31.22	1369.99	18.70	63.36	2.45	1454.50	1545.46	79.58	72.71	5.28	1703.03
		Provision thereon*	5.48	8.67	6.39	2.83	23.37	0.53	3.02	0.00	0	3.55	94.83	3.07	29.23	2.45	129.58	100.84	14.76	35.62	5.28	156.50
2	Fresh Restructuring During the Year	No. of borrowers	6	0	0	0	6	3	0	0	0	3	250	1	2	1	254	259	1	2	1	263
		Amount outstanding	257.77	0	2.42	0.36	260.55	15.58	0	0	0	15.58	277.65	24.89	6.92	0.06	309.52	551.00	24.89	9.34	0.42	585.65
		Provision thereon*	33.04	0	1.60	0.36	35.00	0.64	0	0	0	0.64	15.72	6.18	10.47	0.13	32.50	49.40	6.18	12.07	0.49	68.14
3	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	1	-1	0	0	0	10	-3	-6	-1	0	11	-4	-6	-1	0
		Amount outstanding	0	0	0	0	0.00	0.03	-0.03	0	0	0.00	28.03	-0.06	-27.95	-0.02	0.00	28.06	-0.09	-27.95	-0.02	0.00
		Provision thereon	0	0	0	0	0.00	0.01	-0.01	0	0	0.00	10.31	-0.01	-10.28	-0.02	0.00	10.32	-0.02	-10.28	-0.02	0.00
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	0				0	-1			-1	-62				-62	-63					-63
		Amount outstanding	0				0.00	-2.47			-2.47	-68.45				-68.45	-70.92					-70.92
		Provision thereon	0				0.00	-0.10			-0.10	-1.23				-1.23	-1.33					-1.33
5	Downgradations of restructured accounts during the FY	No. of borrowers	0	-1	1	0	0	0	-1	1	0	0	-32	-1	16	17	0	-32	-3	18	17	0
		Amount outstanding	0	-47.95	47.95	0	0.00	0	-12.90	12.90	0	0.00	-30.15	-10.67	40.65	0.17	0.00	-30.15	-71.52	101.50	0.17	0.00
		Provision thereon	0.00	-8.67	8.67	0	0.00	0	-3.01	3.01	0	0.00	-1.05	-2.09	3.08	0.06	0.00	-1.05	-13.77	14.76	0.06	0.00
6	Write-offs of restructured accounts during the FY	No. of borrowers	-2	0	-1	0	-3	-1	0	0	0	-1	-66	-15	-56	-43	-180	-69	-15	-57	-43	-184
		Amount outstanding	-12.58	0	-8.00	0	-20.58	-15.81	0	0	0	-15.81	-310.6	-3.89	-3.12	-2.43	-320.04	-338.99	-3.89	-11.12	-2.43	-356.43
		Provision thereon*	-0.79	0	5.77	0	4.98	-0.44	0	4.41	0	3.97	-8.63	-0.40	9.01	-2.39	-2.41	-9.86	-0.40	19.19	-2.39	6.54
7	Restructured Accounts as on March 31 of the FY (Closing Figure)	No. of borrowers	12	0	2	1	15	4	0	1	0	5	675	34	198	18	925	691	34	201	19	945
		Amount outstanding	402.37	0	51.72	3.19	457.28	15.62	0	12.90	0.00	28.52	1266.47	28.97	79.86	0.23	1375.53	1684.46	28.97	144.48	3.42	1861.33
		Provision thereon	37.73	0	22.43	3.19	63.35	0.64	0	7.42	0	8.06	109.95	6.75	41.51	0.23	158.44	148.32	6.75	71.36	3.42	229.85

\*Provision including incremental provision on opening balance

Note: 1. The figures under Sr. No.2 include ₹188.53 crore of fresh / addition to existing restructured accounts.

2. Write-offs of restructured accounts during the year include reduction of ₹346.19 crore from existing restructured accounts by way of closure/recovery.

**1.4.3 Details of Financial Assets sold to Securitization/Reconstruction Company for Asset Reconstruction:**

(₹ in crore)

SI. No.	Particulars	Current Year	Previous Year
1	No of Accounts	2	9
2	Aggregate Value (net of Provisions) of accounts sold to SC/RC	0.10	93.44
3	Aggregate consideration	22.29	142.86
4	Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
5	Aggregate Gain / (Loss) over net book value	22.19	49.42

**1.4.4 Details of Non-performing Financial assets purchased/sold:**

The Bank has not purchased/sold any Non Performing Assets to banks during the financial year 2013-14.

**1.4.5 Provisions on Standard Assets:**

(₹ in crore)

Item	Current Year	Previous Year
Provisions towards Standard Assets	172.92	120.94

**1.5 Business Ratios**

SI.No.	Particulars	Current Year	Previous Year
1	Interest Income to working funds	9.54%	9.63%
2	Non-interest income to working funds	1.15%	1.02%
3	Operating profits to working funds	1.56%	1.63%
4	Return on Assets	0.71%	0.89%
5	Business (Deposits Plus Advances) per employee (₹ in crore)	9.59	9.66
6	Profit per employee (₹ in crore)	0.04	0.05

**1.6 Asset Liability Management:**
**Maturity Pattern of certain items of assets and liabilities:**

(₹ in crore)

	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	186.94	740.95	356.46	754.91	215.80	20.58
2 to 7 days	416.60	190.05	333.57	0.00	424.85	441.95
8 to 14 days	658.95	384.56	0.43	0.00	175.19	152.80
15-28 Days	585.65	221.18	72.16	0.00	167.74	105.22
29 Days to 3 Months	2354.28	1800.43	311.22	0.00	1504.56	1591.15
Over 3 Months and up to 6 Months	2165.62	1460.14	208.61	104.49	879.82	838.17
Over 6 Months and up to 12 Months	5033.88	2998.43	675.54	99.28	280.64	352.89
Over 1 Year and up to 3 years	15587.86	13300.88	2911.86	266.51	12.58	62.79
Over 3 Years and up to 5 Years	6895.30	3053.56	2712.74	440.00	0.00	86.07
Over 5 Years	6697.75	4195.30	7644.19	250.00	0.00	7.30
<b>Total</b>	<b>40582.83</b>	<b>28345.48</b>	<b>15226.78</b>	<b>1915.19</b>	<b>3661.18</b>	<b>3658.92</b>

## 1.7 Exposures

## 1.7.1 Exposure to Real Estate Sector:

(₹ in crore)

Sl. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Direct exposure</b>		
<b>a</b>	<b>Residential Mortgages:</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3111.24	2188.59
	Of which, individual housing loans eligible for inclusion in priority sector advances	1662.31	1432.42
<b>b</b>	<b>Commercial Real Estates:</b> Lending (including Non-Fund Based Limits) secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	1894.20	1075.39
<b>c</b>	<b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures:</b>		
	Residential	Nil	Nil
	Commercial Real Estate	Nil	Nil
<b>2</b>	<b>Indirect Exposure</b> Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	12.19	15.52
	<b>Total Exposure to Real Estate Sector</b>	<b>5017.63</b>	<b>3279.50</b>

## 1.7.2 Exposure to Capital Market

(₹ in crore)

Sl. No.	Category	Current Year	Previous Year
1	Direct investments in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debts	179.52	198.04
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPS), convertible bonds and convertible debentures and units of equity oriented mutual funds.	Nil	Nil
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances'.	Nil	Nil
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	40.50	48.15
6	Loans sanctioned to corporate against the security of shares / bonds / debentures or others securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources:	Nil	Nil
7	Bridge loans to companies against expected equity flows / issues	Nil	Nil
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
9	Financing to Stockbrokers for margin trading	Nil	Nil
10	All exposures to Venture capital funds (both registered and unregistered)	Nil	Nil
	<b>Total capital market exposure</b>	<b>220.02</b>	<b>246.19</b>

**1.7.3 Risk category-wise Country Exposure:**

(₹ in crore)

Risk Category	Exposure (net) as at 31.03.2014	Provision held as at 31.03.2014	Exposure (net) as at 31.03.2013	Provision held as at 31.03.2013
Insignificant	115.36	Nil	62.86	Nil
Low	148.54	Nil	245.66	Nil
Moderate	4.81	Nil	12.18	Nil
High	0.49	Nil	1.23	Nil
Very High	Nil	Nil	Nil	Nil
Restricted	2.81	Nil	5.83	Nil
Off-Credit	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>272.01</b>	<b>Nil</b>	<b>327.76</b>	<b>Nil</b>

The net funded exposure of the bank in respect of foreign exchange transactions with each country is within 1% of the total assets of the Bank and hence no country risk provision is required as per extant RBI guidelines. Bank has used 7 categories of classifications followed by ECGC for the purpose of classification and making provision for country risk exposures.

**1.7.4 Details of Single Borrower Limit (SBL)/ Group Borrower Limits (GBL) exceeded by the Bank:**

During the year ended 31-03-2014, the Bank has not exceeded the Individual / Group borrowers' prudential exposure limits fixed by RBI

**1.7.5 Unsecured Advances:**

The Bank has not granted any finance to projects against collaterals by way of intangible securities such as charge over the rights, licences, authorisations, etc.

**1.8. Penalties imposed by RBI:**

No penalty has been imposed by Reserve Bank of India during the year (Previous year ₹ Nil)

**2. Accounting Standards:**

In compliance with the guidelines issued by the Reserve Bank of India regarding disclosure requirements of the various Accounting Standards, following information is disclosed:

**2.1 Accounting Standard 5 – Net Profit or Loss for the period, Prior period items and changes in accounting policies**

Employees cost includes ₹76.02 crore being the incremental cost on account of liabilities for superannuation Schemes in line with the Policy framed by the Board considering the guidelines issued by IBA in this regard.

There are no material prior period items.

**2.2 Accounting Standard 9 – Revenue Recognition:**

Revenue is recognized as per accounting policy No. 3 of Schedule 17 to the financial statements. Certain items of income are recognized on cash basis and such income are not material.

**2.3 Accounting Standard 15 – Employee Benefits:**
**2.3.1 Various Benefits made available to the Employees are:**

- a) **Pension:** The Bank has a defined benefit plan under Pension Trust to cover employees who have joined employment prior to 31<sup>st</sup> March 2010 and who have opted for Pension Scheme under the Pension & Group Schemes unit of LIC of India, provided they have completed 20 years of service. The benefits under this plan are based on last drawn salary and the tenure of employment. The Liability for the pension is determined and provided on the basis of actuarial valuation and is covered by purchase of annuity from LIC. The employees who have joined employment after 31<sup>st</sup> March 2010 are covered under contributory pension scheme.
- b) **Gratuity:** In accordance with the applicable Indian Laws, the Bank provides for defined gratuity benefit retirement plan ('the gratuity Plan') covering eligible employees. This plan provides for a lump sum payment to the eligible employees on retirement, death, incapacitation or termination of employment of amounts that are based on the last drawn salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation and contributed to the gratuity fund trust. Trustees administer the contribution made to the trust and invest in specific designated securities as mandated by law, which generally comprise of Central and State Government Bonds and debt instruments of Government owned corporations.
- c) **Leave Encashment (PL):** The bank permits encashment of leave accumulated by employees. The liability for encashment of such leave is determined and provided on the basis of actuarial valuation.

- d) **Provident Fund:** The Bank pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund is recognised as expense and is charged to the profit and Loss account. The obligation of the Bank is limited to such contributions. As on 31<sup>st</sup> March 2014, there was no liability due and outstanding to the fund by the Bank.
- e) **Other employee Benefits:** Other than the employee benefits listed above, the Bank also gives certain other benefits to the employees, which include Medical aid, reimbursement of hospitalization expenses to the employees / their family members and compensated absence such as sick leave and casual leave etc. The bank has made provision for such liabilities on an ad-hoc basis
- f) The summarized position of Post-employment benefits and employee's long term benefits are recognized in the financial statements as required in accordance with Accounting Standard – 15 and are as under:

**Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average)**

SI.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Method of Valuation	Projected Unit Credit		
2	Discount rate	9.10%	9.10%	9.10%
3	Salary escalation rate	5.00%	5.00%	5.00%
4	Rate escalation in Basic Pay	5.00%	5.00%	5.00%
5	Attrition rate	No assumption made		5.00%
6	Rate of escalation in pension	5.00%	----	----
7	Expected rate of return on plan assets	9.10%	9.10%	----
8	Mortality	LIC (94-96) Table of mortality rates		

**Changes in the present value of obligations (PVO)- Reconciliation of opening and closing Balances** (₹ in crore)

SI.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Present Value of defined benefit obligation as at 1 <sup>st</sup> April 2013	441.03	100.38	52.39
2	Interest Cost	41.50	9.86	4.45
3	Current Service Cost	18.18	4.37	2.97
4	Past Service Cost - Unrecognized	23.59	7.82	Nil
5	Past Service Cost- Recognized	23.58	7.83	Nil
6	(Less) Benefits Paid	(39.09)	(11.98)	Nil
7	Actuarial Loss / (Gain) on Obligations	100.26	21.49	4.54
8	Present Value of defined benefit obligation as at 31 <sup>st</sup> March 2014	609.05	139.76	64.35

**Changes in Fair value of Plan Assets – Reconciliation of Opening and Closing Balances** (₹ in crore)

SI.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Fair Value of Plan Assets at the beginning of the year	488.48	116.05	52.39
2	Expected return on Plan Assets	44.45	10.56	Nil
3	Banks Contribution related to previous year	(0.28)	(0.04)	Nil
4	Banks Contribution related to Current year	130.76	21.46	11.96
5	(Less) Benefits Paid	(39.09)	(11.98)	Nil
6	Actuarial gain / (Loss ) on plan assets	(15.27)	3.71	Nil
7	Fair Value of Plan Asset at the end of the year	609.05	139.76	64.35

**Actual Return on Plan Assets**

(₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Expected return on Plan Assets	44.45	10.56	Nil
2	Actuarial Gain / (Loss) on plan Assets	(15.27)	3.71	Nil
3	Actual return on Plan Assets	29.18	14.27	Nil

**Actuarial Gain / Loss Recognized**

(₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Actuarial Gain / (loss) for the period – Obligations	(100.26)	(21.49)	4.54
2	Actuarial Gain / (loss) for the period – Plan Assets	(15.27)	3.71	Nil
3	Total (Gain) / loss for the period – Plan Assets (2-1)	115.53	17.78	4.54
4	Actuarial (Gain) / loss recognized in the year	115.53	17.78	4.54
5	Unrecognized actuarial (gain) / loss at the end of the year	Nil	Nil	Nil

**Amounts recognized in Balance Sheet and related analysis**

(₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Present value of the obligations	609.05	139.76	64.35
2	Fair Value of Plan Assets	609.05	139.76	64.35
3	Differences (Assets-obligations)	Nil	Nil	Nil
4	Un recognized past service cost-non vested benefits	(23.59)	(7.82)	Nil
5	Assets recognized in the Balance Sheet	23.59	7.82	Nil
6	Liability recognized in the Balance Sheet	585.46	131.94	64.35

**Expenses recognized in the statement of Profit and Loss Account**

(₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Current Service Cost	18.18	4.37	2.97
2	Interest Cost	41.50	9.86	4.45
3	Expected Return on Plan Assets	(44.45)	(10.56)	Nil
4	Net actuarial (Gain) / Loss recognized in the year	115.53	17.78	4.54
5	Past Service Cost-recognized	23.58	7.83	Nil
6	Expenses recognized in the statement of Profit and Loss Account	154.34	29.28	11.96

**Movements in the Liability recognized in the Balance Sheet**

(₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Opening Net Liability	441.03	100.38	52.39
2	Expenses as above	154.34	29.28	11.96
3	Contributions by the Bank for the year 2012-13	Nil	Nil	Nil
4	Contributions by the Bank for the year 2013-14	130.76	21.46	11.96
5	Total Contributions Paid	130.76	21.46	11.96
6	Closing Net Liability	609.05	139.76	64.35

**Amount for the Current Period**

(₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Present value obligations	609.05	139.76	64.35
2	Plan Assets	609.05	139.76	64.35
3	Surplus (Deficit)	Nil	Nil	Nil
4	Experience adjustments on plan liabilities - (loss)/gain	100.26	21.49	4.54
5	Experience adjustments on plan assets - (loss)/gain	(15.27)	3.71	Nil

**Major Categories of plan assets( As a percentage of total plan assets)**

Sl.No.	Particulars	Pension Trust	Gratuity Trust	Leave Encashment (Un Funded)
1	Government of India Securities	Nil	18.53	Nil
2	State Government Securities	Nil	2.52	Nil
3	High Quality Corporate Bonds	Nil	6.88	Nil
4	Equity Shares of Listed Companies	Nil	Nil	Nil
5	Property	Nil	Nil	Nil
6	Funds managed by insurer	80.05	54.75	Nil
7	Mutual Funds	Nil	Nil	Nil
8	Bank Deposits - Current Accounts	Nil	Nil	Nil
9	Others	19.95	17.32	Nil
10	Total	100.00	100.00	Nil

**Estimated contribution for the next Year**

(₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Enterprises Best estimate of expenditure to be incurred during the next year (inclusive of proportionate amortization)	126	9	10

- g) A provision of ₹ 3.66 crore ( Previous year ₹3.41 crore) is held on account of other employee benefits like LFC Encashment, Medical Aid, Hospitalisation Reimbursement, Sick Leave etc.

**2.3.2. Employee Stock Option (ESOP):**

The shareholders of the Bank had approved on 15.7.2006 grant of equity shares under employee stock option scheme of the Bank framed in compliance with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999.

Under the scheme, the Bank had granted stock options to the eligible employees on various dates in the past each one option entitling for one share at an exercise price of ₹ 50 per share (adjusted to ₹ 46.20 per share post rights issue 2011) The options granted to employees had vested in a graded manner and these may be exercised by the employees within a specified period. Options vested but not exercised before the specified exercise period would lapse. The Bank follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock over the exercise price as determined under the option plan. The fair market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost has already been amortized over the vesting period.

**2.4 Accounting Standard 17 – Segment reporting:**

For the purpose of segment reporting in terms of AS 17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into 4 segments i.e.(a) Treasury operations (b) Corporate / Wholesale Banking (c) Retail Banking and (d) Other Banking Operations. Since the Bank does not have any overseas branch, reporting under geographic segment does not arise. Segment assets have been identified and segment liabilities have been allocated on the basis of segment assets.



**Part A – Business Segments:**

(₹ in crore)

BUSINESS SEGMENTS	TREASURY		CORPORATE/ WHOLESALE BANKING		RETAIL BANKING		OTHER BANKING OPERATIONS		TOTAL	
	Mar '14	Mar '13	Mar '14	Mar '13	Mar '14	Mar '13	Mar '14	Mar '13	Mar '14	Mar '13
Revenue	1178.21	1043.95	1492.54	1349.12	1929.09	1695.45	94.57	73.41	4694.41	4161.93
Result	(4.38)	(25.95)	50.73	72.85	314.80	394.86	73.03	46.45	434.18	488.21
Unallocated expenses									25.53	24.03
Profit before tax									408.65	464.18
Income taxes									97.62	116.10
Extraordinary Profit / Loss									0.00	0.00
Net Profit									311.03	348.08
Other Information										
Segment Assets	18111.67	15851.90	14916.42	13707.15	13798.13	11797.21	5.10	3.17	46831.32	41359.43
Unallocated Assets									197.48	166.96
Total Assets									47028.80	41526.39
Segment Liabilities	16847.81	14691.36	14040.45	12830.67	12900.20	10989.71	4.73	2.93	43793.19	38514.67
Unallocated liabilities									183.41	154.62
Total Liabilities									43976.60	38669.29

**2.5 Accounting Standard 18 – Related Party disclosures:** There is no related party transaction other than remuneration paid to key management personnel, Sri P Jayarama Bhat, Managing Director and Chief Executive Officer aggregating to ₹0.53 Crore (previous year ₹0.48 Crore).

**2.6 Accounting Standard 20 – Earnings per Share:** Basic and diluted earnings per equity share computed in accordance with AS 20 – Earnings per Share are as under:

SI.No.	Particular	Current Year	Previous Year
1	Earnings per share Basic (₹)	16.51	18.48
2	Earnings per share Diluted (₹)	16.50	18.46
3	Net Profit for the year attributable to Equity shares (₹ in crore)	311.03	348.08
4	Weighted Average number of Equity Shares - Basic	188385959	188308839
5	Weighted Average number of Equity Shares - Diluted	188513343	188543109
6	Nominal value per equity share (₹)	10.00	10.00

Allotment of 3,920 Equity shares (previous year 4,120 Equity shares) is kept in abeyance due to restraint orders received and matter being sub-judice. The same has not been considered for EPS calculation.

**2.7 Accounting Standard 22 – Accounting for taxes on Income:**

The Bank has accounted for taxes on income in compliance with Accounting Standard 22. The major components of Deferred tax assets and liabilities recognised are as under:

(₹ in crore)

SI.No.	Particulars	Current Year	Previous Year
<b>A</b>	<b>Deferred Tax Liabilities</b>		
1	Depreciation on fixed assets	3.33	2.16
2	Depreciation on investments	208.16	60.80
3	Accrued Interest on Investments	88.82	80.43
4	Special Reserve	34.90	Nil
5	Pension and Gratuity	10.68	21.35
	<b>Total</b>	<b>345.89</b>	<b>164.74</b>
<b>B</b>	<b>Deferred Tax Assets</b>		
1	PL/LFC Encashment	22.43	18.29
2	Provision for wage revision	19.00	7.65
3	Others	98.56	49.10
	<b>Total</b>	<b>139.99</b>	<b>75.04</b>
	<b>Net deferred tax liabilities (A) – (B)</b>	<b>205.90</b>	<b>89.70</b>

**2.8 Accounting Standard 28 – Impairment of Assets:**

In the opinion of the management, there is no impairment of the fixed assets to any material extent as at 31<sup>st</sup> March 2014 requiring recognition in terms of Accounting Standard 28.

**2.9 Accounting Standard 29 – Provision, Contingent liabilities and Contingent assets:****Movement in Provision for Contingencies:**

(₹ in crore)

Particulars	Opening as on 01-04-2013	Provision made during the year	Provisions reversed/adjusted	Closing as on 31-03-2014
Provision for Contingencies	18.08	Nil	6.24	11.84

**3. Additional Disclosures:****3.1 Details of Provisions and contingencies made during the year:**

(₹ in crore)

SI.No.	Particulars	Current Year	Previous Year
1	Provisions for Depreciation on Investment	26.99	(31.44)
2	Provisions towards NPA	210.54	172.33
3	Provisions towards Standard Assets (including NPV of Restructured Standard advances)	42.10	18.36
4	Provisions made towards taxes	97.62	116.10
5	Other Provisions & contingencies-for frauds, claims against the bank not acknowledged as debts and other intangibles.	(1.24)	11.90
	<b>Total</b>	<b>376.01</b>	<b>287.25</b>

**3.2 Floating /Countercyclical Provisions:**

(₹ in crore)

SI.No.	Particulars	Current Year	Previous Year
1	Opening Balance	10.37	10.37
2	Provision made during the year	Nil	Nil
3	Utilised During the Year for the purpose of making specific provisions for NPAs	3.46	Nil
4	Closing balance	6.91	10.37

**3.3 Drawdown from Reserves:****A. Revenue Reserve:**

During the year, the Bank, pursuant to RBI's circular No DBOD. No. BP .BC. 77/21.04.018/2013-14 dated 20<sup>th</sup> December 2013, has created DTL of ₹27.01 crore on Special Reserve for the period up to March 31, 2013 and has adjusted the same directly from the Revenue Reserve.

**B. Investment Reserve:**

In line with the RBI Guidelines, the bank has drawn a sum of ₹ 11.48 crore from the Investment Reserve account to meet the depreciation requirement on investment

**3.4 Complaints/unimplemented Awards of Banking Ombudsman:****3.4.1 Customer Complaints:**

(a)	No. of complaints pending at the beginning of the year	22
(b)	No. of complaints received during the year	6195
(c)	No. of complaints redressed during the year	6182
(d)	No. of complaints pending at the end of year	35

**3.4.2 Awards passed by the Banking Ombudsman:**

(a)	No. of unimplemented awards at the beginning of the year	Nil
(b)	No. of awards passed by the Banking Ombudsman during the year	Nil
(c)	No of awards implemented during the year	Nil
(d)	No. of unimplemented awards at the end of the year	Nil

### 3.5 Disclosure of Letters of Comforts (LOC):

The Bank issues Letter of Comforts on behalf of its various constituents against the credit limits sanctioned to them. In the opinion of the management, no significant financial impact and/or cumulative financial obligations have devolved, during the year in respect of the LOCs issued by the Bank and remaining outstanding as of 31<sup>st</sup> March 2014.

Details of LOCs issued by the Bank is as follows:

(₹ in crore)

1	Letter of comforts issued during the year	1052.74
2	Letter of comforts matured / cancelled during the year	988.00
3	Letter of comforts outstanding at the end of the year	387.14

### 3.6 Provisioning Coverage Ratio (PCR):

The bank's provision coverage ratio as of March 31, 2014 is 53.21%. (previous year 55.36%)

### 3.7 Bancassurance Business:

(₹ in crore)

SI.No.	Nature of Income	Current Year	Previous Year
1	For selling Life Insurance Policies	21.46	21.04
2	For selling Non-Life Insurance Policies	7.98	6.85
	<b>Total</b>	<b>29.44</b>	<b>27.89</b>

### 3.8 Concentration of Deposits, Advances, Exposures and NPAs:

#### 3.8.1 Concentration of Deposits:

SI.No.	Particulars	Current Year	Previous Year
1	Total deposits of 20 largest depositors (₹ in crore)	1953.98	2066.36
2	% age of deposits of 20 largest depositors to total deposits	4.81	5.73

#### 3.8.2 Concentration of Advances:

SI.No.	Particulars	Current Year	Previous Year
1	Total advances of 20 largest borrowers (₹ in crore)	3311.28	3712.67
2	% age of advances of 20 largest borrowers to total advances (credit exposures including derivatives)	10.32	13.27

#### 3.8.3 Concentration of Exposures:

SI.No.	Particulars	Current Year	Previous Year
1	Total exposures of 20 largest borrowers / Customers (₹ in crore)	4041.06	4427.17
2	Percentage of Exposures to 20 largest borrowers / customers to Total Exposure of the bank on borrowers/customers	9.52	12.83

#### 3.8.4 Concentration of NPAs:

(₹ in crore)

SI.No.	Particulars	Current Year	Previous Year
1	Total fund based Exposure of Top Four NPA accounts	173.41	182.75

### 3.9 Sector-wise NPAs:

SI.No.	Sector	Percentage of NPAs to Total Advances in that sector	
		Current Year	Previous Year
1	Agriculture & allied activities	1.99	4.79
2	Industry (Micro & Small, Medium and Large)	16.45	11.08
3	Services	2.78	2.89
4	Personal Loans	1.11	0.77

**3.10 Movement of NPA:**

(₹ in crore)

Particulars	Current Year	Previous Year
Gross NPAs as of the beginning of the year	638.86	684.72
Additions during the year	653.88	413.45
<b>Sub-total (A)</b>	<b>1292.74</b>	<b>1098.17</b>
Less:		
(i) Up-gradations	192.99	75.52
(ii) Recoveries (excluding recoveries made from upgraded accounts)	117.54	191.40
(iii) Technical / Prudential write offs	134.86	90.66
(iv) Write offs other than those under (iii) above	11.42	101.73
<b>Sub-Total (B)</b>	<b>456.81</b>	<b>459.31</b>
<b>Gross NPAs at the end of the Year [ (A) – (B) ]</b>	<b>835.93</b>	<b>638.86</b>

**Movements in Technical write off:**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of Technical / prudential write-off accounts as at April 1	207.26	138.26
Add: Technical / prudential write-offs during the year	134.86	90.66
<b>Sub-total (A)</b>	<b>342.12</b>	<b>228.92</b>
Less: Recoveries made from previously technical / prudential written-off accounts during the year		
<b>Sub-total (B)</b>	<b>28.07</b>	<b>21.66</b>
<b>Closing balance as at March 31 ( A-B)</b>	<b>314.05</b>	<b>207.26</b>

**3.11 Overseas Assets, NPA and Revenue: Nil****3.12 Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil****3.13 Un-amortised Pension and Gratuity Liabilities:**

As permitted by the Reserve Bank of India vide their letter DBOD. No. BP.BC. 15896/ 21.04.018/2010-11 dated 8<sup>th</sup> April 2011, the bank has during the year, debited to its Profit & Loss account a sum of ₹23.58 crore towards amortization of pension and ₹ 7.83 crore towards amortization of Gratuity on proportionate basis and the balance unamortized amount of ₹ 23.59 crore and ₹ 7.82 crore towards Pension and gratuity respectively, will be dealt with as per the guidelines of the Reserve bank of India. Further, in this regard the Central Govt vide notification dated 15.01.2014 has exempted the Bank from the applicability of provisions of Section 15(1) of the B. R. Act dealing with restrictions on declaration of dividend for the year 2013-14.

**3.14 Disclosure of remunerations :****a) Qualitative disclosure:****Remuneration Committee:**

The Remuneration Committee of the Board consists of independent Directors with two independent Director Members from Integrated Risk Management Committee.

**Objectives of Compensation Policy:**

Compensation Policy aims to attract and retain the right candidates in the Bank. The policy is designed to support key business strategies and create a strong, performance-orientated environment besides providing reasonable remuneration commensurate with the growth of the Bank. It also ensures effective governance of compensation, alignment of compensation with prudent risk taking, effective supervisory oversight and stakeholder engagement. The Policy also aims at facilitating effective succession planning in the Bank.

The Remuneration Committee of the Board works in close coordination with the Integrated Risk Management Committee of the Board to ensure effective alignment of remuneration and risks. Other qualitative disclosures are as under:

**Risk adjustments in remuneration:**

A wide variety of measures of credit, market and liquidity risks are used by bank in implementation of risk adjustment. The risk adjustment methods have both quantitative and judgmental elements. Compensation outcomes are symmetric with risk outcomes and compensation payouts are sensitive to the time horizon of the risk.

**Performance linked variable compensation, deferral and forms:**

The bank's compensation policy stipulates that while fixing the Variable Pay performance parameters under financial and non-financial areas of operations are to be assessed and variable pay shall not exceed 70% of the fixed pay in a year. The variable pay could be in cash, or stock linked instruments or mix of

both. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable remuneration paid.

Further, where the variable pay constitutes a substantial portion of the fixed pay (i.e. 50% or more of the fixed pay), an appropriate portion of the variable pay, say 40% to 60% must be deferred for over a period. The Board / RC / ESOP Committee may grant stock options under the Employees Stock Options Plan / Scheme as per Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, subject to the approval of Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949. Such Stock Options will be excluded from the components of variable pay. In case variable pay payable is 50% or more, deferral arrangements of variable pay shall be applied. The deferral period should not be less than three years. Compensation payable under deferral arrangements should vest on a pro-rata basis at such rates as may be decided by the Board / RC. In the event of negative contributions of the Bank and / or the relevant line of business in any year, the deferred compensation is subject to malus / clawback arrangements.

**b) Quantitative disclosures**

(₹ in crore)

Sl.No.	Particulars	Current Year (2013-14)	Previous Year (2012-13)
(i)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	One With effect from 01.09.2013 sitting fees of ₹15000/- to each non-whole time Director members per meeting attended.	One Sitting fees of ₹10000/- to each non-whole time Director members per meeting attended.
(ii)	Number of employees having received a variable remuneration award during the financial year.	No variable remuneration paid to any employees during the financial year 2013-14.	No variable remuneration paid to any employees during the financial year 2012-13.
	Number and total amount of sign-on awards made during the financial year.	NIL	NIL
	Details of guaranteed bonus, if any, paid as joining / sign on bonus.	NIL	NIL
	Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(iii)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL	NIL
	Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
(iv)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed : 0.53 Variable: NIL	Fixed : 0.48 Variable: NIL
(v)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	NIL	NIL
	Total amount of reductions during the financial year due to ex-post explicit adjustments.	NIL	NIL
	Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL

**3.15 Disclosure relating to Securitization:** The bank has not sponsored any SPV's for securitisation transactions

**3.16 Credit Default Swap:** The bank has not entered into any credit default swap.

**4. Reconciliation of Branch Adjustments and Balancing of Subsidiary Ledgers.**

a) Balancing of Subsidiary Ledgers are completed in all branches / offices.

b) Reconciliation of branch adjustments / Inter Bank accounts has been completed up to 31-03-2014 and steps are being taken to give effect to consequential adjustments of pending items.

**5. Investments:** In terms of RBI circular DBOD.BP.BC.NO.4/21.04.141/2013-14 dated August 23, 2013 on "Investment Portfolio of the Bank – Classification, valuation and Provisioning", the bank has transferred SLR Securities with the face value of ₹ 900.00 crore (book value of ₹884.65 crore) held under "AFS"

portfolio to "HTM" Portfolio and loss on such transfers amounting to ₹16.77 crore has been recognized during the year.

The percentage of SLR investments under "Held to Maturity" category as on 31<sup>st</sup> March 2014 was 23.68% (Previous Year 20.05%) of the Net Demand and Time Liabilities of the bank, which is within the permissible limit as per RBI guidelines.

6. A sum of ₹ 227.79 crore (Previous year ₹ 140.26 crore) is outstanding on account of demands raised by the Income Tax Department in earlier years which have been paid under protest. No provision is considered necessary in respect of these demands, as the Bank has been advised that there are good chances of success in appeals / considering favourable judicial pronouncements and/or appellate orders on identical issues for earlier assessment years.
7. Pursuant to RBI guidelines on Utilization of Floating provisions / Counter Cyclical Provisioning buffer in terms of DBOD.No.BP.95/ 21.04.048/2013-14 dated Feb 7, 2014 and also in pursuance to the bank's Board approved policy, the bank has utilised a sum of ₹ 3.46 crore from Counter Cyclical buffer account towards the requirements of specific provisions for NPA.
8. During the year, the Bank, pursuant to RBI's circular No DBOD. No. BP .BC. 77/21.04.018/2013-14 dated 20th December 2013, has created DTL of ₹ 27.01 crore on Special Reserve for the period up to March 31, 2013 and has adjusted the same directly from the Revenue Reserve. Further, the Bank has created a DTL of ₹ 7.89 crore in respect of the amounts transferred to Special Reserve for the year ended March 31, 2014 by charging of the same to the Profit and Loss Account for the year.
9. Pending finalization of wage revision effective November 1, 2012, the bank has made a provision of ₹ 33.43 crore during the current year on estimated basis. The cumulative provision held there on as on 31.03.2014 aggregates to ₹ 55.93 crore.
10. The Bank has recognized the Income Tax Liability of ₹ 143.60 crore on its Book Profits in terms of section 115JB of the Income Tax Act. Out of this a sum of ₹ 135.31 crore being MAT credit entitlement under section 115 JAA of the Income Tax act, 1961 has been recognized and treated as an Asset.
11. In terms of RBI circular DBOD. No. BPBC.88/21.06.201/2012-13 dated 28.03.2013 banks have been advised to disclose the capital Adequacy Ratio computed under Basel III regulations from the quarter ended June 2013. Accordingly; corresponding details for the previous year / periods are not furnished.
12. In accordance with the RBI circular DBOD. No. BPBC.2/21.06.201/ 2013-14 dated 01.07.2013, banks are required to make half yearly Pillar III disclosures under Basel III capital requirements with effect from 30<sup>th</sup> September, 2013. The disclosures have been made available on the banks web site at the following link <http://ktkbank.com/ktk/BaselDisclosures.jsp#>)
13. Previous year's figures have been regrouped / rearranged / given in brackets wherever necessary and feasible to conform to the current year classifications.

Sd/-  
**Muralidhar K. Rao**  
Deputy General Manager

Sd/-  
**P. Jairama Hande**  
Senior General Manager & C.F.O

Sd/-  
**M.S. Mahabaleshwar**  
Chief General Manager

Sd/-  
**P. Jayarama Bhat**  
Managing Director & C.E.O

Sd/-  
**Ananthkrishna**  
Chairman

Sd/-  
**T.S. Vishwanath**  
**S.V. Manjunath**  
Directors

Sd/-  
**D. Harshendra Kumar**  
**Dr. H. Ramamohan**  
Directors

Sd/-  
**T.R. Chandrasekaran**  
**Usha Ganesh**  
**Ramamohan Rao Belle**  
Directors

Refer our report of even date

**For R.K. Kumar & Co**  
Chartered Accountants  
Firm Regn. No. 001595S

**For Kamath & Rau**  
Chartered Accountants  
Firm Regn. No. 001689S

Sd/-  
**C R Sundararajan**  
Partner  
M.No. 025400

Sd/-  
**Srinivas S Kamath**  
Partner  
M.No. 201716

Place: Mangalore  
Date : May 15<sup>th</sup>, 2014

**INDEPENDENT AUDITORS' REPORT**

**ಸ್ವತಂತ್ರ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ವರದಿ**

To,

The Shareholders of The Karnataka Bank Limited

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of The Karnataka Bank Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 18 branches / offices audited by us and 606 branches / offices audited by branch auditors.

**Management's Responsibility for the Financial Statements**

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act, 1949 and Accounting Standards notified under the Companies Act, 1956 ("this Act") read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the

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ಕರ್ನಾಟಕ ಬ್ಯಾಂಕಿನ ಶೇರುದಾರರು

**ಹಣಕಾಸಿನ ಲೆಕ್ಕ ಪತ್ರಗಳ ಬಗ್ಗೆ ವರದಿ**

1. ನಾವು ಇದರೊಂದಿಗೆ ಲಗತ್ತಿಸಿದ 31ನೇ ಮಾರ್ಚ್, 2014ರ ಹಣಕಾಸಿನ ಲೆಕ್ಕ ಪತ್ರಗಳ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಮಾಡಿದ್ದು ಇದರಲ್ಲಿ 31 ಮಾರ್ಚ್, 2014ರ ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ, ಲಾಭ ನಷ್ಟ ತಪ್ಪೆ ಮತ್ತು ವರ್ಷಾಂತ್ಯದ ನಗದು ಪರಿಚಲನೆಯ ನಿರೂಪಣಾ ಪಟ್ಟಿಯು ಒಳಗೊಂಡಿರುತ್ತದೆ. ಆಲ್ಲದೇ ಪ್ರಮುಖ ಲೆಕ್ಕಪತ್ರಗಳನ್ನಿಡುವ ಧೋರಣೆಯ ಸಾರಾಂಶ ಮತ್ತು ವಿವರಣಾತ್ಮಕ ಸೂಚನೆಗಳು ಇದರಲ್ಲಿ ಸೇರಿಸಲ್ಪಟ್ಟಿವೆ. ಇವುಗಳಲ್ಲಿ ಸಂಘಟಿತವಾದ ಶಾಖಾ ವರದಿಗಳಲ್ಲಿ ನಾವೇ ಸ್ವತಃ ಪರಿಶೋಧನೆ ಮಾಡಿದ ಬ್ಯಾಂಕಿನ 18 ಶಾಖೆಗಳ / ಕಚೇರಿಗಳ ಹಾಗೂ ಶಾಖಾ ಲೆಕ್ಕಪರಿಶೋಧಕರಿಂದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟ ಉಳಿದ 606 ಶಾಖೆಗಳ / ಕಚೇರಿಗಳ ವರದಿಗಳು ಒಳಗೊಂಡಿವೆ.

**ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಬಗ್ಗೆ ಆಡಳಿತದ ಹೊಣೆಗಾರಿಕೆ:**

2. 1949ರ ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯೂಲೇಶನ್ ಆಕ್ಟ್ ಅನುಸಾರವಾಗಿ ಈ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿ ಬ್ಯಾಂಕಿನ ಆಡಳಿತದ ಹೊಣೆಗಾರಿಕೆಯಾಗಿರುತ್ತದೆ ಮತ್ತು 1956 ಕಂಪನೀಸ್ ಆಕ್ಟ್ (ಈ ಕಾಯಿದೆ) ಮಿನಿಸ್ಟ್ರಿ ಆಫ್ ಕಂಪನೀಸ್ ಅಫೈರ್ಸ್ ಬಿಡುಗಡೆ ಮಾಡಿದ, ಪ್ರಧಾನ ಸುತ್ತೋಲೆ 15/2013, ದಿನಾಂಕ 13ನೇ ಸೆಪ್ಟೆಂಬರ್ 2013 - ಕಂಪನೀಸ್ ಆಕ್ಟ್ 2013 ಪರಿಚ್ಛೇದದ 133ರ ಅನ್ವಯ ಉಲ್ಲೇಖಿಸಿ ಗೊಂಡಿದ್ದು, ಲೆಕ್ಕ ಪತ್ರಗಳ ಗುಣಮಟ್ಟ ಮೇಲ್ವಿಚಾರಣೆ ಕಾಯಿದೆಗೆ ಅನುಗುಣವಾಗಿರುತ್ತದೆ. ಈ ಹೊಣೆಗಾರಿಕೆಯಲ್ಲಿ ವಿನ್ಯಾಸ, ಹಣಕಾಸಿನ ಲೆಕ್ಕ ಪತ್ರಗಳ ತಯಾರಿಕೆಗೆ ಅನುಗುಣವಾಗಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣದ ಹೇರಿಕೆ ಮತ್ತು ಕಾಯ್ದುಕೊಂಡು ಬರುವಿಕೆ ಹಾಗೂ ಅವುಗಳ ಪರಿಶೋಧನೆ ಅಥವಾ ತಪ್ಪುಗಳಿಂದಾಗಲಿ, ವಿಷಯಾತ್ಮಕ ತಪ್ಪು ಮ್ಯಾಟರ್‌ಗಳಿಂದ ಮುಕ್ತವಾಗಿರುವುದು ಮುಖ್ಯವಾಗಿರುತ್ತದೆ.

**ಲೆಕ್ಕಪರಿಶೋಧಕರ ಹೊಣೆಗಾರಿಕೆ:**

3. ನಮ್ಮ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಆಧಾರದ ಮೇಲೆ ಇಲ್ಲಿನ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಕುರಿತು ನಮ್ಮ ಅಭಿಪ್ರಾಯ ತಿಳಿಸುವಷ್ಟಕ್ಕೆ ನಮ್ಮ ಹೊಣೆಗಾರಿಕೆ ಸೀಮಿತವಾಗಿದೆ. ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಆಫ್ ಇಂಡಿಯಾ ಬಿಡುಗಡೆಗೊಳಿಸಿದ ಲೆಕ್ಕಪರಿಶೋಧನಾ ನೀತಿಸುಗುಣವಾಗಿ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು ನಾವು ಮಾಡಿದ್ದೇವೆ. ಈ ಲೆಕ್ಕಪರಿಶೋಧನೆಗೆ ಗುಣಮಟ್ಟದ ತಪ್ಪು ಹೇಳಿಕೆಗಳಿಂದ ಹೊರಪಟ್ಟಿವೆ ಎಂದು ವಿವೇಚನಾತ್ಮಕ ಭರವಸೆ ಹೊಂದುವ ರೀತಿಯಲ್ಲಿ ನಾವು ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಯೋಜಿಸಿ, ನಿರ್ವಹಿಸಬೇಕೆಂದು ಆ ನಿತಿಗಳ ಅಪೇಕ್ಷೆ.

4. ಲೆಕ್ಕಪತ್ರಗಳಲ್ಲಿ ನೀಡಲ್ಪಟ್ಟ ಮೊತ್ತದ ಬಗ್ಗೆ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಬಗೆಗೆ ಸೂಕ್ತ ಆಧಾರವನ್ನು ಕೇಳಿದ ಕಾರ್ಯನಿರ್ವಹಣೆಯನ್ನು ಪೂರೈಸುವುದನ್ನು ಲೆಕ್ಕಪರಿಶೋಧನಾ ಪ್ರಕ್ರಿಯೆ ಒಳಗೊಂಡಿರುತ್ತದೆ. ಕಾರ್ಯ ನಿರ್ವಹಣೆಯ ಆಯ್ಕೆಯು ಲೆಕ್ಕಪರಿಶೋಧಕರ ವಿವೇಚನೆಗೆ ಸಂಬಂಧಿಸಿದ್ದಾಗಿದ್ದು ಲೆಕ್ಕಪತ್ರಗಳಲ್ಲಿನ ನ್ಯೂನತೆ, ತಪ್ಪು ಹೇಳಿಕೆ ಅಥವಾ ವಂಚನೆ ನಿರ್ಧಾರಗಳ ಲಗತ್ತಿಸಿದ ಲೆಕ್ಕಪರಿಶೋಧಕರ ವಿವೇಚನೆಗೆ ಬಿಟ್ಟಿದ್ದಾಗಿರುತ್ತದೆ. ಆಂತಹ ನಿರ್ಧಾರಕ್ಕೆ ಬರುವಲ್ಲಿ ಲೆಕ್ಕಪರಿಶೋಧಕರು ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ನಿಯಂತ್ರಣವು ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರ ತಯಾರಿಸುವಲ್ಲಿ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವಿನ್ಯಾಸದಲ್ಲೇ ರಚಿಸಲ್ಪಟ್ಟಿದೆಯೇ, ಅದು ಸಂದರ್ಭಕ್ಕೆ ಸೂಕ್ತವಾಗಿದೆಯೇ ಎಂದು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳಬಹುದು. ಹೊರತಾಗಿ ಸಂಸ್ಥೆಯ ಆಂತರಿಕ ನಿಯಂತ್ರಣದ ಪರಿಣಾಮಕಾರಿತ್ವದ ಕುರಿತು ಅಭಿಪ್ರಾಯ ಮಂಡಿಸುವ ಉದ್ದೇಶಕ್ಕಾಗಿಯಲ್ಲ, ಲೆಕ್ಕಪರಿಶೋಧನೆಯು ಲೆಕ್ಕಪರಿಶೋಧಕರ ಮೂಲತತ್ವಕ್ಕನುಸಾರವಾಗಿ ಯಥಾರ್ಥವಾಗಿ ರಚಿಸಲ್ಪಟ್ಟಿದೆ

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

- In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the accounting policies and notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 1956, in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2014;
  - in the case of the Profit and Loss Account of the profit for the year ended on that date; and
  - in the case of the Cash Flow Statement, of cash flows for the year ended on that date.

**Emphasis of Matter**

- Without qualifying our opinion, we draw attention to:
  - Note No. 3.13** of the financial statements, regarding deferment of pension and gratuity liability of the bank to the extent of ₹31.41 crore to be amortized in the next year pursuant to the exemption granted by the Reserve Bank of India from the application of the provisions of Accounting Standard (AS) 15, Employee Benefits vide circular No. DBOD. BP. BC/80/ 21.04.018/2010-11 dated Feb.9<sup>th</sup> 2011; and
  - Note 8** of the financial statements, which describes the accounting treatment of the expenditure on creation of Deferred Tax Liability of ₹ 27.01 crore on Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961 as at 31<sup>st</sup> March 2013, pursuant to RBI's Circular No. DBOD No.BP.BC.77/ 21.04.018 / 2013-14 dated 20<sup>th</sup> December 2013.

**Report on Other Legal and Regulatory Matters**

- The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 211 of the Companies Act, 1956.

ಎನ್ನುವುದನ್ನು, ಲೆಕ್ಕವಿಡುವಲ್ಲಿ ಬ್ಯಾಂಕ್ ಅಡಳಿತ ಮಾಡಿದ ಅಂದಾಜುಗಳು ಸಕಾರಣವಾಗಿದೆ ಎನ್ನುವುದನ್ನು ಅಂತೆಯೇ ಲೆಕ್ಕಾಚಾರ ಪಟ್ಟಿಗಳ ಸಮಗ್ರ ನಿರೂಪಣೆಯ ಮೇಲೆ ಮೌಲ್ಯೀಕರಣ ಮಾಡುವುದೂ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯ ವ್ಯಾಪ್ತಿಯ ಒಳಗೆ ಬರುತ್ತದೆ.

- ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯ ಸಂದರ್ಭದಲ್ಲಿ ನಾವು ಸಾಕಷ್ಟು ಲೆಕ್ಕಪರಿಶೋಧನೆಗೆ ಆಗತ್ಯವಿರುವ ಪುರಾವೆಗಳನ್ನು ಪಡೆದಿದ್ದು ಮತ್ತು ಅದರ ಆಧಾರದ ಮೇಲೆ ಲೆಕ್ಕಪತ್ರ ಪರಿಶೋಧನಾ ಅಭಿಪ್ರಾಯವನ್ನು ನೀಡುವಲ್ಲಿ ನಾವು ಪರಿಪೂರ್ಣರಾಗಿದ್ದೇವೆ ಎಂದು ನಂಬಿದ್ದೇವೆ.

**ಅಭಿಪ್ರಾಯ**

- ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ನೀಡಲ್ಪಟ್ಟ ಅತ್ಯುತ್ತಮ ಮಾಹಿತಿಗಳ ಆಧಾರದ ಮೇಲೆ ನಾವು ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮಾಡಿದ ಲೆಕ್ಕಪತ್ರಗಳು ಹಾಗೂ ಅವುಗಳಿಗೆ ಒದಗಿಸಿದ ಟಿಪ್ಪಣಿಯಂತೆ, ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಆಕ್ಟ್, 1949 ಮತ್ತು ಕಂಪನಿ ಅಕ್ಟ್, 1956 ಅನುಸಾರವಾಗಿ, ಅಲ್ಲಿ ಉಲ್ಲೇಖಿಸಿರುವುದು, ಭಾರತದಲ್ಲಿ ಲೆಕ್ಕವಿಡುವ ನೀತಿಯ ಪ್ರಕಾರ ರಚಿಸಿಗೊಂಡಿದೆ ಹಾಗೂ ಅವು ಸಮರ್ಪಕವಾಗಿದ್ದು, ಯಥಾರ್ಥವಾದ ಮತ್ತು ನೈಜ ಮಾಹಿತಿಗಳನ್ನು ಒದಗಿಸುತ್ತವೆ.
  - ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಸಂದರ್ಭದಲ್ಲಿ 31, ಮಾರ್ಚ್ 2013 ರಂದು ಇದ್ದ ಬ್ಯಾಂಕಿನ ವಹಿವಾಟಿನ ನೈಜ ಚಿತ್ರಣವನ್ನು.
  - ಲಾಭ ಮತ್ತು ನಷ್ಟ ತಖ್ತೆಯ ಸಂದರ್ಭದಲ್ಲಿ ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕದಂದು ಆದ ಲಾಭ ಮತ್ತು
  - ನಗದು ಪರಿಚಲನೆ ನಿರೂಪಣೆ ಪಟ್ಟಿಯ ಸಂದರ್ಭದಲ್ಲಿ ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕದಂದು ಆದ ನಗದು ಪರಿಚಲನೆಯನ್ನು ತೃಪ್ತಿಕರ ರೀತಿಯಲ್ಲಿ ಪ್ರತಿಬಿಂಬಿಸುತ್ತವೆ.

**7. ವಸ್ತು ಸ್ಥಿತಿ ಸ್ಪಷ್ಟನೆ**

ನಮ್ಮ ಅಭಿಪ್ರಾಯವನ್ನು ಪರಿಮಿತಿಯೊಂದಿಗೆ, ಕೆಳಗೆ ನಮೂದಿಸಿದಂತೆ ಗಮನ ಸೆಳೆಯುತ್ತೇವೆ.

- ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್, ಮುಂಬರುವ ವರ್ಷಕ್ಕಾಗಿ ಪೆನ್ಷನ್ ಹಾಗೂ ಗ್ರಾಚ್ಯೂಟಿ ಹೊರೆಯನ್ನು ಸರಿಮಾಡಿಸುವಲ್ಲಿ ತೆಗೆದಿರಬಹುದಾದ ವಿನಾಯಿತಿ - ಸುತ್ತೋಲೆ ಸಂಖ್ಯೆ ಡಿ.ಬಿ.ಓ. ಡಿ.ಬಿ.ಪಿ.ಬಿ.ಸಿ / 80/21.04.018/ 2010-11, ದಿನಾಂಕ ಫೆಬ್ರವರಿ 9, 2011ರನ್ವಯ ಟಿಪ್ಪಣಿ ಸಂ. 3.13ರ ಲೆಕ್ಕಪತ್ರ ವ್ಯಾಖ್ಯೆಯನ್ವಯ ಪೆನ್ಷನ್ ಹಾಗೂ ಗ್ರಾಚ್ಯೂಟಿ ಹೊಣೆಯಾಗಿ ₹ 31.41 ಕೋಟಿಯನ್ನು ಆಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ (ಎಎಸ್) 15ರನ್ವಯ ಮೀಸಲಿರಿಸಲಾಗಿದೆ.
- ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಸುತ್ತೋಲೆ ಸಂಖ್ಯೆ ಡಿಬಿಓಡಿ ಸಂಖ್ಯೆ ಬಿ.ಪಿ.ಬಿ.ಸಿ. 77/21.04.018/2013-14 ದಿನಾಂಕ 20, ಡಿಸೆಂಬರ್ 2013ರನ್ವಯ ಲೆಕ್ಕಪತ್ರ ವ್ಯಾಖ್ಯೆಯ ಟಿಪ್ಪಣಿ 8ರಂತೆ ₹ 27.01 ಕೋಟಿಯನ್ನು ಮುಂಬರುವ ಕರದ ಹೊಣೆಯಾಗಿ ವೆಚ್ಚವಾಗಿ ಪರಿಗಣಿಸಿದನ್ವಯ ವಿವರಿಸಿದ್ದು, ಇದು ಸೆಕ್ಷನ್ 36 (1)(viii)ರ ಇನ್ ಕಮ್ ಆಕ್ಟ್ 1961ನಂತೆ 31 ಮಾರ್ಚ್ 2013ರ ಕರಸಂದಾಯಕ್ಕಾಗಿ ಮೀಸಲಿರಿಸಲ್ಪಟ್ಟುದಾಗಿರುತ್ತದೆ.

**ಕಾನೂನು ಮತ್ತು ನಿಯಂತ್ರಣ ಅಗತ್ಯತೆ ಬಗ್ಗೆ ವರದಿ**

- ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆಗಳನ್ನು ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಕಾಯ್ದೆ 1949 ವಿಭಾಗ 29 ಹಾಗೂ ಕಂಪನಿ ಕಾಯ್ದೆ 1956 ವಿಭಾಗ 211ರ ಅನುಸಾರವಾಗಿ ರಚಿಸಲಾಗಿದೆ.



9. Subject to the limitations of the audit indicated in paragraph 1 to 5 above, We report that:
- we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
  - the transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
  - the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
11. We further report that:
- the Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns;
  - in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
  - the reports on the accounts of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.
  - as per information and explanation given to us the Central Government has, till date, not prescribed any cess payable under section 441A of the Companies Act, 1956,
  - on the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
9. ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಮಿತಿಗನುಸಾರವಾಗಿ ಮೇಲ್ಕಾಣಿಸಿದ ಪ್ರಾಥಮಿಕ 5ಕ್ಕೆ ಸಂಬಂಧಿಸಿ ನಮ್ಮ ವರದಿ ಹೀಗಿದೆ.
- ನಮ್ಮ ಅತ್ಯುತ್ತಮ ತಿಳುವಳಿಕೆ ಹಾಗೂ ನಂಬಿಕೆಯ ಪ್ರಕಾರ, ಲೆಕ್ಕ ಪತ್ರ ಪರಿಶೋಧನೆಗೆ ಅಗತ್ಯವೆಂದು ಕಂಡುಬಂದ ಎಲ್ಲಾ ಮಾಹಿತಿ ಮತ್ತು ವಿವರಣೆಗಳನ್ನು ನಾವು ಪಡೆದಿದ್ದು, ಅವುಗಳು ತೃಪ್ತಿಕರವಾಗಿದ್ದುವು ಎಂದು ಮನಗಂಡಿದ್ದೇವೆ.
  - ನಮ್ಮ ಗಮನಕ್ಕೆ ಬಂದ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರಗಳು ಬ್ಯಾಂಕಿನ ಅಧಿಕಾರ ವ್ಯಾಪ್ತಿಯ ಒಳಗಿದ್ದುವು ಮತ್ತು
  - ನಮಗೆ ಪರಿಶೋಧನೆಗೆ ಬೇಕಾದಂತಹ ಸಮರ್ಪಕವಾದ ವರದಿಗಳು ಬ್ಯಾಂಕಿನ ಶಾಖೆಗಳಿಂದ, ಕಚೇರಿಗಳಿಂದ ಲಭ್ಯವಾಗಿವೆ.
10. ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಆಸ್ತಿಹೂಣೆ ಪಟ್ಟಿ, ಲಾಭ ನಷ್ಟ ತಖ್ತೆ ಮತ್ತು ನಗದು ಪರಿಚಲನ ನಿರೂಪಣಾ ಪಟ್ಟಿಗಳು, ಕಂಪನೀಸ್ ಆಕ್ಟ್ 1956 ಮತ್ತು ಈ ಕಾಯಿದೆಗೆ ಸಂಬಂಧಿಸಿ ಹೆಚ್ಚುವರಿಯಾಗಿ ಬಂದ ವ್ಯಾಖ್ಯೆ - ಪ್ರಧಾನ ಸುತ್ತೋಲೆ 15/2013 ದಿನಾಂಕ 13, ಸೆಪ್ಟೆಂಬರ್ 2013, ಮಿನಿಸ್ಟ್ರಿ ಆಫ್ ಕಾರ್ಪೊರೇಟ್ ಆಫೈರ್ಸ್‌ನ ಪರಿಚ್ಛೇದ 133ರ ಕಂಪನೀಸ್ ಆಕ್ಟ್ 2013ರ ಅಶಯದಂತೆ ಮತ್ತು ಅವುಗಳಿಗೆ ಅನುಸಾರವಾಗಿ ರಚಿಸಲಾಗಿದೆ.
11. ಇನ್ನೂ ಹೆಚ್ಚುವರಿಯಾಗಿ ನಮ್ಮ ವರದಿ ಹೀಗಿದೆ.
- ಈ ವರದಿಯಲ್ಲಿ ಕಾಣಿಸಿದ ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಹೂಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆಗಳು ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪುಸ್ತಕ ಮತ್ತು ವರದಿಗಳಿಗೆ ಹೊಂದಿಕೆಯಾಗಿರುತ್ತವೆ.
  - ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಕಾನೂನು ಪ್ರಕಾರ ಅಗತ್ಯವಿರುವ ಲೆಕ್ಕಪುಸ್ತಕಗಳನ್ನು ಬ್ಯಾಂಕು ಈ ತನಕ ಇರಿಸಿದೆ ಎನ್ನುವುದು, ಅಂತಹ ಪುಸ್ತಕಗಳ ಶೋಧನೆಯಿಂದ ನಮಗೆ ತಿಳಿದುಬಂದಿದೆ.
  - ಶಾಖಾ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ, ಶಾಖೆಯ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವರದಿಗಳನ್ನು ನಮಗೆ ಅಗತ್ಯ ಕಂಡಲ್ಲಿ ಬಳಸಿಕೊಂಡು ನಮ್ಮ ವರದಿಯನ್ನು ತಯಾರಿಸಿದ್ದೇವೆ.
  - ನಮಗೆ ನೀಡಲ್ಪಟ್ಟ ಮಾಹಿತಿ ಮತ್ತು ವಿವರಣೆ ಪ್ರಕಾರ, ಕೇಂದ್ರ ಸರ್ಕಾರವು ಇಂದಿನ ದಿನಾಂಕದ ತನಕ ಕಂಪನಿ ಕಾಯಿದೆ, 1956 ವಿಭಾಗ 441 ಎ ಅನ್ವಯ, ಬ್ಯಾಂಕಿಗೆ ಯಾವುದೇ ರೀತಿಯ ಮೇಲು ತೆರಿಗೆ ಪಾವತಿಯನ್ನು ವಿಧಿಸಿಲ್ಲ.
  - ನಿರ್ದೇಶಕರುಗಳಿಂದ ಲಭಿಸಿದ ಲಿಖಿತ ಮಾಹಿತಿ ಮತ್ತು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ದಾಖಲೆಯ ಪರಿಶೋಧನೆಯನ್ವಯ ನಾವು ವರದಿ ಮಾಡುವುದೇನೆಂದರೆ, 31 ಮಾರ್ಚ್, 2014ಕ್ಕೆ ಯಾವೊಬ್ಬ ನಿರ್ದೇಶಕರು ಕಂಪನಿ ಕಾಯ್ದೆ, 1956ರ ವಿಭಾಗ 274, ಉಪವಿಭಾಗ (1) ಖಂಡ (ಬಿ) ಅನ್ವಯ ನಿರ್ದೇಶಕರಾಗಿ ನೇಮಕಗೊಳ್ಳಲು ಅನರ್ಹತೆಯನ್ನು ಹೊಂದಿಲ್ಲ.

**For R. K. Kumar & Co.**  
Chartered Accountants  
Firm Regn No. 001595S

**For Kamath & Rau**  
Chartered Accountants  
Firm Regn No. 001689S

ಆರ್.ಕೆ. ಕುಮಾರ್ ಮತ್ತು ಕಂಪನಿ - ಗಾಗಿ  
ಲೆಕ್ಕಪರಿಶೋಧಕರು  
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ: 001595S

ಕಾಮತ್ ಮತ್ತು ರಾವ್ - ಗಾಗಿ  
ಲೆಕ್ಕಪರಿಶೋಧಕರು  
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ: 001689S

Sd/-  
**C R SUNDARARAJAN**  
Partner  
M. No. 025400

Sd/-  
**SRINIVAS S KAMATH**  
Partner  
M. No. 201716

ಸಹಿ/-  
ಪಿ. ಆರ್. ಸುಂದರರಾಜನ್  
ಪಾಲುದಾರರು  
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ 025400

ಸಹಿ/-  
ಶ್ರೀನಿವಾಸ ಎಸ್. ಕಾಮತ್  
ಪಾಲುದಾರರು  
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ 201716

Place : Mangalore  
Date : May 15, 2014

ಸ್ಥಳ : ಮಂಗಳೂರು  
ದಿನಾಂಕ : 15 ಮೇ, 2014

## Facts at a Glance

<b>1. No. of Deposit Accounts</b>		<b>7491726</b>
<b>2. No. of Advances Accounts</b>		<b>483338</b>
<b>3. Advances to Priority Sector</b>		(₹ in lakh)
<b>Types of Advances</b>	<b>Number of Accounts at the end of the year</b>	<b>Balance outstanding at the end of the year</b>
a) Agriculture and Allied Activities	305811	414115.71
b) Advances to Small Enterprises	37450	477239.37
c) Educational Loan	6447	15153.09
d) Housing Loan	22736	162392.74
e) Other Priority Sectors	6475	19319.49
<b>Total</b>	<b>378919</b>	<b>1088220.40</b>
Export Credit		165535.79

<b>4. Branches</b>					
	<b>Rural</b>	<b>Semi Urban</b>	<b>Urban</b>	<b>Metro-politan</b>	<b>Total</b>
No. of Branches at the end of the year	121	144	176	159	600

<b>5. Staff</b>				
	<b>Officers</b>	<b>Clerks</b>	<b>Sub-Staff</b>	<b>Total</b>
As at the end of the year	2664	3072	1449	7185
Recruited during the year	294	706	205	1205

<b>6. Staff Training</b>				
<b>Bank's own training college</b>			<b>At Bankers' Training College (RBI) &amp; other Training Colleges</b>	<b>At Work shops &amp; Seminars</b>
<b>Officers</b>	<b>Clerks</b>	<b>Sub Staff</b>		
719	740	39	545	80

## IDRBT BANKING TECHNOLOGY EXCELLENCE AWARD



Dr. D. Subba Rao, Governor, RBI presenting the award to Shri P. Jayarama Bhat, MD & CEO. Also seen with them is Shri P. Jairama Hande, Senior General Manager

## 90<sup>TH</sup> FOUNDERS' DAY LECTURE - 18.02.2014



Padma Shri Dr. Sudha N. Murty, Chairperson, Infosys Foundation delivering the Founders' Day Lecture. Shri P. Jayarama Bhat, MD & CEO and Shri Ananthakrishna, Non-Executive Chairman are also seen.

## 600<sup>TH</sup> BRANCH INAUGURATION AT DISPUR, ASSAM ON 31.03.2014



Shri Sanjive Narain, CMD, Prag Networks and CMD, Purvanchal Communications Ltd., inaugurating the 600<sup>th</sup> branch is seen with Sarvashri Chinmay Phukan, Assistant Commissioner & Chief Election Commissioner, Kamrup Metro, Guwahati, M S Mahabaleshwara Bhat, CGM, Gokuldas Pai, DGM-Kolkata Region, Ajay Kumar Choudhary, Branch Manager and others.

## **BANK'S MISSION**

"To be a technology savvy,  
customer centric progressive bank  
with a national presence,  
driven by the highest standards of  
corporate governance and  
guided by sound ethical values."



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CIN: L85110KA1924PLC001128