

88th
ANNUAL
REPORT
2011-2012



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 S.R. Hegde
ಶ್ರೀ ಎಸ್.ಆರ್. ಹೆಗಡೆ



Sri R.V. Shastri
ಶ್ರೀ ಆರ್.ವಿ. ಶಾಸ್ತ್ರಿ



Sri U.R. Bhat
ಶ್ರೀ ಯು.ಆರ್. ಭಟ್



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



Sri Sitarama Murty M.
ಶ್ರೀ ಸೀತಾರಾಮ ಮೂರ್ತಿ ಎಂ.



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



Sri D. Harshendra Kumar
ಶ್ರೀ ಡಿ. ಹರ್ಷೇಂದ್ರ ಕುಮಾರ್



Dr. H. Ramamohan
ಡಾ. ಎಚ್. ರಾಮಮೋಹನ್



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

GENERAL MANAGERS

Sri P. Jairama Hande
Sri N. Upendra Prabhu
Sri M.V.C.S. Karanth
Sri M.S. Mahabaleshwara
Dr. Meera Laetitia B. Aranha

ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ಪಿ. ಜೈರಾಮ ಹಂದೆ
ಶ್ರೀ ಎನ್. ಉಪೇಂದ್ರ ಪ್ರಭು
ಶ್ರೀ ಎಮ್.ವಿ.ಸಿ.ಎಸ್. ಕಾರಂತ್
ಶ್ರೀ ಎಮ್.ಎಸ್. ಮಹಾಬಲೇಶ್ವರ
ಡಾ|| ಮೀರಾ ಲೇಟಿಷಿಯಾ ಬಿ. ಆರಾನ್ಹ

DEPUTY GENERAL MANAGERS

Sri K.G. Ramesh Rao
Sri V.N. Manohar
Sri I. Santhosh Kumar
Sri S. Ramachandra Bhat
Sri Raghurama
Sri S. Anandarama Adiga
Sri M.V. Mohan
Sri Gajanan T. Hegde
Sri M. Raghavendra Bhat
Sri Subhaschandra Puranik
Sri S. Ramesh
Sri K.V. Vijayashankar Rai
Sri B. Chandrashekar Rao

ಉಪ ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ಕೆ.ಜಿ. ರಮೇಶ್ ರಾವ್
ಶ್ರೀ ವಿ.ಎನ್. ಮನೋಹರ
ಶ್ರೀ ಐ. ಸಂತೋಷ್ ಕುಮಾರ್
ಶ್ರೀ ಎಸ್. ರಾಮಚಂದ್ರ ಭಟ್
ಶ್ರೀ ರಘುರಾಮ
ಶ್ರೀ ಎಸ್. ಆನಂದರಾಮ ಅಡಿಗ
ಶ್ರೀ ಎಮ್.ವಿ. ಮೋಹನ್
ಶ್ರೀ ಗಜಾನನ್ ಟಿ. ಹೆಗಡೆ
ಶ್ರೀ ಎಮ್. ರಾಘವೇಂದ್ರ ಭಟ್
ಶ್ರೀ ಸುಭಾಷ್‌ಚಂದ್ರ ಪುರಾಣಿಕ್
ಶ್ರೀ ಎಸ್. ರಮೇಶ್
ಶ್ರೀ ಕೆ.ವಿ. ವಿಜಯಶಂಕರ ರೈ
ಶ್ರೀ ಬಿ. ಚಂದ್ರಶೇಖರ ರಾವ್

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. Vishnu Daya & Co., Bangalore
M/s. R.K. Kumar & Co., Chennai

ಲೆಕ್ಕ ಪರಿಶೋಧಕರು

ಮೆ ವಿಷ್ಣು ದಯಾ ಎಂಡ್ ಕೋ., ಬೆಂಗಳೂರು
ಮೆ ಆರ್.ಕೆ. ಕುಮಾರ್ ಎಂಡ್ ಕೋ., ಚೆನ್ನೈ

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 Rs.	Deposits Rs.	Advances Rs.	Gross Earnings Rs.	Net Profit Rs.	Dividend Paid %	No. of Branches	No. of Employees
2002-2003	58340.32	829172.07	389970.08	105069.80	11011.75	22	360	4320
2003-2004	69815.23	940693.68	466791.50	111873.34	13316.75	40	370	4300
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

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DIRECTORS' 88th ANNUAL REPORT

Your Directors have pleasure in presenting the Eighty Eighth Annual Report together with the Audited Statement of Accounts for the year ended, 31st March 2012, 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 three important milestones viz. (1) the turnover of your Bank crossed ₹ 50,000 crore (2) number of branches crossed 500 and (3) the client base has increased to over 50 lakh. Performance highlights for the financial year in the key financial areas are as under:

Particulars	(₹ in Crores)	
	As on / for the year ended 31.03.2012	As on / for the year ended 31.03.2011
Deposits	31608.32	27336.45
Advances	20720.70	17348.07
Investments	12841.23	11506.34
Gross Income	3447.27	2662.60
Operating Profit	510.21	355.29
Net Profit	246.07	204.61

The total business turnover of the Bank was ₹ 52329.02 crore as on 31st March 2012, an increase of 17.11 per cent over the preceding year. The total assets of the Bank increased from ₹ 31693.01 crore to ₹ 36321.57 crore recording a growth of 14.60 percent for the year 2011-12.

The total deposits of the Bank grew from ₹ 27336.45 crore as on 31st March, 2011 to ₹ 31608.32 crore as on 31st March 2012, registering a growth of 15.63 per cent. During the year, low cost deposits of the Bank, viz. Savings and Current Account Deposits, have shown growth of 14.12 per cent due to the various measures undertaken by the Bank. The market share of the Bank in deposits was 0.51 per cent.

The total advances grew from ₹ 17348.07 crore as on 31st March, 2011 to ₹ 20720.70 crore as on 31st March, 2012, an increase of 19.44 per cent. While agricultural advances increased from ₹ 2031.23 crore to ₹ 2586.36 crore, the priority sector advances increased from ₹ 6238.36 crore to ₹ 7570.27 crore. Lending under various socio-economic schemes has shown satisfactory progress. The market share of the Bank in loans and advances was 0.43 per cent.

As on 31st March, 2012 the total investments of the Bank stood at ₹ 12841.23 crore as against ₹ 11506.34 crore as on 31st March 2011, an increase of 11.60 per cent.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ 88ನೇ ವಾರ್ಷಿಕ ವರದಿ

ಬ್ಯಾಂಕಿನ 88ನೇ ವಾರ್ಷಿಕ ವರದಿ, 31ನೇ ಮಾರ್ಚ್ 2012ಕ್ಕೆ ಮುಕ್ತಾಯಗೊಂಡ ಆರ್ಥಿಕ ವರ್ಷದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟ ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆಯನ್ನು ಲೆಕ್ಕಪರಿಶೋಧಕರ ವರದಿಯೊಂದಿಗೆ ನಿಮ್ಮ ಮುಂದಿರಿಸಲು ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಸಂತಸಪಡುತ್ತಾರೆ.

ಸಾಧನೆಯ ಹೆಗ್ಗುರುತುಗಳು

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ಸಾಧನಾ ಪಥದಲ್ಲಿ ಪ್ರಮುಖ ಮೂರು ಮೈಲುಗಲ್ಲುಗಳನ್ನು ಕ್ರಮಿಸಿದೆ ಎಂದು ತಿಳಿಸಲು ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಬಹು ವರ್ಷಪಡುತ್ತಾರೆ ಹಾಗೂ ಅವುಗಳು ಹೀಗಿವೆ. (1) ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ವ್ಯವಹಾರವು ರೂ. 50,000 ಕೋಟಿ ದಾಟಿದೆ. (2) ಒಟ್ಟು ಶಾಖಾ ಸಂಖ್ಯೆಗಳು 500 ದಾಟಿವೆ ಮತ್ತು (3) ಬ್ಯಾಂಕಿನ ಗ್ರಾಹಕ ತಳಹದಿ 50 ಲಕ್ಷದ ವಿಸ್ತಾರವನ್ನು ದಾಟಿದೆ. ಆರ್ಥಿಕ ವರ್ಷದ ಸಾಧನೆಯ ಪ್ರಮುಖ ಸೂಚಕಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ.

ವಿವರಗಳು	(₹ ಕೋಟಿಗಳಲ್ಲಿ)	
	31.03.2012 ವರ್ಷಾಂತ್ಯದಂತೆ	31.03.2011 ವರ್ಷಾಂತ್ಯದಂತೆ
ಠೇವಣಿಗಳು	31608.32	27336.45
ಮುಂಗಡಗಳು	20720.70	17348.07
ಹೂಡಿಕೆಗಳು	12841.23	11506.34
ಒಟ್ಟು ಆದಾಯ	3447.27	2662.60
ನಿರ್ವಹಣಾ ಲಾಭ	510.21	355.29
ನಿವ್ವಳ ಲಾಭ	246.07	204.61

ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ವ್ಯವಹಾರವು 31 ಮಾರ್ಚ್ 2012ಕ್ಕೆ ₹ 52,329.02 ಕೋಟಿಗೆ ತಲುಪಿದ್ದು ಇದು ಹಿಂದಿನ ವರ್ಷಕ್ಕಿಂತ ಶೇ. 17.11 ಹೆಚ್ಚಳವಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆಸ್ತಿಯು ₹ 31693.01 ಕೋಟಿಯಿಂದ 2011-12ನೇ ವರ್ಷದಲ್ಲಿ ₹ 36321.57 ಕೋಟಿಗೆ ಏರಿತು ಶೇ. 14.60 ಅಭಿವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ.

ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಠೇವಣಿಯು 31 ಮಾರ್ಚ್ 2011ರಲ್ಲಿದ್ದ ₹ 27336.45 ಕೋಟಿಯಿಂದ 31 ಮಾರ್ಚ್ 2012ಕ್ಕೆ ₹ 31608.32 ಕೋಟಿಗೆ ವೃದ್ಧಿಗೊಂಡಿದ್ದು ಶೇ. 15.63 ಏರಿಕೆ ದಾಖಲಾಗಿದೆ. ಪ್ರಸ್ತುತ ವರ್ಷದಲ್ಲಿ ಕಡಿಮೆ ವ್ಯಯದ ಠೇವಣಿಗಳಾದ ಉಳಿತಾಯ ಮತ್ತು ಚಾಲ್ತಿ ಖಾತೆಗಳ ಸಂಖ್ಯೆಯನ್ನೂ ಬ್ಯಾಂಕು ತೆಗೆದುಕೊಂಡ ನಾನಾ ರೀತಿಯ ಸೂಕ್ತ ಕ್ರಮಗಳಿಂದ ಶೇ. 14.12 ಅಭಿವೃದ್ಧಿ ಸಾಧ್ಯವಾಗಿದೆ. ಮಾರುಕಟ್ಟೆಯ ಒಟ್ಟು ಠೇವಣಿಯಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಅಂಶ ಶೇ. 0.51 ಆಗಿರುತ್ತದೆ.

ಒಟ್ಟು ಮುಂಗಡವು 31 ಮಾರ್ಚ್ 2011ರಲ್ಲಿದ್ದ ₹ 17348.07 ಕೋಟಿಯಿಂದ 31 ಮಾರ್ಚ್ 2012ಕ್ಕೆ ₹ 20720.70 ಕೋಟಿ ತನಕ ಏರಿಕೆಗೊಂಡಿದ್ದು ಶೇ. 19.44 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ. ಅಂತೆಯೇ ಕೃಷಿ ಮುಂಗಡವು ₹ 2031.23 ಕೋಟಿಯಿಂದ ₹ 2586.36 ಕೋಟಿಗೆ ಏರಿತು ಆದ್ಯತಾರಂಗದ ಮುಂಗಡವು ₹ 6238.36 ಕೋಟಿಯಿಂದ ₹ 7570.27 ಕೋಟಿಗೆ ಏರಿತು. ವಿವಿಧ ಸಾಮಾಜಿಕ ಆರ್ಥಿಕ ಯೋಜನೆಯನ್ವಯ ವಿತರಿಸಲಾದ ಮುಂಗಡಗಳಲ್ಲೂ ತೃಪ್ತಿಕರವಾದ ಅಭಿವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ. ಮಾರುಕಟ್ಟೆಯ ಒಟ್ಟು ಮುಂಗಡದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಅಂಶ ಶೇ. 0.43 ಆಗಿರುತ್ತದೆ.

31 ಮಾರ್ಚ್ 2012ರಂದು ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಹೂಡಿಕೆಯ ಮಟ್ಟ ₹ 12841.23 ಕೋಟಿಯಾಗಿದ್ದು ಇದು 31 ಮಾರ್ಚ್ 2011ರಲ್ಲಿ ₹ 11506.34 ಕೋಟಿ ಇದ್ದು ಇಲ್ಲಿ ಶೇ. 11.60 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ.

OPERATIONAL PERFORMANCE

Under the competitive and challenging business environment, the overall performance of your Bank during the year 2011-12 was satisfactory. The gross income of the Bank was ₹ 3447.27 crore and total expenditure (excluding provisions and contingencies) was ₹ 2937.06 crore. The net interest income was ₹ 744 crore.

PROFIT

Your Bank earned an operating profit of ₹ 510.21 crore for the year 2011-12 as against ₹ 355.29 crore for the previous year showing a growth of 43.60 per cent. The net profit of the Bank increased from ₹ 204.61 crore to ₹ 246.07 crore.

APPROPRIATIONS

The net profit of ₹ 246.07 crore which along with a sum of ₹ 0.03 Crore brought forward from the previous year, aggregating ₹ 246.10 crore, is appropriated as under. The corresponding figure for the previous year was ₹ 204.63 crore

Appropriation	₹ in Crore
Transfer to Statutory Reserve	110.00
Transfer to Revenue, General & Special Reserves	59.48
Transfer to Investment Reserve Account	0
Transfer to Proposed Dividend (including tax)	76.59
Balance carried to Balance Sheet	0.03
Total	246.10

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 35 per cent for the reporting year. The dividend payout ratio for the year works out to 26.78 per cent.

EARNING PER SHARE/BOOK VALUE

The earnings per share (basic) and the book value of the share as on 31st March, 2012 stood at ₹ 13.07 and ₹ 137.99 respectively.

NET OWNED FUNDS AND CAPITAL ADEQUACY RATIO

During the year under review the net owned funds of your Bank increased from ₹ 2429.09 crore to ₹ 2598.21 crore, registering a growth of 6.96 per cent. The Capital Adequacy Ratio stood at 12.84 per cent as per BASEL II

ವ್ಯವಹಾರ ನಿರ್ವಹಣೆ

ಸ್ಪರ್ಧಾತ್ಮಕ ಮತ್ತು ಪಂಥಾಹ್ವಾನ ನೀಡುವ ವ್ಯವಹಾರಿಕ ವಾತಾವರಣದಲ್ಲಿ 2011-12ರ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಒಟ್ಟಾರೆ ವ್ಯವಹಾರವು ತೃಪ್ತಿಕರವಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆದಾಯವು ₹ 3447.27 ಕೋಟಿಯಾಗಿದ್ದು ಒಟ್ಟು ವೆಚ್ಚ (ಸವಕಳಿ ಮತ್ತು ಆಕಸ್ಮಿಕ ಮೀಸಲಿನ ಹೊರತಾಗಿ) ₹ 2937.06 ಕೋಟಿ ಆಗಿರುತ್ತದೆ. ನಿವ್ವಳ ಬಡ್ಡಿ ಆದಾಯವು ₹ 744 ಕೋಟಿಯಾಗಿದೆ.

ಲಾಭ

ನಿಮ್ಮ ಬ್ಯಾಂಕು 2011-12ರಲ್ಲಿ ₹ 510.21 ಕೋಟಿ ನಿರ್ವಹಣಾ ಲಾಭವನ್ನು ದಾಖಲಿಸಿದ್ದು ಇದು ಹಿಂದಿನ ವರ್ಷದಲ್ಲಿನ ₹ 355.29 ಕೋಟಿಗಿಂತ ಶೇ. 43.60ರ ಅಭಿವೃದ್ಧಿಯಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ನಿವ್ವಳ ಆದಾಯವು ₹ 204.61 ಕೋಟಿಯಿಂದ ₹ 246.07 ಕೋಟಿಗೆ ಏರಿತು.

ವಿನಿಯೋಗಗಳು

ನಿವ್ವಳ ಲಾಭ ₹ 246.07 ಕೋಟಿಯೊಂದಿಗೆ ಹಿಂದಿನ ವರ್ಷದ ಸೇರ್ಪಡೆ ₹ 0.03 ಕೋಟಿ ಒಳಗೊಂಡಂತೆ ₹ 246.10 ಕೋಟಿಯಾಗಿದ್ದು ಅದನ್ನು ಈ ಕೆಳಗೆ ಕಾನೂನುಬಾಹಿರವಾಗಿ ವಿನಿಯೋಗಿಸಲು ಉದ್ದೇಶಿಸಲಾಗಿದೆ. ಹಿಂದಿನ ವರ್ಷದ ಅನುರೂಪ ಅಂಕಿ ಅಂಶ ₹ 204.63 ಕೋಟಿ.

ವಿನಿಯೋಗಗಳು	₹ ಕೋಟಿಗಳಲ್ಲಿ
ಶಾಸನಾತ್ಮಕ ಕಾನೂನುಬಾಹಿರವಾಗಿ ವರ್ಗಾವಣೆ	110.00
ಕಂದಾಯ, ಸಾಮಾನ್ಯ ಮತ್ತು ವಿಶೇಷ ಕಾನೂನುಬಾಹಿರವಾಗಿ ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	59.48
ಹೂಡಿಕೆ ಮೀಸಲು ಖಾತೆಗೆ ವರ್ಗಾವಣೆ	0
ಉದ್ದೇಶಿತ ಲಾಭಾಂಶ ವಿತರಣೆಗಾಗಿ (ತೆರಿಗೆ ಸೇರಿದಂತೆ) ವರ್ಗಾವಣೆ	76.59
ಆಸ್ತಿ ಹೂಡಿಕೆ ಪಟ್ಟಿಗೆ ಶೇಷಾಂಶ ಸೇರಿಕೆ	0.03
ಒಟ್ಟು	246.10

ಲಾಭಾಂಶ

ಬ್ಯಾಂಕಿನ ಸರ್ವಾಂಗೀಣ ನಿರ್ವಹಣೆಯನ್ನು ಮತ್ತು ಭವಿಷ್ಯದ ಧನಾತ್ಮಕ ಮುನ್ನೋಟವನ್ನು ಗಮನದಲ್ಲಿಟ್ಟುಕೊಂಡು, ಸದರಿ ವರ್ಷಕ್ಕೆ ಶೇ. 35ರ ಲಾಭಾಂಶ ನೀಡಿಕೆಯನ್ನು ನಿಮ್ಮ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಶಿಫಾರಸ್ಸು ಮಾಡಿರುತ್ತದೆ. ಪ್ರಸ್ತಾವಿತ ಲಾಭಾಂಶ ಹೊರಹರಿವಿನ ಪ್ರಸ್ತುತ ವರ್ಷದ ಪರಿಮಾಣವು ಶೇ. 26.78 ಆಗಿರುತ್ತದೆ.

ಶೇರಿನತಲಾ ಆದಾಯ / ಪುಸ್ತಕ ಮೌಲ್ಯ

31 ಮಾರ್ಚ್ 2012ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಶೇರಿನತಲಾ ಆದಾಯ (ಮೂಲಭೂತ) ಮತ್ತು ಪುಸ್ತಕ ಮೌಲ್ಯ ಅನುಕ್ರಮವಾಗಿ ₹ 13.07 ಮತ್ತು ₹ 137.99 ಆಗಿರುತ್ತವೆ.

ನಿವ್ವಳ ಸ್ವಂತ ನಿಧಿ ಮತ್ತು ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತ

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ನಿವ್ವಳ ಸ್ವಂತ ನಿಧಿಯು ₹ 2429.09 ಕೋಟಿಯಿಂದ ₹ 2598.21 ಕೋಟಿಗೆ ಏರಿತು ಶೇ. 6.96 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ. ಬೇಸೆಲ್ II ಗುಣಮಟ್ಟದನ್ವಯ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತವು ಶೇ. 12.84ರಷ್ಟಾಗಿರುತ್ತದೆ.

norms (Previous year 13.33 per cent). The Bank has been consistently maintaining the Ratio well above the minimum of 9 per cent stipulated by the Reserve Bank of India. The market capitalisation as on March 31, 2012 was ₹ 1800.94 crore.

FOREX BUSINESS

During the year under report, your Bank achieved a turnover of ₹ 9243.71 crore in foreign exchange business as against ₹ 9006.19 crore in the previous year. The advances to export sector stood at ₹ 1454.41 crore.

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. Bank's Gross NPAs as on 31st March, 2012 have decreased from ₹ 702.17 Crore (3.97 per cent) to ₹ 684.72 crore (3.27 per cent) by the year end. The Net NPAs stood at ₹ 435.20 (2.11 per cent) as against ₹ 280.34 crore (1.62 per cent) as on 31st March 2011. The Provision Coverage Ratio (PCR) computed in accordance with the RBI guidelines works out to 47.18% as on March 31, 2012 (Previous year 60.08%).

CREDIT RATING

The credit rating agency, ICRA Ltd. (ICRA) has accorded 'A1+' rating to the Bank's Certificate of Deposit Programme. The rating symbol, 'A1+' indicates highest degree of safety for timely payment of principal and interest.

Further, ICRA has revised the rating from ICRA A+ to "ICRA A" (pronounced ICRA A) and Credit Analysis & Research Limited (CARE) has re-affirmed "CARE A+ (Single a Plus) ratings, (indicating adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk), in respect of ₹ 350 crore raised by the Bank during the previous years, by way of Unsecured Redeemable Non-Convertible Subordinated (lower Tier-II) debt instruments. Your Bank would continue its efforts in improving upon the above Ratings.

DISTRIBUTION NETWORK

During the year under report, your Bank opened its 500th branch at Shirur in Karnataka State on 29.03.2012. A total 25 new branches were opened viz at Tanuku, Karimnagar, Miryalguda and L B Nagar in Andhra Pradesh, Toranagallu, Siddalingapura, Yellapur, Bangalore – Rajarajeshwarinagar, Siruguppa, Bangalore – Metropolitan Magistrate Court, Kunigal, T Narsipura, Kairangala, Horanadu, Kampli, Sira, Shirur, Yadgir, Indi, Nippani in Karnataka, Gwalior, in Madhyapradesh, Rourkela in Orissa, Chennai-Velachery in Tamilnadu, Baruipur and Memari in West

(ಹಿಂದಣ ವರ್ಷ ಇದು ಶೇ. 13.33) ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿಗದಿಪಡಿಸಿದ ಕನಿಷ್ಠಮಿತಿ ಶೇ. 9.00ಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತದ ಮಟ್ಟವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ನಿಷ್ಠವಾಗಿ ಕಾಯ್ದುಕೊಂಡು ಬಂದಿರುತ್ತದೆ. 31 ಮಾರ್ಚ್ 2012ಕ್ಕೆ ಮಾರುಕಟ್ಟೆ ಬಂಡವಾಳೀಕರಣ ₹ 1800.94 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರ

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರವು ₹ 9243.71 ಕೋಟಿಯಷ್ಟು ಸಾಧಿತಗೊಂಡಿದ್ದು ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಇದು ₹ 9006.19 ಕೋಟಿಯಷ್ಟಾಗಿತ್ತು. ನಿರ್ಯಾತವಲಯದ ಮುಂಗಡಮಟ್ಟ ₹ 1454.41 ರಷ್ಟಿದೆ.

ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳು ಮತ್ತು ಹಂಚಿಕಾ ಅಭಿರಕ್ಷೆ ಅನುಪಾತ

ಅನುತ್ಪಾದಕ ಮುಂಗಡಗಳನ್ನು ತಹಬಂದಿಗೆ ತರಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಜಾಗೃತ ಮುಂಗಡ ನಿಗಾ ಮತ್ತು ದುರ್ಬಲ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ಪೂರೈಕೆಯಲ್ಲಿ ಕ್ಷಿಪ್ರ ಸ್ವರೂಪದ ಸಂಚಾಲನೆ ಕೈಗೊಂಡಿದೆ. 31 ಮಾರ್ಚ್ 2012 ವರ್ಷಾಂತ್ಯಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಮಟ್ಟ ₹ 702.17 ಕೋಟಿಯಿಂದ (ಶೇ. 3.97) ₹ 684.72 ಕೋಟಿಗೆ (ಶೇ. 3.27) ಇಳಿದಿದೆ. ನಿವ್ವಳ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಮೊತ್ತವು ₹ 435.20 (ಶೇ. 2.11) ಇದ್ದು ಹಿಂದಣ ವರ್ಷ ಇದು ₹ 280.34 (ಶೇ. 1.62) ರಷ್ಟಿತ್ತು. ಹಂಚಿಕಾ ಅಭಿರಕ್ಷಾ ಅನುಪಾತವನ್ನು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ಲೆಕ್ಕ ಹಾಕಿದ್ದು ಅದು 31, ಮಾರ್ಚ್ 2012ಕ್ಕೆ ಶೇ. 47.18 ರಷ್ಟಾಗುತ್ತದೆ. (ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಇದು ಶೇ. 60.08)

ವಿಶ್ವಾಹಾರ್ತೆ ಮೌಲ್ಯಮಾಪನ

ಲೇವಣಿ ಉದರಿ ಮಾನದಂಡ ನಿರ್ಣಯಿಸುವ ಸಂಸ್ಥೆಗಳಲ್ಲಿ ಒಂದಾದ ಇಕ್ವಿ ಲಿಮಿಟೆಡ್, (ಐಸಿಆರ್ಎ) ಬ್ಯಾಂಕಿನ ಲೇವಣಿ ಪ್ರಮಾಣ ಪತ್ರಗಳ ಯಶಸ್ವಿ ಕಾರ್ಯಸರಣಿಗಾಗಿ ಎ1+ ಮೌಲ್ಯಾಂಕ ನೀಡಿದೆ. ಈ ಎ1+ ಮೌಲ್ಯಾಂಕವು, ಆಸಲು ಮತ್ತು ಬಡ್ಡಿಯ ಸಕಾಲಿಕ ಮರುಪಾವತಿಯ ಸುರಕ್ಷತೆಯ ಶ್ರೇಷ್ಠ ಸಂಕೇತವಾಗಿರುತ್ತದೆ.

ಅಲ್ಲದೇ, ಐಸಿಆರ್ಎಯು ಮೌಲ್ಯಾಂಕ ಇಕ್ವಿ ಎ+ ನ್ನು ಇಕ್ವಿ ಎ (ಉಚ್ಚಾರ - ಇಕ್ವಿ ಎ) ಆಗಿ ಪರಿಷ್ಕರಣೆ ಮಾಡಿದ್ದು ಮತ್ತು ಕ್ರೆಡಿಟ್ ಅನಾಲಿಸಿಸ್ ಮತ್ತು ರಿಸರ್ಚ್ ಲಿಮಿಟೆಡ್ (ಸಿಎಆರ್ಇ) ಸಂಸ್ಥೆಯು ಕೇರ್ ಎ+ (ಉಚ್ಚಾರ ಸಿಂಗಲ್ ಎ ಪ್ಲಸ್) ಮೌಲ್ಯಾಂಕವನ್ನು ಪುನರ್ ದೃಢೀಕರಿಸಿದೆ. ಈ ಮೌಲ್ಯಾಂಕವು ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕು, ಭದ್ರ ವಿಮೋಚನೀಯ ಪರಿವರ್ತನಾರಹಿತ ಅಧೀನ (ಕೆಳಸ್ತರ ಶ್ರೇಣಿ - II) ಬಾಂಡುಗಳ ಮೇಲೆ ಹಿಂದಣ ವರ್ಷಗಳಲ್ಲಿ ಬ್ಯಾಂಕು ಎತ್ತಿದ ₹ 350 ಕೋಟಿ ಸಾಲಗಳ ಮೇಲಣ ಮುಂಗಡ ಗುಣಮಾನದ ಅರ್ಹತೆಯ ಶ್ರೇಷ್ಠ ಸಂಕೇತವಾಗಿರುತ್ತದೆ. ಇನ್ನೂ ಉನ್ನತ ಮೌಲ್ಯಾಂಕ ಗಳಿಕೆಯ ಬಗ್ಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹೆಚ್ಚಿನ ಪ್ರಯತ್ನವನ್ನು ನಿರಂತರಗೊಳಿಸಿದೆ.

ಕಾರ್ಯಚಾಲನೆ ಹಂಚಿಕೆ

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಕರ್ನಾಟಕ ರಾಜ್ಯದ ಶಿರೂರಿನಲ್ಲಿ ದಿನಾಂಕ 29.03.2012ರಂದು ತನ್ನ 500ನೇ ಶಾಖೆಯನ್ನು ತೆರೆದಿದೆ. ಒಟ್ಟು 25 ಹೊಸ ಶಾಖೆಗಳನ್ನು ವರದಿ ವರ್ಷದಲ್ಲಿ ತೆರೆಯಲಾಗಿದ್ದು ಅವುಗಳು ಇಂತಿವೆ. ಆಂಧ್ರಪ್ರದೇಶದ ತನುಕು, ಕರೀಮ್‌ನಗರ, ಮಿರ್ಯಾಲ್‌ಗುಡ ಮತ್ತು ಎಲ್.ಬಿ. ನಗರ, ಕರ್ನಾಟಕದ ತೋರಣಗಲ್ಲು, ಸಿಡ್ಲಿಂಗಪುರ, ಯಲ್ಲಾಪುರ, ಬೆಂಗಳೂರು - ರಾಜರಾಜೇಶ್ವರಿನಗರ, ಸಿರುಗುಪ್ಪೆ, ಬೆಂಗಳೂರು - ಮೆಟ್ರೊಪೊಲಿಟನ್ ಮ್ಯಾಜಿಸ್ಟ್ರೇಟ್ ಕೋರ್ಟ್, ಕುಣಿಗಲ್, ಟಿ.ನರಸೀಪುರ, ಕೈರಂಗಲ, ಹೊರನಾಡು, ಕಂಪ್ಲಿ, ಸಿರಾ, ಶಿರೂರು, ಯಾದಗಿರಿ, ಇಂಡಿ, ನಿಪಾಣಿ, ಮಧ್ಯ ಪ್ರದೇಶದ ಗ್ವಾಲಿಯರ್, ಒರಿಸ್ಸಾದ ರೂರಕಲಾ,

Bengal. Further, your Bank added 85 ATM outlets at various locations during the year 2011-12.

As at 31 March, 2012, your Bank had 503 branches (including one Corporate Finance branch at Fort Mumbai and Agricultural Development branch at Chickmagalore), 352 ATM outlets, 10 Regional Offices, an International Division, a Data Centre, a Customer Care Centre, 5 Service branches, 2 Currency Chests, 3 Extension Counters, 2 Central Processing Centers and 3 Asset Recovery management branches spread across 20 States and 2 Union Territories. Further, for better ambience and improved customer service, your Bank shifted 27 branches/offices to new premises, during the year 2011-12.

EMPLOYEES STOCK OPTION SCHEME

A total of 93468 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 Options Scheme pursuant to SEBI (Employees Stock Options 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

The year 2011-12 was a challenging one for the financial system in general and banking industry in particular. Reserve Bank of India continued its rate tightening cycle aimed at moderating inflation and raised the repo rate 5 times during the fiscal year by 175 basis points from 6.75 per cent to 8.50 per cent. In order to ease tight liquidity condition which prevailed in the second half of the year, RBI resorted to cutting CRR twice - by 50 basis points in January 2012 and by 75 basis points in March 2012 there by bringing it down to 4.75 per cent from 6.00 per cent.

The Indian economy is estimated to have grown by 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years. India however remains a front runner in economic growth despite sluggish performance. Growth has moderated and fiscal balance has deteriorated due to tight monetary policy and expanded outlays. It is evident that the Government and the Reserve Bank of India are making their best efforts to protect the financial system against all stress relating to recession in the Advanced Economies. The impact of recession in the Advanced Economies will reflect in the Indian fiscal adjustments to some extent due to dependency on Forex Reserves, FII Flows, Import and Export requirement of the Country as a whole.

ತಮಿಳುನಾಡಿನ ಚೆನ್ನೈ-ವೆಲಚೇರಿ ಮತ್ತು ಪಶ್ಚಿಮ ಬಂಗಾಳದ ಬರೈಪುರ ಹಾಗೂ ಮೆಮರಿ ಈ ನೂತನ ಶಾಖಾ ಕೇಂದ್ರಗಳಾಗಿವೆ. ಇವಲ್ಲದೇ 2011-12ರಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು 85 ನೂತನ ಎ.ಟಿ.ಎಂ ಸ್ಥಾಪನೆಗಳನ್ನು ವಿವಿಧ ಪ್ರದೇಶಗಳಲ್ಲಿ ತೆರೆದಿದೆ.

31 ಮಾರ್ಚ್ 2012ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 503 ಶಾಖೆಗಳನ್ನು (ಪೋರ್ಟ್ ಮುಂಬೈನ ಕಾರ್ಪೊರೇಟ್ ಫೈನಾನ್ಸ್ ಶಾಖೆ ಮತ್ತು ಚಿಕ್ಕಮಗಳೂರಿನ ಕೃಷಿ ಅಭಿವೃದ್ಧಿ ಶಾಖೆ ಸೇರಿದಂತೆ) 352 ಎಟಿಎಂ ಸ್ಥಾಪನೆಗಳನ್ನು, 10 ಪ್ರಾದೇಶಿಕ ಕಛೇರಿಗಳನ್ನು, ಒಂದು ಅಂತಾರಾಷ್ಟ್ರೀಯ ವಿಭಾಗ, ಒಂದು ದತ್ತಾಂಶ ಕೇಂದ್ರ, ಒಂದು ಗ್ರಾಹಕ ನಿಗಾ ಕೇಂದ್ರ, 5 ಸೇವಾ ಶಾಖೆಗಳನ್ನು, 2 ನಗದು ಖಜಾನೆಗಳನ್ನು, 3 ವಿಸ್ತರಣಾ ಕೌಂಟರ್ ಗಳನ್ನು, 2 ಕೇಂದ್ರೀಯ ಸಂಸ್ಕರಣಾ ಕೇಂದ್ರಗಳನ್ನು ಮತ್ತು 3 ಮುಂಗಡ ವಸೂಲಾತಿ ನಿರ್ವಹಣಾ ಶಾಖೆಗಳನ್ನು ದೇಶದ ಉದ್ದಗಲಗಳಲ್ಲಿ, 20 ರಾಜ್ಯಗಳು ಹಾಗೂ 2 ಕೇಂದ್ರಾಡಳಿತ ಪ್ರದೇಶಗಳಲ್ಲಿ ಹೊಂದಿರುತ್ತದೆ. ಇಷ್ಟಲ್ಲದೇ, ಆಕರ್ಷಕ ಹೊರನೋಟ ಮತ್ತು ಗ್ರಾಹಕ ಸೇವಾ ಸುಧಾರಣೆಯ ನೆಲೆಯಲ್ಲಿ 27 ಶಾಖೆಗಳನ್ನು / ಕಛೇರಿಗಳನ್ನು 2011-12ರಲ್ಲಿ ನೂತನ ವಿಸ್ತೃತ ಆವರಣಕ್ಕೆ ಸ್ಥಳಾಂತರಿಸಲಾಗಿದೆ.

ನೌಕರರ ನಿಧಿ ಪತ್ರ ಆಯ್ಕೆ

ಬ್ಯಾಂಕಿನ ನೌಕರರ ನಿಧಿ ಪತ್ರ ಆಯ್ಕೆ ಪ್ರಕ್ರಿಯೆಯನ್ವಯ ಆಯ್ಕೆಯನ್ನು ಕಾರ್ಯಗತಗೊಳಿಸುವಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಟ್ಟು 93468 ಶೇರುಗಳನ್ನು ನೌಕರ ವ್ಯವಸ್ಥೆಗೆ ಬಿಡುಗಡೆಗೊಳಿಸಿದೆ. ಸೆಬಿ ನಿಯಮಾವಳಿಯಂತೆ ನೌಕರರ ನಿಧಿ ಪತ್ರ ಆಯ್ಕೆ ಕುರಿತಂತೆ ಮಾರ್ಗದರ್ಶಿಕೆ 1999 ಹಾಗೂ ಪ್ರಕಟಿಸಲಿಕ್ಕಿರುವ ಮಾಹಿತಿಗಳನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ-1ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ

ಸೂಕ್ತ - ಆರ್ಥಿಕತೆ ಮತ್ತು ಉದ್ಯಮ ಅಭಿವೃದ್ಧಿ

2011-12ರ ವರ್ಷ ಆರ್ಥಿಕ ವ್ಯವಸ್ಥೆಗೆ ಪಂಥಾಹ್ವಾನ ನೀಡುವುದರೊಂದಿಗೆ ವಿಶ್ಲೇಷಣೆ: ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮಕ್ಕೆ ಸವಾಲು ಒಡ್ಡಿತ್ತು. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ನಿರಂತರವಾಗಿ ತನ್ನ ಬಡ್ಡಿ ದರ ಬಿಗುತ್ವ ಆವರ್ತನವನ್ನು ಪಣದುಬ್ಬರನಿಯಂತ್ರಣದ ಮೇಲೆ ದೃಷ್ಟಿಯಿಟ್ಟು ಮುಂದುವರಿಸುತ್ತಾ ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಐದು ಬಾರಿ ರೆಪೋ ದರವನ್ನು 175 ತಳಹದಿ ಬಿಂದುವಿನಷ್ಟು ಏರಿಸಿ ಅದು ಶೇ. 6.75ರಿಂದ ಶೇ. 8.50ಗೆ ಏರಿತು. ಆರ್ಥಿಕ ವರ್ಷದ ಉತ್ತರಾರ್ಧದಲ್ಲಿ ಬಿಗುವಾದ ದ್ರವತ್ವ ಸ್ಥಿತಿಯನ್ನು ಮೃದುಗೊಳಿಸಲು, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಗದು ಮೀಸಲು ಅನುಪಾತವನ್ನು ಜನವರಿ 2012ರಲ್ಲಿ 50 ತಳಹದಿ ಬಿಂದುವಿನಷ್ಟು ಮತ್ತು ಮಾರ್ಚ್ 2012ರಲ್ಲಿ 75 ತಳಹದಿ ಬಿಂದುವಿನಷ್ಟು ಕಡಿತಗೊಳಿಸಿದ್ದು ಅದನ್ನು ಶೇ. 6.00ರಿಂದ ಶೇ. 4.75 ರ ಮಟ್ಟಕ್ಕೆ ಇಳಿಸಿತು.

ಹಿಂದಣ ಎರಡು ವರ್ಷಗಳಲ್ಲಿ ಭಾರತೀಯ ಆರ್ಥಿಕತೆಯ ಅಭಿವೃದ್ಧಿಯ ದರ ಶೇ. 8.4ರಷ್ಟಿದ್ದರೂ ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ (2011-12) ಇದನ್ನು ಶೇ. 6.9ರಷ್ಟು ಅಂದಾಜಿಸಲಾಗಿತ್ತು. ಏನಿದ್ದರೂ ಮಂದವಾದ ನಿರ್ವಹಣೆ ಹೊರತಾಗಿಯೂ ಆರ್ಥಿಕಾಭಿವೃದ್ಧಿಯಲ್ಲಿ ಭಾರತ ಮೊದಲ ಪಂಕ್ತಿಯಲ್ಲಿತ್ತು. ಬಿಗು ಹಣಕಾಸು ಧೋರಣೆ ಮತ್ತು ವಿಸ್ತೃತ ಹೊರಹರಿವಿನ ಕಾರಣದಿಂದಾಗಿ ಅಭಿವೃದ್ಧಿಯು ಮಂದಗತಿಯಾದಾಗಿದ್ದು ಆರ್ಥಿಕ ವರ್ಷದ ಸಮತೋಲನ ದುಃಸ್ಥಿತಿಗೀಡಾಗಿತ್ತು. ಸರಕಾರ ಮತ್ತು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು, ಮುಂದುವರಿದ ಆರ್ಥಿಕತೆಯ ರಾಷ್ಟ್ರಗಳ ಆರ್ಥಿಕ ಹಿನ್ನಡೆಯ ಬಿಸಿ ಮತ್ತು ಒತ್ತಡ ಭಾರತೀಯ ಆರ್ಥಿಕ ವ್ಯವಸ್ಥೆಯ ಮೇಲೆ ಪರಿಣಾಮ ಬೀರದಿರಲು ಸಾಧ್ಯವಾದ ಎಲ್ಲಾ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿರುತ್ತದೆ. ಆದರೂ ವಿದೇಶೀಯ ಮುಂದುವರಿದ ಆರ್ಥಿಕತೆಯ ಹಿನ್ನಡೆಯ ಪರಿಣಾಮ, ವಿದೇಶಿ ವಿನಿಮಯ ಮೀಸಲು, ಎಫ್ ಐ ಐ ಹರಿವು, ದೇಶದ ಆಯಾತ-ನಿಯಾತ ಅಗತ್ಯಗಳ ಮೇಲೆ ನೇರ ಅವಲಂಬಿತವಾಗಿರುವುದರಿಂದ ದೇಶದ ಆರ್ಥಿಕ ವರ್ಷದ ಹೊಂದಾಣಿಕೆ ಮೇಲೆ ಪ್ರಭಾವ ಬೀರಿದ್ದು ಸಹಜ.

Industrial growth slowed down during 2011-12 as depicted by Index of Industrial Production (IIP) and stood at 3.5 per cent as against 8.1 per cent during the year 2010-11. This is due to the negative growth in not only the capital goods sector but also in the consumer goods sector.

Inflation measured by the Wholesale Price Index (WPI) remained above 9 percent during April – November 2011 but moderated to 6.9 percent by March 2012. While the moderation in inflation in December-January owed largely to the softening of food prices, the moderation in February-March was largely driven by core non-food manufactured products inflation which fell below 5 percent for the first time in two years. This is due to growth deceleration intum easing demand for products. Food articles inflation, which was 8.1 per cent during April-December 2011, briefly turned negative in January 2012 reflecting the seasonal decline in food prices. Fuel inflation moderated from over 15 per cent in November-December 2011 to 10.4 per cent in March 2012 even as global crude oil prices rose sharply, reflecting the absence of commensurate pass-through to domestic consumers. However, mirroring the high international crude oil prices, inflation in respect of non-administered mineral oils remained elevated at 19.8 per cent in March.

The 10-year benchmark government security yield remained range-bound during the first half of 2011-12. It firmed up in October 2011 on account of increased market borrowing, policy rate hikes and persistent liquidity tightness. The yield hardened again somewhat towards end of March 2012 reflecting concerns about government borrowing programme in 2012-13, which is significantly larger than even the expanded programme of 2011-12. The 10-year benchmark yield was at 8.57 per cent at end March 2012 as compared with 8.0 per cent at end-March 2011.

Cumulative exports were at US\$ 217.6 billion, registering a modest growth of 25.8 per cent during 2011-2012 (April-December). India's imports in 2011-2012 (April-December) at US\$ 350.9 billion, registered a growth of 30.4 per cent. During 2011-2012 (April-December), the following export sectors have done well viz., petroleum & oil products registering a growth of 55 per cent; gems and jewellery 38.5 per cent; engineering 21.6 per cent; cotton fabrics made ups etc. 13 per cent; electronics 21.1 per cent; readymade garments 23.7 per cent and drugs 21.5 per cent.

Trade deficit for 2011-2012 (April-December) at US\$ 133.2 billion was 38.5 percent higher than the level of US\$ 96.2 billion in 2010-2011 (April-December) due to low export growth and moderate import growth.

The Euro Zone sovereign crisis has resulted in appreciation of US dollar. The forex reserves depleted by US\$ 11.00 billion during the year and stood at US\$ 294.40 billion as on 31 March 2012.

ಕೈಗಾರಿಕಾ ರಂಗದ ಅಭಿವೃದ್ಧಿಯು 2011-12ರಲ್ಲಿ ಕುಂಠಿತಗೊಂಡಿದ್ದು, 2010-11ರಲ್ಲಿದ್ದ ಕೈಗಾರಿಕೋತ್ಪನ್ನ ಸೂಚ್ಯಂಕ ಶೇ. 8.1ರಿಂದ ಶೇ.3.5ಕ್ಕೆ ಇಳಿಯಿತು. ಮೂಲ ಸರಕು ವಲಯದೊಂದಿಗೆ ಗ್ರಾಹಕ ಸರಕು ವಲಯದ ಯುಣಾತ್ಮಕ ಬೆಳವಣಿಗೆಯೂ ಇದಕ್ಕೆ ಕಾರಣವಾಗಿತ್ತು.

ಸಗಟು ಬೆಲೆ ಸೂಚ್ಯಂಕದ ಮಾನದಂಡದಿಂದ ಹಣದುಬ್ಬರವು ಏಪ್ರಿಲ್-ನವೆಂಬರ್ 2011ರಲ್ಲಿ ಶೇ.9ರ ಮೇಲೆ ಇದ್ದರೂ ಮಾರ್ಚ್ 2012 ರಲ್ಲಿ ಶೇ. 6.9ಕ್ಕೆ ಸುಧಾರಿಸಲ್ಪಟ್ಟಿತು. ಡಿಸೆಂಬರ್-ಜನವರಿಯಲ್ಲಿ ಹಣದುಬ್ಬರದ ಸುಧಾರಣೆಯು ಮುಖ್ಯವಾಗಿ ಆಹಾರಧಾನ್ಯಗಳ ಬೆಲೆ ಇಳಿತದಿಂದಾಗಿದ್ದು ಫೆಬ್ರವರಿ-ಮಾರ್ಚ್ ನ ಸುಧಾರಣೆಯು ಪ್ರಧಾನವಾಗಿ ಸಮಗ್ರ ಆಹಾರೇತರ ತಯಾರಿಕೋತ್ಪನ್ನಗಳ ಹಣದುಬ್ಬರದ ಇಳಿತ, ಅದು ಕಳೆದ ಎರಡು ವರ್ಷಗಳಿಂದೀಚೆಗೆ ಪ್ರಪಂಚಮ ಬಾರಿಗೆ ಶೇ. 5ಕ್ಕಿಂತಲೂ ಇಳಿತ ಕಂಡದ್ದು ಇದು ಬೆಳವಣಿಗೆಯ ಕುಸಿತದಿಂದಾಗಿ ಉತ್ಪನ್ನಗಳ ಬೇಡಿಕೆ ಮೃದುಗೊಂಡದ್ದು. ಆಹಾರ ವಸ್ತುಗಳ ಹಣದುಬ್ಬರವು ಏಪ್ರಿಲ್-ಡಿಸೆಂಬರ್ 2011ರಲ್ಲಿ ಶೇ. 8.1ರಷ್ಟಿದ್ದು ಜನವರಿ 2012ರಲ್ಲಿ ತತ್ಕಕ್ಷಣ ಯುಣಾತ್ಮಕ ಗತಿ ಕಂಡದ್ದು ಇದು ಆಹಾರ ವಸ್ತುಗಳ ಸುಗಮತೆಯಾದ ಬೆಲೆ ಇಳಿತದಿಂದಾಗಿ. ನವೆಂಬರ್-ಡಿಸೆಂಬರ್ 2011ರಲ್ಲಿ ಶೇ.15ಕ್ಕೂ ಹೆಚ್ಚಾಗಿದ್ದ ಇಂಧನ ಹಣದುಬ್ಬರವು ಮಾರ್ಚ್ 2012ಕ್ಕೆ ಶೇ.10.4ಕ್ಕೆ ಇಳಿದು, ಸುಧಾರಣೆ ಕಂಡಿತು. ಜಾಗತಿಕ ಕಚ್ಚಾತ್ಯಲ ಬೆಲೆಯು ಏರುಗತಿ ಯಲ್ಲಿದ್ದರೂ ಸಹ, ಇದು ಏರುಬೆಲೆಯ ಬಿಸಿಯನ್ನು ದೇಶೀಯ ಗ್ರಾಹಕರ ಮೇಲೆ ದಾಟಿಸದ ಕಾರಣದಿಂದಾಗಿ. ಏನಿದ್ದರೂ, ಅಂತಾರಾಷ್ಟ್ರೀಯ ಕಚ್ಚಾತ್ಯಲದ ಬೆಲೆಯ ಪ್ರತಿಫಲನವಾಗಿ, ಅನಿಯಂತ್ರಿತ ಖನಿಜ ತೈಲದ ಬೆಲೆಯ ಹಣದುಬ್ಬರ ಪುನಃ ಎತ್ತರಕ್ಕೇರಿ ಮಾರ್ಚ್ ನಲ್ಲಿ ಶೇ. 19.8 ತಲುಪಿತು.

10 ವರ್ಷ ಅವಧಿಯ ಬೆಂಚ್‌ಮಾರ್ಕ್ ಸರಕಾರಿ ಭದ್ರತೆಗಳ ಇಳುವರಿ 2011-12 ಪೂರ್ವಾರ್ಧದಲ್ಲಿ ಎಲ್ಲ ಮೀರದ ಸ್ಥಿತಿಯಲ್ಲಿತ್ತು. ಅಕ್ಟೋಬರ್-2011ರಲ್ಲಿ ಇದು ಚಿಗುರಿದ್ದು ಇದಕ್ಕೆ ಮಾರುಕಟ್ಟೆಯ ಸಾಲ ಬೇಡಿಕೆ ಹೆಚ್ಚಳ, ಧೋರಣಾ ದರ ಹೆಚ್ಚಳ ಮತ್ತು ಪಟ್ಟುಹಿಡಿದ ದ್ರವತ್ವ ಬಿಗುತ್ವ ಕಾರಣವಾಗಿತ್ತು. ಮಾರ್ಚ್ 2012ರ ಅಂತ್ಯಕ್ಕೆ ಹುಟ್ಟುವಳಿ ಮತ್ತೊಮ್ಮೆ ಬಿಗುತ್ವ ಕಂಡು ಇದಕ್ಕೆ 2012-13ರ ಸರಕಾರದ ಸಾಲ ಎತ್ತುವಿಕೆ ಕಾರ್ಯಕ್ರಮ, ಆದೂ 2011-12ರ ಕಾರ್ಯಕ್ರಮಕ್ಕಿಂತಲೂ ವಿಶೇಷವಾಗಿ ಹೆಚ್ಚು ಮೊತ್ತದ್ದಾಗಿರುವುದೂ ಕಾರಣವಾಗಿತ್ತು. 10 ವರ್ಷ ಅವಧಿಯ ಬೆಂಚ್‌ಮಾರ್ಕ್ ಹುಟ್ಟುವಳಿಯು ಮಾರ್ಚ್ 2012ರಲ್ಲಿ ಶೇ. 8.57ರಷ್ಟಿದ್ದು ಇದೂ ಮಾರ್ಚ್ 2011ರ ಅಂತ್ಯಕ್ಕೆ ಶೇ. 8.0ರಷ್ಟಿತ್ತು.

ಸಂಚಿತ ರಫ್ತು 2011-12 (ಏಪ್ರಿಲ್-ಡಿಸೆಂಬರ್)ರಲ್ಲಿ ಯು.ಎಸ್. ಡಾಲರ್ 217.6 ಬಿಲಿಯನ್ ಆಗಿದ್ದು ಶೇ. 25.8ರ ತೃಪ್ತಿಕರ ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ. ಭಾರತದ 2011-12 (ಏಪ್ರಿಲ್-ಡಿಸೆಂಬರ್) ಆಮದು ಯು.ಎಸ್. ಡಾಲರ್ 350.9 ಬಿಲಿಯನ್ ಆಗಿದ್ದು ಶೇ. 30.4 ಬೆಳವಣಿಗೆ ದಾಖಲಾಗಿದೆ. 2011-12 (ಏಪ್ರಿಲ್-ಡಿಸೆಂಬರ್) ನಲ್ಲಿ ಈ ಕೆಳಗಿನ ನಿರ್ಯಾತ ರಂಗ ಉತ್ತಮ ಸಾಧನೆ ಮಾಡಿವೆ. ಪೆಟ್ರೋಲಿಯಂ ಮತ್ತು ತೈಲ ಉತ್ಪನ್ನಗಳು ಶೇ. 55 ಅಭಿವೃದ್ಧಿ ದಾಖಲಿಸಿದರೆ, ಚಿನ್ನಾಭರಣಗಳು ಶೇ. 38.5, ತಾಂತ್ರಿಕ ಶೇ. 21.6; ಹತ್ತಿ ಬಟ್ಟೆ ತಯಾರಿಕೆ ಇತ್ಯಾದಿ ಶೇ. 13; ವಿದ್ಯುನ್ಮಾನ ಶೇ. 21.1; ಸಿದ್ಧ ಉಡುಪುಗಳು ಶೇ. 23.7 ಮತ್ತು ಔಷಧಿಗಳು ಶೇ. 21.5 ವೃದ್ಧಿ ಸಾಧಿಸಿವೆ.

ವ್ಯಾಪಾರ ವ್ಯವಹಾರ ಕೊರತೆ 2011-12 ನಲ್ಲಿ (ಏಪ್ರಿಲ್-ಡಿಸೆಂಬರ್) ಯು.ಎಸ್. ಡಾಲರ್ 133.2 ಬಿಲಿಯನ್ ಆಗಿದ್ದು ಇದು 2010-11 (ಏಪ್ರಿಲ್-ಡಿಸೆಂಬರ್)ರ ಮಟ್ಟ ಯು.ಎಸ್. ಡಾಲರ್ 96.2 ಬಿಲಿಯನ್ ಗಿಂತ ಶೇ.38.5ರಷ್ಟು ಹೆಚ್ಚಿನದು. ಇದಕ್ಕೆ ಕಾರಣ ರಫ್ತು ರಂಗದ ಕೊರತೆ ಮತ್ತು ಆಮದು ವೃದ್ಧಿ.

ಯೂರೋ ವಲಯದ ಸೊವೆರಿನ್ ಬಿಕ್ಕಟ್ಟಿನ ಕಾರಣವಾಗಿ ಯು.ಎಸ್. ಡಾಲರ್ ಬಲವರ್ಧನೆಗೊಂಡಿತು. ವಿದೇಶಿ ಖನಿಜಯ ಮೀಸಲು ಯು.ಎಸ್. ಡಾಲರ್ 11.00 ಬಿಲಿಯನ್ ಕರಗಿ ಹೋಗಿದ್ದು ಪ್ರಸ್ತುತ ವರ್ಷ 31, ಮಾರ್ಚ್ 2012ಕ್ಕೆ ವಿದೇಶಿ ಖನಿಜಯ ಮೀಸಲು ಯು.ಎಸ್. ಡಾಲರ್ 294.40 ಬಿಲಿಯನ್ ಗೆ ಇಂತಿತು.

The rupee depreciated by 12.4 per cent from ₹ 44.97 per US dollar in March 2011 to ₹ 51.34 per US dollar in January 2012. On point-to-point basis, it depreciated by 16.2 per cent from ₹44.65 per US dollar on 31 March 2011 to ₹ 53.26 per US dollar on 30 December 2011. The rupee reached a peak of ₹43.94 on 27 July 2011 and a low of ₹54.23 per US dollar on 15 December 2011, indicating a depreciation of 19.0 per cent. Similarly, the monthly average exchange rate of the rupee depreciated by 11.5 per cent against the pound sterling, 9.1 per cent against the euro, and 18.7 per cent against the Japanese Yen between March 2011 and December 2011.

Development in the Banking Sector

During the year 2011-12, the aggregate deposits of scheduled commercial banks (SCBs) increased at a good pace of 17.4 percent (₹ 9,04,510 crore) and stood at ₹ 61,12,480 Crore as on 31 March, 2012 (Previous Year it was ₹ 52,07,970 Crore) as compared to 15.90 per cent (₹ 7,15,140 crore) in the previous year 2010-11. This year, the time deposits recorded a growth of 15.27 per cent, year on year, as compared to 18.67 per cent a year ago, while demand deposits grew at a better rate of 17.66 percent.

During the financial year 2011-12, overall credit flow from scheduled commercial banks moderated to 19.30 per cent as compared to 21.40 per cent during the previous year. While the Food credit of scheduled commercial banks (SCBs) slightly reduced to ₹ 15,510 crore (Outstanding as on March 30, 2012 was ₹ 79,790 crore) in 2011-12 as compared to ₹ 15,573 crore (Total outstanding ₹ 64,280 crore for the year 2010-11) in the previous year and non-food credit extended by the scheduled commercial banks (SCBs) is up by 19.27 per cent (₹ 7,47,200 crore) and total outstanding as on March 30, 2012 was ₹ 46,25,000 crore as compared to 21.20 percent (₹ 6,81,500 crore) and the total outstanding as of 2010-11 was ₹ 38,77,800 crore in the previous year in line with the desired requirement of funding from industrial and services sector.

Commercial banks' investment in government and other approved securities increased by 17.82 per cent during 2011-12 compared to the previous year's increase of 8.30 per cent, mainly due to relatively lower resource mobilization and tight liquidity in the market.

Opportunities

With the expected softening of interest rates and revival of the economy, the demand for loans in the SME and the retail sector is seen increasing. With the change in demography, your Bank sees opportunities in Retail, Small & Medium Scale Enterprises across its branches. Further, the increased employment generation in the expanding economy also paves way for increased

ಡಾಲರ್‌ನ ಇದಿರು ರೂಪಾಯಿ ಶೇ. 12.4 ಸವಕಳಿ ಕಂಡು ಡಾಲರ್ ಒಂದರ ಬೆಲೆ ಮಾರ್ಚ್ 2011 ರಲ್ಲಿದ್ದ ₹ 44.97 ರಿಂದ ಜನವರಿ 2012ಕ್ಕೆ ₹ 51.34ಕ್ಕೆ ಸೆಗಿಯಿತು. ಪಾಯಿಂಟ್‌ನಿಂದ ಪಾಯಿಂಟ್‌ಗೆ ತಳಹದಿಯಲ್ಲಿ 31, ಮಾರ್ಚ್ 2011ರಲ್ಲಿದ್ದ ಡಾಲರ್ ಒಂದರ ಬೆಲೆ ₹ 44.65 ರಿಂದ ಶೇ. 16.2 ಸವಕಳಿಯೊಂದಿಗೆ, 30 ಡಿಸೆಂಬರ್ 2011ಕ್ಕೆ ಡಾಲರ್ ಒಂದರ ₹ 53.26 ಕ್ಕೆ ಏರಿತು. 27 ಜುಲೈ 2011ರಲ್ಲಿ ರೂಪಾಯಿ ತುತ್ತತುದಿಗೇರಿ ಡಾಲರ್ ಒಂದರ ಬೆಲೆ ₹ 43.94 ಇದ್ದದ್ದು 15 ಡಿಸೆಂಬರ್ 2011ಕ್ಕೆ ತಳಮಟ್ಟ ಮುಟ್ಟಿ ಡಾಲರ್ ಒಂದರ ₹ 54.23 ಆಗಿ ಶೇ. 19.0 ಸವಕಳಿ ಕಂಡಿತು. ಅಂತೆಯೇ ರೂಪಾಯಿಯ ಮಾಸಿಕ ಸರಾಸರಿ ವಿವಿಧ ದರವು ಪೌಂಡ್ ಸ್ಟರ್ಲಿಂಗ್‌ನ ಎದುರು ಶೇ. 11.5 ಸವಕಳಿ ಕಂಡರೆ, ಯುರೋ ಇದಿರು ಶೇ. 9.1 ಮತ್ತು ಜಪಾನೀಸ್ ಯೆನ್ ಇದಿರು 18.7 ಸವಕಳಿಯನ್ನು ಮಾರ್ಚ್ 2011 ಮತ್ತು ಡಿಸೆಂಬರ್ 2011 ನಡುವೆ ಕಂಡಿತು.

ಬ್ಯಾಂಕಿಂಗ್ ವಲಯದಲ್ಲಿ ಅಭಿವೃದ್ಧಿ

2011-12ರ ವರ್ಷದಲ್ಲಿ ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ ಸಮಗ್ರ ಠೇವಣಿಗಳು ಶೇ. 17.4 ಸುಧಾರಿತ ಗತಿಯಲ್ಲಿ ವೃದ್ಧಿಗೊಂಡು, (₹ 904,510 ಕೋಟಿ) 31, ಮಾರ್ಚ್ 2012ಕ್ಕೆ ಇದು ₹ 61,12,480 ಕೋಟಿಗೆ ಏರಿತು. (ಹಿಂದಣ ವರ್ಷ ಅದು ₹ 52,07,970 ಕೋಟಿ) ಹಿಂದಣ ವರ್ಷ 2010-11ರ ವೃದ್ಧಿ ಶೇ. 15.90 (₹ 715,140 ಕೋಟಿ). ಪ್ರಸ್ತುತ ವರ್ಷ, ಸಾವಧಿ ಠೇವಣಿಯು ಶೇ. 15.27ರ ದಾಖಲೆ ಅಭಿವೃದ್ಧಿ ಸಾಧಿಸಿ ವರ್ಷದ ಮೇಲಣ ವರ್ಷದ ತಳಹದಿಯಲ್ಲಿ ಹಿಂದಣ ವರ್ಷಕ್ಕಿಂತ ಶೇ. 18.67 ವೃದ್ಧಿಗೊಂಡಿದ್ದು, ಬೇಡಿಕೆ ಠೇವಣಿಯೂ ಶೇ. 17.66 ದರದಲ್ಲಿ ಉತ್ತಮ ಅಭಿವೃದ್ಧಿ ದಾಖಲಿಸಿತು.

2011-12ರ ವರ್ಷದಲ್ಲಿ ಒಟ್ಟಾರೆ ಮುಂಗಡದ ಹರಿವು ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳಲ್ಲಿ ಶೇ. 19.30ಕ್ಕೆ ತೃಪ್ತಿಗೊಂಡರೆ ಹಿಂದಣ ವರ್ಷ ಅಭಿವೃದ್ಧಿಯ ವೇಗ ಶೇ. 21.40 ರಷ್ಟಿತ್ತು. ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ ಆಹಾರ ಮುಂಗಡವು 2011-12ರಲ್ಲಿ ಕೊಂಚ ಹಿನ್ನಡೆಗೆ ಅಂದರೆ ₹ 15510 ಕೋಟಿಗೆ ತಲವಿದ್ದು (30, ಮಾರ್ಚ್ 2012ರಲ್ಲಿ ಹೊರಬಾಕಿ ₹ 79,790 ಕೋಟಿ) ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಇದು ₹ 15,573 ಕೋಟಿ (2010-11 ರಲ್ಲಿ ಒಟ್ಟು ಹೊರಬಾಕಿ ₹ 64,280 ಕೋಟಿ) ಯಾಗಿದ್ದು ಮತ್ತು ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ ಆಹಾರೇತರ ಮುಂಗಡ ವಿತರಣೆಯು ಶೇ. 19.27 ವೃದ್ಧಿಗೊಂಡಿದ್ದು (₹ 747,200 ಕೋಟಿ) ಮತ್ತು 30, ಮಾರ್ಚ್ 2012 ರಂದು ಹೊರಬಾಕಿ ₹ 46,25,000 ಕೋಟಿ ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ವೃದ್ಧಿ ಶೇ. 21.20 ಆಗಿದ್ದು (₹ 681,500 ಕೋಟಿ) ಮತ್ತು 2010-11 ರಲ್ಲಿ ಹೊರಬಾಕಿ ₹ 38,77,800 ಆಗಿತ್ತು. ಇದು ಕೈಗಾರಿಕಾ ಮತ್ತು ಸೇವಾವಲಯಕ್ಕೆ ಅಗತ್ಯವಾದ ಮೊತ್ತದ ಸಕಾಲಿಕ ಹರಿವನ್ನು ಸೂಚಿಸುತ್ತದೆ.

ಸರ್ಕಾರಿ ಹಾಗೂ ಅಂಗೀಕೃತ ಭದ್ರತೆಗಳಲ್ಲಿ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ 2011-12ರ ಹೂಡಿಕೆಯು ಶೇ. 17.82 ವೃದ್ಧಿಯಾಗಿದ್ದು ಹಿಂದಣ ವರ್ಷದಲ್ಲಿದ್ದು ಶೇ. 8.30ರಷ್ಟಿದ್ದು, ಅದಕ್ಕೆ ಅಂದಿನ ಸಂಪನ್ಮೂಲ ಆಕರಣೆಯ ಹಿನ್ನಡೆ ಮತ್ತು ಮಾರುಕಟ್ಟೆಯ ಬಿಗು ದ್ರವತ್ವ ಸ್ಥಿತಿ ಕಾರಣವಾಗಿತ್ತು.

ಅವಕಾಶಗಳು

ಬಡ್ಡಿದರಗಳ ಮೃದುತ್ವದ ನಿರೀಕ್ಷೆಯಲ್ಲಿ ಮತ್ತು ಆರ್ಥಿಕತೆಯ ಪುನರ್ ಚೇತನದ ಹಿನ್ನೆಲೆಯಲ್ಲಿ, ಸಣ್ಣ ಮತ್ತು ಮಧ್ಯಮ ಉದ್ಯಮರಂಗ ಹಾಗೂ ಚಿಲ್ಲರೆ ವಲಯದ ಸಾಲ ಬೇಡಿಕೆಯು ಹೆಚ್ಚುತ್ತಿವೆ. ಜನಮನೋಕಾಂಕ್ಷೆಯ ಬದಲಾವಣೆಯ ಈ ಸನ್ನಿವೇಶದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಚಿಲ್ಲರೆ, ಸಣ್ಣ ಮತ್ತು ಮಧ್ಯಮ ಉದ್ಯಮ ರಂಗಕ್ಕೆ ವಿಪುಲ ಸೇವಾವಕಾಶ ತನ್ನ ಶಾಖೆಗಳ ಮುಂದಿರುವುದನ್ನು ಕಂಡುಕೊಂಡಿದೆ. ಅಲ್ಲದೇ, ಆರ್ಥಿಕ ಪುನರ್ ಚೇತನದಲ್ಲಿ ಹೆಚ್ಚುತ್ತಿರುವ ಉದ್ಯೋಗಾವಕಾಶಗಳು,

personal banking activities. Therefore by putting in place sophisticated retail banking products, your Bank is planning to meet the ever increasing demands from the different sections of the society.

OUTLOOK

Going forward into 2012-13, assuming a normal monsoon, agricultural growth could stay close to the trend level. Industry is expected to perform better than in last year as leading indicators of industry suggest a turnaround in IIP growth. The global outlook also looks slightly better than expected earlier. Overall, the domestic growth outlook for 2012-13 looks a little better than in 2011-12. Accordingly, the baseline GDP growth for 2012-13 is projected at 7.3 per cent. Further the inflation scenario remains challenging. Food inflation, after a seasonal decline, has risen again. Crude oil prices are expected to remain high and the pass-through of past price increases in the international market to domestic petroleum product prices remains significantly incomplete. However, non-food manufactured products inflation is expected to remain contained reflecting the lagged effect of past monetary policy tightening on aggregate demand.

The Government's initiative to revive investment cycle in the economy may throw-up enough opportunities to banks to participate in these projects. Considering the deterioration of external position, diminution in growth prospects and slow progress on fiscal reform, Standard & Poor (S&P) has revised its outlook on India to "Negative" from "Stable". This revision may have wider implication and push the Government to speed up reform process and consolidate fiscal position with a view to bring back the economy into growth trajectory once again. Your Bank sees this as both a challenge and opportunity for business expansion in the coming years.

BUSINESS GOALS FOR THE CURRENT YEAR

Your Bank has envisaged achieving a total business turnover of ₹ 65000 crore, with a growth rate 24 per cent, comprising of deposits of ₹ 39000 crore and advances of ₹ 26000 crore for the year ending 31st March 2013. Your Bank is confident of achieving the same through better customer services and operational efficiency. Besides, the Bank has plans to increase its total number of business units to 1000, by increasing the total number of branches to 550 and own ATM network to 450 by March 2013.

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 /

ವೈಯಕ್ತಿಕ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆ ಬಯಸುತ್ತವೆ. ಆದ್ದರಿಂದ ಸುಧಾರಿತ ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್ ಉತ್ಪನ್ನಗಳನ್ನು ಸಕಾಲಿಕವಾಗಿ ಬಿಡುಗಡೆಗೊಳಿಸುವುದರೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸಮಾಜದ ವಿವಿಧ ವಲಯಗಳ ನಾನಾ ಬೇಡಿಕೆಗಳನ್ನು ಪೂರೈಸಲು ಸಮರ್ಥ ಯೋಜನೆ ಹಾಕಿದೆ.

ಹೊರನೋಟ

2012-13ಕ್ಕೆ ಮುನ್ನಡೆ ಇಡುತ್ತಾ ಉತ್ತಮ ವರ್ಷಧಾರೆಯ ನಿರೀಕ್ಷೆಯಲ್ಲಿ ಕೈಸಿರಿಗದ ಅಭಿವೃದ್ಧಿನಿರೀಕ್ಷಿತ ಮಟ್ಟಮುಟ್ಟಬಹುದೆನ್ನುವ ಆಶಾ ನೋಟವಿದೆ. ಕೈಗಾರಿಕಾ ರಂಗವೂ ಹಿಂದಣ ವರ್ಷಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ಸಾಧನೆ ಮಾಡುವ ನಿರೀಕ್ಷೆ ಇದ್ದು ಉತ್ತಮ ಐಐಪಿ ಅಭಿವೃದ್ಧಿಯ ಬಗ್ಗೆ ಪ್ರಗತಿಪರ ಸೂಚನೆಗಳಿವೆ. ಹಿಂದೆ ನಿರೀಕ್ಷೆ ಮಾಡಿದ ಮಟ್ಟಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ಜಾಗತಿಕ ಸುಧಾರಣೆಯ ಹೊರನೋಟ ಆಶಾವಾದ ಬೀರುತ್ತಿದೆ. ಒಟ್ಟಾರೆ, ದೇಶೀಯ ಅಭಿವೃದ್ಧಿ ಹೊರನೋಟ 2012-13ಕ್ಕೆ, 2011-12ಕ್ಕಿಂತ ಹೆಚ್ಚು ಪ್ರಕಾಶಮಾನವಾಗಿದೆ. ಅಂತೆಯೇ, ತಳಮಟ್ಟದ ನೈಜ ಸ್ಥೂಲ ದೇಶೀಯ ಉತ್ಪನ್ನವು 2012-13ಕ್ಕೆ ಶೇ 7.3ರಷ್ಟು ಏರುಬಹುದೆಂದು ಅಂದಾಜಿಸಲಾಗಿದೆ. ಆದರೆ ಹಣದುಬ್ಬರದ ದೃಶ್ಯಾವಳಿಯು ಸದಾ ಬದಲಾವಣೆಗೊಳಗಾಗುತ್ತಿದೆ. ಆಹಾರ ಹಣದುಬ್ಬರವು ಸುಗ್ಗಿ ಕಾಲಾವಧಿಯ ಇಳಿತದ ಹೊರತಾಗಿ ಪುನಃ ಏರುಗತಿಯಲ್ಲಿದೆ. ಕಚ್ಚಾ ತೈಲ ಬೆಲೆಯು ಇನ್ನೂ ಎತ್ತರದ ಮಟ್ಟದಲ್ಲಿದ್ದು, ಹಿಂದಣ ಬೆಲೆಯೇರಿಕೆಯ ಹೊರೆಯು ಅಂತಾರಾಷ್ಟ್ರೀಯ ಮಾರುಕಟ್ಟೆಯಿಂದ ದೇಶೀಯ ಪೆಟ್ರೋಲಿಯಂ ಉತ್ಪನ್ನಗಳ ಮೇಲೆ ಹೇರಲ್ಪಡುವ ಪ್ರಕ್ರಿಯೆಯೂ ಪೂರ್ಣಗೊಳ್ಳದೇ ಇದೆ. ಏನಿದ್ದರೂ, ಆಹಾರೇತರ ಕೈಗಾರಿಕೋತ್ಪನ್ನದ ಹಣದುಬ್ಬರವು ನಿಯಂತ್ರಣಕ್ಕೊಳಪಡುವ ನಿರೀಕ್ಷೆಯಲ್ಲಿದ್ದು, ಹಿಂದಣ ಆರ್ಥಿಕ ಧೋರಣೆಯ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಒಟ್ಟಾರೆ ಬೇಡಿಕೆಯಲ್ಲಿ ಬಿಗುತ್ತಾ ಕಾಣಬಹುದು.

ಹೂಡಿಕಾ ಆವರ್ತನವನ್ನು ಪುನರ್ನವಗೊಳಿಸುವ ಸರಕಾರದ ಉಪಕ್ರಮವು ಆರ್ಥಿಕಾ ವಲಯದಲ್ಲಿ ಹಲವು ಅವಕಾಶಗಳನ್ನು ತೆರೆಯಬಹುದಾಗಿದ್ದು, ಈ ಯೋಜನೆಗಳಲ್ಲಿ ಬ್ಯಾಂಕುಗಳು ಸಹವರ್ತಿಯಾಗಬಹುದಾಗಿದೆ. ದೇಶದ ಬಾಹ್ಯ ಪರಿಸ್ಥಿತಿಯ ದುಃಸ್ಥಿತಿಯನ್ನು ಗಮನಿಸಿದಾಗ, ಅಭಿವೃದ್ಧಿಯ ವೇಗಾಪರ್ಷಕ ಮತ್ತು ಆರ್ಥಿಕ ವರ್ಷದ ಕ್ಷೀಣ ವೃದ್ಧಿಯಿಂದಾಗಿ ಭಾರತವನ್ನು ವಿದೇಶ ನೋಡುವ ಹೊರನೋಟ "ಸಾಮಾನ್ಯ ಮತ್ತು ಬಡ" ದ ಮಾನದಂಡವು ದೃಢದಿಂದ ಬುಣಾತ್ಮಕ ಸ್ಥಿತಿಗಿಳಿದಿದೆ. ಈ ಪರಿಷ್ಕರಣೆ ಬಹು ವಿಸ್ತೃತವಾದ ತೊಡಕು ಬೀರಬಲ್ಲದಾಗಿದ್ದು ಮತ್ತು ಸರಕಾರವನ್ನು ಪುನಚೇತನ ಪ್ರಕ್ರಿಯೆಗೆ ಒತ್ತಾಯಿಸುವುದಾಗಿದ್ದು, ಆರ್ಥಿಕ ವರ್ಷದ ಪರಿಸ್ಥಿತಿಯನ್ನು ತತ್ಕ್ಷಣ ತಪಬಂದಿಗೆ ತಂದು ದೇಶದ ಆರ್ಥಿಕತೆಯ ಅಭಿವೃದ್ಧಿಯನ್ನು ಪುನಃ ವೇಗವರ್ಧಕದ ಹಳಿಯ ಮೇಲೆ ತರುವುದು ಸರಕಾರಕ್ಕೆ ಅನಿವಾರ್ಯವಾಗಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಇದನ್ನು ಒಂದು ಪಂಥಾತ್ಮಾನವನ್ನಾಗಿಯೂ ಒಂದು ಸದವಕಾಶವನ್ನಾಗಿಯೂ ಸ್ವೀಕರಿಸಿ, ವ್ಯವಹಾರೋನ್ನತಿಯನ್ನು ಮುಂಬರುವ ವರ್ಷಗಳಲ್ಲಿ ಸಾಧಿಸುವ ಸಂಕಲ್ಪ ಹೊಂದಿದೆ.

ಪ್ರಸ್ತುತ ವರ್ಷದ ವ್ಯವಹಾರ ಗುರಿ

31 ಮಾರ್ಚ್ 2013 ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ಒಟ್ಟು ವ್ಯವಹಾರವನ್ನು ₹ 65000 ಕೋಟಿಗೆ ಏರಿಕೆಯ ಗುರಿ ಹೊಂದಿದ್ದು, ಅದು ಶೇ. 24ರ ಅಭಿವೃದ್ಧಿ ದರವಾಗಿದ್ದು, ಇದರಲ್ಲಿ ಲೇವಣಿ ₹ 39000 ಕೋಟಿ ಮತ್ತು ಮುಂಗಡ ₹ 26000 ಕೋಟಿಯ ಗುರಿಗಳು ಅಂತರ್ಗತವಾಗಿವೆ. ಅತ್ಯುತ್ತಮ ಗ್ರಾಹಕ ಸೇವೆ ಮತ್ತು ನಿರ್ವಹಣಾ ಉತ್ಕೃಷ್ಟತೆಯ ಮೂಲಕ ಈ ಗುರಿಯನ್ನು ಸಾಧಿಸುವ ವಿಶ್ವಾಸವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹೊಂದಿದೆ. ಇದರೊಂದಿಗೆ ಬ್ಯಾಂಕು ತನ್ನ ವ್ಯವಹಾರ ಕೇಂದ್ರಗಳನ್ನು 1000ಕ್ಕೆ ವಿಸ್ತರಿಸುವ ಯೋಜನೆ ಹೊಂದಿದ್ದು, ಶಾಖಾ ಸಂಖ್ಯೆಯನ್ನು 550ಕ್ಕೂ ಮತ್ತು ಸ್ವಂತ ಎ.ಟಿ.ಎಂ. ಸ್ಥಾವರಗಳನ್ನು 450ಕ್ಕೂ ಮಾರ್ಚ್ 2013ರ ಒಳಗೆ ವಿಸ್ತರಿಸಲಿದೆ.

ವರದಿ ಮಾಡಿಲಿಕ್ಕಿರುವ ಭಾಗಗಳು

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿರ್ದೇಶಿಸಿದ ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ 17 (ವರದಿ ಮಾಡಿಲಿಕ್ಕಿರುವ ಭಾಗಗಳು) ಮಾರ್ಗದರ್ಶಿ ಅನುಸಾರವಾಗಿ ಬ್ಯಾಂಕು, ಮಾರ್ಚ್ 31, ಮಾರ್ಚ್ 2012ಕ್ಕೆ ನಾಲ್ಕು ವ್ಯವಹಾರ ಅಂಗಗಳಲ್ಲಿ ಗುರುತಿಸಲ್ಪಟ್ಟಿದ್ದು, ಅವುಗಳು

Wholesale Banking, Retail Banking and Other Banking Operations for the year ended 31st March 2012.

Treasury Operations

Treasury operations include the entire investment portfolio i.e. dealing in government and other securities, money market operations and foreign exchange operations.

During the year-ended 31st March, 2012, your Bank has earned total revenue of ₹ 844 crore from Treasury operations with a net result of ₹ (-) 297.95 crore.

Corporate / Wholesale Banking

Wholesale Banking includes all advances, not included under Retail Banking. The revenue earned by the Bank during year under report from this Segment was ₹ 1176.13 crore with contribution of ₹ 27.19 crore.

Retail Banking

Retail Banking includes exposure which fulfills the following FOUR criteria:

- Orientation criterion - The total annual turnover is less than ₹ 50 crore i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.
- Product criterion - The exposure taking the form of revolving credits and lines of credit (including overdrafts), term loans and leases and small business facilities and commitments.
- Granularity criterion - Aggregate exposure to one counterparty does not exceed 0.20 per cent of the overall retail portfolio.
- Low value of individual exposure - The maximum aggregate exposure up to ₹ 5 crore

During the year 2011-12, this Segment has earned revenue of ₹ 1355.37 crore with a net result of ₹ 521.59 crore.

Other Banking Operations

Other Banking Operations include the remaining business done by the Bank i.e. distribution of insurance and mutual fund products, Demat services, online shopping, railway ticket booking, locker facilities etc.

During the year-ended 31st March 2012, this segment has generated revenues of ₹ 71.77 crore and a net result of ₹ 59.67 crore.

RISKS AND CONCERNS

Risk is inherent in all kinds of business activities and is an integral part of the banking business. 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,

ವಿಜಾನೆ, ಸಾಂಸ್ಥಿಕ / ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್, ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ಚಟುವಟಿಕೆಗಳು, ಇವುಗಳನ್ನು ಒಳಗೊಂಡಿದೆ.

ವಿಜಾನೆ ವಹಿವಾಟುಗಳು

ವಿಜಾನೆ ವಹಿವಾಟುಗಳು ಸಂಪೂರ್ಣ ಹೂಡಿಕೆ ವಿಭಾಗಗಳನ್ನು, ಅಂದರೆ ಸರಕಾರಿ ಮತ್ತು ಇತರ ಧನಪತ್ರಗಳ ನಿರ್ವಹಣೆ, ಹಣಕಾಸು ಮಾರುಕಟ್ಟೆ ವ್ಯವಹಾರ ಮತ್ತು ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರಗಳನ್ನು ಹೊಂದಿದೆ.

ಪ್ರಸ್ತುತ ವರ್ಷ 31, ಮಾರ್ಚ್ 2012 ವರ್ಷಾಂತ್ಯಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ವಿಜಾನೆ ವಹಿವಾಟಿನಿಂದ ಒಟ್ಟು ₹ 844 ಕೋಟಿ ಆದಾಯಗಳಿಸಿದ್ದು ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹ (-) 297.95 ಕೋಟಿ ಆಗಿದೆ.

ಸಾಂಸ್ಥಿಕ / ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್

ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್ ವಹಿವಾಟಿನಲ್ಲಿ ಒಳಗೊಳ್ಳದ ಎಲ್ಲಾ ಮುಂಗಡ ವ್ಯವಹಾರಗಳು ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್ ವಿಭಾಗದಲ್ಲಿ ಬರುತ್ತವೆ. ಈ ಅಂಗದಲ್ಲಿ ವರದಿ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕು ಗಳಿಸಿದ ಹುಟ್ಟುವಳಿ ₹ 1176.13 ಕೋಟಿಯಾಗಿದ್ದು ಆದಾಯ ಕೊಡುಗೆ ₹ 27.19 ಕೋಟಿಯಾಗಿರುತ್ತದೆ.

ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್

ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್ ವಹಿವಾಟುಗಳು ಈ ಕೆಳಗಿನ ನಾಲ್ಕು ಪ್ರಮಾಣಗಳನ್ನು ತುಂಬಿ ಕೊಡುವಲ್ಲಿ ತನ್ನನ್ನು ಒಡ್ಡಿಕೊಳ್ಳುತ್ತದೆ.

- ನವೀಕರಣ ಅಳತೆಗೋಲು - ಒಟ್ಟು ವಾರ್ಷಿಕ ವಹಿವಾಟು ₹ 50 ಕೋಟಿಗಿಂತ ಕಡಿಮೆ ಇರುವುದು. ಅಂದರೆ, ಅಸ್ತಿತ್ವದಲ್ಲಿರುವ ಉದ್ಯಮವಾದರೆ, ಹಿಂದಣ ಮೂರು ವರ್ಷಗಳ ಒಟ್ಟು ವಹಿವಾಟಿನ ಸರಾಸರಿ ಮತ್ತು ನೂತನ ಉದ್ಯಮವಾದರೆ ಅಂದಾಜಿಸಲಾದ ಒಟ್ಟು ವಹಿವಾಟು.
- ಉತ್ಪನ್ನದ ಅಳತೆಗೋಲು - ಅವರ್ತನ ಮುಂಗಡ ಮತ್ತು ಮುಂಗಡ ಸಾಲಗಳು, (ಮೀಲೆಕೆತ ಸೌಲಭ್ಯ ಕೂಡಿ) ಸಾವಧಿ ಮುಂಗಡ ಮತ್ತು ಅಡಮಾನ, ಸಣ್ಣ ವ್ಯವಹಾರ ಸೌಲಭ್ಯ ಮತ್ತು ಒಪ್ಪಂದಗಳಿಗೆ ಒಡ್ಡಿಕೊಳ್ಳುವ ಪ್ರಕ್ರಿಯೆ.
- ಕಣಕಣದ ಮಾನದಂಡ - ಉದ್ಯಮದ ಒಂದು ಅಂಗದ ಸಮಗ್ರ ಒಡ್ಡುವಿಕೆಯು ಒಟ್ಟಾರೆ ಚಿಲ್ಲರೆ ವಿಭಾಗದ ಶೇ. 0.20 ಭಾಗ ಮೀರದಿರುವುದು.
- ಕಡಿಮೆ ಮೌಲ್ಯದ ವೈಯಕ್ತಿಕ ಒಡ್ಡುವಿಕೆ - ಒಟ್ಟಾರೆ ಗರಿಷ್ಠ ಒಡ್ಡುವಿಕೆ ₹ 5 ಕೋಟಿ ತನಕ.

2011-12ನೇ ವರ್ಷದಲ್ಲಿ ಈ ವಿಭಾಗದಲ್ಲಿ ₹ 1355.37 ಕೋಟಿ ಹುಟ್ಟುವಳಿ ಲಭ್ಯವಾಗಿದ್ದು ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹ 521.59 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ವಹಿವಾಟುಗಳು

ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ವಹಿವಾಟುಗಳೆಂದರೆ, ಬ್ಯಾಂಕು ನಿರ್ವಹಿಸುತ್ತಿರುವ ಇತರ ವಹಿವಾಟುಗಳನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ. ಅಂದರೆ ಇನ್ಸೂರೆನ್ಸ್ ಮತ್ತು ಮ್ಯೂಚುವಲ್ ಫಂಡ್ ವಿತರಣಾ ವ್ಯವಹಾರ, ಡಿಮ್ಯಾಟ್ ಸೇವೆ, ಆನ್‌ಲೈನ್ ಶಾಪಿಂಗ್, ರೈಲ್ವೆ ಟಿಕೆಟ್ ಬುಕಿಂಗ್, ಲಾಕರ್ ಸೌಲಭ್ಯ ಇತ್ಯಾದಿಗಳನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ.

31, ಮಾರ್ಚ್ 2012 ಅಂತ್ಯಕ್ಕೆ ಈ ಅಂಗದಲ್ಲಿ ₹ 71.77 ಕೋಟಿ ಹುಟ್ಟುವಳಿ ಉತ್ಪನ್ನಗೊಂಡಿದ್ದು ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹ 59.67 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ಸಂಭಾವ್ಯ ಅಪಾಯಗಳು ಮತ್ತು ಕಳೆಗಳಿಗಳು

ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ವ್ಯಾವಹಾರಿಕ ರಂಗದ ಅವಿಭಾಜ್ಯ ಅಂಗವೇ ಆಗಿದ್ದು ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಹಾರದಲ್ಲೂ ಇದು ಅಭಿನ್ನ ಅಂಗವಾಗಿದೆ. ಸಾಮಾನ್ಯವಾಗಿ ಬ್ಯಾಂಕಿನ ದೈನಂದಿನ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಹಲವಾರು ಅಪಾಯಗಳಿಗೆ ಒಡ್ಡಿಕೊಳ್ಳಬೇಕಾಗಿದ್ದು ಅವುಗಳಲ್ಲಿ ಮುಖ್ಯವಾಗಿ ಮುಂಗಡ ಅಪಾಯ, ಮಾರುಕಟ್ಟೆ ಅಪಾಯ ಮತ್ತು ನಿರ್ವಹಣಾ ಅಪಾಯ ಹಾಗೂ ಇತರ ಉಳಿಕೆ ಅಪಾಯಗಳಾದ ದ್ರವತ್ವದ ಅಪಾಯ,

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, we continue to strengthen our 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, measurement, monitoring / control and mitigation 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 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 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. 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 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.

In compliance with the Basel II guidelines, Bank has put in place 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 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.

ಬಡ್ಡಿದರ ಅಪಾಯ, ಕೇಂದ್ರೀಕರಣ ಅಪಾಯ, ವ್ಯೂಹಾತ್ಮಕ ಅಪಾಯ, ಪ್ರತಿಷ್ಠಾ ಅಪಾಯ ಹೆಚ್ಚು ಹೆಚ್ಚಾಗಿದೆ. ಇಂತಹ ಅಪಾಯಗಳನ್ನು ದಕ್ಷತೆಯಿಂದ ನಿರ್ವಹಿಸಲು, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಹಲವಾರು ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳನ್ನು ರಚಿಸಿ ಕಾರ್ಯರೂಪಕ್ಕೆ ತಂದಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಗಿಂದಾಗ್ಗೆ ನೀಡಿದ ಮಾರ್ಗದರ್ಶಿಗಳಂತೆ ಹಲವಾರು ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳ ಮೂಲಕ ಧೋರಣೆ, ತಾಂತ್ರಿಕತೆ, ಪರಿಕರ ದ್ವಾರಾ ಆತ್ಮತ್ವಮ ನಿರ್ವಹಣೆಯನ್ನು ಬಲಗೊಳಿಸಿದ್ದು ಅದನ್ನು ಬ್ಯಾಂಕ್ ಮುಂದುವರಿಸಿಕೊಂಡು ಬರುತ್ತಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಶೇರುದಾರರ ಹಿತಾಸಕ್ತಿ ಮೌಲ್ಯವನ್ನು ಗರಿಷ್ಠವಾಗಿ ಕಾಪಾಡಿಕೊಂಡು ಬರುತ್ತಿದ್ದು ಈ ಮೌಲ್ಯವರ್ಧನೆ, ಮೌಲ್ಯ ವ್ಯಾಪಕತೆಯತ್ತ ಕೇಂದ್ರ ಗಮನ ಹರಿಸಿದ್ದು ಅಪಾಯ ಸಂಭಾವ್ಯತೆ, ಹುಟ್ಟುವಳಿ ಸಂದೇಹವಿರುವಲ್ಲಿ ತತ್ ಕ್ಷಣ ಸೂಕ್ತ ಸ್ಪಂದನ ಹರಿಸಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ವಿಭಾಗವು ಪ್ರಮುಖವಾಗಿ ಅಪಾಯಗಳ ಸಕಾಲಿಕ ಗುರುತಿಸುವಿಕೆ, ಅಪಾಯಗಳ ಮಟ್ಟದ ಆಳತೆ, ಮೇಲ್ವಿಚಾರಣೆ ಹಾಗೂ ದಕ್ಷ ನಿರ್ವಹಣೆಯನ್ನು ಕೈಗೊಂಡು ವ್ಯವಹಾರದ ಪ್ರಕ್ರಿಯೆಯಲ್ಲಿ ಅಪಾಯ ಪಂಥಾಹ್ವಾನವನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸುತ್ತಿದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮಟ್ಟದ ಸಂಕೀರ್ಣ ಸಮಗ್ರ ಅಪಾಯ ನಿರ್ವಹಣಾ ಸಮಿತಿ, ಆಗಿಂದಾಗ್ಗೆ ಬ್ಯಾಂಕಿಗೆ ಇದಿರಾಗುವ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯ ಬಗ್ಗೆ ಅವಲೋಕನ, ಬ್ಯಾಂಕು ಒಟ್ಟಾರೆ ಎದುರಿಸುತ್ತಿರುವ ಅಪಾಯಗಳ ಬಗ್ಗೆ ಸೂಕ್ತ ಪುನರಾವಲೋಕನ, ಸೂಕ್ತ ಮೌಲ್ಯೀಕರಣ ಮತ್ತು ಆತ್ಮತ್ವಮ ನಿರ್ವಹಣೆಗಾಗಿ ಧೋರಣೆ ಮತ್ತು ಅನುಷ್ಠಾನಗಳ ಕಡೆ ಆದ್ಯ ಗಮನ ಹರಿಸುತ್ತಿದೆ.

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

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗ ದರ್ಶಿಕೆಯಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ನೂತನ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಬೇಸಲ್ II ಅನುಸರಣೆಯನ್ನು 31, ಮಾರ್ಚ್ 2009ಕ್ಕೆ ಪೂರ್ಣಾವಿಷ್ಕಾರಗೊಳಿಸಿದ ಹಾಗೂ ಮಾರ್ಗದರ್ಶಿಕೆಯ ಮೂಲಭೂತ ಅನುಸಂಧಾನಗಳನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಿದೆ. ಬೇಸಲ್ II ಅನುಸರಣೆಯನ್ನು ಪೂರ್ಣಕಾರ್ಯಗತಗೊಳಿಸುವಾಗಲೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬೇಸಲ್ II ಪಥದರ್ಶಕದ ಮುಂದುವರಿಕೆಯ 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 II ಪಥದರ್ಶಿಕೆಯ ಅನುಷ್ಠಾನದೊಂದಿಗೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ ಆದೇಶಿಕೆಯ ಧೋರಣಾ ದಾಖಲೆಯ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಪ್ರಾರಂಭಿಸಿದ್ದು ಇದು ಅಪಾಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆಯ ಅಂದಾಜು ನಿಖರವಾಗಿಸುವಲ್ಲಿ ಸಹಾಯ ಮಾಡುತ್ತಿದೆ. ಹಲವಾರು ಒತ್ತಡ ಪರೀಕ್ಷಣಾ ಚೌಕಟ್ಟುಗಳನ್ನು ಸ್ಥಾನಾಪನಗೊಳಿಸಿದ್ದು ಇದು ತೀವ್ರ ಒತ್ತಡ ಸಾಧ್ಯತೆಯ ಪರಿಣಾಮ ತಿಳಿಯುವಲ್ಲಿಯೂ ಸಹ ಪರಿಣಾಮಕಾರಿಯಾಗಿದೆ. ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನಾ ಆದೇಶಕ್ಕೆ ಮತ್ತು ಒತ್ತಡ ಪರೀಕ್ಷಣೆಗಳ ಬಗ್ಗೆ ಆಗಾಗ್ಗೆ ನಿಯಮಿತವಾಗಿ ಮೇಲ್ಮೋಟ ಹರಿಸುವುದರಿಂದ ಯೋಜಿತ ವ್ಯವಹಾರಾಭಿವೃದ್ಧಿಗೆ ಅಗತ್ಯವಾದ ಬಂಡವಾಳದ ಅಗತ್ಯತೆಯನ್ನು ಅಂದಾಜಿಸುವಲ್ಲಿಯೂ, ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ಸಾಮರ್ಥ್ಯ ಸುಧಾರಿಸುವಲ್ಲಿಯೂ ಸಹಕಾರಿಯಾಗಿದೆ.

INTERNAL CONTROL SYSTEMS

The Bank has put in place a robust internal control apparatus commensurate with its size, spread and complexity of operations. While the Audit Committee of the Board of Directors provide macro level guidance and direction to the control aspects and supervises the audit, inspection and all other internal control functions of the Bank, an independent Compliance Department is put in charge of the entire compliance functions of the Bank. Periodic Regular Inspections, IS (EDP) Audits, Short Inspections, etc. of all the branches and offices, Concurrent Audit of select branches whose aggregate turnover account for over 70% of the Gross Bank Credit and over 50% of aggregate deposits of the Bank, Concurrent Audit of Treasury, ID and Forex transactions, Concurrent IS audit of Data Centre etc. form the means for ensuring the efficacy and adequacy of the internal control mechanism. Beside, the Bank has also been causing Stock and Credit audits of large borrowal accounts by external professional audit firms as a part of effective credit administration.

A sound internal audit mechanism 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 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. In addition to these, now, with the implementation of risk-based internal audit (RBIA), greater emphasis is placed on the internal auditor's role in mitigating various risks. While focusing on effective risk management and controls, in addition to transaction testing etc., the risk-based internal audit would, not only offer suggestions for mitigating current risks but also anticipate areas of potential risks thereby playing an important role in the risk management apparatus of the bank.

The RBIA risk assessment is undertaken, inter-alia, for the purpose of formulating the audit plan. The risk assessment would, as an independent activity, cover risks at various levels (corporate and branch; the 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

ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಗಳು

ಬ್ಯಾಂಕಿನ ಗಾತ್ರ ಮತ್ತು ವ್ಯವಹಾರಗಳಲ್ಲಿನ ಸಂಕೀರ್ಣತೆಯ ಸೂಕ್ಷ್ಮಕ್ಕೆ ಅನುಗುಣವಾದ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಬ್ಯಾಂಕು ಈಗಾಗಲೇ ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಕೈಗೊಂಡಿರುತ್ತದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಸಮಿತಿಯು ಸೂಕ್ಷ್ಮಾತ್ಮಿ ಸೂಕ್ಷ್ಮ ಮಾರ್ಗದರ್ಶನ, ನಿಯಂತ್ರಣ ಮತ್ತು ನಿರ್ದೇಶನ ನೀಡುತ್ತಾ ಪರಿವೀಕ್ಷಣೆ ಮತ್ತು ಪರಿಶೋಧನೆ ಪ್ರಕ್ರಿಯೆಗಳ ಮೇಲ್ವಿಚಾರಣೆ ಹಾಗೂ ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ಚಟುವಟಿಕೆಯ ಮೇಲೆ ನಿಯಂತ್ರಣ ಹೊಂದಿದೆ ಅಲ್ಲದೆ ಪ್ರತ್ಯೇಕವಾದ ಸ್ವತಂತ್ರವಾದ ಪರಿಪಾಲನಾ ವಿಭಾಗವೂ ಆಂತರಿಕ ಕಾರ್ಯಭಾರದ ವೀಕ್ಷಣೆ ನಡೆಸುತ್ತಾ ಇದೆ. ನಿಯಮಿತ ಪರಿವೀಕ್ಷಣೆ, ಇಡೀ ಪರಿವೀಕ್ಷಣೆ, ಕಿರು ಪರಿವೀಕ್ಷಣೆ ಇತ್ಯಾದಿ ಎಲ್ಲಾ ಶಾಖೆ/ ಕಛೇರಿಗಳಲ್ಲೂ ನಡೆಯುತ್ತಿವೆ. ಆಯ್ದು ಶಾಖೆಗಳ ಸಹಗಮಿ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯು ನಡೆಯುತ್ತದೆ. (ಆ ಶಾಖೆಗಳ ಒಟ್ಟು ವ್ಯವಹಾರ ಖಾತೆಗಳ ಮೊತ್ತ, ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಮುಂಗಡದ ಶೇಕಡಾ 70 ಮೀರದಲ್ಲಿದ್ದು ಹಾಗೂ ಒಟ್ಟು ರೇವನಿಯು ಶೇ 50 ಮೀರದಲ್ಲಿದ್ದು) ಖಜಾನೆ ವಿಭಾಗದ ಸಹಗಮಿ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯೊಂದಿಗೆ ಆಂತರರಾಷ್ಟ್ರೀಯ ವಿಭಾಗ, ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರ, ದತ್ತಾಂಶ ಕೇಂದ್ರದ ಐಎಸ್ ಲೆಕ್ಕ ಪರಿಶೋಧನೆ ಸಹಗಮಿಯಾಗಿ ಜರುಗುತ್ತಿದ್ದು ಇದು ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯ ಕಾರ್ಯದಕ್ಷತೆ ಮತ್ತು ನಿಖರತೆಗೆ ಹಾಗೂ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ಸುವ್ಯವಸ್ಥೆಗೆ ಸಾಕ್ಷಿಯಾಗಿದೆ. ಬೃಹತ್ ಮುಂಗಡ ಖಾತೆಗಳ ದಾಸ್ತಾನು ಲೆಕ್ಕ ಪರಿಶೋಧನೆ ಮತ್ತು ಮುಂಗಡ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಗಳನ್ನು ವೃತ್ತಿಪರ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಸಂಸ್ಥೆಗಳ ನೆರವಿನಿಂದ ಮುಂದುವರೆಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು ಇದು ಮುಂಗಡ ಖಾತೆಗಳ ಪರಿಣಾಮಕಾರಿ ನಿರ್ವಹಣೆಗೆ ಸಹಕಾರಿಯಾಗಿದೆ.

ಪರಿಣಾಮಕಾರಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಸದೃಢ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಕೌಶಲ್ಯ ಬಹುಮುಖ್ಯ ಪಾತ್ರ ವಹಿಸುತ್ತದೆ. ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಪ್ರಕ್ರಿಯೆಯು ಬ್ಯಾಂಕ್ ಆಡಳಿತಕ್ಕೆ ಉತ್ತಮ ಗುಣಮಟ್ಟದ ನಿಖರ ಅಭಿಪ್ರಾಯವನ್ನು ಒದಗಿಸುವಲ್ಲಿ ಸಹಕಾರಿ. ಈ ಅಭಿಪ್ರಾಯವು ಪರಿಣಾಮಕಾರಿ ಅಪಾಯ ನಿರ್ವಹಣೆ ಮತ್ತು ಆಂತರಿಕ ನಿಯಂತ್ರಣ, ಬ್ಯಾಂಕ್ ಪೂರೈಸಬೇಕಾದ ನಿಯಮಿತ ಸಮರ್ಪಕಿಗೆ ವಿಶೇಷ ಸಹಕಾರಿಯಾಗುತ್ತದೆ. ಚಾರಿತ್ರಿಕವಾಗಿ ಬ್ಯಾಂಕುಗಳ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ವ್ಯವಸ್ಥೆಯು ವಹಿವಾಟಿನ ಪರಿವೀಕ್ಷಣೆ ನಿಖರತೆಯ ಪರಿಷ್ಕೆ ಮತ್ತು ಲೆಕ್ಕಗಳ ದಾಖಲೆ, ಲೆಕ್ಕಪತ್ರಗಳ ವರದಿಗಳ ಸಾಹಚರ್ಯ ಪರಿಷ್ಕೆ ನಂಬಲರ್ಹತೆಯ ಪರಿಷ್ಕೆ ನಿಯಂತ್ರಕ ವರದಿಗಳ ಸಕಾಲಿಕ ಸಲ್ಲಿಕೆಯ ಪರಿವೀಕ್ಷಣೆ, ಕಾನೂನು ಮತ್ತು ನಿಯಂತ್ರಕ ಅಗತ್ಯಗಳಿಗೆ ಬದ್ಧವಾಗಿದೆಯೇ ಎನ್ನುವುದನ್ನು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳುವುದನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ. ಇದಕ್ಕೆ ಹೆಚ್ಚುವರಿಯಾಗಿ ಇದೀಗ ವಿವಿಧ ಅಪಾಯಗಳನ್ನು ಮಿತಿಗೊಳಿಸುವುದರಲ್ಲಿ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಪಾತ್ರ ಹೆಚ್ಚಿನ ಹೆಚ್ಚು ಹೊಂದಿದೆ. ಪರಿಣಾಮಕಾರಿ ಅಪಾಯ ನಿರ್ವಹಣೆ ಮತ್ತು ನಿಯಂತ್ರಣವನ್ನು ಕೇಂದ್ರೀಕರಿಸುವುದರೊಂದಿಗೆ ವಹಿವಾಟಿನ ಸಾಹಚರ್ಯ ಪರಿಷ್ಕೆಯನ್ನು ಒಡಗೂಡಿ, ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯು ಚಾಲ್ತಿ ಅಪಾಯಗಳನ್ನು ಮಿತಿಗೊಳಿಸುವುದರೊಂದಿಗೆ ವಿವಿಧ ಕ್ಷೇತ್ರಗಳಲ್ಲಿ ಬಂದೂದಗಬಹುದಾದ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯನ್ನು ನಿಖರವಾಗಿ ಅಂದಾಜಿಸುವ ಗುರುತರವಾದ ಹೊಣೆಯನ್ನು ಬ್ಯಾಂಕಿನ ಪರವಾಗಿ ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆ ಹೊರುತ್ತದೆ.

ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯಲ್ಲಿ ಇತರ ವಿಷಯಗಳ ಜೊತೆಗೆ ಅಪಾಯದ ಮಾಪನವೂ ಸೇರಿದ್ದು, ಲೆಕ್ಕ ಪರಿಶೋಧನೆ, ಯೋಜನೆಯ ರೂಪಣೆಗೆ ಇದು ಸಹಾಯ ಮಾಡುತ್ತದೆ. ಅಪಾಯ ನಿರ್ಧರಣೆ ಯಾ ಮಾಪನ ಒಂದು ಸ್ವತಂತ್ರ ಚಟುವಟಿಕೆಯಾಗಿದ್ದರೂ, ವಿವಿಧ ಸ್ತರಗಳಲ್ಲಿ (ಸಾಂಸ್ಥಿಕ ಮತ್ತು ಶಾಖಾ ಹಂತಗಳಲ್ಲಿ, ಪೋರ್ಟ್‌ಫೋಲಿಯೋ ಮತ್ತು ಏಕವ್ಯಕ್ತಿಪರ ವಹಿವಾಟು ಇತ್ಯಾದಿ) ಕಾರ್ಯ ಜರಗಿಸುತ್ತಾ ಅಪಾಯದ ಗುರುತಿಸುವಿಕೆ, ಮೌಲ್ಯಮಾಪನ, ನಿಗಾ ಮತ್ತು ನಿಯಂತ್ರಣಕ್ಕೆ ಸಹಾಯ ಮಾಡುತ್ತದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಒಪ್ಪಿಗೆಯೊಂದಿಗೆ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ವಿಭಾಗವು ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಅಪಾಯ ಮಾಪನಾ ವ್ಯವಸ್ಥೆಯನ್ನು ಕಾರ್ಯರೂಪಕ್ಕೆ

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, evaluation of the effectiveness of the control systems for monitoring the inherent risks of the business activities ('Control risk') and drawing up a risk-matrix for taking into account both the factors viz., inherent business risks and control risks. With a view to further improve the credit monitoring and supervision functions, your Bank has introduced on-line marking of NPAs and has also initiated steps for offsite monitoring of all the borrowal accounts with exposure above ₹ 25 lakh.

HUMAN RESOURCE DEVELOPMENT

The Banking industry across the world is now being exposed to various changes which have a direct impact on the existing systems and sphere of activities. The survival and prosperity of any industry depends upon the quality of its human resource and banking industry is not an exception to this. Accordingly, your Bank attributes the greatest importance to HRD activities.

Your Bank deputed its employees to various training and development programmes to upgrade their skills and competencies so that they grow as an individual and contribute towards the growth of the Bank. The Bank has a well established Staff Training College having state of the art infrastructure facilities and expertise in conducting training programmes. Besides, Officers requiring specialized training are being deputed to various programmes conducted at Southern India Banks' Staff Training College, Bangalore, National Institute of Bank Management, Pune, Reserve Bank's College of Agricultural Banking, Pune, Institute for Development and Research in Banking Technology, Hyderabad etc. During the year 2011-12, the Bank has deputed the employees to various trainings / workshops / conferences to update / improve their knowledge. There were 3487, 1320 and 132 nominations to various programmes in the category of Officers, Clerks and Substaff respectively during the year.

Your Bank maintains excellent industrial relations and there is an atmosphere of peace and harmony in the Bank. The performance of individual employees is recognized and rewarded by promotions, appreciations etc. The number of employees in the Bank stood at 6087 as on 31st March 2012. The Business per employee (excluding inter bank deposits) has improved from ₹ 7.71 Crores as on 31st March 2011 to ₹ 8.59 Crore as on 31st March 2012

ತಂದು, ಬ್ಯಾಂಕು ನಡೆಸುವ ವ್ಯವಹಾರದ ಗಾತ್ರ ಮತ್ತು ಸಂಕೀರ್ಣತೆಗೆ ಅನುಸಾರವಾಗಿ ನಿರ್ವಹಿಸುತ್ತಿದೆ. ಅಪಾಯ ಮಾಪನಾ ಪ್ರಕ್ರಿಯೆಯು ಬ್ಯಾಂಕು ಕೈಗೊಳ್ಳುವ ವಿವಿಧ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಸಹಜವಾಗಿ ಅಂತರ್ಗತವಾಗಿರುವ ವ್ಯವಹಾರ ಅಪಾಯವನ್ನು ಗುರುತಿಸುವ ಕೆಲಸವನ್ನು ಹೊಂದಿದ್ದು, ಅಂತರ್ಗತ ಅಪಾಯದ ಮೌಲ್ಯಮಾಪನವನ್ನು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯ ರೂಪಣೆಯನ್ನು ವ್ಯವಹಾರ ಚಟುವಟಿಕೆಯೊಂದಿಗೆ ಅಂತರ್ಗತವಾದ ಅಪಾಯದ ಮೇಲೆ ನಿಗಾ, ಅಪಾಯ ನಿಯಂತ್ರಣ ಹಾಗೂ ನಿಯಂತ್ರಣಕ್ಕೆ ಅನುರೂಪವಾದ ಅಪಾಯದ ವಿರುದ್ಧ ಕ್ಷಿಪ್ರಕಾರ್ಯಾಚರಣೆಯನ್ನು ಅಂತರ್ಗತವಾದ ವ್ಯವಹಾರದ ಅಪಾಯ ಮತ್ತು ಅಪಾಯ ನಿಯಂತ್ರಣದಲ್ಲಿ ಬಳಸುತ್ತದೆ. ಮುಂಗಡಗಳ ಮೇಲಿನ ನಿಗಾ ಮತ್ತು ಮೇಲ್ವಿಚಾರಣೆ ಹಾಗೂ ಈ ನಿಟ್ಟಿನಲ್ಲಿ ಹೆಚ್ಚುವರಿ ಸುಧಾರಣೆ ಆಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅನುತ್ಪಾದಕ ಆಸ್ತಿ ಖಾತೆಗಳ "ಆನ್‌ಲೈನ್‌ಮಾರ್ಕಿಂಗ್" ವ್ಯವಸ್ಥೆಯನ್ನು ಕಾರ್ಯರೂಪಕ್ಕೆ ತಂದಿದೆ ಅಲ್ಲದೆ ₹ 25 ಲಕ್ಷ ಮಿತಿಯ ಮೇಲಣ ಸಾಲ ಖಾತೆಗಳ ಬಗ್ಗೆ ಪ್ರತ್ಯೇಕ ನಿಗಾ, ಮೇಲ್ವಿಚಾರಣೆಯನ್ನು ಈಗಾಗಲೇ ಪ್ರಾರಂಭಿಸಿದೆ.

ಮಾನವ ಸಂಪನ್ಮೂಲ ಅಭಿವೃದ್ಧಿ

ಬ್ಯಾಂಕಿಂಗ್ ವಲಯದ ಕಾರ್ಯವಿಧಾನಗಳು ಜಾಗತಿಕ ಮಟ್ಟದಲ್ಲೇ ವಿವಿಧ ಬದಲಾವಣೆಗಳಿಗೆ ಪಕ್ಕಾಗಿದ್ದು ಅವು ಪ್ರಸ್ತುತ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಚಟುವಟಿಕಾ ಕ್ಷೇತ್ರದ ಮೇಲೆ ನೇರವಾಗಿ ಪರಿಣಾಮ ಬೀರುತ್ತದೆ. ಯಾವುದೇ ಒಂದು ಸಂಸ್ಥೆಯ ಉಳಿವು ಮತ್ತು ಉತ್ಪನ್ನಕ್ಕೆ ಅದರ ಮಾನವ ಸಂಪನ್ಮೂಲದ ಗುಣಮಟ್ಟ ಪ್ರಧಾನ ಕಾರಣವಾಗಿರುತ್ತದೆ. ಅಂತೆಯೇ ಮಾನವಸಂಪನ್ಮೂಲ ಅಭಿವೃದ್ಧಿಯು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಆದ್ಯ ಗಮನ ಹರಿಸುತ್ತದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ತನ್ನ ಸಿಬ್ಬಂದಿಗಳನ್ನು ನಾನಾ ತರಬೇತಿ ಮತ್ತು ಅಭಿವೃದ್ಧಿ ಕಾರ್ಯಕ್ರಮಗಳಿಗಾಗಿ ನಿಯೋಜಿಸುತ್ತಿದ್ದು ಇದು ಅವರ ವೃತ್ತಿ ಕೌಶಲ ಮತ್ತು ಕಾರ್ಯಕ್ಷಮತೆ ವೃದ್ಧಿಗೆ ಸಹಾಯಕವಾಗಿದ್ದು, ತನ್ನೂಲಕ ವೈಯುಕ್ತಿಕ ಹಾಗೂ ಬ್ಯಾಂಕಿನ ಅಭಿವೃದ್ಧಿಗೂ ಅವರು ಕಾರಣರಾಗುತ್ತಾರೆ. ಬ್ಯಾಂಕು ತನ್ನದೇ ಪರಿಪೂರ್ಣ ಸಿಬ್ಬಂದಿ ತರಬೇತಿ ವಿದ್ಯಾಲಯವನ್ನು ಹೊಂದಿದ್ದು, ಆತ್ಮಾಧುನಿಕ ಅಧೋರಚನೆಯೊಂದಿಗೆ ಉತ್ತಮ ಅಧ್ಯಾಪನಾ ನೈಪುಣ್ಯತೆ ಹೊಂದಿದ ಬೋಧನಾ ವೃಂದವನ್ನೊಡಗೂಡಿ ತರಬೇತಿ ನೀಡುತ್ತಿದೆ. ಅಲ್ಲದೇ ವಿಶೇಷ ತರಬೇತಿ ಅವಶ್ಯಕವಾದಲ್ಲಿ ಅಧಿಕಾರಿಗಳನ್ನು ಬೆಂಗಳೂರಿನ "ಸರ್ವನ್ ಇಂಡಿಯಾ ಬ್ಯಾಂಕ್ ಟ್ರೈನಿಂಗ್ ಕಾಲೇಜ್". ಪುಣೆಯ "ನ್ಯಾಶನಲ್ ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಬ್ಯಾಂಕ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್" ಮತ್ತು "ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಕಾಲೇಜ್ ಆಫ್ ಎಗ್ರಿಕಲ್ಚರಲ್ ಬ್ಯಾಂಕಿಂಗ್", ಹೈದರಾಬಾದ್ ನ "ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಫಾರ್ ಡೆವಲಪ್‌ಮೆಂಟ್ ಆಂಡ್ ರಿಸರ್ಚ್ ಇನ್ ಬ್ಯಾಂಕಿಂಗ್ ಟೆಕ್ನಾಲಜಿ" ಇತ್ಯಾದಿಗಳಿಗೆ ನಿಯೋಜಿಸಲಾಗುತ್ತದೆ. ಪ್ರಸ್ತುತ ವರ್ಷ 2011-12 ರಲ್ಲಿ ಬ್ಯಾಂಕು ತನ್ನ ಸಿಬ್ಬಂದಿಗಳನ್ನು ವಿವಿಧ ತರಬೇತಿ/ ಕಾರ್ಯಾಗಾರ / ಸಮ್ಮೇಳನಗಳಿಗೆ ಅವರ ಜ್ಞಾನ ಮತ್ತು ಕೌಶಲ ಅಭಿವೃದ್ಧಿಗಾಗಿ ಹಾಜರಾಗಲು ನಿಯೋಜಿಸಿದೆ. ಪ್ರಸ್ತುತ ವರ್ಷದಲ್ಲಿ 3,487 ಅಧಿಕಾರಿಗಳು, 1320 ಗುಮಾಸ್ತರು ಹಾಗೂ 132 ಸಹಾಯಕ ಸಿಬ್ಬಂದಿಗಳಿಗೆ ತರಬೇತಿ ನೀಡಲಾಗಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆತ್ಮತೃಪ್ತ ಸಾಂಸ್ಥಿಕ- ನೌಕರ ಬಾಂಧವ್ಯವನ್ನು ಹೊಂದಿದ್ದು ಪ್ರಶಾಂತ ಹಾಗೂ ಸೌಹಾರ್ದಯುತ ವಾತಾವರಣ ಬ್ಯಾಂಕಿನಲ್ಲಿದೆ. ಸಿಬ್ಬಂದಿಯ ಸಾಧನೆಯನ್ನು ವೈಯುಕ್ತಿಕವಾಗಿ ಗುರುತಿಸುವ ಮತ್ತು ಪದೋನ್ನತಿಯ ಮೂಲಕ ಮೆಚ್ಚುಗೆ ವ್ಯಕ್ತಪಡಿಸುವ ಮೂಲಕ ಬ್ಯಾಂಕು ಅವರನ್ನು ಉತ್ತೇಜಿಸುತ್ತಿದೆ. 31, ಮಾರ್ಚ್ 2012ಕ್ಕೆ ಬ್ಯಾಂಕ್ ನೌಕರರ ಸಂಖ್ಯೆ 6087 ಆಗಿರುತ್ತದೆ. ಸಿಬ್ಬಂದಿ ತಲಾ ವಹಿವಾಟು (ಅಂತರ್ ಬ್ಯಾಂಕಿಂಗ್ ಠೇವಣಿ ಹೊರತಾಗಿ) 31, ಮಾರ್ಚ್ 2011ರಲ್ಲಿದ್ದ ₹ 7.71 ಕೋಟಿಯಿಂದ 31 ಮಾರ್ಚ್ 2012ಕ್ಕೆ ₹ 8.59 ಕೋಟಿಗೆ ಉತ್ತಮಗೊಂಡಿದೆ.

DIRECTORS

Messrs Ananthakrishna, D. Harshendra Kumar and Dr. H. Ramamohan are retiring by rotation and are eligible for re-appointment at the forth coming Annual General Meeting. Their brief resume and other details are furnished in the notice of the meeting.

CORPORATE GOVERNANCE

Your Bank is committed to following the best practices of corporate governance to protect the interests of all the stakeholders of the Bank, viz. shareholders, depositors, customers and employees and the society in general and maintains 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:

- i. The Accounts for the year 2011-12 were prepared by following the Accounting Standards in so far as they apply to banks.
- ii. 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 31st March 2012.
- iii. 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.
- iv. The annual accounts for the year ended 31st March 2012 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, 2012 requiring disclosure under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

ನಿರ್ದೇಶಕರು

ಸರ್ವಶ್ರೀ ಆನಂತಕೃಷ್ಣ, ಡಿ. ಹರ್ಷೇಂದ್ರ ಕುಮಾರ್ ಮತ್ತು ಡಾ. ಎಚ್. ರಾಮಮೋಹನ ಇವರುಗಳು ಸರದಿ ಪ್ರಕಾರ ನಿವೃತ್ತರಾಗಲಿದ್ದು ಮತ್ತು ಬರಲಿರುವ ಬ್ಯಾಂಕಿನ ಮಹಾಸಭೆಯಲ್ಲಿ ಅವರುಗಳು ಪುನರ್ ನೇಮಕಗೊಳ್ಳಲು ಅರ್ಹರಾಗಿರುತ್ತಾರೆ. ಅವರೆಲ್ಲರ ಸಂಕ್ಷಿಪ್ತ ಪ್ರವರ ಮತ್ತು ಇತರ ವಿವರಗಳು ಮಹಾಸಭೆಯ ಸೂಚನಾ ಪತ್ರದೊಂದಿಗೆ ನೀಡಲಾಗಿದೆ.

ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆತ್ಮಶ್ರಮ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನವನ್ನು ಪಾಲಿಸಲು ಬದ್ಧವಾಗಿದ್ದು, ತನ್ನೂಲಕ ಬ್ಯಾಂಕಿನ ಸರ್ವ ಪಾಲುದಾರರ ಅಂದರೆ ಶೇರುದಾರರ, ಠೇವಣಿದಾರರ, ಗ್ರಾಹಕರ ಮತ್ತು ನೌಕರರ ಹಾಗೂ ಪ್ರಾಮುಖ್ಯವಾಗಿ ಸಮಾಜದ ಹಿತಾಸಕ್ತಿಗಳನ್ನು ಕಾಯ್ದುಕೊಂಡಿದ್ದು ನಿರ್ವಹಣೆಯ ಸರ್ವ ಸ್ಥರದಲ್ಲೂ 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.

- (i) 2011-12ರ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಬ್ಯಾಂಕುಗಳಿಗೆ ಅನ್ವಯಿಸುವ ಲೆಕ್ಕಪತ್ರ ಸಂಹಿತೆಯನ್ನು ಅನುಸರಿಸಿ ತಯಾರಿಸಲಾಗಿದೆ.
- (ii) ಬ್ಯಾಂಕು ಅಳವಡಿಸಿರುವ ಮತ್ತು ನಿಯಮಿತವಾಗಿ ಅನುಸರಿಸುತ್ತಿರುವ ಲೇಖಾ ವಿಧಾನ ನೀತಿಗಳು, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ಕಾಲಕಾಲಕ್ಕೆ ಹೊರಡಿಸಿರುವ ಮಾರ್ಗದರ್ಶಿ ಸೂತ್ರಗಳಿಗೆ ಅನುಗುಣವಾಗಿದೆ. 31, ಮಾರ್ಚ್ 2012ರಂದು ಅಂತ್ಯಗೊಂಡ ವರ್ಷದಂದು ಇದ್ದ ಬ್ಯಾಂಕಿನ ಸ್ಥಿತಿಗತಿಯ ಮತ್ತು ಲಾಭದ ನಿಜವಾದ ಹಾಗೂ ಯಥಾರ್ಥವಾದ ಚಿತ್ರಣ ಕೊಡಲು ಯಥೋಚಿತ ವಿವೇಕಯುತ ತೀರ್ಮಾನಗಳನ್ನು ಮತ್ತು ಅಂದಾಜುಗಳನ್ನು ಲೆಕ್ಕಪತ್ರವನ್ನಿಡಲು ಮಾಡಲಾಗಿದೆ.
- (iii) 1956ರ ಕಂಪನಿ ಕಾಯ್ದೆಯನ್ವಯ ಬ್ಯಾಂಕುಗಳಿಗೆ ಅನ್ವಯಿಸುವ ಉಪಬಂಧಗಳ ಪ್ರಕಾರ ಲೆಕ್ಕಪತ್ರವನ್ನಿಡಲು ಬ್ಯಾಂಕು ಯುಕ್ತ ಮತ್ತು ಅಗತ್ಯವಾದ ಎಚ್ಚರಿಕೆಯನ್ನು ತೆಗೆದುಕೊಂಡಿದೆ.
- (iv) 31, ಮಾರ್ಚ್ 2012ರಂದು ಮುಕ್ತಾಯಗೊಂಡ ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರವನ್ನು "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 ಏನಿದ್ದರೂ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನವನ್ನು ವಿಸ್ತೃತವಾಗಿ ಉಪಯೋಗಿಸುತ್ತಿದೆ.

ಕಂಪನಿ ಕಾಯಿದೆ 1956ರ ವಿಭಾಗ 217 (2 ಎ) ಹಾಗೂ ಕಂಪನಿಗಳ (ಸಿಬ್ಬಂದಿ ವಿವರ) ವಿಧಿ 1975ರ ನಿಯಮಾನುಸಾರ ಬಹಿರಂಗಪಡಿಸಬೇಕಾದ ಮಾಹಿತಿ ಏನೂ ಇರುವುದಿಲ್ಲ. 31, ಮಾರ್ಚ್ 2012 ವರ್ಷಾಂತ್ಯಕ್ಕೆ ಮೇಲ್ಕಾಣಿಸಿದ ಕಾಯಿದೆ ಅನುಸಾರವಾಗಿ ಯಾವೊಬ್ಬ ಸಿಬ್ಬಂದಿಯೂ ಬಹಿರಂಗಪಡಿಸಬೇಕಾದಷ್ಟು ಮೊತ್ತದ ವೇತನವನ್ನು ಪಡೆದಿರುವುದಿಲ್ಲ.

SOCIAL INITIATIVES

Businesses are an integral part of society and have a critical active role in the sustenance and improvement of a healthy ecosystem in fostering social inclusiveness and equity and to uphold 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 engage in accepting 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 the bank has been responding well over the years through various initiatives like participation in social, cultural, educational activities etc., aimed at improving the knowledge, standard of living and the quality of life of the people and society. 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.

FINANCIAL INCLUSION

Financial Inclusion is 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.

Your Bank has taken up implementation of Financial Inclusion in 80 villages across Karnataka, Chattisgarah and Andhra Pradesh by utilizing appropriate information and Communication Technology (ICT) based model using Business Correspondents Model in 69 villages and "Brick and Mortar" branch models in 11 villages, for extending banking services in every village having a population of over 2000. Your bank has opened its first Financial Inclusion Branch at Kairangala and the second one at Horanadu.

With a view to spread awareness on financial services available from banks to the members of general public and to spread financial education and financial literacy to the common man at the remotest Village in the service area of the Bank, your Bank has implemented the mobile van model of Financial Inclusion Resource Center (FIRC) and has covered about 854 service area villages by

ಸಾಮಾಜಿಕ ಉಪಕ್ರಮ

ವ್ಯವಹಾರಗಳನ್ನುವುದು ಸಮಾಜದ ಅವಿಭಾಜ್ಯ ಅಂಗವಾಗಿದ್ದು, ಸಮಾಜದ ಅರ್ಥವ್ಯವಸ್ಥೆಯ ಉನ್ನತಿಗಾಗಿ ಸಾಮಾಜಿಕ ಒಗ್ಗೂಡಿಕೆ ಹಾಗೂ ಸಮಾನತೆಯನ್ನು ಎತ್ತಿಹಿಡಿಯುವುದು, ಸಂಕೀರ್ಣ ಪಾತ್ರದೊಂದಿಗೆ ಸಾಮಾಜಿಕ ಹಿತಾಸಕ್ತಿ ಪೋಷಣೆ, ನೈತಿಕತೆ ಸೇವೆ ಹಾಗೂ ಉತ್ತಮ ಆಡಳಿತ ಒಂದು ಸಂಸ್ಥೆಯ ಹೊಣೆಯಾಗಿರುತ್ತದೆ. ಸಮಾಜ, ಪರಿಸರಗಳ ಸಮಗ್ರ ಪರಿಕಲ್ಪನೆಯಲ್ಲಿ ವ್ಯವಹಾರ ಪ್ರಶಾಸನ ನಡೆಸುವುದು ದೂರಗಾಮೀ ಯಶಸ್ಸು, ಅರ್ಹತೆ ಮತ್ತು ಬಾಳಿಕೆಗೆ ತಳಹದಿಯಾಗಿದೆ. ಇದರ ಪೂರ್ಣ ಅರಿವಿನೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿಗಳನ್ನು ಸತತ ಸ್ವೀಕರಿಸುವಲ್ಲಿ ನಿರಂತರವಾಗಿ ಕ್ರಮಿಸಿದೆ. ಹೀಗೆ ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿಯ ಬ್ಯಾಂಕಿನ ಉಪಕ್ರಮವು, ಸಮಾಜ, ಪರಿಸರ ಹಾಗೂ ಆರ್ಥಿಕ ಮೌಲ್ಯಗಳ ಉನ್ನತಿಗೆ ಧನಾತ್ಮಕ ಚಟುವಟಿಕೆಗಳಾಗಿ ಯೋಜಿತ ಗೊಂಡಿದ್ದು, ತನ್ಮೂಲಕ ಸಮಾಜ ಮತ್ತು ವ್ಯವಹಾರ ಉನ್ನತಿಗೆ ಇದು ಬೆಂಗಾವಲಾಗುತ್ತದೆ. ಈ ದಿಶೆಯಲ್ಲಿ ಬ್ಯಾಂಕು ಸುದೀರ್ಘಕಾಲದಿಂದ ಸಾಮಾಜಿಕ ಉಪಕ್ರಮದಲ್ಲಿ ತನ್ನನ್ನು ತೊಡಗಿಸಿಕೊಳ್ಳುತ್ತಾ, ಅನೇಕ ಸಾಮಾಜಿಕ, ಸಾಂಸ್ಕೃತಿಕ, ಶೈಕ್ಷಣಿಕ ಇತ್ಯಾದಿ ಚಟುವಟಿಕೆಗಳಲ್ಲಿ ಭಾಗಿಯಾಗುತ್ತಾ, ಜ್ಞಾನಾಭಿವೃದ್ಧಿ, ಜನಸಾಮಾನ್ಯರ ಬದುಕಿನ ಮಟ್ಟದ ಸುಧಾರಣೆ ಹಾಗೂ ಪ್ರಗತಿಗಾಗಿ ನಿರಂತರವಾಗಿ ಶ್ರಮಿಸುತ್ತಿದೆ. ಹೀಗೆ ಸಮಾಜದ ಒಂದು ಭಾಗವೇ 'ತಾನು' ಎನ್ನುವುದನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ದೃಢವಾಗಿ ನಂಬಿದ್ದು, ಸಮಾಜದ ಸರ್ವಾಂಗೀಣ ಅಭಿವೃದ್ಧಿಯೇ ಬ್ಯಾಂಕಿನ ಸರ್ವಾಂಗೀಣ ಅಭಿವೃದ್ಧಿಗೆ ಪೂರಕವಾಗುತ್ತದೆ ಎನ್ನುವ ನಿಲುವನ್ನು ಹೊಂದಿದೆ.

ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ

ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಯ ಮೂಲ ಧೈಯೋದ್ದೇಶ ಆಧುನಿಕ ಪೂರ್ಣ ಸ್ಥರದ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಕೈಗೆಟುಕುವ ವೆಚ್ಚದಲ್ಲಿ ಕಡಿಮೆ ಆದಾಯದ ಜನ ಸಮುದಾಯಕ್ಕೆ, ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಪಡೆಯುವಷ್ಟು ಸ್ಥಿತಿ ಇಲ್ಲದವರಿಗೆ ತಲುಪಿಸುವುದೇ ಆಗಿದೆ. ಈ ತನಕ ಯಾವುದೇ ವಿತರಿಸುವಿಕೆಗೆ ಬೆಂಬಲ ಪಡೆಯದ ಸಮಾಜದ ಒಂದು ವರ್ಗದ ಜನರ ಸರ್ವಾಂಗೀಣ ಅಭಿವೃದ್ಧಿ ಈ ಯೋಜನೆಯ ಗುರಿಯಾಗಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಕರ್ನಾಟಕ, ಛತ್ತೀಸ್‌ಘಡ ಮತ್ತು ಆಂಧ್ರಪ್ರದೇಶ ರಾಜ್ಯಗಳಲ್ಲಿ ಒಟ್ಟು 80 ಹಳ್ಳಿಗಳನ್ನು ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯ ಅನುಷ್ಠಾನಕ್ಕಾಗಿ ಸ್ವೀಕರಿಸಿದ್ದು, ಸರಿಯಾದ ಮಾಹಿತಿ ಮತ್ತು ಸಂವಹನ ತಾಂತ್ರಿಕ ಅಧಾರಿತ "ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿ ಮಾದರಿ"ಯನ್ನು 69 ಹಳ್ಳಿಗಳಲ್ಲಿ ಮತ್ತು "ಬ್ರಿಕ್ ಆಂಡ್ ಮಾರ್ಟರ್" ಶಾಖಾ ಮಾದರಿ"ಯನ್ನು 11 ಹಳ್ಳಿಗಳಲ್ಲೂ, ಏಪ್ರಿಲ್ 2000 ಜನಸಂಖ್ಯೆಗಿಂತ ಹೆಚ್ಚು ಜನಸಂಖ್ಯೆಯುಳ್ಳ ಹಳ್ಳಿಗಳ ಶ್ರೀಸಾಮಾನ್ಯರಿಗೆ ಅತ್ಯುತ್ತಮ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆ ನೀಡುತ್ತಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಮೊದಲ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಬ್ಯಾಂಕ್ ಶಾಖೆಯನ್ನು ಕೈರಂಗಲದಲ್ಲಿ ತೆರೆದಿದ್ದು ಎರಡನೇ ಶಾಖೆಯನ್ನು ಹೊರನಾದಿನಲ್ಲಿ ಸ್ಥಾಪಿಸಿದೆ.

ಬ್ಯಾಂಕಿನಿಂದ ಸಿಗಬಹುದಾದ ಸರ್ವ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯ ಅರಿವನ್ನು ಸಮಾಜದ ಶ್ರೀಸಾಮಾನ್ಯರಿಗೆ ತಿಳಿಯಪಡಿಸುವುದು, ಆರ್ಥಿಕ ಜ್ಞಾನ, ಶಿಸ್ತು ಅರಿವನ್ನು ಗ್ರಾಮಾಂತರ ಮೂಲ ಮೂಲೆಯ ಜನರಿಗೆ ತಿಳಿಯಪಡಿಸುವುದು ಮುಖ್ಯ ಗುರಿ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಬ್ಯಾಂಕಿನ ಶಾಖೆಯ ಸೇವಾಕ್ಷೇತ್ರದಲ್ಲಿ ಮೊಬೈಲ್ ವ್ಯಾನ್ ಮಾದರಿಯನ್ನು "ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಸಂಪನ್ಮೂಲ ಕೇಂದ್ರ"ದ ನೆರವಿನಿಂದ ಆಯೋಜಿಸಿದ್ದು 31, ಮಾರ್ಚ್ 2012 ಒಳಗಾಗಿ 854 ಸೇವಾ ಕ್ಷೇತ್ರ ಹಳ್ಳಿಗಳಲ್ಲಿ ಇದು ಕಾರ್ಯಾಚರಣೆ ಮಾಡಿದೆ. ಅಲ್ಲದೇ, ಗ್ರಾಮಾಂತರ ಹಾಗೂ ನಗರ ಪ್ರದೇಶಗಳಲ್ಲಿ ವಿತ್ತೀಯ ಸಂಸ್ಥೆಗಳಿಂದ ಸಿಗಬಹುದಾದ ಸೇವೆ, ವಿವಿಧ ಆರ್ಥಿಕ

31.03.2012. Further, to educate the people in rural and urban areas regarding various financial products and services available from the financial sector, to provide financial counseling services regarding responsible borrowing and debt counseling and restructuring, your Bank has opened its first Financial Literacy Credit Counseling Center (FLCC) at B. C Road, Bantwal by joining hands with Syndicate Bank and Vijaya Bank, as an institutional sponsor.

Further your Bank is a Trustee of the Karnataka Farmers Resource Center (KFRC) set up by State Level Bankers Committee (SLBC), Karnataka at Bagalkot, Karnataka. It serves as a resource center and provides bridging services to the farmers to develop the managerial capacity of farmers. It also coordinates the services of various service providers to provide training, consultancy, counseling and reference services.

Your Bank is also participating in the pilot project of the Govt. of Karnataka for Bio-Metric Smart Card based payment system (Electronic Benefit Transfer) for National Rural Employment Guarantee Scheme (NREGS) and Social Security Pension (SSP) beneficiaries covering Chitradurga, Yadgir and Bellary Districts in Karnataka.

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 the employees, 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

Place : Mangalore
Date : 18.05.2012

Ananthakrishna
Chairman

ಕ್ಷೇತ್ರದ ಉತ್ಪನ್ನಗಳ ಮಾಹಿತಿ, ವಿತ್ತೀಯ ನೆರವಿನ ಬಗ್ಗೆ ಅವರಿಗೆ ಸಮಗ್ರ ಜ್ಞಾನ ನೀಡುವಲ್ಲಿ ಹೆಚ್ಚಿನ ಆರ್ಥಿಕ ಸಮಾಲೋಚನಾ ಸೇವೆ ಹಾಗೂ ಸಾಲಗಾರನ ಜವಾಬ್ದಾರಿ, ಸಾಲಬಾಕಿಯ ಬಗ್ಗೆ ಸಮಾಲೋಚನೆ, ಸಾಲ ಬಾಕಿಯ ಮರುಪಾವತಿಗಾಗಿ ಪುನರ್‌ರೂಪಣೆ ಸೇವೆಗಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು "ವಿತ್ತೀಯ ಸಾಕ್ಷರತೆ ಮುಂಗಡ ಸಮಾಲೋಚನಾ ಕೇಂದ್ರ"ವನ್ನು ಬಂಟ್ವಾಳದ ಬಿ.ಸಿ. ರಸ್ತೆಯಲ್ಲಿ ಸಿಂಡಿಕೇಟ್ ಬ್ಯಾಂಕ್ ಮತ್ತು ವಿಜಯಾ ಬ್ಯಾಂಕುಗಳ ಸಾಂಸ್ಥಿಕ ವ್ಯವಸ್ಥಾಪನಾ ಸಹಭಾಗಿತ್ವದಲ್ಲಿ ಸ್ಥಾಪಿಸಿದೆ.

ಅಲ್ಲದೇ, ಕರ್ನಾಟಕ ರಾಜ್ಯದ ಬಾಗಲಕೋಟೆಯಲ್ಲಿ ರಾಜ್ಯಮಟ್ಟದ ಬ್ಯಾಂಕರ್ಸ್ ಸಮಿತಿ ಪ್ರಾಯೋಜಿಸಿದ "ಕರ್ನಾಟಕ ರೈತರ ಸಂಪನ್ಮೂಲ ಕೇಂದ್ರ"ದ ಸಾಂಸ್ಥಿಕ ಧರ್ಮದರ್ಶಿಯಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಕಾರ್ಯವೆಸಗುತ್ತಿದೆ. ಈ ಸಂಸ್ಥೆಯು ಸಂಪನ್ಮೂಲ ಕೇಂದ್ರವಾಗಿ ಮತ್ತು ರೈತರಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆವಿಸ್ತರಿಸುವಲ್ಲಿ ಹಾಗೂ ರೈತರಲ್ಲಿ ನಿರ್ವಹಣಾ ಸಾಮರ್ಥ್ಯ ಬೆಳೆಸುವಲ್ಲಿ ಸೇತುವಾಗಿ ದುಡಿಯುತ್ತದೆ. ಅಲ್ಲದೇ ವಿವಿಧ ಸೇವಾ ಪೂರೈಕೆದಾರರಿಂದ ತರಬೇತಿ, ಸಮಾಲೋಚನೆ, ಮುಖಾಮುಖಿ ಮಾತುಕತೆ ಹೀಗೆ ವಿವಿಧ ನೆರವನ್ನು ರೈತರಿಗೆ ತಲುಪಿಸುವಲ್ಲಿ ಮಧ್ಯವರ್ತಿಯಾಗಿಯೂ ಶ್ರಮಿಸುತ್ತದೆ.

ಕರ್ನಾಟಕ ರಾಜ್ಯದ ಚಿತ್ರದುರ್ಗ, ಯಾದಗಿರಿ ಮತ್ತು ಬಳ್ಳಾರಿ ಜಿಲ್ಲೆಗಳಲ್ಲಿ ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸರ್ಕಾರದ ಮಾರ್ಗದರ್ಶಿ ಯೋಜನೆ "ಬಯೋಮೆಟ್ರಿಕ್ ಸ್ಮಾರ್ಟ್ ಕಾರ್ಡ್" ಆಧಾರಿತ ಪಾವತಿ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ (ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣೆ) ನ್ಯಾಷನಲ್ ರೂರಲ್ ಎಂಪ್ಲಾಯ್‌ಮೆಂಟ್ ಗ್ಯಾರಂಟಿ ಸ್ಕೀಮ್ ಮತ್ತು ಸೋಶಿಯಲ್ ಸೆಕ್ಯೂರಿಟಿ ಪೆನ್ಷನ್ ಫಲಾನುಭವಿಗಳಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸಹಭಾಗಿ ಸಂಸ್ಥೆಯಾಗಿ ಯಶಸ್ವಿ ಕಾರ್ಯಾಚರಣೆಗೆ ಯುಕ್ತಿದೆ.

ಕೃತಜ್ಞತೆಗಳು

ನಿಮ್ಮ ನಿರ್ದೇಶಕರು, ಭಾರತೀಯ ರಿರ್ವರ್ವ್ ಬ್ಯಾಂಕಿನ, ಇತರ ಸರಕಾರಿ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರದ, ಆರ್ಥಿಕ ಸಂಸ್ಥೆಗಳ, ಸಹಭಾಗಿ ಬ್ಯಾಂಕುಗಳ ನಿರಂತರ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ಬೆಂಬಲಗಳಿಗಾಗಿ ತಮ್ಮ ಹೈತೂರ್ವಕ ಕೃತಜ್ಞತೆಗಳನ್ನು ದಾಖಲಿಸಲು ಇಚ್ಛಿಸುತ್ತಾರೆ. ಬ್ಯಾಂಕಿನ ಶೇರುದಾರರ, ಠೇವಣಿದಾರರ ಮತ್ತು ಗ್ರಾಹಕರ ನಿರಂತರ ಬೆಂಬಲ, ಸಹಕಾರ ಮತ್ತು ನಂಬಿಕೆಗಳಿಗಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಚಿರಋಣಿಗಳಾಗಿದ್ದಾರೆ. ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಸ್ತರದ ಸಿಬ್ಬಂದಿ ವರ್ಗದವರು ನೀಡಿದ ಸಕ್ರಿಯ ಬೆಂಬಲ ಮತ್ತು ಸಹಕಾರಕ್ಕಾಗಿ, ಬ್ಯಾಂಕಿನ ನಿರಂತರ ಪ್ರಗತಿ ಮತ್ತು ಆದಾಯಕ್ಕೆ ಅವರ ಕೊಡುಗೆಗಾಗಿ, ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಹೈತೂರ್ವಕ ಮೆಚ್ಚುಗೆಯನ್ನು ದಾಖಲಿಸುತ್ತಾ ಮತ್ತು ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಬ್ಯಾಂಕನ್ನು ಹೊಸ ಎತ್ತರಕ್ಕೆ ಕೊಂಡೊಯ್ಯುವಲ್ಲಿ ಇವರೆಲ್ಲರ ನಿರಂತರ ಸಹಕಾರವನ್ನು ನಿರೀಕ್ಷಿಸುತ್ತಾರೆ.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಪರವಾಗಿ ಮತ್ತು ಅಪ್ಪಣೆಯೊಂದಿಗೆ

ಸ್ಥಳ : ಮಂಗಳೂರು
ದಿನಾಂಕ : 18 ಮೇ, 2012

ಅನಂತಕೃಷ್ಣ
ಅಧ್ಯಕ್ಷರು

ANNEXURES FORMING PART OF DIRECTORS' REPORT**ANNEXURE - I**

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

In the year 2006, shareholders of the Bank had approved a stock options scheme to be implemented in the Bank. Under the Scheme a total of 15,00,000 stock options were available for grant. The ESOP Committee of the Board administers the scheme in the Bank. The Bank is yet to implement the second stock options 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, 2012 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 - post rights issue	240461	1992	273284
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	-	-	154793
Number of Options exercised during the year	18773	194	74471
Total Number of shares arising as a result of exercise of options during the year	18773	194	74471
Options lapsed / forfeited / cancelled (nos)	--	--	2659
Variation of terms of options	Nil	Nil	Nil
Money realized by exercise of options, including premium	867312.60	8962.80	3440560.20
Total Number of Options in force as on March 31, 2012 - post rights issue	221688	1798	196154
Grant to senior Managerial personnel during the year	Nil	Nil	Nil
Employees receiving 5 per cent or more of the total number of options granted during the year ended March 2012	Nil	Nil	Nil
Employees granted options equal to or exceeding 1 per cent of the issued capital	Nil	Nil	Nil

The Bank follows 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. The difference between Employee Compensation cost computed based on such intrinsic value and employee Compensation cost that shall have been recognized if fair value of options had been used is explained below.

SI. No.	Particulars	Amount in ₹
1	Intrinsic value	2139485
2	Cost as per Black Scholes model	2122382
	Excess charged	(17103)

There is no adverse impact on profit and earnings per share (EPS)

- b) The Bank has used Black Scholes Model to calculate a theoretical call price (ignoring the dividend paid during the life of the options) using five determinants of an options price: Stock price, strike price, volatility, time to expiration and short term (risk free) interest rate. Significant assumptions made to estimate the fair value of options are as under:

SI No	Particulars	Series 1	Series 2	Series 3
1	Risk free interest rate	7.34% to 7.42%	7.34% to 7.42%	7.40% to 7.47%
2	Expected life (excluding grant period of one year)	3 years	3 years	3 years
3	Expected volatility	18%	17.30%	20.78%
4	Expected dividend	35%	35%	50%
5	Price of the underlying share at the time of grant of options	₹ 173	₹ 240.35	₹ 141.15

ANNEXURE - II**DISCLOSURE UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (PILLAR III OF BASEL II GUIDELINES) FOR THE YEAR ENDED 31ST MARCH 2012.****1. SCOPE OF APPLICATION**

The Karnataka Bank Limited is a premier private sector bank which was incorporated on February 18th 1924 at 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% in M/s Universal Sompo General Insurance Company Limited. The financials of the joint venture company are not considered 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	200000000	10	200.00
2	Issued Capital	188309038	10	188.31
3	Subscribed Capital	188300640	10	188.30
4	Paid up Capital	188284090	10	188.28

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

During the year the Bank has allotted equity shares to employees under its Employee Stock Option Plan.

The Bank had also raised Tier II capital (Subordinated Debt), aggregate value of which as on 31.03.2012 was ₹ 350.00 crore as per the table below:

Date of allotment	Date of redemption	Rate of Interest	Amount (₹ in Crore)
30-06-2007	30-06-2017	10.50%	120.50
29-03-2008	29-03-2018	10.25%	29.50
27-09-2008	27-09-2018	11.25%	200.00
TOTAL			350.00

Breakup of Capital Funds

The Tier I Capital of the Bank comprises of (₹ in crore)

1	Paid up Capital (Including forfeited shares)	188.29
2	Reserves	2390.98
	Total	2579.27

The Tier II Capital of the Bank comprises of (₹ in crore)

1	Undisclosed reserves	13.65
2	General Provisions and Loss Reserves	106.15
3	Subordinated debts eligible for inclusion in Lower Tier 2 Capital	350.00
	Total	469.80

The total eligible capital comprises of (₹ in crore)

1	Tier I Capital	2579.27
2	Tier II Capital	469.80
	Total	3049.07

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. However, stipulations under Basel III Guidelines may entail the Bank to augment its capital funds in the coming years.

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

(₹ in crore)

A	Capital requirement for Credit Risk	
	- Portfolios subject to Standardized approach	1917.93
	- Securitization exposures	0
B	Capital requirement for Market Risk	
	Standardized duration approach	107.93
	- Interest rate Risk	71.50
	- Foreign exchange risk	1.80
	- Equity Risk	34.63
C	Capital requirement for Operational Risk	
	- Basic Indicator approach	111.03
D	Total Capital requirement	2136.89
E	Total Capital Funds of the Bank	3049.07
F	Total Risk Weighted Assets	23743.14
G	Capital Adequacy Ratio of the Bank (%)	12.84
H	Tier I CRAR (%)	10.86
I	Tier II CRAR (%)	1.98

3. RISK MANAGEMENT: OBJECTIVES AND ORGANIZATION STRUCTURE

The various risks taken by the Bank during the course of the business development are identified, measured, controlled, monitored 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.

Credit Policy Committee deals with credit policies and procedures, Asset Liability Management Committee deals with Asset Liability Management (ALM) and Investment Policy of the Bank and Operational Risk Management Committee 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 specific characteristics, industry specific characteristics etc. Bank is also undertaking periodic validation exercise of its rating models and also conducting 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. In addition to the above, 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 activities.

1. Sound credit approval process with well laid credit sanctioning criteria is in place.
2. The acceptability of credit exposure is 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 are periodically undertaken to highlight risk and opportunities in those sectors.
5. Rating linked exposure norms have been adopted by the Bank.
6. Industry-wise exposure ceilings are based on the industry performance, prospects and the competitiveness of the sector.
7. Separate risk limits are set out 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 of 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 structural limits and borrower limits based on creditworthiness. These include:

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. The bank is capturing the Concentration risk by monitoring the geographical exposure.

Geographic Concentration

(₹ in crores)

Sl. No.	State / Union Territory	Fund based	Non Fund based	Total
1	ANDRA PRADESH	1887.86	352.75	2240.61
2	ASSAM	26.92	11.36	38.28
3	BIHAR	12.09	0.30	12.39
4	CHANDIGARH	43.11	5.23	48.34
5	CHATTISGARH	181.88	20.84	202.72
6	DELHI	2478.48	241.41	2719.89
7	GOA	115.88	30.26	146.14
8	GUJARATH	215.96	23.40	239.36
9	HARIYANA	565.91	162.87	728.78
10	JHARKHAND	22.18	1.66	23.84
11	KARNATAKA	7207.22	734.95	7942.17
12	KERALA	181.09	3.08	184.17
13	MADYA PRADESH	160.57	4.76	165.33
14	MAHARASHTRA	3612.62	523.82	4136.44
15	ORISSA	365.04	27.70	392.74
16	PONDICHERY	18.48	1.25	19.73
17	PUNJAB	265.12	25.37	290.49
18	RAJASTHAN	586.65	16.04	602.69
19	TAMIL NADU	2020.61	170.21	2190.82
20	UTTAR PRADESH	401.38	71.19	472.57
21	UTTARAKHAND	27.45	2.43	29.88
22	WEST BENGAL	552.88	85.55	638.43
	TOTAL GROSS CREDIT	20949.38	2516.43	23465.81

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 also monitors the rating-wise distribution of its borrowers.

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.

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 will use the same in calculation of risk weighted assets. Bank has approved 5 domestic credit rating agencies identified by RBI i.e CRISIL, CARE, FITCH India, ICRA and Brickwork. 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)

Sl. No.	Risk weight	Exposure Outstanding
1	Below 100%	6538
2	100%	11094
3	More than 100%	2062
	Total	19694

Credit Risk Mitigation: Disclosures for Standardized Approach

As stipulated by the RBI guidelines, the Bank uses the comprehensive approach for collateral 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 Base II 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% 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.

In addition to the above, in the case of NPA accounts, the following collaterals are considered, as stipulated by the RBI under Basel II guidelines:

- (i) Land and building which are valued by an expert valuer and where the valuation is not more than three years old and
- (ii) Plant and machinery in good working condition at a value not higher than the depreciated value as reflected in the audited balance sheet of the borrower, which is not older than eighteen months.

Eligible Guarantors (counter-guarantors):

Credit protection given by the following entities will be recognized:

- (i) Sovereigns, sovereign entities (including BIS, IMF, European Central Bank and European Community as well as those MDBs, ECGC and CGTMSE), banks and primary dealers with a lower risk weight than the counterparty;
- (ii) Other entities rated AA (-) or better. This would include guarantee cover provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

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	2957
Eligible guarantors	673

Definition of Non-Performing Assets

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

Exposures

A. Total gross credit including geographic distribution of exposure

(₹ in crore)

	Domestic	Overseas	Total
Fund Based	20949.38	Nil	20949.38
Non Fund based	2516.43	Nil	2516.43
Total	23465.81	Nil	23465.81

B. Distribution of Credit Exposure by Industry Sector

(₹ in crore)

Sl.No.	Industry Classification	Fund based	Non funded
1	Coal and Mining	71.48	13.56
2	Iron and Steel	496.05	46.91
3	Metal and Metal Products	190.75	40.02
4	Other Engineering	394.44	124.12
5	Wood Based Industries	45.42	61.41
6	Electronics	31.83	3.07
7	Cotton Textiles	676.50	46.45
8	Jute Textiles	4.97	0.00
9	Other Textiles	597.68	45.53
10	Tea Industry	28.01	0.26
11	Khandasari And Sugar	17.49	2.02
12	Vegetable Oil	11.72	0.00
13	Tobacco and Tobacco Products	0.95	0.00
14	Paper and paper Products	169.90	16.71
15	Rubber and Rubber Products	11.03	15.76
16	Plastic and Plastic Products	185.10	32.74
17	Chemicals, Dyes	61.44	22.14
18	Drugs and Pharmaceuticals	85.55	16.60
19	Cement and Cement products	270.51	7.35
20	Leather and Leather products	46.22	5.67
21	Petroleum Products	56.85	0.45
22	Food and Food Products	78.35	4.88
23	Gems and Jewellery	436.57	59.95
24	Automobiles	193.71	16.52
25	Computer Software and Computer Hardware	20.70	15.48
26	All Other Industries	463.27	123.61
27	Infrastructure Advances	2731.66	247.06
	TOTAL INDUSTRIAL ADVANCES	7378.15	968.27

The details of the Industry / sectors wherein the bank's exposure in the related Industry/sector has exceeded the 5% of total gross credit exposure is furnished as detailed here below.

Sl No	Industry / sectors classification	Percentage of the total credit exposure
1	Infrastructure advances	10.59%

C. Residual Contractual Maturity breakdown Advances and Investments

(₹ in crore)

Sl. No.	Maturity Buckets	Advances	Investments
1	1 day	596.33	7.85
2	2 to 7 days	136.03	238.07
3	8 to 14 days	157.47	0
4	15 to 28 Days	190.26	0
5	29 Days to 3 Months	1106.25	473.68
6	Over 3 Months to 6 Months	1518.61	195.24
7	Over 6 Months to 12 Months	2422.74	110.03
8	Over 1 Year to 3 years	9869.89	1119.88
9	Over 3 Years to 5 Years	1969.40	1691.02
10	Over 5 Years	2753.71	9005.46
	Total	20720.69	12841.23

D. Classification of Non Performing Advances

(₹ in crore)

		Current Year	Previous Year
A	Amount of NPA's (Gross)	684.72	702.17
	- Substandard	362.44	182.93
	- Doubtful 1	116.37	187.90
	- Doubtful 2	173.34	203.16
	- Doubtful 3	9.84	38.27
	- Loss	22.73	89.91
B	Net NPAs	435.20	280.34

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

		Current Year	Previous Year
A	Amount of Non performing Investments	Nil	Nil
B	Amount of Provision held for Non performing Investments	Nil	Nil
C	Movement of provisions for depreciation of Investments		
1	Opening balance	68.54	29.61
2	Add: Provisions made during the year	50.82	38.93
3	Less: Write off / write back of excess provisions	Nil	Nil
4	Closing balance	119.36	68.54

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 investment limits etc.

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 ensuring 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 already 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	71.50
II	Equity	34.63
III	Foreign Exchange, Gold and Derivatives	1.80
IV	Total Capital Charge for market Risk (I+II+III)	107.93

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

Interest rate risk is managed through gap analysis and duration gap analysis. Prudential limits have been fixed for impact on net Interest Income (NII), Net Interest margin (NIM), etc and monitoring Return on Assets.

The economic value i.e. impact on the capital fund due to change in interest rate by 200 bps on the economic value is assessed on monthly intervals through duration gap method. As a prudential measure, a limit has been fixed for net duration gap of the assets and liabilities and the same is monitored at monthly intervals.

Earning at Risk for 200 bps interest rate shock is ₹ 103.87crore and change in the Market value of Equity for 200 bps interest rate shock is 5.67%.

7. OPERATIONAL RISK

Strategies and Processes

Bank has initiated several measures to manage operational risk through identification, assessment and monitoring. 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 being 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.

ANNEXURE - III CORPORATE GOVERNANCE

Corporate Governance is the application of the best management practices, compliance of law and adherence to ethical standards to achieve the Bank's objective of enhancing shareholders' value keeping in mind the interest of all stakeholders. Your Directors present below the Bank's Report on Corporate Governance 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 aptly 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 11 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 the Corporate Governance requirements. The Board consists of eminent persons drawn from specialized fields such as banking, finance, accountancy, law, agriculture and other areas as specified in the BR Act. Except Mr Ananthkrishna, Non-Executive Chairman and Mr P. Jayarama Bhat, Managing Director, all other directors on the Board are independent directors.

Board Meetings:

During the financial year ended March 31, 2012 the Board met 14 times on the following dates;

Sl No.	Date of the meeting	Sl No	Date of the meeting
1	29.04.2011	8	29.09.2011
2	18.05.2011	9	31.10.2011
3	23.05.2011	10	29.11.2011
4	30.06.2011	11	26.12.2011
5	23.07.2011	12	21.01.2012
6	30.07.2011	13	17.02.2012
7	16.08.2011	14	27.03.2012

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 are as under:

Name of the Director (Messrs)	No of meetings Attended	Whether attended the last AGM	Directorship in other Public Limited Companies	Committee positions in other Public Limited Companies
Ananthkrishna	14	YES	2	1
P Jayarama Bhat	14	YES	NIL	NIL
S R Hegde	14	YES	NIL	NIL
R V Shastri	14	YES	2	4
U R Bhat	14	YES	4	3
T S Vishwanath	12	YES	2	3
Sitarama Murty M	12	YES	2	2
S V Manjunath	13	YES	NIL	NIL
D Harshendra Kumar	12	YES	NIL	NIL
Dr. H Ramamohan	13	YES	NIL	NIL
T R Chandrasekaran	14	YES	NIL	NIL

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

Except Mr P Jayarama Bhat, Managing Director, no other director was paid any remuneration except sitting fees for attending the meetings of the Board / Committees of the Board. The details of the remuneration paid to Mr. P Jayarama Bhat during the year ended March 31, 2012 are furnished below:

Break up of Remuneration	(₹ in Lakh)
Basic Salary	24.00
Dearness Allowance	4.80
House Rent Allowance	3.60
Total	32.40

Contribution to the Provident Fund at 10 per cent of the basic pay and other benefits such as use of car, telephone at residence, reimbursement of medical expenses etc. were also provided to Mr P Jayarama Bhat during the period.

Other directors were paid sitting fees @ ₹ 15000 / ₹ 10000 for attending the meetings of the Board / Committees of the Board respectively during the year under report, the details of which are furnished hereunder:

Name of the Director (Messrs)	Sitting fees paid during 2011-12 (₹ in Lakh)
Ananthakrishna	4.00
S R Hegde	4.50
R V Shastri	5.00
U R Bhat	3.70
T S Vishwanath	2.00
Sitarama Murty M	2.80
S V Manjunath	3.25
D Harshendra Kumar	2.00
Dr. H Ramamohan	2.15
T R Chandrasekaran	3.90

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

COMMITTEES OF THE BOARD:

In compliance with the regulatory requirements and for the operational needs, the Board had constituted several committees, 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., an Executive Committee of Board of Directors constituted earlier, continued its functions during this year also. It met 8 times during the year. The Committee is headed by Mr P Jayarama Bhat, Managing Director. The other members of the Committee are Messrs S R Hegde, R V Shastri and S V Manjunath. Details of the attendance at the meeting are as under;

Meetings record

Name of the Director (Messrs)	No. of meetings attended
P Jayarama Bhat	8
S R Hegde	8
R V Shastri	8
S V Manjunath	7

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 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 S R Hegde, R V Shastri and U R Bhat. All the members of the ACB are financially literate. The Company Secretary

acts as the secretary to the Committee. 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 8 meetings of ACB were held on 23.05.2011, 21.06.2011, 30.07.2011, 28.09.2011, 31.10.2011, 17.11.2011, 20.01.2012 and 09.02.2012.

Meetings record of the ACB.

Name of the Director (Messrs)	No of meetings attended
T R Chandrasekaran	8
S R Hegde	8
R V Shastri	8
U R Bhat	8

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, 2012 also. The Committee is headed by Mr R V Shastri and the other members of the committee are Messrs U R Bhat and T S Vishwanath. The Committee met twice during the year under report on 23.05.2011 and 27.03.2012 and reviewed all the complaints received from the shareholders and the investors.

Name & designation of the Compliance Officer:

YV Balachandra. Company Secretary.

A total of 235 complaints were received from the Investors / Shareholders during the year ended March 31, 2012 and all of them have been redressed satisfactorily. As required under the Listing Agreement a separate Email ID- investor.grievance@ktkbank.com has been created exclusively for the purpose of registering complaints by the investors.

4) Fraud Monitoring Committee:

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

- Identify the systems lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same.
- Identify the reasons for delay in detection, if any, in reporting to top management of the Bank and RBI.
- Monitor progress of CBI / Police investigation, and recovery position.
- 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.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds such as strengthening of internal controls.
- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

The Committee is functioning under the Chairmanship of Mr Ananthakrishna. The other members of the Committee are Messrs P Jayarama Bhat, S R Hegde, S V Manjunath and T R Chandrasekaran.

During the year under report three meetings of the Committee were held on 30.06.2011, 30.07.2011 and 29.11.2011

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 is headed by Mr. Ananthakrishna and other members of the Committee are Messrs P Jayarama Bhat, R V Shastri, Sitarama Murty M and T R Chandrasekaran.

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 6 times during the year on 08.06.2011, 25.06.2011, 17.08.2011, 17.11.2011, 09.02.2012 and 21.03.2012

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. As on March 31, 2012, the Committee consisted of Messrs Ananthakrishna (Chairman of the Committee), P Jayarama Bhat, S R Hegde, R V Shastri and S V Manjunath. The committee met once on 18.05.2011 during the year under report.

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 is headed by Mr Ananthakrishna, with Messrs. P Jayarama Bhat, D Harshendra Kumar and Dr. H Ramamohan as members. The Committee met twice on 10.08.2011 and 27.03.2012 during the year under report. The Committee also invites a few 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 has been constituted in the Bank. As on March 31, 2012, the Committee is headed by Mr Ananthakrishna and the other members of the committee are Messrs P Jayarama Bhat, U R Bhat and Sitarama Murthy M Mr. P Jairam Hande, General Manager and CFO, who is the head of the ICAAC Function in the bank is also a member of the Committee. Five meetings of the Committee were held during the year under report on 18.04.2011, 16.08.2011, 29.09.2011, 20.01.2012 and 17.02.2012.

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 is headed by Mr Ananthakrishna. The other members of the Committee are Mr P Jayarama Bhat and Mr T R Chandrasekaran besides the General Manager in charge Treasury & Accounts & Information Technology and heads of HR& IR and Risk Management Department. The Committee met once during the year underreport on 24.02.2012.

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 are Messrs Ananthakrishna, P Jayarama Bhat and UR Bhat. The Committee met once on 27.03.2012.

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 has 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 (RC) 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 of which three are independent Non-executive Directors including one member from Integrated Risk Management Committee. The RC, inter-alia shall ensure that the cost / income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.

As on March 31, 2012, the members of the Committee are Messrs P Jayarama Bhat, S R Hegde, R V Shastri and SV Manjunath. The Committee met twice during the year ie on 21.03.2012 and 27.03.2012.

Apart from the above, as on March 31, 2012, there was also a Committee viz ESOP Committee which looks after the administration of Employee Stock Options Scheme in the Bank.

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 Approval Committee, IT Steering Committee etc. The Committees meet regularly to take decisions on respective matters.

GENERAL BODY MEETINGS:

(i) 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
2011	Registered Office of the Bank, Mangalore	23.07.2011	Saturday	11.30 AM	Yes
2010	Registered Office of the Bank, Mangalore	31.07.2010	Saturday	11.30 AM	Yes
2009	Registered Office of the Bank, Mangalore	08.08.2009	Saturday	11.30 AM	Yes

Neither any special resolution was passed in the previous year through postal ballot nor any special resolution is proposed to be conducted through postal ballot this year.

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, 2012. 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, penalties and strictures imposed by Stock Exchanges, RBI and SEBI/other regulatory authorities on any matter during the year under report except the penalty of ₹ 5 lakh levied by RBI for non-compliance of some of the guidelines relating to derivative transactions.

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 put on our web site www.karnatakabank.com. In view of this, no separate communication to the shareholders about the half yearly results has been made.

SHAREHOLDERS' INFORMATION:
A. Annual General Meeting:

-Date	:	August 30, 2012
-Day	:	Thursday
-Time	:	11.30 AM
-Venue	:	The Karnataka Bank Ltd.
	:	Regd. & Head Office
	:	Mahaveera Circle
	:	Kankanady
	:	Mangalore - 575 002

B. Book closure:

11.08.2012 to 30.08.2012 (both days inclusive)

C. Financial Calendar: 1st April to 31st March

a) Quarter ending June 30, 2012	:	July, 2012
b) Quarter ending September 30, 2012	:	October, 2012
c) Quarter ending December 31, 2012	:	January, 2013
d) Quarter ending March 31, 2013	:	May, 2013

D. Dividend: The Board of Directors has recommended a dividend of 35 percent (ie ₹ 3.50 per share) on the paid up capital of the Bank for the year ended March 31, 2012 and the same will be paid to the shareholders / beneficial holders of shares holding shares as on as per the Register of members / Register of beneficial owners.

Dividend Payment Date: Between 31.08.2012 to 07.09.2012.

As per the provisions of section 205A of the Companies Act, 1956, the unclaimed dividend of ₹ 1624136/- for the financial year ended March 2003-2004 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 2004-2005 (position as on 31.03.2012) and the last date for transfer to Investor Education and Protection Fund.

Year	Unclaimed dividend (₹)	Date of declaration	Last date for claiming dividend
2004-2005	1299418	15.07.2005	14.08.2012
2005-2006	2320103	06.07.2006	05.08.2013
2006-2007	2764803	30.06.2007	29.07.2014
2007-2008	4589020	12.07.2008	11.08.2015
2008-2009	6628374	08.08.2009	07.09.2016
2009-2010	6169548	31.07.2010	30.08.2017
2010-2011	6829386	23.07.2011	22.08.2018

Unclaimed shares suspense account: Pursuant to amendments of Clause 5 A of Listing Agreement entered into with the Stock Exchanges, the Bank has sent three reminder letters in respect of unclaimed shares to the shareholders at the addresses available through our Registrar and share Transfer agent M/s Integrated Enterprise (India) Ltd. After considering the replies from the shareholders received on or before the last date provided for their response, the Bank has 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
Total number of shares transferred to Demat Suspense account after 3 reminders	2236	251052
Shareholders who approached us for transfer of shares from suspense account during the year	18	4001
Shareholders to whom shares were transferred from suspense account during the year	18	4001
Number of shareholders and the outstanding shares in the suspense account lying at the end of the year	2218	247051

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- 400051.
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 2011-2012 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, 2012.

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 01.04.2011 to 31.3.2012 on the above Stock Exchanges are given below together with bench mark indices.

Trading statistics on NSE

Month	Share Price (₹)		No. of shares traded	S&P CNX NIFTY	
	High	Low		High	Low
Apr 2011	120.45	109.50	27245536	5911.50	5729.10
May 2011	116.90	104.50	11795988	5701.30	5348.95
June 2011	130.75	113.90	39463611	5647.40	5257.90
July 2011	131.50	115.75	9897925	5728.95	5482.00
Aug 2011	112.10	90.20	19351810	5516.80	4747.80
Sep 2011	99.30	84.10	14347405	5153.25	4835.40
Oct 2011	89.95	79.20	13222463	5360.70	4751.30
Nov 2011	89.20	74.35	14753800	5289.35	4706.45
Dec 2011	80.25	65.05	16435853	5062.60	4544.20
Jan 2012	86.60	66.20	16125820	5204.70	4636.75
Feb 2012	110.75	88.25	30759918	5607.15	5235.70
Mar 2012	102.95	91.45	18939819	5463.90	5178.85

Trading statistics on BSE

Month	Share Price (₹)		No. of shares traded	BSE Sensex	
	High	Low		High	Low
Apr 2011	120.20	109.75	6065691	19701.73	19091.17
May 2011	116.80	104.60	1764360	18998.02	17847.24
June 2011	130.60	113.85	7207353	18845.87	17506.63
July 2011	131.50	115.70	2347498	19078.30	18197.20
Aug 2011	112.10	90.20	2967540	18314.33	15848.83
Sep 2011	99.25	84.10	2940151	17165.54	16051.10
Oct 2011	90.00	79.45	1794490	17804.80	15792.41
Nov 2011	89.25	74.60	2441924	17569.53	15695.43
Dec 2011	80.35	65.15	5281997	16877.06	15175.08
Jan 2012	86.65	66.30	2698799	17233.98	15517.92
Feb 2012	110.60	88.20	6097084	18428.61	17300.58
Mar 2012	102.95	91.40	3810810	17919.30	17052.78

Share holding pattern of the Bank as on 31.03.2012 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
Total (D)	0	0	0

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
Total	0	0	0
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	NA	NA	NA
Held by Public	NIL	NIL	NIL
Total	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	188,284,090	NA	100.00

Category Code	Category of shareholder	Total No. of share holders	Total No. of shares	Total No. of shares held in dematerialized form	Total share holding as a percentage of total no. 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
(A)	Shareholding of Promoter and Promoter Group[2]	NA	NA NA	NA NA	NA	NA NA	NA NA	NA
(1)	Indian							
(a)	*Individuals / Hindu Undivided Family	-	-	-	-	-	-	-
(b)	Central Government / State Government (s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	0	0	0	0.00	0.00	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-

(d)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	0	-	-	-	-	0	0.00
(B)	Public shareholding[3]							
(1)	Institutions							
(a)	Mutual Funds / UTI	11	1,209,009	1,209,009	0.64	0.64		
(b)	Financial Institutions / Banks	9	702,163	702,163	0.37	0.37		
(c)	Central Government / State Government (s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	8	6,550,260	6,550,260	3.48	3.48		
(f)	Foreign Institutional Investors	97	33,747,687	33,747,687	17.92	17.93		
(g)	Foreign Venture Capital Investors	-	-	-	-	-		
(h)	Any Other (specify)	-	-	-	-	-		
	Sub-Total (B)(1)	125	42,209,119	42,209,119	22.41	22.41		
(2)	Non-institutions							
(a)	Bodies Corporate	1,124	41,497,980	41,233,101	22.04	22.04		
(b)	Individuals -							
i.	Individual shareholders holding nominal share capital up to Rs.1 lakh	109,641	57,703,261	42,068,735	30.65	30.65		
ii.	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	979	44,504,449	41,554,331	23.64	23.63		
(c)	Any Other (specify)							
	Trust	7	45970	45970	0.02	0.02		
	NRI	754	1009377	1009377	0.54	0.54		
	Clearing Member	233	1313934	1313934	0.70	0.70		
	Overseas Corporate Bodies	-	-	-	-	-		
	Sub-Total (B)(2)	112,738	146,074,971	127,225,448	77.59	77.59		
	Total Public Shareholding (B) = (B)(1) + (B)(2)	112,863	188,284,090	169,434,567	100.00	100.00		
	TOTAL (A) + (B)	112,863	188,284,090	169,434,567	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter & Promoter Group	-	-	-	-	-		
2	Public	-	-	-	-	-		
	Sub-Total (C)	-	-	-	-	-		
	GRAND TOTAL (A) + (B) + (C)	112,863	188,284,090	169,434,567	100.00	100.00	0	0.00

NOT APPLICABLE

NOT APPLICABLE

Shareholdings of Directors as on March 31, 2012

Name of the Director (Messrs)	No. of shares held
Ananthakrishna	10000
P Jayarama Bhat	2261
S R Hegde	225
R V Shastri	210
U R Bhat	4523
T S Vishwanath	1508
Sitarama Murty M	700
S V Manjunath	52617
D Harshendra Kumar	3983
Dr. H Ramamohan	11632
T R Chandrasekaran	301

Distribution of shareholding as on March 31, 2012

Shares holding of nominal value of ₹ P. (1)	Shareholders		Share Amount	
	Number (2)	% to Total (3)	In ₹ (4)	% to Total (5)
Upto 5,000	84880	75.20	125766520	6.68
5,001 - 10,000	12445	11.02	93173070	4.95
10,001 - 20,000	7557	6.70	110274910	5.86
20,001 - 30,000	2842	2.52	70242240	3.73
30,001 - 40,000	1340	1.19	46396270	2.46
40,001 - 50,000	899	0.80	40647980	2.16
50,001 - 1,00,000	1626	1.44	114404690	6.08
1,00,001 and above	1274	1.13	1281935220	68.08
Total	112863	100.00	1882840900	100.00

Major shareholders

As on March 31, 2012, the followings shareholders hold more than 1% of the paid up capital of the Bank.

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (1)(a) above
1	HSBC Bank (Mauritius) Limited A/C HSBC IRIS Investments (Mauritius) Ltd.	8399998	4.46
2	Kotak Mahindra Investments Ltd.	7425049	3.94
3	Religare Finvest Ltd.	6387987	3.39
4	Life Insurance Corporation of India	5045485	2.68
5	Wellington Management Company, LLP A/C BAY POND MB.	3192218	1.70
6	JM Financial Services Private Limited	3150918	1.67
7	Franklin Tempelton Investment Funds	2951028	1.57
8	Fern Health Care Pvt Ltd	2651827	1.41
9	Macquarie Bank Limited	2586274	1.37
10	K R Pradeep	2335000	1.24
11	Religare Finvest Ltd.	2110810	1.12
12	Haritha Bathina	2000000	1.06
	TOTAL	48,236,594	25.61

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 has entered into tripartite agreement with the depositories and M/s Alpha Systems (P) Ltd (since merged with Integrated Enterprises (India) Ltd). Bangalore for dematerialization of shares. The ISIN allotted for the shares of the Bank is INE614B01018. As on 31.03.2012, 90.00 per cent 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 correspondence 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, 4th Cross, Sampige Road
Malleshwaram, BANGALORE - 560 003
Tel: (080) 23460815-818, Fax: (080) 23460819
Email: alfint@vsnl.com or 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, evaluation of non-executive members of the Board and Whistle Blower Policy.

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 Ltd (NSE) and the Bombay Stock Exchange Ltd (BSE) for the financial year ended 31st March 2012.

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 **Vishnu Daya & Co.,**
Chartered Accountants
M.R. No.: 008456S

for **R.K. Kumar & Co.,**
Chartered Accountants
M.R. No.: 001595S

Sd/-
Guruprasad
Partner
M. No. 219250

Sd/-
B.R. Ashok
Partner
M. No. 023313

Place: Mangalore
Date: May 18, 2012

BALANCE SHEET AS ON 31ST MARCH, 2012

(000's omitted)

	Schedule No.	As on 31.03.2012 ₹	As on 31.03.2011 ₹
CAPITAL AND LIABILITIES			
Capital	1	188,29,39	188,20,04
Reserves and Surplus	2	2409,91,66	2240,88,66
Deposits	3	31608,32,43	27336,44,63
Borrowings	4	1147,07,39	1086,33,39
Other Liabilities and Provisions	5	967,96,25	841,14,03
TOTAL		36321,57,12	31693,00,75
ASSETS			
Cash and balances with Reserve Bank of India	6	1704,75,02	1939,80,55
Balances with Banks and Money at Call and Short Notice	7	160,81,71	46,25,19
Investments	8	12841,23,37	11506,33,93
Advances	9	20720,69,83	17348,07,09
Fixed Assets	10	152,22,65	145,52,68
Other Assets	11	741,84,54	707,01,31
TOTAL		36321,57,12	31693,00,75
Contingent Liabilities	12	9624,52,88	9035,80,16
Bills for Collection		2194,84,12	962,89,92
Significant Accounting Policies	17		
Notes on Account	18		

Sd/-
Muralidhar K. Rao
Assistant General Manager

Sd/-
S. Anandarama Adiga
Deputy General Manager

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

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

Sd/-
Ananthakrishna
Chairman

Sd/-
S.R. Hegde
R.V. Shastri
Directors

Sd/-
U.R. Bhat
T.S. Vishwanath
Directors

Sd/-
D. Harshendra Kumar
H. Ramamohan
T.R. Chandrasekaran
Directors

Refer our report of even date

Place : Mangalore
Date : May 18th, 2012

For Vishnu Daya & Co
Chartered Accountants
Firm Regn. No. 008456S
Sd/-
Guruprasad
Partner
M.No. 219250

For R.K. Kumar & Co
Chartered Accountants
Firm Regn. No. 001595S
Sd/-
B.R. Ashok
Partner
M.No. 023313

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

(000's omitted)

	Schedule No.	For the year ended 31.03.2012 ₹	For the year ended 31.03.2011 ₹
I. INCOME			
Interest Earned	13	3112,87,71	2370,84,71
Other Income	14	334,39,03	291,75,55
Total		3447,26,74	2662,60,26
II. EXPENDITURE			
Interest Expended	15	2368,87,42	1758,36,28
Operating Expenses	16	568,18,56	548,95,24
Provisions and Contingencies		264,13,74	150,67,61
Total		3201,19,72	2457,99,13
III. PROFIT			
Net profit for the year		246,07,02	204,61,13
Profit brought forward		2,74	2,31
Total		246,09,76	204,63,44
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		110,00,00	100,00,00
Transfer to Capital Reserve		0	0
Transfer to Revenue Reserve		39,90,00	36,65,00
Transfer to Special Reserve u/s 36 (i) (viii) of IT Act		18,57,35	9,55,23
Transfer to Investment Reserve Account		0	-7,20,38
Transfer to Other Funds		100,00	20,00
Transfer to Proposed dividend		65,89,94	56,45,71
Transfer to Tax on proposed dividend		10,69,30	8,95,14
Balance carried over to Balance Sheet		3,17	2,74
Total		246,09,76	204,63,44
Earning per share			
Basic	₹	13.07	15.23
Diluted	₹	13.06	15.20
Significant Accounting Policies	17		
Notes on Account	18		

Sd/-
Muralidhar K. Rao
Assistant General Manager

Sd/-
S. Anandarama Adiga
Deputy General Manager

Sd/-
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T.S. Vishwanath
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Firm Regn. No. 001595S
Sd/-
B.R. Ashok
Partner
M.No. 023313

Place : Mangalore
Date : May 18th, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(000's omitted)

	March 31, 2012		March 31, 2011	
	₹	₹	₹	₹
A CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extra ordinary items		287,77,96		235,44,58
Adjustments for :				
Depreciation on Fixed Assets including Lease Adjustment charges	21,91,23		22,99,18	
Provisions and Contingencies	221,61,77		120,35,20	
Amortisation of premium on Held to Maturity Investments	7,60,20		7,14,45	
		251,13,20		150,48,83
Operating profit before working capital changes		538,91,16		385,93,41
Adjustment for :				
i) Advances & Other Assets	-3220,83,33		-2723,57,02	
ii) Investments	-1393,31,62		-1560,36,86	
iii) Deposits, Borrowings & Other Liabilities	4056,68,99		3436,02,20	
		-557,45,96		-847,91,68
Cash generated from operations		-18,54,80		-461,98,27
Direct taxes paid		103,01,65		127,41,20
Net cash flow from operating activities (A)		-121,56,45		-589,39,47
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		-29,56,37		-21,23,85
Sale of fixed assets		1,97,60		151,48
Net cash used in investing activities (B)		-27,58,77		-19,72,37
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital (net of expenses)		43,17		456,10,88
Proceeds from long term borrowings		92,95,43		395,19,42
Dividend paid (Including Tax on Dividend)		-64,72,39		-61,67,54
Net Cash generated from Financing Activities (C)		28,66,21		789,62,76
Net increase in Cash & Cash equivalents (A+B+C)		-120,49,01		180,50,92
Cash & cash equivalents as at (opening)		1986,05,74		1805,54,82
Cash & cash equivalents as at (closing)		1865,56,73		1986,05,74

Sd/-
Muralidhar K. Rao
Assistant General Manager

Sd/-
S. Anandarama Adiga
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Refer our report of even date

For **Vishnu Daya & Co**
Chartered Accountants
Firm Regn. No. 008456S
Sd/-
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Partner
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For **R.K. Kumar & Co**
Chartered Accountants
Firm Regn. No. 001595S
Sd/-
B.R. Ashok
Partner
M.No. 023313

Place : Mangalore
Date : May 18th, 2012

SCHEDULE ANNEXED TO THE BALANCE SHEET

(000's omitted)

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
SCHEDULE - 1 CAPITAL		
Authorised Capital		
20,00,00,000 Equity shares of Rs.10/- each (Previous Year 20,00,00,000 Equity shares of Rs. 10/- each)	200,00,00	200,00,00
Issued Capital		
18,83,09,038 equity shares of Rs.10/- each (previous year 18,82,15,600 equity shares of Rs.10/- each)	188,30,90	188,21,56
Subscribed Capital		
18,83,00,640 Equity shares of Rs.10/- each (previous year 18,82,07,202 Equity shares of Rs.10/- each)	188,30,06	188,20,72
Paid-up Capital		
18,82,84,090 Equity shares of Rs.10/- each (Previous year 18,81,90,652 Equity shares of Rs.10/- each)	188,28,41	188,19,06
Add: Forfeited Shares	98	98
Total	188,29,39	188,20,04
SCHEDULE - 2 RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening balance	1106,00,00	1006,00,00
Additions during the year	110,00,00	100,00,00
	1216,00,00	1106,00,00
Deductions during the year	0	0
Total	1216,00,00	1106,00,00
II. Capital Reserve		
Opening balance	63,68,79	63,68,79
Additions during the year	0	0
	63,68,79	63,68,79
Deductions during the year	0	0
Total	63,68,79	63,68,79
III. Share Premium		
Opening balance	719,53,81	312,67,30
Additions during the year	1,18,20	410,01,81
	720,72,01	722,69,11
Deductions during the year	0	3,15,30
Total	720,72,01	719,53,81
IV. Revenue and other Reserves		
a) Revenue Reserve		
Opening balance	306,65,00	270,00,00
Additions during the year	39,90,00	36,65,00
	346,55,00	306,65,00
Deductions during the year	0	0
Total	346,55,00	306,65,00

(000's omitted)

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
b) Special Reserve u/s 36(1)(viii) of IT Act		
Opening balance	39,79,23	30,24,00
Additions during the year	18,57,35	9,55,23
	58,36,58	39,79,23
Deletion during the year	0	0
Total	58,36,58	39,79,23
c) Employee Stock Option Outstanding		
Opening balance	5,19,09	8,93,54
Additions during the year	21,39	1,22,61
	5,40,48	10,16,15
Deductions during the year	84,37	4,97,06
Total	4,56,11	5,19,09
d) Investment Reserve Account		
Opening balance	0	7,20,38
Additions during the year	0	0
	0	7,20,38
Deductions during the year	0	7,20,38
Total	0	0
V. Balance in Profit and Loss Account	3,17	2,74
TOTAL (I, II, III, IV and V)	2409,91,66	2240,88,66
SCHEDULE - 3 DEPOSITS		
A.I.Demand Deposits		
1.From Banks	2,91,47	3,11,89
2.From Others	2098,62,07	1852,97,32
	2101,53,54	1856,09,21
II. Savings Bank Deposits	5661,34,80	4946,53,83
III.Term Deposits		
1.From Banks	26,09,24	18,32,55
2. From others	23819,34,85	20515,49,04
	23845,44,09	20533,81,59
Total: (I, II and III)	31608,32,43	27336,44,63
B.1. Deposits of branches in India	31608,32,43	27336,44,63
2. Deposits of branches outside India	0	0
Total (1+2)	31608,32,43	27336,44,63
SCHEDULE - 4 BORROWINGS		
I. Borrowings in India		
1. Reserve Bank of India	150,00,00	0
2. Other Banks	11,01	1,76
3. Other Institutions and Agencies	588,45,76	495,50,33
4. Subordinated Debts for Tier II Capital	350,00,00	350,00,00
Total	1088,56,77	845,52,09
II. Borrowings outside India	58,50,62	240,81,30
Total: (I and II)	1147,07,39	1086,33,39
Secured borrowings included in I & II above ₹	Nil	Nil

(000's omitted)

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	214,86,21	214,19,71
II. Inter Office adjustments (Net)	4,99,10	23,44
III. Interest accrued	98,93,45	77,48,45
IV. Deferred Tax Liability (Net)	156,02,85	133,52,85
V. Others (including Provisions)	493,14,64	415,69,58
Total	967,96,25	841,14,03
SCHEDULE - 6 CASH AND BALANCES WITH RBI		
I. Cash in hand (including foreign currency notes)	208,03,36	174,14,08
II. Balances with Reserve Bank of India		
1. In Current Account	1496,71,66	1765,66,47
2. In Other Accounts	0	0
Total	1496,71,66	1765,66,47
Total: (I and II)	1704,75,02	1939,80,55
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
i. Balances with Banks		
a) In Current Accounts	61,95,36	34,87,32
b) In other deposit accounts	9,90,05	2,35,00
	71,85,41	37,22,32
ii. Money at Call and Short Notice		
a) With Banks	0	0
b) With other institutions	24,96,04	0
Total	96,81,45	37,22,32
II. OUTSIDE INDIA		
i. In Current Accounts	64,00,26	9,02,87
ii. In Other Deposit Accounts	0	0
iii. Money at Call and Short Notice	0	0
Total: (i, ii and iii)	64,00,26	9,02,87
Grand Total (I and II)	160,81,71	46,25,19

(000's omitted)

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
SCHEDULE - 8 INVESTMENTS		
I. Investments in India (Gross)	12960,59,06	11574,87,64
Less: Provision for depreciation	119,35,69	68,53,71
Net Investments In India	12841,23,37	11506,33,93
Break-up:		
1. Government Securities	8131,35,39	6695,54,56
2. Other Approved Securities	0	3,33,11
3. Shares	181,69,91	157,18,43
4. Debentures and Bonds	942,59,46	690,78,54
5. Subsidiaries and/or Joint Ventures	0	0
6. Others	3585,58,61	3959,49,29
Total	12841,23,37	11506,33,93
II. Investments outside India	0	0
Total (I+II)	12841,23,37	11506,33,93
SCHEDULE - 9 ADVANCES		
A) 1. Bills Purchased and discounted	776,74,78	699,29,72
2. Cash Credits, Overdrafts and Loans repayable on demand	10608,67,98	8921,50,79
3. Term Loans	9335,27,07	7727,26,58
Total	20720,69,83	17348,07,09
B) 1. Secured by Tangible Assets (including book debts)	16656,89,70	13907,43,51
2. Secured by Bank / Government Guarantees	2721,73,77	2145,55,52
3. Unsecured	1342,06,36	1295,08,06
Total	20720,69,83	17348,07,09
C) I. Advances in India		
1. Priority Sectors	7570,27,19	6238,36,40
2. Public Sectors	1444,06,57	1211,20,89
3. Banks	46,28	9,58
4. Others	11705,89,79	9898,40,22
Total	20720,69,83	17348,07,09
C) II. Advances outside India		
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
Total	0	0
GRAND TOTAL (C. I and C. II)	20720,69,83	17348,07,09

(000's omitted)

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
SCHEDULE - 10 FIXED ASSETS		
I. Premises		
At cost as on 31st March of the preceding year	107,00,87	106,03,29
Additions during the year	2,30,87	1,22,64
	109,31,74	107,25,93
Deductions during the year	21,59	25,06
	109,10,15	107,00,87
Depreciation to-date	28,74,34	25,92,03
Total	80,35,81	81,08,84
II. Other Fixed Assets (including Furniture and Fixtures)		
At cost as on 31st March of the preceding year	206,57,48	192,49,07
Additions during the year	28,25,08	20,01,31
	234,82,56	212,50,38
Deductions during the year	9,37,97	5,92,90
	225,44,59	206,57,48
Depreciation to date	153,57,75	143,13,20
Total	71,86,84	63,44,28
III. Leased Fixed Assets		
Cost as on 31st March of the preceding year	15,32,32	15,32,32
Additions during the year	0	0
	15,32,32	15,32,32
Deductions during the year	15,32,32	0
	0	15,32,32
Depreciation to-date	0	6,05,09
	0	9,27,23
Less Accumulated Lease Adjustment	0	8,14,89
	0	1,12,34
Less Other Adjustments	0	12,78
Total	0	99,56
Total (I, II and III)	152,22,65	145,52,68
SCHEDULE - 11 OTHER ASSETS		
I. Interest accrued	221,97,51	167,57,67
II. Tax paid in advance / tax deducted at source (net of provisions)	270,55,57	291,25,53
III. Stationery and Stamps	3,17,42	2,85,25
IV. Non-Banking Assets acquired in satisfaction of claims	1,46,70	1,46,70
V. Others	244,67,34	243,86,16
Total	741,84,54	707,01,31

(000's omitted)

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
SCHEDULE - 12 CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	28,05,50	28,90,22
II. Liability for Partly paid investments	0	0
III. Liability on account of outstanding Forward Exchange Contracts including derivatives	6187,37,63	5656,14,32
IV. Guarantees given on behalf of constituents		
a) In India	1301,76,22	1126,10,22
b) Outside India	0	0
V. Acceptances, Endorsements and other Obligations	600,25,88	757,21,99
VI. Other items for which the bank is contingently liable	1507,07,65	1467,43,41
Total	9624,52,88	9035,80,16

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012

	For the year ended 31.03.2012	For the year ended As on 31.03.2011
SCHEDULE - 13 INTEREST EARNED		
I. Interest / discount on advances / bills	2373,79,33	1707,64,91
II. Income on Investments	736,33,33	642,22,36
III. Interest on balances with R.B.I / other Inter-Bank funds	99,30	60,44
IV. Others	1,75,75	20,37,00
Total	3112,87,71	2370,84,71
SCHEDULE - 14 OTHER INCOME		
I. Commission, Exchange and Brokerage	174,10,04	162,32,33
II. Profit on sale of Investments (net)	50,20,66	44,26,29
III. Profit on Revaluation of Investments (net)	0	0
IV. Profit on sale of Land, Buildings and Other Assets (net)	294,70	71,90
V. Profit on Exchange Transactions (net)	38,31,74	27,59,92
VI. Income earned by way of dividends etc., from Subsidiaries / Companies and / or Joint Ventures abroad / in India	0	0
VII. Miscellaneous income	68,81,89	56,85,11
Total	334,39,03	291,75,55
SCHEDULE - 15 INTEREST EXPENDED		
1. Interest on deposits	2268,81,36	1684,68,99
2. Interest on Reserve Bank of India / Inter-Bank Borrowings	20,79,16	5,79,18
3. Others	79,26,90	67,88,11
Total	2368,87,42	1758,36,28

(000's omitted)

	For the year ended 31.03.2012 ₹	For the year ended 31.03.2011 ₹
SCHEDULE - 16 OPERATING EXPENSES		
I. Payments to and provisions for employees	324,95,35	345,07,54
II. Rent, Taxes and Lighting	78,46,46	64,23,30
III. Printing and Stationery	4,88,47	4,23,64
IV. Advertisement and Publicity	5,45,63	2,90,50
V. Depreciation on Bank's property	21,90,90	22,98,85
VI. Directors' fees, allowances and expenses	69,91	53,13
VII. Auditors' fees and expenses (including branch auditors fees and exp)	1,62,99	1,22,86
VIII. Law charges	1,77,51	1,39,75
IX. Postage, telegrams, telephones etc.	8,09,39	7,63,39
X. Repairs and maintenance	14,55,25	12,75,51
XI. Insurance	30,30,57	27,63,05
XII. Other expenditure	75,46,13	58,33,72
Total	568,18,56	548,95,24

SCHEDULE - 17**SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARING FINANCIAL STATEMENTS****1. 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.

2. USE OF ESTIMATES:

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.

3. REVENUE RECOGNITION:

Income and expenditure are accounted for on accrual basis except in respect of income from Non Performing Assets, commission, exchange and rent on safe deposit lockers, all of which are 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. EMPLOYEE BENEFITS:

Contribution made by the Bank to the Provident Fund is 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.

11. 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.

12. 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.

13. SHARE ISSUE EXPENSES:

Share issue expenses are adjusted from share premium account.

14. 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.

15. 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.

16. 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.

17. 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, THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012.

1. Disclosures as per RBI requirement:

1.1 Capital Adequacy (under Basel II):

Sl	Particulars	31.03.2012	31.03.2011
a	CRAR (%)	12.84	13.33
b	CRAR – Tier I capital (%)	10.86	11.27
c	CRAR – Tier II Capital (%)	1.98	2.06
d	Amount of Subordinated Debts raised as Tier II capital (₹ in Crore)	350.00	350.00
e	Amount raised by issue of IPDI (₹ in Crore)	Nil	Nil
f	Amount raised by issue of upper Tier II instruments	Nil	Nil

1.2 Investments

(₹ in Crore)

SI	Particulars	31.03.2012	31.03.2011
1	Value of Investments		
A	Gross Value of Investments		
a	In India	12960.59	11574.88
b	Outside India	Nil	Nil
B	Provisions for Depreciation		
a	In India	119.36	68.54
b	Outside India	Nil	Nil
C	Net Value of Investments		
a	In India	12841.23	11506.34
b	Outside India	Nil	Nil
2	Movement of provisions held towards depreciation on investments		
a	Opening balance	68.54	29.61
b	<u>Add:</u> Provisions made during the year	50.82	38.93
c	<u>Less:</u> Write-off / write-back of excess provisions during the year	Nil	Nil
d	Closing balance	119.36	68.54

1.2.1 Repo Transactions (in face value terms)

(₹ in Crore)

SI No	Particulars	Outstanding during the Year			Outstanding As on 31.03.2012
		Min	Max	Daily Average	
1	Securities sold under Repo				
a	Government securities	25.00	300.00	28.14	Nil
b	Corporate Debt securities	Nil	Nil	Nil	Nil
2	Securities purchased under reverse Repo				
a	Government securities	30.00	250.00	3.22	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	354.87	92.52	Nil	Nil	Nil
2	Financial Institutions	3372.66	3133.66	Nil	Nil	Nil
3	Banks	723.28	46.94	Nil	Nil	Nil
4	Private Corporates	303.37	134.35	22.01	20.01	22.01
5	Subsidiaries / joint ventures	Nil	Nil	Nil	Nil	Nil
6	Others	17.18	9.33	Nil	Nil	Nil
7	Less Provision held towards deprecation	(61.49)	xxx	xxx	xxx	xxx
	TOTAL	4709.87				

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

1.2.2.ii Non-performing Non-SLR Investments

(₹ in Crore)

Particulars	2011-12	2010-11
Opening Balance	Nil	Nil
Additions during the year	Nil	Nil
Reductions during the year	Nil	Nil
Closing Balance	Nil	Nil
Total Provision Held	Nil	Nil

1.2.2.iii Sale and transfers to / from HTM Category

There has been no sale / transfer of securities held under HTM category during the year.

1.3 Derivatives**1.3.1 Forward Rate Agreement / Interest Rate Swap:**

(₹ in Crore)

Sl No	Items	31.03.2012	31.03.2011
1	The Notional principal of swap agreements	120.00	235.83
2	Losses which would be incurred if counter parties failed to fulfil their obligations under the agreements	3.55	181.46
3	Collateral required by the bank upon entering into swaps	Nil	Nil
4	Concentration of credit risk arising from swaps	Client	Client
5	The fair values of the swap book	Nil	Nil

The entire interest rate swaps are covered on back-to-back basis with counter party bank and there is no open position. However the contingent liability is recognised and disclosed.

1.3.2 Exchange Traded Interest Rate Derivatives:

(₹ in Crore)

Sl No	Particulars	Amount
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	Nil
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2012	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	Nil
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	Nil

1.3.3 Disclosure in 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 it's 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.

The customer related derivative transactions for notional principal at market rate of ₹ 82.89 crore (PY ₹ 162.07 crores) are covered with counter party banks, on back- to- back basis for identical amount and tenure and the Bank does not have any market risk.

(ii) Quantitative Disclosure:

(₹ in Crore)

Sl.No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)		
	a Hedging	2445.76	120.00
	b Trading	3486.64	0.00
2.	Marked to Market Positions		
	Assets (+)	103.79	3.55
	Liabilities (-)	-94.82	-3.55
3.	Credit Exposure	225.14	5.95
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 – Maximum	Nil	Nil
	b On hedging – Minimum	Nil	Nil
	c On trading – Maximum	Nil	Nil
	d On trading – Minimum	Nil	Nil

1.4 Asset Quality

1.4.1 Non-Performing Assets

(₹ in crore)

Sl.No.		2011-12	2010-11
1	Gross NPA to Gross Advances (%)	3.27	3.97
2	Net NPA to Net Advances (%)	2.11	1.62
3	Movement of NPAs (Gross)		
	a) Opening Balance	702.17	549.64
	b) Additions during the year	378.31	323.76
	c) Reductions during the year	395.76	171.23
	d) Closing balance	684.72	702.17
4	Movement of Net NPAs		
	a) Opening Balance	280.34	188.61
	b) Additions during the year	311.42	247.52
	c) Reductions during the year	156.56	155.79
	d) Closing balance	435.20	280.34
5	Movement of provisions for NPAs (Excluding provisions on Standard Assets)		
	a) Opening Balance	337.58	305.61
	b) Provision made during the year	83.75	67.50
	c) Write off / write back of excess provision	203.03	35.53
	d) Closing balance	218.30	337.58

1.4.2. Details of Loan assets subject to Restructuring during the year:

(₹ in crore)

		CDR Mechanism	SME Debt Restructuring	Others	Total
Standard Advances Restructured	No of Borrowers	10	9	69	88
	Amount restructured	506.36	3.28	189.42	699.06
	Amount Outstanding	603.77	5.01	191.24	800.02
	(including Restructured facilities)				
	Sacrifice (diminution in the fair value)	1.42	0.03	60.15	61.60
Sub-standard Advances Restructured	No of Borrowers	Nil	1	3	4
	Amount restructured	Nil	5.53	0.37	5.90
	Amount Outstanding	Nil	9.26	0.39	9.65
	(including Restructured facilities)				
	Sacrifice (diminution in the fair value)	Nil	0.54	Nil	0.54
Doubtful Advances Restructured	No of Borrowers	Nil	Nil	Nil	Nil
	Amount restructured	Nil	Nil	Nil	Nil
	Amount Outstanding	Nil	Nil	Nil	Nil
	(including Restructured facilities)				
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil	Nil
Total Advances Restructured	No of Borrowers	10	10	72	92
	Amount restructured	506.36	8.81	189.79	704.96
	Amount Outstanding	603.77	14.27	191.63	809.67
	(including Restructured facilities)				
	Sacrifice (diminution in the fair value)	1.42	0.57	60.15	62.14

1.4.3 Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction
 (₹ in crore)

Sl. No	Particulars	2011-12	2010-11
1	No of Accounts	Nil	35
2	Aggregate Value (net of Provisions) of accounts sold to SC/RC	Nil	0.03
3	Aggregate consideration	Nil	4.68
4	Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
5	Aggregate Gain / (Loss) over net book value	Nil	4.65

1.4.4 Details of Non-performing Financial assets purchased / Sold:
1.4.4.A Details of Non-Performing Financial assets purchased:

Sl. No	Particulars	31.03.2012	31.03.2011
1	No. of accounts purchased during the year	Nil	Nil
2	Aggregate outstanding	Nil	Nil
3	Of these, number of accounts restructured during the year	Nil	Nil
4	Aggregate outstanding	Nil	Nil

1.4.4.B Details of Non-performing financial assets sold:

	Particulars	31.03.2012	31.03.2011
1	No of accounts sold	Nil	Nil
2	Aggregate outstanding	Nil	Nil
3	Aggregate consideration received	Nil	Nil

1.4.5 Provisions on Standard Assets:

(₹ in crore)

Item	31.03.2012	31.03.2011
Provisions towards Standard Assets	95.51	67.18

1.5 Business Ratios

Sl. No	Particulars	31.03.2012	31.03.2011
1	Interest Income to working funds	9.29%	8.30%
2	Non-interest income to working funds	1.00%	1.02%
3	Operating profits to working funds	1.52%	1.24%
4	Return on Assets	0.73%	0.72%
5	Business (Deposits Plus Advances) per employee (₹ in crore)	8.59	7.71
6	Profit per employee (₹ in crore)	0.04	0.04

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	205.22	596.33	7.85	150.11	20.06	205.25
2 to 7 Days	264.58	136.03	238.07	Nil	357.12	18.32
8 to 14 Days	534.20	157.47	Nil	10.18	206.31	329.21
15-28 Days	453.28	190.26	Nil	Nil	103.15	24.13
29 Days to 3 Months	1529.11	1106.25	473.68	22.89	1748.49	1842.82
Over 3 Months to 6 Months	1516.21	1518.61	195.24	79.92	602.78	558.38
Over 6 Months to 12 Months	4516.82	2422.74	110.03	54.33	312.02	338.31
Over 1 Year to 3 Years	13083.62	9869.89	1119.88	212.03	3.43	24.07
Over 3 Years to 5 Years	3713.78	1969.40	1691.02	267.61	2.58	12.84
Over 5 Years	5791.50	2753.71	9005.46	350.00	0.00	0.00
Total	31608.32	20720.69	12841.23	1147.07	3355.94	3353.33

1.7 Exposures**1.7.1 Exposure to Real Estate Sector:**

(₹ in crore)

SI No	Particulars	31.03.2012	31.03.2011
1	Direct exposure		
a	Residential Mortgages:- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1687.41	1218.52
	Of which, individual housing loans eligible for inclusion in priority sector advances	1190.10	877.81
b	Commercial Real Estates:- 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.)	877.30	673.74
c	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:-		
	Residential	0.30	1.16
	Commercial Real Estate	Nil	Nil
2	Indirect Exposure Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	42.04	45.54
	Total Exposure to Real Estate Sector	2607.05	1938.96

1.7.2 Exposure to Capital Market

(₹ in crore)

Sl. No.	Category	31.03.2012	31.03.2011
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	205.12	172.15
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	0.02
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	38.03	75.12
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
	Total capital market exposure	243.15	247.29

1.7.3 Risk category-wise Country Exposure:

(₹ in crore)

Risk Category	Exposure (net) as at 31.03.2012	Provision held as at 31.03.2012	Exposure (net) as at 31.03.2011	Provision held as at 31.03.2011
Insignificant	76.86	Nil	68.64	Nil
Low	168.97	Nil	113.93	Nil
Moderate	3.94	Nil	0.07	Nil
High	7.34	Nil	1.10	Nil
Very High	Nil	Nil	Nil	Nil
Restricted	6.80	Nil	1.29	Nil
Off-Credit	Nil	Nil	Nil	Nil
Total	263.91	Nil	185.03	Nil

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.

1.7.4 Details of Single Borrower Limit (SBL)/ Group Borrower Limits (GBL) exceeded by the Bank: During the year ended 31-03-2012, the Bank has not exceeded the Individual / Group borrowers' exposure ceiling 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 Miscellaneous
1.8.1 Amount of provision made for Income-tax during the year:

(₹ in crore)

Particulars	Current Year	Previous year
Provision for Income Tax/Wealth tax	42.52	30.33

1.8.2 Penalties imposed by RBI:

Reserve Bank of India imposed a penalty of ₹ 5.00 lakhs on the bank during the year for failure to carry out proper due diligence on user appropriateness and suitability of derivative products and failure to document their pricing, periodical valuation and quantifying of financial risks.

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

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 31st 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 31st 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 31st March 2012, 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	Projected unit	Projected unit
2	Rate of Interest	8.50%	8.50%	NA
3	Rate of Inflation	4.00%	4.00%	4.00%
4	Mortality	LIC (94-96) Table of mortality rates	LIC (94-96) Table of mortality rates	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 1st April 2011	298.59	65.72	39.88
2	Interest Cost	25.38	5.59	3.39
3	Current Service Cost	12.70	4.09	1.78
4	Past Service Cost - Unrecognized	70.75	23.48	0.00
5	Past Service Cost - Recognized	23.58	7.83	0.00
6	(Less) Benefits Paid	(48.58)	(12.57)	0.00
7	Actuarial Loss / (Gain) on Obligations	52.51	7.75	(0.63)
8	Present Value of defined benefit obligation as at 31st March 2012	434.93	101.88	44.42

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	392.92	97.27	39.88
2	Expected return on Plan Assets	33.40	8.27	0.00
3	Banks Contribution related to previous year	0.00	0.00	0.00
4	Banks Contribution related to Current year	55.51	9.72	4.54
5	(Less) Benefits Paid	(48.58)	(12.57)	0.00
6	Actuarial gain / (Loss) on plan assets	2.29	(0.60)	0.00
7	Fair Value of Plan Asset at the end of the year	435.54	102.09	44.42

Actual Return on Plan Assets

(₹ in crore)

SI No	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Expected return on Plan Assets	33.40	8.27	0.00
2	Actuarial Gain / (Loss) on plan Assets	2.29	(0.60)	0.00
3	Actual return on Plan Assets	35.69	7.67	0.00

Actuarial Gain / Loss Recognized

(₹ in crore)

SI No	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Actuarial Gain / (loss) for the period - Obligations	(52.51)	(7.75)	(0.63)
2	Actuarial Gain / (loss) for the period - Plan Assets	2.29	(0.60)	0.00
3	Total (Gain) / loss for the period - Plan Assets (2-1)	50.22	8.35	(0.63)
4	Actuarial (Gain) / loss recognized in the year	50.22	8.35	(0.63)
5	Unrecognized actuarial (gain) / loss at the end of the year	0.00	0.00	0.00

Amounts recognized in Balance Sheet and related analysis

(₹ in crore)

SI No	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Present value of the obligations	434.93	101.88	44.42
2	Fair Value of Plan Assets	435.54	102.09	44.42
3	Differences (Assets-obligations)	0.61	0.21	0.00
4	Un recognized past service cost-non vested benefits	(70.75)	(23.48)	0.00
5	Assets recognized in the Balance Sheet	70.14	23.27	0.00
6	Liability recognized in the Balance sheet	364.18	78.41	44.42

Expenses recognized in the statement of Profit and Loss Account

(₹ in crore)

SI No	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Current Service Cost	12.70	4.09	1.78
2	Interest Cost	25.38	5.59	3.39
3	Expected Return on Plan Assets	(33.40)	(8.27)	0.00
4	Net actuarial (Gain) / Loss recognized in the year	50.22	8.35	(0.63)
5	Past Service Cost-recognized	23.58	7.83	0.00
6	Expenses recognized in the statement of Profit and Loss Account	78.48	17.59	4.54

Movements in the Liability recognized in the Balance Sheet

(₹ in crore)

SI No	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Opening Net Liability	298.59	65.72	39.88
2	Expenses as above	78.48	17.59	4.54
3	Contributions by the Bank for the year 2010-11	0.00	0.00	0.00
4	Contributions by the Bank for the year 2011-12	55.51	9.72	4.54
5	Total Contributions Paid	55.51	9.72	4.54
6	Closing Net Liability	434.93	101.88	44.42

Amount for the Current Period

(₹ in crore)

SI No	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Present value obligations	434.93	101.88	44.42
2	Plan Assets	435.54	102.09	44.42
3	Surplus (Deficit)	0.61	0.21	0.00
4	Experience adjustments on plan liabilities - (loss) / gain	52.51	7.75	(0.63)
5	Experience adjustments on plan assets - (loss) / gain	2.29	(0.60)	0.00

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

SI No	Particulars	Pension Trust (Funded)	Gratuity Trust (Funded)	Leave Encashment (Un Funded)
1	Government of India Securities	0.00	26.52	0.00
2	State Government Securities	0.00	3.78	0.00
3	High Quality Corporate Bonds	0.00	16.10	0.00
4	Equity Shares of Listed Companies	0.00	0.00	0.00
5	Property	0.00	0.00	0.00
6	Funds managed by insurer	93.88	0.00	0.00
7	Mutual Funds	0.00	51.47	0.00
8	Bank Deposits - Current Accounts	6.12	2.13	0.00
9	Others	0.00	0.00	0.00
10	Total	100.00	100.00	0.00

Estimated contribution for the next Year

(₹ in crore)

SI 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)	71.00	14.00	3.00

g) On account of other employee benefits like LFC Encashment, Medical Aid, Hospitalisation Reimbursement, Sick Leave etc, a provision of ₹ 3.38 crores (Previous Year ₹ 3.05 crores) is held.

2.3.2. Employee Stock Options (ESOP)

The shareholders of the Bank had approved the Employees Stock Options Scheme (ESOS) at the Annual General Meeting held on 15.7.2006 for grant to eligible employees' up to 15,00,000 stock options in aggregate. Accordingly stock options were granted to the eligible employees at an exercise price of ₹ 50/- per share. As per the Scheme, the stock options granted would vest in a graded manner i.e 40% after the first year, 30% in the second year and the remaining 30% before the end of the third year from the date of grant. The vested options, subject to other conditions, were exercisable within a period of 5 years from the respective dates of vesting. During the year ended March 31, 2012 the Bank has provided a sum of ₹ 0.21 crore as employee compensation cost being the proportionate accounting value in respect of stock options.

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 '12	Mar '11	Mar' 12	Mar' 11	Mar' 12	Mar' 11	Mar' 12	Mar' 11	Mar' 12	Mar' 11
Revenue	844.00	751.51	1176.13	890.30	1355.37	963.22	71.77	57.57	3447.27	2662.60
Result	-297.95	-165.81	27.19	43.29	521.59	334.45	59.67	46.00	310.50	257.93
Unallocated expenses									21.91	22.99
Profit before tax									288.59	234.94
Income tax									42.52	30.33
Extraordinary Profit/Loss									0.00	0.00
Net Profit									246.07	204.61
Other Information										
Segment Assets	15178.92	13914.90	11656.77	10123.88	9327.05	7504.09	6.60	5.61	36169.34	31548.48
Unallocated Assets									152.23	144.53
Total Assets									36321.57	31693.01
Segment Liabilities	14024.85	12814.07	10892.73	9372.08	8659.13	6939.62	6.10	5.16	33582.81	29130.93
Unallocated Liabilities									140.55	132.99
Total Liabilities									33723.36	29263.92

Part B - Geographic Segments: There is only one segment i.e. Domestic segment.

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 ₹ 32.40 lacs (previous year ₹ 32.40 lacs).

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:

Sl No	Particular	31.03.2012	31.03.2011
1	Earnings per share Basic (₹)	13.07	15.23
2	Earnings per share Diluted (₹)	13.06	15.20
3	Net Profit for the year attributable to Equity shares (₹ in crore)	246.07	204.61
4	Weighted Average number of Equity Shares - Basic	188228568	134345980
5	Weighted Average number of Equity Shares - Diluted	188421853	134655397
6	Nominal value per equity share (₹)	10.00	10.00

Allotment of 4,120 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)

Sl No	Particulars	As on 31.03.2012	As on 31.03.2011
A	Deferred Tax Liabilities		
1	Depreciation on fixed assets	2.86	4.00
2	Depreciation on investments	126.72	92.92
3	Accrued Interest on Investments	72.17	54.24
4	Pension and Gratuity	10.19	20.38
	Total	211.94	171.54
B	Deferred Tax Assets		
1	PL/LFC Encashment	14.86	13.28
2	Others	41.22	24.78
	Total	56.08	38.06
	Net deferred tax liabilities (A) – (B)	155.86	133.48

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 31st March 2012 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)**

(₹ in crore)

Particulars	Opening as on 01-04-2011	Provision made during the year	Provisions reversed/adjusted	Closing as on 31-03-2012
Provision for Contingencies	5.54	0.77	0.13	6.18

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

(₹ in crore)

SI No	Particulars	31.03.2012	31.03.2011
1	Provisions for Depreciation on Investment	50.82	38.93
2	Provisions towards NPA	83.75	67.50
3	Provisions towards Standard Assets (including NPV of Restructured Standard advances)	86.28	13.72
4	Provisions made towards taxes	42.52	30.33
5	Other Provisions & contingencies	0.77	0.20
	Total	264.14	150.68

3.2 Floating Provision:

(₹ in crore)

SI No	Particulars	31.03.2012	31.03.2011
1	Opening Balance	Nil	10.38
2	Provision made during the year	Nil	Nil
3	Utilised during the year	Nil	Nil
4	Amount transferred to Counter Cyclical Provisioning Buffer as per RBI guidelines	Nil	10.38
5	Closing balance	Nil	Nil

3.3 Drawdown from Reserves: The bank has not made any draw down during the year from the Reserves

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

(a)	No. of complaints pending at the beginning of the year	48
(b)	No. of complaints received during the year	612
(c)	No. of complaints redressed during the year	622
(d)	No. of complaints pending at the end of year	38

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	1
(c)	No. of awards implemented during the year	1
(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 been assessed under LOCs issued by the Bank in the past or during the current year and remaining outstanding as of 31st March 2012.

Details of LOCs issued by the Bank is as follows:

(₹ in crore)

1	Letter of comforts issued during the year	484.54
2	Letter of comforts matured/cancelled during the year	472.53
3	Letter of comforts outstanding at the end of the year	140.30

3.6 Provisioning Coverage Ratio (PCR):

The bank's provision coverage ratio as of March 31, 2012 is 47.18 % (Previous year 60.08%).

3.7 Bancassurance Business:

(₹ in crore)

SI No	Nature of Income	31.3.2012	31.3.2011
1	For selling Life Insurance Policies	24.67	22.62
2	For selling Non-Life Insurance Policies	5.34	4.11
	Total	30.01	26.73

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

SI No	Particulars	31.3.2012	31.3.2011
1	Total deposits of 20 largest depositors (₹ in crore)	2151.78	2648.03
2	% age of deposits of 20 largest depositors to total deposits	6.81	9.70

3.8.2 Concentration of Advances:

SI No	Particulars	31.3.2012	31.3.2011
1	Total advances of 20 largest borrowers (₹ in crore)	3830.70	3087.43
2	% age of advances of 20 largest borrowers to total advances (credit exposures including derivatives)	13.55	12.36

3.8.3 Concentration of Exposures:

SI No	Particulars	31.3.2012	31.3.2011
1	Total exposures of 20 largest borrowers / Customers (₹ in crore)	3833.05	3089.78
2	Percentage of Exposures to 20 largest borrowers / customers to Total Exposure of the bank on borrowers / customers	9.30	8.45

3.8.4 Concentration of NPAs:

(₹ in crore)

SI No	Particulars	31.3.2012	31.3.2011
1	Total fund based Exposure of Top Four NPA accounts	209.78	203.45

3.9 Sector-wise NPAs:

(₹ in crore)

SI No	Sector	Percentage of NPAs to Total Advances in that sector	
		31.3.2012	31.3.2011
1	Agriculture & allied activities	7.76	4.50
2	Industry (Micro & small, Medium and Large)	3.65	6.41
3	Services	4.63	5.88
4	Personal Loans	0.74	1.77

3.10 Movement of NPA:

(₹ in crore)

Particulars	
Gross NPAs as of the beginning of the year	702.17
Additions during the year	378.31
Sub-Total (A)	1080.48
Less:	
(i) Up-gradations	29.33
(ii) Recoveries (excluding recoveries made from upgraded accounts)	163.32
(iii) Write offs	203.11
Sub-Total (B)	395.76
Gross NPAs at the end of the Year [(A) – (B)]	684.72

3.11 Overseas Assets, NPA and Revenue:

(₹ in crore)

Particulars	31.3.2012	31.3.2011
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

3.12 Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

Name of the SPV Sponsored	
Domestic	Overseas
None	None

3.13 As permitted by the Reserve Bank of India vide their letter DBOD. No. BPBC. 15896/21.04.018/2010-11 dated 8th April 2011, the bank has during the year, debited its Profit & Loss account a sum of ₹ 23.58 crore towards pension and ₹ 7.83 crore towards Gratuity on proportionate basis and the balance of ₹ 70.75 crore and ₹ 23.48 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 11.05.2011 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 years 2010-11, 2011-12 and 2012-13.

- 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 31-03-2012 and steps are being taken to give effect to consequential adjustments of pending items.
- 5. Investments:** The percentage of SLR investments under "Held to Maturity" category as on 31st March 2012 was 22.33% (Previous Year 19.48%) of the Net Demand and Time Liabilities of the bank, which is within the permissible limit as per RBI guidelines.
- 6. Tax demands under appeal:** A sum of ₹ 85.66 crore (Previous year ₹ 47.34 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 appellate orders on identical issues for earlier assessment years. Provision for income tax for the year has been made after due consideration of decisions of appellate authorities and advice of counsels.
- Premises include building in possession and occupation of the Bank pending execution of title deeds and/or Co-operative Societies yet to be formed amounting to ₹ 0.22 crore (Previous year ₹ 0.22 crore).
- 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
Assistant General Manager

Sd/-
Ananthakrishna
Chairman

Sd/-
S. Anandarama Adiga
Deputy General Manager

Sd/-
S.R. Hegde
R.V. Shastri
Directors

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

Sd/-
U.R. Bhat
T.S. Vishwanath
Directors

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

Sd/-
D. Harshendra Kumar
H. Ramamohan
T.R. Chandrasekaran
Directors

Refer our report of even date

For Vishnu Daya & Co.
Chartered Accountants
Firm Regn. No. 008456S
Sd/-
Guruprasad
Partner
M.No. 219250

For R.K. Kumar & Co.
Chartered Accountants
Firm Regn. No. 001595S
Sd/-
B.R. Ashok
Partner
M.No. 023313

Place: Mangalore
Date: May 18th, 2012

**AUDITORS' REPORT TO THE SHAREHOLDERS
OF KARNATAKA BANK LIMITED**

**ಕರ್ನಾಟಕ ಬ್ಯಾಂಕಿನ ಶೇರುದಾರರಿಗೆ
ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ವರದಿ**

Report on the Financial Statements:

1. We have audited the accompanying financial statements of The Karnataka Bank Limited as at 31st March 2012, which comprises the Balance Sheet as at 31st March 2012; the statement of Profit and Loss Account 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 23 branches / 5 offices audited by us and 480 branches / 20 offices audited by Branch Auditors. The Branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued by the Reserve Bank of India.

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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatements, 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

ಹಣಕಾಸಿನ ಲೆಕ್ಕ ಪತ್ರಗಳ ಬಗ್ಗೆ ವರದಿ

1. ನಾವು ಇದರೊಂದಿಗೆ ಲಗತ್ತಿಸಿದ ಕರ್ನಾಟಕ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್ ಇದರ 31, ಮಾರ್ಚ್ 2012ರ ಹಣಕಾಸಿನ ಲೆಕ್ಕ ಪತ್ರಗಳ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಮಾಡಿದ್ದು ಇದರಲ್ಲಿ 31, ಮಾರ್ಚ್ 2012ರ ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಲಾಭ ನಷ್ಟ ತಖ್ತೆ ಮತ್ತು ವರ್ಷಾಂತ್ಯದ ನಗದು ಪರಿಚಲನೆಯ ನಿರೂಪಣಾ ಪಟ್ಟಿಯು ಒಳಗೊಂಡಿರುತ್ತದೆ. ಅಲ್ಲದೇ ಪ್ರಮುಖ ಲೆಕ್ಕಪತ್ರಗಳನ್ನಿಡುವ ಧೋರಣೆಯ ಸಾರಾಂಶ ಮತ್ತು ವಿವರಣಾತ್ಮಕ ಸೂಚನೆಗಳು ಸೇರಲ್ಪಟ್ಟಿವೆ. ಇವುಗಳಲ್ಲಿ ಸಂಘಟಿತವಾದ ಶಾಖಾ ವರದಿಗಳಲ್ಲಿ ನಾವೇ ಪರಿಶೋಧನೆ ಮಾಡಿದ ಬ್ಯಾಂಕಿನ 23 ಶಾಖೆಗಳ / 5 ಕಛೇರಿಗಳ ಹಾಗೂ ಶಾಖಾ ಲೆಕ್ಕ ಪರಿಶೋಧಕರಿಂದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟ 480 ಶಾಖೆಗಳ / 20 ಕಛೇರಿಗಳ ವರದಿಗಳು ಒಳಗೊಂಡಿವೆ. ನಾವು ಪರಿಶೋಧಿಸಿದ ಶಾಖೆಗಳು ಮತ್ತು ಇತರ ಲೆಕ್ಕ ಪರಿಶೋಧಕರು ಲೆಕ್ಕ ಪರಿಶೋಧಿಸಿದ ಶಾಖೆಗಳ ಆಯ್ಕೆ ಬ್ಯಾಂಕಿನದ್ದಾಗಿದ್ದು, ಅದು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಗಳಿಗೆ ಅನುಸಾರವಾಗಿ ಇದೆ.

ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಬಗ್ಗೆ ಆಡಳಿತಯ ಹೊಣೆಗಾರಿಕೆ:

2. 1949ರ ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಆಕ್ಟ್ ಅನುಸಾರವಾಗಿ ಈ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿ ಬ್ಯಾಂಕಿನ ಆಡಳಿತ ಹೊಣೆಗಾರಿಕೆಯಾಗಿರುತ್ತದೆ. ಈ ಹೊಣೆಗಾರಿಕೆಯಲ್ಲಿ ವಿನ್ಯಾಸ, ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿಕೆಗೆ ಅನುಗುಣವಾಗಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣದ ಹೇರಿಕೆ ಮತ್ತು ಕಾಯ್ದುಕೊಂಡು ಬರುವಿಕೆ ಹಾಗೂ ಅವುಗಳು ವಂಚನೆ ಅಥವಾ ತಪ್ಪಿನಿಂದಾಗಲೀ ವಿಷಯಾತ್ಮಕ ತಪ್ಪು ವ್ಯಾಖ್ಯೆಗಳಿಂದ ಮುಕ್ತವಾಗಿರುವುದು ಮುಖ್ಯವಾಗಿರುತ್ತದೆ.

ಲೆಕ್ಕಪರಿಶೋಧಕರ ಹೊಣೆಗಾರಿಕೆ:

3. ನಮ್ಮ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಆಧಾರದ ಮೇಲೆ ಇಲ್ಲಿನ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಕುರಿತು ನಮ್ಮ ಅಭಿಪ್ರಾಯ ಮಾಡುವಷ್ಟಕ್ಕೆ ನಮ್ಮ ಹೊಣೆಗಾರಿಕೆ ಸೀಮಿತವಾಗಿದೆ. ಇನ್ ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಆಫ್ ಇಂಡಿಯಾ ಬಿಡುಗಡೆಗೊಳಿಸಿದ ಲೆಕ್ಕಪರಿಶೋಧನಾ ನೀತಿಗನುಗುಣವಾಗಿ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮಾಡಿದ್ದೇವೆ. ಈ ಲೆಕ್ಕಚಾರದ ಪಟ್ಟಿಗಳು ಗಣ್ಯವಾದ ತಪ್ಪು ಹೇಳಿಕೆಗಳಿಂದ ಹೊರಪಟ್ಟಿವೆ ಎಂಬ ವಿವೇಚನಾ ಶಕ್ತಿಯ ಭರವಸೆ ಹೊಂದುವ ರೀತಿಯಲ್ಲಿ ನಾವು ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಯೋಜಿಸಿ, ನಿರ್ವಹಿಸಬೇಕೆಂದು ಆ ನೀತಿಗಳ ಅಪೇಕ್ಷೆ.

4. ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ನೀಡಲ್ಪಟ್ಟ ಮೊತ್ತದ ಬಗ್ಗೆ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಬಗ್ಗೆ ಸೂಕ್ತ ಆಧಾರವನ್ನು ಕೇಳಿದ ಕಾರ್ಯನಿರ್ವಹಣೆಯನ್ನು ಪೂರೈಸುವುದನ್ನು ಲೆಕ್ಕಪರಿಶೋಧನೆ ಒಳಗೊಂಡಿರುತ್ತದೆ. ಕಾರ್ಯ ನಿರ್ವಹಣೆಯ ಆಯ್ಕೆಯು ಲೆಕ್ಕಪರಿಶೋಧಕರ ವಿವೇಚನೆಗೆ ಸಂಬಂಧಿಸಿದ್ದಾಗಿದ್ದು, ಲೆಕ್ಕಪತ್ರಗಳಲ್ಲಿನ ನ್ಯೂನತೆ, ತಪ್ಪು ಹೇಳಿಕೆ ಅಥವಾ ವಂಚನೆ ನಿರ್ಧಾರದಲ್ಲೂ ಇದು ಲೆಕ್ಕಪರಿಶೋಧಕರ ವಿವೇಚನೆಗೆ ಬಿಟ್ಟದ್ದಾಗಿರುತ್ತದೆ. ಅಂತಹ ನಿರ್ಧಾರಕ್ಕೆ

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

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

Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read 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: (i) in the case of the Balance Sheet, of the state of affairs of the bank as at 31st March, 2012; (ii) in the case of the Profit and Loss Account, of the profits for the year ended on that date; and (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.

Report on other legal and Regulatory requirements:

7. 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;
8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above, we report that: a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory. b. the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and c. the returns received from the Offices and Branches of the Bank have been found adequate for the purposes of our audit.

ಬರುವಲ್ಲಿ ಲೆಕ್ಕಪರಿಶೋಧಕರು ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ನಿಯಂತ್ರಣವು ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರ ತಯಾರಿಸುವಲ್ಲಿ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವಿನ್ಯಾಸದಲ್ಲಿಯೇ ರಚಿಸಲ್ಪಟ್ಟಿರುವುದು, ಅದು ಸಂದರ್ಭಕ್ಕೆ ಸೂಕ್ತವಾಗಿದೆಯೇ ಎಂದು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳಬಹುದು. ಲೆಕ್ಕಪರಿಶೋಧನೆಯು ಲೆಕ್ಕವಿಡುವ ಮೂಲತತ್ವಕ್ಕನುಸಾರವಾಗಿ ಯಥಾರ್ಥವಾಗಿ ರಚಿಸಲ್ಪಟ್ಟಿದೆ ಎನ್ನುವುದನ್ನು ಲೆಕ್ಕವಿಡುವಲ್ಲಿ ಬ್ಯಾಂಕ್ ಆಡಳಿತ ಮಾಡಿದ ಅಂದಾಜುಗಳು ಸಹಾರಣವಾಗಿದೆ ಎನ್ನುವುದನ್ನು ಹಾಗೆಯೇ ಲೆಕ್ಕಾಚಾರ ಪಟ್ಟಿಗಳ ಸಮಗ್ರ ನಿರೂಪಣೆಯ ಮೇಲೆ ಮೌಲ್ಯೀಕರಣ ಮಾಡುವುದೂ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯ ವ್ಯಾಪ್ತಿಯ ಒಳಗೆ ಬರುತ್ತದೆ.

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

ಅಭಿಪ್ರಾಯ

6. ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ ನೀಡಲ್ಪಟ್ಟ ಅತ್ಯುತ್ತಮ ಮಾಹಿತಿಯಂತೆ ನಾವು ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮಾಡಿದ ಲೆಕ್ಕಪತ್ರಗಳು ಹಾಗೂ ಅವುಗಳಿಗೆ ಒದಗಿಸಿದ ಟಿಪ್ಪಣಿಯಂತೆ, ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಆಕ್ಟ್, 1949 ಮತ್ತು ಕಂಪನಿ ಆಕ್ಟ್, 1956 ಅನುಸಾರವಾಗಿ, ಅಲ್ಲಿ ಉಲ್ಲೇಖಿಸಿರುವುದು, ಭಾರತದಲ್ಲಿ ಲೆಕ್ಕವಿಡುವ ನೀತಿಯ ಪ್ರಕಾರ ರಚನೆಗೊಂಡಿದೆ ಹಾಗೂ ಅವು ಸಮರ್ಪಕವಾಗಿದ್ದು ಅವು ಯಥಾರ್ಥವಾದ ಮತ್ತು ನೈಜ ಮಾಹಿತಿಗಳನ್ನು ಒದಗಿಸುತ್ತವೆ. (i) ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಸಂದರ್ಭದಲ್ಲಿ 31, ಮಾರ್ಚ್ 2012ರಂದು ಇದ್ದ ಬ್ಯಾಂಕಿನ ವೆಹಿವಾಟಿನ ನೈಜ ಚಿತ್ರಣವನ್ನು (ii) ಲಾಭ ಮತ್ತು ನಷ್ಟ ತಿಳಿಯ ಸಂದರ್ಭದಲ್ಲಿ ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕದಂದು ಆದ ಲಾಭ ಮತ್ತು (iii) ನಗದು ಪರಿಚಲನೆ ನಿರೂಪಣೆ ಪಟ್ಟಿಯ ಸಂದರ್ಭದಲ್ಲಿ ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕದಂದು ಆದ ನಗದು ಪರಿಚಲನೆಯನ್ನು ತೃಪ್ತಿಕರ ನೀತಿಯಲ್ಲಿ ಪ್ರತಿಬಿಂಬಿಸುತ್ತವೆ.

ಕಾನೂನು ಮತ್ತು ನಿಯಂತ್ರಣ ಅಗತ್ಯತೆ ಬಗ್ಗೆ ವರದಿ

7. ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಿಳಿಯಗಳನ್ನು ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಕಾಯ್ದೆ 1949 ವಿಭಾಗ 29 ಹಾಗೂ ಕಂಪನಿ ಕಾಯ್ದೆ 1956 ವಿಭಾಗ 211 ರ ಅನುಸಾರವಾಗಿ ರಚಿಸಲಾಗಿದೆ.
8. ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಮಿತಿಗನುಸಾರವಾಗಿ ಮೇಲ್ಕಾಣಿಸಿದ ಪ್ಯಾರಾ 1ರಿಂದ 5ಕ್ಕೆ ಸಂಬಂಧಿಸಿ ನಮ್ಮ ವರದಿ ಹೀಗಿದೆ. (ಅ) ನಮ್ಮ ಅತ್ಯುತ್ತಮ ತಿಳುವಳಿಕೆ ಹಾಗೂ ನಂಬಿಕೆಯ ಪ್ರಕಾರ, ಲೆಕ್ಕ ಪರಿಶೋಧನೆಗೆ ಅಗತ್ಯವೆಂದು ಕಂಡುಬಂದ ಎಲ್ಲಾ ಮಾಹಿತಿ ಮತ್ತು ವಿವರಣೆಗಳನ್ನು ನಾವು ಪಡೆದಿದ್ದು ಅವುಗಳು ತೃಪ್ತಿಕರವಾಗಿದ್ದವು ಎಂದು ಮನಗಂಡಿದ್ದೇವೆ. (ಆ) ನಮ್ಮ ಗಮನಕ್ಕೆ ಬಂದ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರಗಳು ಬ್ಯಾಂಕಿನ ಅಧಿಕಾರ ವ್ಯಾಪ್ತಿಯ ಒಳಗಿದ್ದವು ಮತ್ತು (ಇ) ನಮ್ಮ ಪರಿಶೋಧನೆಗೆ ಬೇಕಾದಂತಹ ಸಮರ್ಪಕವಾದ ವರದಿಗಳು ಬ್ಯಾಂಕಿನ ಶಾಖೆಗಳಿಂದ, ಕಛೇರಿಗಳಿಂದ ಲಭ್ಯವಾಗಿವೆ.

9. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

10. We further report that: (i) the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts and returns; (ii) in our opinion, proper books of accounts as required by law have been kept by the bank so far as appears from our examination of those books; and (iii) 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; (iv) 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 March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

9. ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಆಸ್ತಿಹೊಣೆ ಪಟ್ಟಿ ಲಾಭ ನಷ್ಟ ತಿಳಿ ಮತ್ತು ನಗದು ಪರಿಚಲನೆ ನಿರೂಪಣಾ ಪಟ್ಟಿಗಳು, ಕಂಪನಿ ಕಾಯ್ದೆ 1956, ವಿಭಾಗ 211ರ ಉಪವಿಭಾಗ(3ಸಿ)ಯಲ್ಲಿ ನಿರೂಪಿಸಿದ ಮಟ್ಟದಲ್ಲಿ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಇಡಲಾಗಿದೆ.

10. ಇನ್ನೂ ಹೆಚ್ಚಾಗಿ ನಮ್ಮ ವರದಿ ಹೀಗಿದೆ. (i) ಈ ವರದಿಯಲ್ಲಿ ಕಾಣಿಸಿದ ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಿಳಿಗಳು ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪುಸ್ತಕ ಮತ್ತು ವರದಿಗಳಿಗೆ ಹೊಂದಿಕೆಯಾಗಿರುತ್ತವೆ. (ii) ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಕಾನೂನು ಪ್ರಕಾರ ಬೇಕಾದಂತಹ ಲೆಕ್ಕಪತ್ರ ಪುಸ್ತಕಗಳನ್ನು ಬ್ಯಾಂಕು ಈ ತನಕ ಇರಿಸಿದೆ ಎನ್ನುವುದು ಅಂತಹ ಪುಸ್ತಕಗಳ ಶೋಧನೆಯಿಂದ ನಮಗೆ ತಿಳಿದುಬಂದಿದೆ ಮತ್ತು (iii) ಶಾಖಾ ಲೆಕ್ಕ ಪರಿಶೋಧಕರು, ಶಾಖೆಯ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವರದಿಗಳನ್ನು ನಮಗೆ ಅಗತ್ಯ ಕಂಡಲ್ಲಿ ಬಳಸಿಕೊಂಡು ನಮ್ಮ ವರದಿಯನ್ನು ತಯಾರಿಸಿದ್ದೇವೆ. (iv) ನಿರ್ದೇಶಕರುಗಳಿಂದ ಲಭಿಸಿದ ಲಿಖಿತ ಮಾಹಿತಿ ಮತ್ತು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ದಾಖಲೆಯ ಶೋಧನೆಯನ್ವಯ ನಾವು ವರದಿ ಮಾಡುವುದೇನೆಂದರೆ, 31 ಮಾರ್ಚ್ 2012ಕ್ಕೆ ಯಾವೂಬ್ಬ ನಿರ್ದೇಶಕರು ಕಂಪನಿ ಕಾಯ್ದೆ 1956ರ ವಿಭಾಗ 274, ಉಪವಿಭಾಗ (i) ಖಂಡ (i) ಅನ್ವಯ ನಿರ್ದೇಶಕರಾಗಿ ನೇಮಕಗೊಳ್ಳಲು ಅನರ್ಹತೆಯನ್ನು ಹೊಂದಿಲ್ಲ.

for **Vishnu Daya & Co.**
Chartered Accountants
Firm Reg. No.: 008456S

for **R.K. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 001595S

ವಿಷ್ಣುವದಯಾ ಮತ್ತು ಕಂಪೆನಿ
ಲೆಕ್ಕಪರಿಶೋಧಕರು
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ 008456S

ಆರ್.ಕೆ. ಕುಮಾರ್ ಮತ್ತು ಕಂಪೆನಿ
ಲೆಕ್ಕಪರಿಶೋಧಕರು
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ 001595S

Sd/-
Guruprasad
Partner
M. No. 219250

Sd/-
B.R. Ashok
Partner
M. No. 023313

ಪರವಾಗಿ
ಸಹಿ/-
ಗುರುಪ್ರಸಾದ್
ಪಾಲುದಾರರು
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ 219250

ಪರವಾಗಿ
ಸಹಿ/-
ಬಿ.ಆರ್. ಅಶೋಕ್
ಪಾಲುದಾರರು
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ 023313

Place: Mangalore
Date: May 18, 2012

ಸ್ಥಳ : ಮಂಗಳೂರು
ದಿನಾಂಕ : 18 ಮೇ, 2012

Facts at a Glance

1. No. of Deposit Accounts		5879485
2. No. of Advances Accounts		349966
3. Advances to Priority Sector		(₹ in lakh)
Types of Advances	Number of Accounts at the end of the year	Balance outstanding at the end of the year
a) Agriculture and Allied Activities	182432	274070.94
b) Advances to Small Enterprises	35571	347970.40
c) Educational Loan	5796	12812.18
d) Housing Loan	19395	118479.82
e) Other Priority Sectors	5210	3693.85
Total	<u>248404</u>	<u>757027.19</u>
Export Credit		142899.00

4. Branches					
	Rural	Semi Urban	Urban	Metro-politan	Total
No. of Branches at the end of the year	98	115	153	137	503

5. Staff				
	Officers	Clerks	Sub-Staff	Total
As at the end of the year	2177	2637	1273	6087
Recruited during the year	107	393	87	587

6. Staff Training				
Bank's own training college			At Bankers' Training College (RBI) & other Training Colleges (Officers)	At Work shops & Seminars
Officers	Clerks	Sub Staff		
2578	1320	132	442	487*

* includes one day compliance workshop attended by 411 members conducted by our compliance department.

BEST BANK AWARD FOR "MANAGING IT RISK" - 2010-11



Shri P. Jayarama Bhat, Managing Director, receiving the Best Bank Award for "Managing IT Risk" under small bank category for the year 2010-11, instituted by Institute for Development and Research in Banking Technology (IDRBT) from Shri Anand Sinha, Deputy Governor, Reserve Bank of India.

88TH FOUNDERS' DAY LECTURE - 18.02.2012



Mrs. Usha Thorat, Former Deputy Governor, Reserve Bank of India, Director, Centre for Advanced Financial Research and Learning (CAFRAL), delivering the 88th Founders' Day Lecture is seen with Shri Ananthakrishna, Chairman and Shri P. Jayarama Bhat, Managing Director

500TH BRANCH INAUGURATION AT SHIRURU ON 29.03.2012



Shri A.G. Kodgi, Chairman, Task Force for Implementation of 3rd Finance Commission Report, Govt. of Karnataka, who inaugurated the Branch, is seen with Sarvashri Ananthakrishna, Chairman, Dr. H. Ramamohan, Director, P. Jayarama Bhat, Managing Director and M.V.C.S. Karanth, General Manager.

CORPORATE 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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