CHAPTER 4
PROFILE OF THE SELECTED BANKS

The present study is based on the financial performance of public and private banks operating in India. The sample selected for the research consist public sector bank, i.e. Bank of Baroda (BOB) and Canara Bank. As regard the private sector bank the sample selected is HDFC Bank and Karur Vysya Bank. The samples had been selected on the basis that it Deposits, advances, assets & liabilities, profitability and number of branches.

4.1 BANK OF BARODA (BOB)

Prior to independence from the British Rule, the ancient India was ruled by princely states, scattered over the width and breadth of the large Indian nation. The Maharajas of the inner States of colonial India contributed to the welfare of their respective regions as well as the Indian nation as a whole. Their vision and foresight in founding various financial, charitable, social and philanthropic organizations during their time is still cherished by any one going into the history of modern India and its achievements in every walk of life.

The Maharaja of Baroda, a princely state of British India, by name Sir Sayyajirao Gaekwad III, had the same vision in establishing a bank for servicing the public at large and the citizens of Baroda State, a Guajarati population in particular. On 20th July 1908, Bank of Baroda was established under the rules of Companies Act 1897, in a small building at Baroda, by the Maharaja with a paid up capital of Rs.10 lakhs. The guidelines set by the Maharaja for the bank was to serve the people of the State of Baroda as well as the neighboring regions with money lending, saving, transmission and encouraging the development of arts, science, commerce and trade for the people. Even during the worst financial disaster caused by the First World War, during the period 1913 to 1917, when as many as 87 banks closed their shutters, Bank of India survived the turbulence with its clear vision, ethical standards and financial prudence to grow from strength to strength.

There were heroes to sustain the development of this bank to its present glory, from ordinary people as customers and the heirs of the Royal family of Baroda.
The success story of the Bank of Baroda is studded with many a leaps and strides it made in the International presence, apart from establishing branches all over the Indian nation, by acquisition of already popular banking entities, as also commencing new commercial banking establishments, in the unique Guajarati style. During the years of 1908 to 2007 (and the century year being round the corner) Bank of Baroda’s growth owes to the excellence in rendering financial products and services to the national and international population. Countries beginning from America to Zambia, in the alphabetical order have been enjoying the services of Bank of Baroda as of today\(^1\).

Bank of Baroda is an Indian state-owned banking and financial services company headquartered in Vadodara (earlier known as Baroda) in Gujarat, India. It is the second-largest bank in India, after State Bank of India, and offers a range of banking products and financial services to corporate and retail customers through its branches and through its specialized subsidiaries and affiliates. In addition to its headquarters in its home state of Gujarat, it has a corporate headquarters in the Bandra Kurla Complex in Mumbai. A brief statistics will reveal the magnitude of growth Bank of India has achieved today: fifth largest bank in India; total business over 8,02,069 crores; number of offices and branches 4,336; more than 2,630 ATMs, notwithstanding affiliates, subsidiaries and delivery channels all over the world.

In its international expansion, the Bank of Baroda followed the Indian diasporas, especially that of the Guajarati’s. It has significant international presence as on 31st March, 2013, Bank of Baroda has operations in 24 countries with the number of branches at 60, the number of branches of its subsidiaries at 39 and one representative office, taking the total tally to 100. The following Key dates of History of BOB are

- 1908: Maharaja Sayajirao Gaekwad- III set up Bank of Baroda (BOB).
- 1910: BOB established its first branch in Ahmedabad.
- 1953: BOB established a branch in Mombasa and another in Kampala.
- 1954: BOB opened a branch in Nairobi.
- 1956: BOB opened a branch in Dar-es- Sallam.
- 1957: BOB established a branch in London.

\(^1\) "India's International Bank - About Us" Bank of Baroda.
1961: BOB merged in New Citizen Bank of India. This merger helped it
1962: BOB opened a branch in Mauritius.
1963: BOB acquired Surat Banking Corporation in Surat, Gujarat
1964: BOB acquired two banks, Umbergaon People’s Bank in southern Gujarat and Tamil Nadu Central Bank in Tamil Nadu state.
1964: BOB lost its branch in Narayanjanj (East Pakistan) due to the Indo- Pakistan war. It is unclear when BOB had opened the branch.
1965: BOB opened a branch in Guyana.
1967: The Tanzanian government nationalized BOB’s three branches there and transferred their operations to the Tanzanian government- owned National Banking Corporation.
1969: The Government of India nationalized 14 top banks, including BOB.
2006: BOB established an Offshore Banking Unit (OBU) in Singapore.
2007: In its centenary year, BOB's total business crossed 2.09 lakh crores, its branches crossed 1000, and its global customer base 29 million people.
2008: BOB opened a branch in Guangzhou, China (02/08/2008).
2009: Bank of Baroda registered with the Reserve Bank of New Zealand. It to trade as a bank in New Zealand (2009/09/01)
In 2010, Malaysia awarded a commercial banking license to a locally incorporated bank to be jointly owned by Bank of Baroda, Indian Overseas Bank and Andhra Bank. That same year, BOB also opened a branch in New Zealand.
In 2011, BOB opened an Electronic Banking Service Unit (EBSU) was opened at Hamriya Free Zone, Sharjah (UAE).
In 2012, BOB stated the Projects like “Project UDAAN”, Project SPARSH”, Baroda MANIPAL School of Banking².

4.1.1 CAPITAL STRUCTURE

At present Bank of Baroda boasts of an authorized share capital of the Bank is Rs. 3000crore. The Issued and Paid up capital of bank is 42,39,89,803 equity shares of Rs. 10/- each i.e. approx Rs. 424crore.

4.1.2 VISION

BOB is a story that needs to be shared with all those millions of people – Customers, Stakeholders, Employees & the Public at large – who in ample measure, have contributed to the making of an institution.

4.1.3 MISSION

To be a top ranking National Bank of International Standards committed to augmenting stake holders' value through concern, care and competence.

4.1.4 SLOGAN

Slogans of BOB are “HI – TECH SERVICE”, “HIGH – TOUCH DELIVERY”, “A Winning Performance through Sales & Service Excellence”, PASSION TO SERVE – PASSION TO PERFORM, “Conquering newer heights, Year after Year”.

4.1.5 PRODUCTS AND SERVICES OFFERED BY BOB

**Personal Banking:** Current Deposits Account, Savings Deposits Account, NRI Deposits, Savings Plus, Term Deposits, Reinvestment Plan, Multi Option Deposits, Recurring Deposits, Public Provident Fund Scheme, Home Loans, Education Loans, Personal Loans, Property Loans, Loans to Pensioners, Gold Loans, Demand Loans on Term Deposits, Demand Loans against Govt. Securities.

**Corporate Banking:** Cash Credits, Medium Term Loans, Letters of Credit (Inland), Guarantees (Inland).


**Miscellaneous Business:** Demand Drafts, Remittance Facilities (with Associate Banks), Telegraphic Transfers, STEPS (Electronic Transfers), Collections (Cheques), Collections (Bills), Demand Draft Purchases (Cheques), Demand Draft Purchases (Bills).³

**Other Services:** Safe Custody, Rupee Travellers Cheques, Gift Cheques, SMS/Email alerts, ATM Services, ATM Billpay, Core Banking, Internet Banking, Real Time Gross Settlement, M – Banking.

³ URL: [http://www.bankofbaroda.in](http://www.bankofbaroda.in)
4.1.6 HIGHLIGHTS OF BANK OF BARODA

Table 4.1
Highlights of Bank of Baroda during 2011-12 and 2012-13

<table>
<thead>
<tr>
<th>Details</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>5006.96crore</td>
<td>4480.72crore. A decrease of 10.51% compared to the previous year</td>
</tr>
<tr>
<td>Balance Sheet Size</td>
<td>457412crore</td>
<td>559388.33crore</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>392615.95crore</td>
<td>482638.89crore. An increase of 22.93% compared to the previous year</td>
</tr>
<tr>
<td>Total Advances</td>
<td>292077.14crore</td>
<td>333625.20crore. An increase of 14.23% compared to the previous year</td>
</tr>
<tr>
<td>Capital Adequacy Ratio</td>
<td>14.67%</td>
<td>13.30%</td>
</tr>
<tr>
<td>Tier I capital ratio</td>
<td>10.83%</td>
<td>10.13%</td>
</tr>
<tr>
<td>Non Performing Assets Gross:</td>
<td>4465crore, which is 1.5% of Gross Advances</td>
<td>7983crore which is 2.4% of Gross Advances</td>
</tr>
<tr>
<td>Net:</td>
<td>1544crore which is 0.5% of Net Advances.</td>
<td>4192crore which is 1.3% of Net Advances</td>
</tr>
<tr>
<td>EPS (Earning Per Share)</td>
<td>Rs. 127.84</td>
<td>Rs. 108.84 A decrease of 14.86% compared to the previous year</td>
</tr>
<tr>
<td>Network: Branches ATMs</td>
<td>3959 2012</td>
<td>4336 2630</td>
</tr>
</tbody>
</table>

4.2 CANARA BANK

Widely known for customer centricity, Canara Bank was founded by Shri. Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. Canara Bank is an India-based bank. The Bank operates in four segments: treasury operations, retail banking operations, wholesale banking operations and other banking operations. The Bank has gone through the various phases of its growth trajectory over hundred years of its existence. Growth of
Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterized by business diversification for the Bank. In June 2006, the Bank completed a century of operation in the Indian banking industry. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks. With an unbroken record of profits since its inception, Canara Bank has several firsts to its credit. These include:

- Launching of Inter-City ATM Network
- Obtaining ISO Certification for a Branch
- Articulation of ‘Good Banking’ – Bank’s Citizen Charter
- Commissioning of Exclusive Mahila Banking Branch
- Launching of Exclusive Subsidiary for IT Consultancy
- Issuing credit card for farmers
- Providing Agricultural Consultancy Services

Over the years, the Bank has been scaling up its market position to emerge as a major 'Financial Conglomerate' with as many as nine subsidiaries/sponsored institutions/joint ventures in India and abroad. As of March 2013, the Bank has further expanded its domestic presence, with 3728 branches spread across all geographical segments. Keeping customer convenience at the forefront, the Bank provides a wide array of alternative delivery channels that include 3526 ATMs, covering 1296 centers. Several IT initiatives have been undertaken during the year, which include Funds Transfer through Interbank Mobile Payment Services (IMPS) in ATMs, ASBA facility to net banking users, E-filing of tax returns and facility for viewing details of tax deducted at source, Terminal at 223 branches for customers to use net banking, SMS/e-mail alerts for all transactions done through ATM, net banking, POS, mobile banking, online payments irrespective of amounts, online loan applications and tracking facility, generation of automatic pass sheets through e-mail and automatic renewal of term deposits. Under Government business, the Bank has implemented internet based application for UGC Maulana Azad National Fellowship Scheme, Web portal for National Scheme for Girl Child Secondary Education, Electronic Accounting Systems of e- Receipts-Customs
(EASER-C) for collection of customs duty and e-payment of commercial taxes module for Uttar Pradesh, Karnataka, Delhi and Tamil Nadu.

Not just in commercial banking, the Bank has also carved a distinctive mark, in various corporate social responsibilities, namely, serving national priorities, promoting rural development, enhancing rural self-employment through several training institutes and spearheading financial inclusion objective. Promoting an inclusive growth strategy, which has been formed as the basic plank of national policy agenda today, is in fact deeply rooted in the Bank's founding principles. “A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people”. These insightful words of its founder continue to resonate even today in serving the society with a purpose. The growth story of Canara Bank in its first century was due, among others, to the continued patronage of its valued customers, stakeholders, committed staff and uncanny leadership ability demonstrated by its leaders at the helm of affairs. We strongly believe that the next century is going to be equally rewarding and eventful not only in service of the nation but also in helping the Bank emerge as a “Global Bank with Best Practices”. This justifiable belief is founded on strong fundamentals, customer centricity, enlightened leadership and family like work culture. In 1996 Canara Bank became the first Indian Bank to get ISO certification for "Total Branch Banking" for its Seshadripuram branch in Bangalore. Canara Bank has now stopped opting for ISO certification of branches.4

As of March 31, 2013, the Bank had a network of 373 correspondent banks spread across 79 countries. Rupee Drawing Arrangement (RDA) has been made with 30 Exchange Houses and 16 overseas banks in the middle east of Non-Resident Indians. As of March, 2013 it had over 3728 branches and 3526 automated teller machines (ATMs). Its services include corporate cash management services, executor, trustee and taxation services and agricultural consultancy services. As of March 31, 2013, its overseas operations covered six countries with one branch each at London and Leicester (the United Kingdom), Hong Kong, Shanghai (China) and Manama (Bahrain) and a representative office at Sharjah (United Arab Emirates). During the fiscal year ended

4 URL: http://en.wikipedia.org/2014/04/18 CANARA BANK
March 31, 2013 fiscal 2013, it opened 128 branches and 668 ATMs. During the year, the Bank has installed six bio-metric ATMs, taking the total to 29. In fiscal 2013, 123 Farmers' Clubs were formed.⁵

4.2.1 CAPITAL STRUCTURE

At present CANARA Bank boasts of an authorized share capital of the Bank is Rs. 3000 crore. The Issued and Paid up capital of bank is Rs. 443 crore equity which is dividing into Rs. 10/- each. The bank has 44,30,00,000 shareholders.

4.2.2 VISION

To emerge as a ‘Best Practices Bank’ by pursuing global benchmarks in profitability, operational efficiency, asset quality, risk management and expanding the global reach.

4.2.3 MISSION

To provide quality banking services with enhanced customer orientation, higher value creation for stakeholders and to continue as a responsive corporate social citizen by effectively blending commercial pursuits with social banking.

4.2.4 SLOGAN

Slogans of Canara Bank are “CANARA BANK SOARING HIGH”. “TOGETHER WE CAN”.

4.2.5 PRODUCTS AND SERVICES OFFERED BY CANARA BANK

Products


Services

International Services, Card Services, Consultancy Services, Depository Services, Ancillary Services, Merchant Banking Services, IPO Monitoring Activity, Syndication Services, NRI Banking, Internet Banking.

⁵ URL: http://www.canarabank.in
### 4.2.6 HIGHLIGHTS OF CANARA BANK

**Table 4.2**  
*Highlights of Canara Bank during 2011-12 and 2012-13*

<table>
<thead>
<tr>
<th>Details</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>3283 crore</td>
<td>2872 crore. A decrease of 12.52% compared to the previous year</td>
</tr>
<tr>
<td>Balance Sheet Size</td>
<td>374160 crore</td>
<td>412343 crore</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>327054 crore</td>
<td>355856 crore. An increase of 8.8% compared to the previous year</td>
</tr>
<tr>
<td>Total Advances</td>
<td>232490 crore</td>
<td>242177 crore. An increase of 4.2% compared to the previous year</td>
</tr>
<tr>
<td>Capital Adequacy Ratio (Regulatory minimum requirement is 9%)</td>
<td>13.76%</td>
<td>12.40%</td>
</tr>
<tr>
<td>Tier I capital ratio</td>
<td>10.35%</td>
<td>9.77%</td>
</tr>
<tr>
<td>Non Performing Assets Gross:</td>
<td>4032 crore, which is 1.7% of Gross Advances</td>
<td>6260 crore which is 2.6% of Gross Advances</td>
</tr>
<tr>
<td></td>
<td>3386 crore which is 1.5% of Net Advances.</td>
<td>5278 crore which is 2.2% of Net Advances</td>
</tr>
<tr>
<td>EPS (Earning Per Share)</td>
<td>Rs. 74.10</td>
<td>Rs. 64.83 A decrease of 12.51% compared to the previous year</td>
</tr>
<tr>
<td>Network:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branches</td>
<td>3600</td>
<td>3728</td>
</tr>
<tr>
<td>ATMs</td>
<td>2858</td>
<td>3526</td>
</tr>
</tbody>
</table>

### 4.3 HDFC BANK

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, Maharashtra, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995. HDFC is a banking company engaged in providing a range of banking and financial
services, including commercial banking and treasury operations. The Bank operates in four segments: treasury, which primarily consists of net interest earnings from the Bank’s investment portfolio, money market borrowing and lending, gains or losses on investment operations and on account of trading in foreign exchange and derivative contracts; retail banking, which serves retail customers through a branch network and other delivery channels; wholesale banking, which provides loans, non-fund facilities and transaction services to corporate, public sector units, government bodies, financial institutions and medium scale enterprises and other banking business, segment includes income from Para-banking activities, such as credit cards, debit cards, third party product distribution, primary dealership business and the associated costs.

4.3.1 AMALGAMATIONS

HDFC Bank is the fifth largest bank in India by assets. It is the largest bank in India by market capitalization as of 24 February 2014. On 26 February 2000, Times Bank Limited owned by The Times Group (Bennett, Coleman & Co.) was merged with HDFC Bank Ltd. This was the first merger of two private banks in India. Shareholders of Times Bank received 1 share of HDFC Bank for every 5.75 shares of Times Bank. On 23 May 2008, HDFC Bank acquired Centurion Bank of Punjab taking its total branches to more than 1,000. The amalgamated bank emerged with a base of about Rs.1,22,000 crore and net advances of about Rs. 89,000 crore. The balance sheet size of the combined entity is more than Rs.1,63,000 crore.

4.3.2 TECH-SAVVY

HDFC Bank has always prided itself on a highly automated environment, be it in terms of information technology or communication systems. All the branches of the bank boast of online connectivity with the other, ensuring speedy funds transfer for the clients. At the same time, the bank's branch network and Automated Teller Machines (ATMs) allow multi-branch access to retail clients. The bank makes use of its up-to-date

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6 “HDFC Bank Limited-Profile” HDFC Bank, “Shareholders question HDFC Bank pref offer” Indian Express
Retrieved 30 November, 2013

7 “HDFC Bank’s profile” NDTV Profit “RBI approves CBOP-HDFC Bank Merger”. RBI
Retrieved 30 November, 2013
technology, along with market position and expertise, to create a competitive advantage and build market share.

4.3.3 CAPITAL STRUCTURE

At present, HDFC Bank boasts of an authorized share capital of the Bank is Rs. 550 crore. The paid-up capital is Rs 475,88,38,000/- (2379419030 equity shares of Rs. 2/- each). The HDFC Group holds 22.69 % of the Bank's equity and about 17.00 % of the equity is held by the ADS / GDR Depositories (in respect of the bank's American Depository Shares (ADS) and Global Depository Receipts (GDR) Issues). 34.92 % of the equity is held by Foreign Institutional Investors (FIIs) and the Bank has 4,35,340 shareholders. The shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The Bank's American Depository Shares (ADS) are listed on the New York Stock Exchange (NYSE) under the symbol 'HDB' and the Bank's Global Depository Receipts (GDRs) are listed on Luxembourg Stock Exchange under ISIN No US40415F2002.

4.3.4 VISION

To be customer driven best managed enterprise that enjoys market leadership in providing housing related finance.

4.3.5 MISSION

To provide a package of attractive financial services for housing purposes through a competent and motivated team of employees using the state of the art technology to maintain financial stability and growth of the organization whilst contributing to the national goal of providing decent housing to all.

4.3.6 SLOGAN

Slogans of HDFC are “WE UNDERSTAND YOUR WORLD”, “SOMETIMES DIFFERENT NEEDS HAVE THE SAME SOLUTION--- HDFC Bank”.

4.3.7 PRODUCTS AND SERVICES OFFERED BY HDFC

**Personal Banking:** Accounts & Deposits, Loans, Cards, Demat, Investments, Insurance, Forex, Premium Banking, and Private Banking.

**NRI Banking:** Accounts & Deposits, Money Transfer, Investments & Insurance Research Reports, Loans, Premium Banking, Payment Services.
**SME Banking:** Accounts & Deposits, Business Financing, Trade Services, Payments & Collections, Cards

**Wholesale Banking**

HDFC offers Wholesale Banking for Corporate and Financial Institutions & Trusts. The Bank also provides services such as Investment Banking and other services in the Government sector. HDFC Bank provides a range of commercial and transactional banking services, with working capital finance, trade services, transactional services, cash management, etc. to large, small and mid-sized corporate and agriculture-based businesses in India. The bank is also a leading provider of these services to its corporate customers, mutual funds, stock exchange members and banks.

**Retail Banking Services**

HDFC Bank was the first bank in India to launch an International Debit Card in association with VISA (Visa Electron). The bank also issues the Master Card Maestro debit card. The Bank launched its Credit Card business in late 2001. The Bank is also one of the leading players in the "merchant acquiring" business with over 240,000 point-of-sale (POS) terminals for debit / credit cards acceptance at merchant establishments. The Bank is positioned in various net based B2C opportunities including a wide range of Internet banking services for Fixed Deposits, Loans, Bill Payments, etc.

**Treasury**

The bank has three main product areas - Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities. These services are provided through the bank's Treasury team. To comply with statutory reserve requirements, the bank is required to hold 25% of its deposits in government securities. The Treasury business is responsible for managing the returns and market risk on this investment portfolio.⁸

**4.3.8 HIGHLIGHTS OF HDFC BANK**

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⁸ URL: http://www.hdfcbank.in
Table 4.3

Highlights of HDFC Bank during 2011-12 and 2012-13

<table>
<thead>
<tr>
<th>Details</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>5,167.09 crore</td>
<td>6,726.28 crore. An increase of 30.18% compared to the previous year</td>
</tr>
<tr>
<td>Balance Sheet Size</td>
<td>337,909 crore</td>
<td>400,332 crore</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>246,706 crore</td>
<td>296,247 crore. An increase of 20.1% compared to the previous year</td>
</tr>
<tr>
<td>Total Advances</td>
<td>195,420 crore</td>
<td>239,721 crore. An increase of 22.67% compared to the previous year</td>
</tr>
<tr>
<td>Capital Adequacy Ratio (Regulatory minimum requirement is 9%)</td>
<td>16.52%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Tier I capital ratio</td>
<td>11.60%</td>
<td>11.08%</td>
</tr>
<tr>
<td>Non Performing Assets Gross:</td>
<td>1,999 crore, which is 1.0% of Gross Advances</td>
<td>2,335 crore which is 1.0% of Gross Advances</td>
</tr>
<tr>
<td>Net:</td>
<td>352.33 crore, which is 0.2% of Net Advances.</td>
<td>468.95 crore which is 0.2% of Net Advances</td>
</tr>
<tr>
<td>EPS (Earning Per Share)</td>
<td>Rs. 22.1</td>
<td>Rs. 28.5. An increase of 28.96% compared to the previous year</td>
</tr>
<tr>
<td>Network:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branches</td>
<td>2544</td>
<td>3062</td>
</tr>
<tr>
<td>ATMs</td>
<td>8913</td>
<td>10743</td>
</tr>
</tbody>
</table>

4.4 KARUR VYSYA BANK

Commercial banking in India can boast of a history of about 200 years. Though one could trace the history of banking back to the 19th century, the beginning of the last century saw the birth of many banks in India, set up by people with vision, commitment and national spirit.

The Karur Vysya Bank Limited, popularly known as KVB, one such Endeavour, was set up in 1916 by two great visionaries and illustrious sons of Karur, the Late Shri M A Venkatarama Chettiar and the Late Shri Athi Krishna Chettiar to inculcate the habit of savings and provide financial assistance to traders and small agriculturists in
and around Karur, a textile town in Tamil Nadu. Though the bank started with a seed capital of Rs.1 lakh, it has withstood innumerable changes and challenges in the past few decades and has profitably emerged as one of the leading banks in India without compromising on its fundamentals.

The bank is professionally managed and guided by the Board of Directors drawn from different fields with vision, experience, and knowledge and business acumen. Shedding its inherent regional flavour, the bank has now spread its wings far and wide with over 551 branches in 17 States and 2 Union Territories in order to gain a pan India presence. The bank has been conducting its affairs meticulously to conform to all the prudential norms and exacting statutory regulations. KVB has consistently maintained strong fundamentals with a higher percentage of Capital Adequacy Ratio than mandated by the RBI. KVB has also been generating profits and rewarding its stakeholders with handsome dividends since inception.

KVB is one of the earliest banks in the country to achieve full networking of its branches under Core Banking Solutions, offering services through alternate delivery channels. The bank has in place robust risk management systems and adheres to the tenets of Corporate Governance. The bank is well-equipped to boldly take up the challenges in the industry and emerge as a top-notch one-stop shop techie financial supermarket. KVB will continue its endeavors to bring the best of products and services to its customers to emerge as the techie bank that provides the gateway to Smart Way to bank.

4.4.1 CAPITAL STRUCTURE

At present KARUR VYSYA Bank boasts of an authorized share capital of the Bank is Rs. 200crore. The Issued capital of bank is 107.27crore and Paid up capital of bank is Rs. 107.18crore equity shares of Rs. 10/- each. The bank has 107180406 shareholders.

4.4.2 VISION

Delight the customers constantly by blending tradition with technology to deliver innovative products and services at affordable rates through a pan India Branch

9 URL: http://en.wikipedia.org/wiki/Karur_Vysya_Bank
Network. The bank that carries with it a tradition of 98 years and yet is young enough to adapt itself to the rapidly changing scenario in the banking industry

4.4.3 MISSION

Adapt technology to introduce innovative products and services as well as increase the value of products on an on-going basis and provide them at reasonable rates. Expand branch network to reach the top business centers, besides unbanked and under banked areas in the country. Strengthen the financials through effective deployment of funds and ensuring financial discipline while adhering to the regulator's guidelines. Update the knowledge and skills of the human capital to provide quality customer support.

4.4.4 SLOGAN

Slogans of KVB are “SMART WAY TO BANK”, “PLAN GREAT JOURNEY WITH YOUR BANK------KVB”.

4.4.5 PRODUCTS AND SERVICES OFFERED BY KARUR VYSYA BANK

Accounts and Deposits, Loans and Advances, Insurance, Corporate Banking, Mobile Banking, Agricultural Banking, Internet Banking, NRI Banking.

4.4.6 HIGHLIGHTS OF KARUR VYSYA BANK

Table 4.4  
**Highlights of Karur Vysya Bank during 2011-12 and 2012-13**

<table>
<thead>
<tr>
<th>Details</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>501.72crore</td>
<td>550.32crore. An increase of 9.69% compared to the previous year</td>
</tr>
<tr>
<td>Balance Sheet Size</td>
<td>37635crore</td>
<td>46733crore</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>32112crore</td>
<td>38653crore. An increase of 20.4% compared to the previous year</td>
</tr>
<tr>
<td>Total Advances</td>
<td>24205crore</td>
<td>29706crore. An increase of 22.7% compared to the previous year</td>
</tr>
<tr>
<td>Capital Adequacy Ratio</td>
<td>14.33%</td>
<td>14.41%</td>
</tr>
</tbody>
</table>

(Regulatory minimum requirement is 9%)

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10 URL: http://www.karurvysyabank.in
<table>
<thead>
<tr>
<th></th>
<th>Tier I capital ratio</th>
<th>13.12%</th>
<th>13.10%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non Performing Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross:</td>
<td></td>
<td>13.12%</td>
<td>13.10%</td>
</tr>
<tr>
<td>Net:</td>
<td>321 crore, which is 1.3% of Gross Advances</td>
<td>286 crore which is 1.0% of Gross Advances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>79 crore which is 0.3% of Net Advances.</td>
<td>109 crore which is 0.4% of Net Advances</td>
<td></td>
</tr>
<tr>
<td><strong>EPS (Earning Per Share)</strong></td>
<td>Rs. 46.81</td>
<td></td>
<td>Rs. 51.35 An increase of 9.7% compared to the previous year</td>
</tr>
<tr>
<td><strong>Network:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branches</td>
<td>451</td>
<td>551</td>
<td></td>
</tr>
<tr>
<td>ATMs</td>
<td>825</td>
<td>1277</td>
<td></td>
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</tbody>
</table>