# CHAPTER- IV

BANKING SECTOR - A PROFILE

<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4.1 Introduction</strong></td>
<td>74</td>
</tr>
<tr>
<td><strong>4.2 Brief Profile on Public sector and Private Sector Banks in India</strong></td>
<td>75</td>
</tr>
<tr>
<td>4.2.1 Public Sector Banks in India</td>
<td>75</td>
</tr>
<tr>
<td>4.2.2 Private Sector Banks in India</td>
<td>76</td>
</tr>
<tr>
<td><strong>4.3 Brief Profile of Sample Banks Visited</strong></td>
<td>77</td>
</tr>
<tr>
<td>4.3.1 State Bank of India</td>
<td>77</td>
</tr>
<tr>
<td>4.3.2 Canara Bank</td>
<td>80</td>
</tr>
<tr>
<td>4.3.3 Syndicate Bank</td>
<td>82</td>
</tr>
<tr>
<td>4.3.4 ICICI Bank</td>
<td>83</td>
</tr>
<tr>
<td>4.3.5 HDFC Bank</td>
<td>86</td>
</tr>
<tr>
<td>4.3.6 Karnataka Bank</td>
<td>87</td>
</tr>
</tbody>
</table>
4.1 Introduction

Today banks have become an inevitable part of our life. There was a time when the dwellers of city alone could enjoy their services. Now banks offer access to even a common man and their activities extend to areas hitherto untouched. Apart from their traditional business-oriented functions i.e. accepting deposits from the public and lending the money, they have now come out to fulfil national responsibilities. Banks cater to the needs of agriculturists, industrialists, traders and to all the other sections of the society. Thus, they accelerate the economic growth of a country and fear the wheels of the economy towards its goal of “Self-reliance in all fields”.

Banks and their activities are generally subject to much closer official supervision than other kinds of activities or business because they play a crucial role in the economic and financial life of a country. Banks occupy a central place in the payments system for government, business and household accept money in the form of deposits, which constitute part of society’s financial assets and intermediate between depositors with surplus funds and borrowers who are in need of funds. The primary justification for bank supervision is to limit the risk and loss to depositors and thus maintain public confidence.

Prof. Hart says that a banker is one who in the ordinary course of his business receives money, which he repays by honouring the cheques of the persons from whom or on whose account he receives it.

The Banking Companies Act of 1949, Section 5(b) defines banking as “accepting for the purpose of lending or investment of deposits from the public repayable on demand or otherwise and withdrawals by cheques, drafts, and orders or otherwise”.

The banking scenario in India is changing fast to keep pace with the International Banking Practice. As a result, the banks in India have been asked to meet specific standards such as Capital Adequacy Norms, Classification of Assets, Income Recognition Norms etc. further new directions have been issued to bring the NBFCs under strict control and to improve their financial health. The Banking ombudsman scheme has been introduced to protect the interest of the depositors. Many post-reform developmentshas taken place so as to enable the banks to function
with improved financial strength and functional efficiency. The Negotiable Instrument Act has been amended recently with a view to enhancing the acceptability of cheques and thus improving the efficacy of banking operations.

The latest development in the field of banking like the introduction of Truncated cheques, E-cheques passing of Securitisation Act, Management of Non-performing assets, Real time gross settlement, banking cash transaction tax etc.

4.2 Brief Profile on Public Sector and Private Sector Banks in India

4.2.1 Public sector banks

Public sector banks are managed and controlled by the Government of India. Public sector banks have been serving the nation for over centuries and are well known for their affordable and quality services. State Bank of India, Bank of Baroda, Syndicate Bank and Canara Bank are some of the major Public sector banks.

The banking sector in India is mostly dominated by the Public sector banks. The Public sector banks in India alone account for about 75 percent of the total advances in the Indian banking industry. Public sector banks have shown incredible growth over the last five four decades.

The Public sector banks in India are:

<table>
<thead>
<tr>
<th>Public Sector Banks</th>
<th>Public Sector Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allahabad Bank</td>
<td>State Bank of Hyderabad</td>
</tr>
<tr>
<td>Andhra Bank</td>
<td>State Bank of India</td>
</tr>
<tr>
<td>Bank of Baroda</td>
<td>State Bank of Indore</td>
</tr>
<tr>
<td>Bank of India</td>
<td>State Bank of Mysore</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>State Bank of Patiala</td>
</tr>
<tr>
<td>Central Bank of India</td>
<td>State Bank of Saurashtra</td>
</tr>
<tr>
<td>Corporation Bank</td>
<td>State Bank of Travancore</td>
</tr>
<tr>
<td>Dena Bank</td>
<td>Syndicate Bank</td>
</tr>
<tr>
<td>Indian Bank</td>
<td>UCO Bank</td>
</tr>
<tr>
<td>Oriental Bank of Commerce</td>
<td>Union Bank of India</td>
</tr>
<tr>
<td>Punjab National Bank</td>
<td>Vijaya Bank</td>
</tr>
<tr>
<td>State Bank of Bikaner and Jaipur</td>
<td></td>
</tr>
</tbody>
</table>

4.2.2 Private sector banks

Private sector banks are those banks which do not have any government control and management. The concept of private banking was introduced about 15 years ago. HDFC bank, ICICI bank, UTI bank and IDBI bank are some of the major private sector banks. Private Banks have gained quite a strong position in the Indian banking industry over the last few years especially because of optimum use of technology. The Private Banks are accountable for a share of 18.22 percent of the Indian banking industry.

Private sector banks in India are:

- Bank of Punjab
- Bank of Rajasthan
- Catholic Syrian Bank
- Centurion Bank
- City Union Bank
- Development Credit Bank
- Dhanlakshmi Bank
- Federal Bank
- HDFC Bank
- ICICI Bank
- IDBI Bank
- IndusInd Bank
- ING Vysya Bank
- Jammu & Kashmir Bank
- Karnataka Bank
- Karur Vysya Bank
- Laxmi Vilas Bank
- South Indian Bank
- United Western Bank
- UTI Bank
4.3 A Brief Profile of Banks Visited for the Study

The following three leading public sector banks visited for the research:

1. State Bank of India
2. Canara Bank
3. Syndicate Bank

The following three leading private sector banks visited for the research:

1. ICICI Bank
2. HDFC Bank
3. Karnataka Bank

4.3.1 STATE BANK OF INDIA (SBI)

SBI is an Indian multinational, public sector banking and financial services company. It is a government owned organisation with its headquarters in Mumbai, Maharashtra. As of 2014-15, it had assets of ₹ 20.480 trillion (US$300 billion) and more than 14,000 branches, including 191 foreign offices spread across 36 countries, making it the leading banking and financial services company in India by assets. The company is ranked 232nd on the Fortune Global 500 list of the world's biggest corporations as of 2016.

The bank follows its parentage to British India, through the Imperial Bank of India, to the establishing, in 1806, of the Bank of Calcutta, making it the most seasoned business bank in the Indian Subcontinent. Bank of Madras converged into the other two "administration banks" in British India, Bank of Calcutta and Bank of Bombay, to frame the Imperial Bank of India, which thus turned into the State Bank of India in 1955. Administration of India claimed the Imperial Bank of India in 1955, with Reserve Bank of (India's Central Bank) taking a 60% state, and renamed it the State Bank of India. In 2008, the legislature assumed control over the stake held by the Reserve Bank of India.

History

The foundations of the State Bank of India lie in the main decade of the nineteenth century, when the Bank of Calcutta, later renamed the Bank of Bengal, was set up on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the
other two being the Bank of Bombay (joined on 15 April 1840) and the Bank of Madras (fused on 1 July 1843). Every one of the three Presidency banks was fused as business entities and were the consequence of regal contracts. These three banks got the select appropriate to issue paper cash till 1861 when, with the Paper Currency Act, the privilege was assumed control by the Government of India. The Presidency banks amalgamated on 27 January 1921, and the re-sorted out keeping money substance took as its name Imperial Bank of India. The Imperial Bank of India remained a business entity however without Government interest.

As per the arrangements of the State Bank of India Act of 1955, the Reserve Bank of India, which is India's national bank, obtained a controlling enthusiasm for the Imperial Bank of India. On 1 July 1955, the supreme Bank of India turned into the State Bank of India. In 2008, the Government of India obtained the Reserve Bank of India's stake in SBI to expel any irreconcilable situation on the grounds that the RBI is the nation's saving money administrative specialist.

In 1959, the administration passed the State Bank of India (Subsidiary Banks) Act. This made SBI subsidiaries of eight that had a place with regal states preceding their nationalization and operational assume control between September 1959 and October 1960, which made eight state banks partners of SBI. This procurement was tuned into the initial Five Year Plan, which organised the advancement of country India. The administration coordinated these banks into the State Bank of India framework to extend its rustic effort. In 1963 SBI consolidated State Bank of Jaipur (est. 1943) and State Bank of Bikaner (est. 1944).

The new logo of the SBI was actually the aerial view of the Kankaria Lake in Ahmedabad, Gujrat on 1 October 1971 and was designed by Shekhar Kammat.

The initial move in the direction of unification happened on 13 August 2008 when State Bank of Saurashtra merged with State bank of India, which reduced the number of associate state banks from seven to six. In June 2009 the SBI board affirmed the absorption of State Bank of Indore. SBI had 98.3% of share in State Bank of Indore, which shows public held the shares before its takeover by the government is the balance of 1.7%.
Operations

SBI provides a range of banking products through its network of branches in India and overseas, including products designed for non-resident Indians (NRIs). SBI has 14 regional centers and 57 Zonal Offices that are located at important cities throughout India.

Associate banks

Since 1959, State Bank of India started acquiring associate banks. All the associate banks use State Bank of India logo, which is a blue circle, and all use the "State Bank of" name, followed by the regional headquarters' name. The associate banks of State bank of India are listed below:

- State Bank of Mysore (established 1913)
- State Bank of Patiala (established 1917)
- State Bank of Hyderabad (established 1941)
- State Bank of Travancore (established 1945)
- State Bank of Bikaner & Jaipur (established 1963)
- Bharatiya Mahila Bank (established 2013)

The associate banks which are merged given below:

- State Bank of Saurashtra (merged in 2008)
- State Bank of Indore (merged in 2010)

The negotiations for merging of 5 associate banks such as State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore and Bharatiya Mahila Bank acquired their businesses including assets and liabilities with "SBI Online". Started in 2016. On 15 June 2016 the merger of these six subsidiaries was approved by Union Cabinet. The State Bank of India and all its associate banks are recognized by the same blue keyhole logo. The State Bank of India word mark usually has one standard typeface but also utilizes other typefaces.

Non-banking subsidiaries

Apart from its five associate banks, SBI also has the following non-banking subsidiaries:

- SBI Capital Markets Ltd.
In March 2001, SBI (with 74% of the total capital), joined with BNP Paribas (with 26% of the remaining capital), to form a joint venture life insurance company named SBI Life Insurance company Ltd. In 2004, SBI DFHI (Discount and Finance House of India) was founded with its headquarters in Mumbai.  

4.3.2 CANARA BANK

Canara Bank is one of the popular public sector banks, headquartered in Bangalore, Karnataka. It was established at Mangalore in 1906, which is the oldest bank in the country. The government nationalized the bank in 1969. As of November 2015, the bank had a system of 5784 branches and more than 9153 ATMs which were spread across India. In addition, the bank has branches in foreign countries i.e., London, Moscow, Hong Kong, Shanghai, Doha, South Africa, Bahrain, Dubai, and New York.

History

On 1 July 1906, Amemmbal Subba Roa Pai, a philanthropist, established the Canara Hindu Permanent Fund in Mangaluru, India. In 1910 the bank changed its name to Canara Bank Limited.

Canara Bank's first securing occurred in 1961 when it gained Bank of Kerala. Bank of Kerala had been established in September 1944 and at the season of its securing on 20 May 1961 had three branches. The second bank that Canara Bank gained was Seasia Midland Bank (Alleppey), which had been set up on 26 July 1930 and had seven branches at the season of its takeover.

The Reserve Bank of India had ordered Canara Bank to secure G. Raghunathmul Bank, in Hyderabad in the year 1958. This bank had been set up in 1870 and had changed over to a restricted organisation in 1925. At the time of the

131www.sbi.co.in
acquiring G. Raghunathmul Bank had five branches. The merger produced results in 1961. Later in 1961, Canara Bank acquired Trivandrum Permanent Bank. Trivandrum Permanent Bank had been established on 7 February 1899 and had 14 branches in the season of the merger.

In 1963, Canara Bank acquired four banks. They are the Thrippunithura, Arnad Bank, Sree Poornathrayeesa Vilasam Bank, Tiruchirapalli, Cochin Commercial Bank, Cochin, and Pandyan Bank, Madurai. Sree Poornathrayeesa Vilasam Bank had been incorporated on 21 February 1923 and at the time of its acquisition, it had 14 branches. Cochin Commercial Bank had been incorporated on 3 January 1936, and at the time of its acquisition had 13 branches. Arnad Bank had been incorporated on 23 December 1942 and at the time of its acquisition had only one branch.

On 19 July 1969, the Government of India nationalized Canara Bank, along with 13 other major commercial banks of India. Canara Bank introduced its 1000th branch in 1976. Canara Bank bought Lakshmi Commercial Bank in 1985, which carried Canara Bank around 230 branches in northern India.

In 1996, Canara Bank turned into the principal Indian Bank to get ISO certificate for its total branches. Now Canara Bank has quit picking ISO affirmation of branches.

**Over Seas Subsidiaries and Branch Offices**

In 1976 Canara Bank established its International division. In 1983, Canara Bank opened its first external office, a branch in London. After two years, Canara Bank established a subsidiary in Hong Kong. In 2008-09, Canara Bank opened its third foreign branch in Shanghai. Later Canara Bank established a branch each in Leicester and Bahrain and converted its Hong Kong subsidiary into a branch. Its representative office is located in Sharjah.

**Subsidiary Company**

- Canbank Computer Services Limited
- Canara Bank Securities Limited
- Canbank Factors Limited
- Canbank Financial Services Limited
- Canbank Venture Capital Fund Limited
- Canara Robeco Asset Management Company Limited
• Canara HSBC Oriental Life Insurance Company Limited
• Canfin Homes Limited (CFHL), with a network of 110 branches and 28 satellite offices throughout India.132

4.3.3 SYNDICATE BANK

Syndicate Bank is one of the oldest and major commercial banks of India. It was started by T M A Pai, Upendra Pai, and Vaman Kudva. At the time of its establishment, the bank was recognised as Canara Industrial and Banking Syndicate Limited. On 19 July 1969 the bank, along with 13 major commercial banks of India, was nationalised by the Government of India.

History

The bank was started with a capital of ₹8000. T M A. Pai, Upendra Pai, and Vaman Kudva strove together to set up the bank. The first branch of the bank started its operations in 1925 at Udupi, in Dakshin Kannada district in Karnataka state. In 1937, the bank had secured its membership as a clearing house at Mumbai. The main objective of the business was to extend the financial assistance to local weavers and also to encourage saving habits among the people. Initially, the bank collected as low as two annas from the door steps of the depositors daily through its agents. This was a type of system wherein the agents of the bank came doorsteps to collect deposit is still followed in India and is known as the Pigmy Deposit Scheme.

As time advanced, twenty banks joined with the Canara Industrial and Banking Syndicate Limited including the Southern India Apex Bank Limited and Maharashtra Apex Bank Limited. in 1964 the name of the bank was changed to Syndicate Bank Limited and the head office of the bank was moved to Manipal. The bank extended its operations in the domestic as well as foreign countries. It has a branch in London and the bank oversees National Exchange Co. in Doha and Musandam Exchange Co. in Muscat. By 1978, it opened its 1000th branch at Hauz Khas, Delhi. Right now it has more than 3500 branches and all branches are offering core banking-e-banking services under anywhere-anytime-anyhow banking. Syndicate Bank has a branch in London, United Kingdom.

132www.canarabank.in
On 2 October 1975, Syndicate Bank sponsored the first regional rural bank in India by name Prathama Bank, in Moradabad district Uttar Pradesh. The stocks of the Syndicate Bank are listed on Bombay Stock Exchange, National Stock Exchange, Bangalore Stock Exchange and Mangalore Stock Exchange. The Bank entered into a partnership with UNEP to start a successful solar loan program and launched in April 2003 to help accelerate the market for financing solar home systems in southern India. Now, the bank is sponsoring 3 RRBs and all are profit making having a total business of ₹ 42101 crore with 1348 branches as on 31.03.2015. They are Karnataka Vikas Grameena Bank, Prathama Bank, and Andhra Pragathi Grameena Bank.

Bank had opened 303 branches and reached a milestone of 3552 branches as on 31 March 2015 (including a branch in London) 1150 Rural, 936 Semi Urban, 783 Urban and 682 Metro Branches. Bank has its branch in all the States and Union Territories of the country.

Corporate Tie-Ups

Bank has entered into a strategic tie-up with the following Corporates:

- On 30 March 2015, the bank had signed a Memorandum of Understanding (MOU) with M/s SBI Life Insurance Co. Ltd. for providing Group Life Insurance cover especially to Education Loan Borrowers of the Bank.

- Bank has a Corporate Agency tie-up with M/s TATA-AIA Life Insurance Co Ltd. on 30 March 2015 for providing Group Life Insurance cover to Housing Loan borrowers of the Bank.

- Bank had signed a Memorandum of Understanding (MOU) with LIC for implementation of “Pradhan Mantri Jeevan Jyoti Bima Yojana”. In this, LIC will provide life insurance cover of ₹ 2 lakh in case of death of the insured person at a nominal premium of ₹ 330 per annum.133

4.3.4 ICICI BANK

ICICI Bank (Industrial Credit and Investment Corporation of India) is an Indian multinational banking and financial services company, has its headquarters in Mumbai, Maharashtra, India, with its registered office in Vadodara. In 2014, it was

133 www.syndicatebank.in
the second largest bank in India in terms of assets and third in term of market capitalisation. It offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and specialised subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management. The bank has a network of 4,450 branches and 13,995 ATMs in India and has a presence in 19 countries including India.

ICICI Bank is one of the Big Four banks of India, along with State Bank of India, Bank of Baroda and Punjab National Bank. The bank has subsidiaries in the United Kingdom and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar, Oman, Dubai International Finance Centre, China and South Africa; and representative offices in United Arab Emirates, Bangladesh, Malaysia and Indonesia. The company's UK subsidiary has also started branches in Belgium and Germany.

**History**

ICICI Bank was established by the Industrial Credit and Investment Corporation of India (ICICI), an Indian financial institution, as a wholly owned subsidiary in 1994. The parent company was formed in 1955 as a joint-venture of the World Bank, India's public-sector banks and public-sector insurance companies to provide project financing to Indian industry. The bank was founded as the Industrial Credit and Investment Corporation of India Bank before it changed its name to the abbreviated ICICI Bank. The parent company was later merged with the bank.

ICICI Bank launched internet banking operations in 1998.

ICICI's shareholding in ICICI Bank was reduced to 46 percent, through a public offering of shares in India in 1998, followed by an equity offering in the form of American Depositary Receipts on the NYSE in 2000. ICICI Bank acquired the Bank of Madura Limited in an all-stock deal in 2001 and sold additional stakes to institutional investors during 2001-02.

In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group, offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI become the first Indian
company and the first bank or financial institution from non-Japan Asia to be listed on
the NYSE.

In 2000, ICICI Bank became the first Indian bank to list on the New York
Stock Exchange with its five million American depository shares issue generating a
demanding book 13 times the offer size.

In October 2001, the Boards of Directors of ICICI and ICICI Bank approved
the merger of ICICI and two of its wholly owned retail finance subsidiaries, ICICI
Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI
Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January
2002, by the High Court of Gujarat at Ahmedabad in March 2002 and by the High
Court of Judicature at Mumbai and the Reserve Bank of India in April 2002.

In 2008, following the 2008 financial crisis, customers rushed to ICICI ATMs
and branches in some locations due to rumours of the adverse financial position of
ICICI Bank. The Reserve Bank of India issued a clarification on the financial strength
of ICICI Bank to dispel the rumours.

Products

- ICICI Merchant Services
- Extra home loans
- Money2India
- Smart Vault
- ICICI Bank Unifare Bangalore Metro Card
- Saral Loans
- ICICI Bank Ltd launches 'Video Banking' for NRI
- Touch n Remit' facility for NRIs in the Kingdom of Bahrain

Pockets by ICICI Bank are:

- ICICI Bank Pay on Twitter
- Contactless Credit and Debit Cards
- My Savings Rewards
- I Wish- the flexible recurring deposit

Subsidiaries

a. Domestic

- ICICI Prudential Life Insurance Company Limited
• ICICI Lombard General Insurance Company Limited
• ICICI Prudential Trust Limited
• ICICI Home Finance Company Limited
• ICICI Prudential Asset Management Company Limited
• ICICI Securities Limited
• ICICI Securities Primary Dealership Limited
• ICICI Venture Funds Management Company Limited
• ICICI Trusteeship Services Limited
• ICICI Prudential Pension Funds Management Company Limited
• ICICI Investment Management Company Limited

b. International

• ICICI Bank USA
• ICICI Bank UK PLC
• ICICI Securities Inc.
• ICICI Bank Canada
• ICICI Securities Holdings Inc.
• ICICI Bank Eurasia Limited Liability Company
• ICICI International Limited\(^{134}\)

4.3.5 HDFC BANK

HDFC Bank is an Indian banking and financial services company headquartered in Mumbai, Maharashtra. It has around 87,555 employees and has a presence in Bahrain, Hong Kong, and Dubai. HDFC Bank is the second largest private bank in India as measured by assets. It is the largest bank in India by market capitalization as of February 2016. It was positioned 69\(^{th}\) in 2016 Brand Top 100 Most Valuable Global Brands.

History

In 1994 HDFC Bank was incorporated, with its registered office in Mumbai, India. Its first corporate office and a full-service branch at Sandoz House, Worli was inaugurated by the then Union Finance Minister, Manmohan Singh. As on June 30, 2016, the Bank’s distribution network was at 4,541 branches and 12,013 ATMs.

\(^{134}\)www.icicibank.com
Products and services


HDFC Bank gives various products and services which comprise Wholesale banking, Retail banking, Treasury, Auto (car) Loans, Two Wheeler Loans, Personal loans, Loan Against Property and Credit Cards.

The most recent entry in the league is 'Venture AI', under which HDFC Bank, over the following couple of weeks, would deploy robots at select bank offices. These robots will offer options such as cash withdrawal or deposit, forex, fixed deposits and demat services displaying on the screen to persons coming into the branch.

Acquisitions

HDFC Bank amalgamated with Times Bank in February 2000. This was the first amalgamation of two private banks in the New Generation Private Sector Banks category. In 2008, Centurion Bank was taken by HDFC Bank. HDFC Bank Board approved the acquisition of CBoP for 95.1 billion INR which is one of the largest mergers in the financial sector in India.

Listings and shareholding

The equity shares of HDFC Bank are listed on Bombay Stock Exchange and the National Stock Exchange of India. Its American Depository Shares are listed on NYSE and the Global depository receipts are listed on the Luxembourg Stock Exchange where two GDRs represent one equity share of HDFC Bank.135

4.3.6 KARNATAKA BANK

The Karnataka Bank Limited is a major banking institution located in the coastal city of Mangaluru in Karnataka, India. The Reserve Bank of India has assigned Karnataka Bank as an A1+ class scheduled commercial bank.

The bank now has a national presence with a network of 736 (till 14/09/2016) branches and above 1311 (till 14/09/2016) ATM's across 21 states and two Union territories. It has over 6500 employees and 6.7 million customers, including farmers

135 www.hdfcbank.co.in
and artisans in villages and small towns throughout the country. Its shares are entirely privately owned by some 1,29,862 shareholders.

**History**

Karnataka Bank was established on 18 February 1924 and initiated business on 23 May 1924. Its founders set up it at Mangalore, a coastal town in the Dakshina Kannada region of Karnataka. Among the founder, who made the bank to serve the South Kanara locale, was B. R. Vysaray Achar. Another imperative identity related with the bank was K. S. N. Adiga, who served as Chairman from 1958 to 1979.

In the 1960s Karnataka Bank acquired three littler banks. In 1960 Karnataka Bank acquired the Sringeri Sharada Bank with its four branches, which was established in the year 1942. After four years, Karnataka Band acquired the Chitradurga Bank, which was set up in 1868 in Mysore and was the oldest bank in Mysore. Finally, in 1966 Karnataka Bank acquired the Bank of Karnataka, in Hubli. Bank of Karnataka had been established in 1946 and had opened a branch in Belgaum in 1947. At the time of this acquirement, Bank of Karnataka had 13 branches.

In 2000, Karnataka Bank signed a memorandum of understanding (MOU) with Infosys Technologies to develop a core-banking solution called FINACLE. Over 221 branches were networked till 2004. The main purpose of this program is “Anytime/Anywhere banking”. In 2002, the bank established a contract with Corporation Bank for sharing its ATMs. A year later, the bank introduced the Money plant card that allows customers to withdraw money from any of their Karnataka bank accounts.

The bank shifted its head office from Kodialbail to Kankanady in September 2003.

**Services**

The branches are available in 21 Indian states and 2 union territories. In August 2008, the Karnataka Bank introduced Quick Remit, a facility to make money transfer easy for Non-Resident Indians living in Canada, United States, and the UK. The bank also runs a 24-hour Internet banking service called Money click.

Karnataka Bank offers multi-branch banking, deposit schemes as Abhyudaya cash certificate, fixed deposits, ready money deposit, Soulabhya deposit, cumulative...
deposit, Platinum lakhpathi, insurance-linked savings bank deposit, K-Flexi deposit, resident foreign currency (domestic) account, NRI services, Senior Citizens Deposit Scheme and loan schemes as Vidyanidhi education loans, Apnaghar home loans, car finance scheme, Varthak loans, Easy ride, Scheme for salaried persons, Udyogmithra, Niveshan loans, Krishi card, K-Power, Lease ‘n’ Encash, Suvarna Nidhi, InstaCash and VahanaMitra.

**Digital Banking**

In July 2015 Karnataka Bank has launched two mobile applications - ‘KBL ApnaApp’ and ‘KBL m-PassBook’.

‘KBL-ApnaApp’ is an Android-based SMS banking application, which will work on the basis of SMS authentication. Since the app works on SMS authentication, there is no need of GPRS/Wi-Fi connection, except for downloading the app/getting app updates, says a press release by the bank. The customer has to be registered for bank’s mobile banking services for using the app.

‘KBL-mPassBook’ is an e-passbook mobile application, which facilitates download and viewing of account entries on smartphone and tablet. Features such as adding personalised remarks to transactions and creating personalized ledger are part of this app.

Both the apps are available to customers free of cost and can be downloaded from the Google Play Store. In 2016 bank has launched two more apps. One is "KBL smartz app" on upi platform of NPCI. The second one is "KBL POS MANAGER" for the customers having POS machine of the bank.

**Awards and Achievements**

The total business turnover of the Bank was ₹ 81,315 crores as on 30-09-2015, registering a growth of 10.01%. Deposits of the Bank rose to ₹ 48,872 crores registering a growth of 10.58%. Advances rose to ₹ 32,443 crores registering a growth of 9.17%.

Karnataka Bank has implemented core banking and Internet banking and established its "Money Plant" 1100+ automated teller machine system. During 2015-16, the bank received the IDRBT Banking Technology Excellence Award of the Institute for Development and Research in Banking Technology [IDRBT], Hyderabad
for the year 2014-15. Karnataka Bank has received the Federation of Indian Export Organizations – Western Region's “Export Excellence Award for MSME”, for the year 2014-15. Finally, the bank has accomplished the ISO 27001:2013 Certificate from UKAS, Management Systems, a UK-based certifying body.

In August 2008, Karnataka Bank received the Sun and NDTV Green IT Award. Sun Microsystems and NDTV presented the award to in recognition of the bank's "green policies" and use of earth-friendly technology such as solar energy.

The bank has 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). Shri Anand Sinha, deputy governor, Reserve Bank of India and chairman, IDRBT presented the award to Shri P. Jayarama Bhat, managing director at a function held in Hyderabad on 4 August 2011 in the presence of Shri B. Sambamurthy, director, IDRBT. ¹³⁶

¹³⁶www.karnatakabank.com