

e. Mutual Fund Services

To act as a financial supermarket, the Bank has tied up as a corporate distributor with the following mutual fund asset management companies (AMC):

- Birla Sun Life Asset Management Company Ltd.
- DSP Black Rock Investment Managers Pvt. Ltd.
- Franklin Templeton Asset Management (India) Pvt. Ltd.
- HDFC Asset Management Company Ltd.
- ICICI Prudential Asset Management Company Ltd.
- IDBI Asset Management Ltd.
- Reliance Capital Asset Management Ltd.
- SBI Funds Management Private Ltd.
- UTI Asset Management Company Pvt. Ltd.

f. SyndInstant**i. Real Time Gross Settlement (RTGS)**

Real Time Gross Settlement (RTGS) is a technology based initiative for improvement of payment and settlement system linked to the funds management. RTGS is a gross settlement in which both processing and final settlement of funds transfer instructions take place continuously i.e. in real time and transfers are settled individually against the present clearing system. RTGS settles payments on a transaction basis instead of on net settlement basis adopted presently at clearing houses. The funds transfer through RTGS is instant, final and irrevocable.

It is a remittance solution to both corporate customers and individual customers for transfer of funds from their accounts with the Bank to other customers of other bank branches, which are RTGS, enabled. The product is operative only in RTGS enabled CBS branches.

ii. National Electronic Funds Transfer (NEFT)

NEFT is a nation-wide transfer of funds from any bank branch to any other bank branch. The beneficiary gets the credit on the same day or the next day depending on the time of settlement.

The essential information that the remitting customer has to furnish is: (a) beneficiary details such as beneficiary name and account number; (b) name and IFSC of the beneficiary bank branch, (iii) remitters mobile number or e-mail address (iv) all the banks print IFSC on cheque leaves issued to their customers.

g. Debenture Trustee

The Bank is a SEBI authorized Debenture Trustee for acting as debenture trustee for and on behalf of the holders of debt securities (bonds/ debentures) issued by various public sector undertakings and private corporate etc.

h. NRI Services**i. Foreign Currency Non Resident Accounts (FCNR(B) Accounts)**

- These accounts can be opened out of foreign remittances or proceeds of NRE accounts.
- The designated currencies are US Dollars(USD), Great Britain Pounds (GBP), EURO, Canadian Dollars(CAD) and Australian Dollars (AUD).
- Conversion of Rupee into designated foreign currency and vice versa for FCNR(B) accounts will be at TT selling and TT buying rates respectively.
- Presently FCNR(B) deposits of one year one day only are accepted in Euro, GBP, CAD and AUD and in case of USD 1 year to 5 years. No interest is payable if A/c is closed before completion of 1 year.
- Loans permitted against these deposits on terms similar to loans against NRE deposits.
- Joint accounts can be maintained and repatriation of funds can be done as applicable to NRE deposits.
- On return of the depositor to India, the FCNR(B) A/c can be re-designated as RFC account.
- Loans against FCNR(B) deposits are disbursed in Indian Rupees as well as in foreign currency.
- In the absence of any instruction for automatic renewal of NRE/FCNR(B) deposits, overdue deposits shall not be eligible for interest for the overdue period exceeding 14 days.



ii. Non Resident (External) Rupee Accounts (NRE Accounts)

- These accounts are designed to help the individual NRIs for placing their savings meant for meeting uncertain exigencies or as investment in term deposits. Accounts can be maintained either as savings bank or as term deposits. The funds are repatriable along with interest.
- Accounts can be opened by submitting duly filled in account opening form, (which is available on our website) 2 photographs and a copy of passport along with the foreign remittance.
- Credits can be only out of foreign remittances/ travellers cheques/ foreign currencies or proceeds of NRE term deposits, FCNR(B) deposits or proceeds of certain other investments made out of NRE remittances.
- Withdrawals are permitted for local payments, transfer to NRE/FCNR(B) accounts and certain other investments permitted by RBI.
- Joint accounts are permitted provided all account holders are NRIs.
- Power of Attorney holders can operate the accounts for local payments and approved investments.
- Bank issues special series of cheques to NRI Account holders for easy identification.
- Term Deposits can be made in the normal course for a minimum period of 1 year and a maximum of 5 years in line with FCNR(B) deposits.
- Loans against term deposits can be availed for personal/business purposes. However, loan against term deposits cannot be availed for the purposes of relending, agriculture/plantation or for investments in real estate business. The interest on such loans shall be as per Bank's guidelines stipulated from time to time.
- Premature closure of NRE deposits for investment in resident foreign currency does not attract penal provisions relating to premature withdrawal.
- Maturity period for NRE term deposits is restricted to a maximum period of 10 years.

iii. Resident Foreign Currency Account (Domestic)

- In line with RBI's policy towards liberalisation and announcement of resident foreign currency (domestic) deposits scheme for resident Indians, the Bank has launched the scheme wherein residents can open current accounts in Dollars, Pounds and Euro and credit the proceeds of foreign exchange acquired in the form of currency notes, bank notes and travellers cheques from the sources specified as below:
 - was acquired while on a visit to any place outside India by way of payment for services not arising from any business in or anything done in India; or
 - was acquired from any person not resident in India and who is on a visit to India, as honorarium or gift or for services rendered or in settlement of any lawful obligations; or
 - was acquired by way of honorarium or gift while on a visit to any place outside India; or
 - Represents the unspent amount of foreign exchange acquired by him from an authorized person for travel abroad.
- Debits will be permitted for payment towards current/ capital account transactions in accordance with the existing foreign exchange regulations.
- Cheque book facility will be provided for such accounts.
- The minimum balances to be maintained in the accounts are US\$-500, GBP-250 and EURO 500.
- There is no ceiling on the maximum balances that can be maintained in the account.
- The account shall be maintained in the form of current account only and will not carry any interest.
- RFC (Domestic) deposits can be transferred from one designated branch to another designated branch.
- All guidelines applicable to foreign currency transactions as per FEMA and RBI guidelines from time to time are followed.
- This scheme is in addition to the existing resident foreign currency scheme which Bank is operating for residents who were earlier NRIs and have returned to India after working abroad.

iv. Non Resident Ordinary Rupee Accounts (NRO Accounts)

- Besides all credits permitted in NRE accounts, all legitimate dues in India can be credited to NRO accounts.
- The accounts can be maintained in the form of savings, current, recurring or fixed deposit accounts.
- An undertaking that credits and debits in the A/c will be in accordance with regulations made by RBI in this regard shall be furnished.
- Normally the funds held in NRO Accounts are non-repatriable, unless specifically permitted by RBI and any such remittance would be after deduction of applicable taxes. However, current net income earned net of taxes is repatriable.
- The accounts can be jointly held with residents.
- No tax exemption is available.



i. e-banking

The Bank has always recognized that information technology is an essential part of banking. The Bank has been in the forefront amongst public sector banks in deploying the latest available technology, in a way that technology acts as an enabler in the development of business and ensures that customers are benefited and delighted.

i. Core Banking Solution

- The Bank is the first among the public sector banks to implement Core Banking Solution (CBS).
- All the branches of the Bank are in the CBS fold.
- The CBS project has enabled the Bank to deliver banking products and services over multiple delivery channels like networked ATMs, telebanking, internet banking and mobile banking, so as to provide Anywhere Anytime Anyhow banking service to customers. With the introduction of CBS, the Bank has transformed the branch customers to Bank customers thereby achieving significant shift in customer preference from brick-and-mortar channel to 24x7 delivery channels.

ii. ATM Network

- The Bank has rapidly expanded the ATM network considering the fact that ATMs have become the most acceptable delivery channels. As at 30.09.2015, the total number of ATMs stood at 3592.
- The Bank is a member of VISA International, which extends the usage reach of our ATM/ debit card holders across the globe.
- The Bank is also a founder member of the "CashTree" consortium with 5 other banks since 2003 formed with a view to extend the reach of the cardholders and to enhance customer convenience.

iii. Internet Banking

Internet Banking, which is emerging as an all-pervasive channel, is gaining acceptance amongst the clientele of the Bank. The number of users has increased considerably. In addition to the basic services of account details, statement of accounts etc., the following services are provided to enhance customer service.

- e-ticketing for Railway ticket reservation
- Utility bill payment through Internet banking
- Payment of direct and indirect taxes - for both individuals as well as corporates

iv. Any Branch Banking Services

- Any branch banking transactions at attractive rates are available to all CBS customers of the Bank.
- Free encashment of self cheques upcountry (limits apply).
- Payment of "A/c Payee" crossed third party cheques upcountry.
- Free acceptance of cash upcountry for credit of home branch account (limits apply).
- Issue of DD/TT/MT from any CBS branch by debit to home branch account at no additional cost (minimum charges apply).
- Funds transfer between any two CBS branches.
- Deposit of cheques for collection upcountry for credit to home branch account.
- Stop payment instructions/ statement of account/ standing instructions etc., from any CBS branch.

v. e-Payment of Taxes through our Internet Banking

The customers of the Bank can make direct remittance for payment of following taxes through the e-payment gateway of the Bank.

- Direct Taxes
- Central Excise & Service Tax
- Karnataka State Commercial Taxes
- Maharashtra State Commercial Taxes
- Delhi Commercial Taxes
- Prime Minister's National Relief Fund Online



j. BPO Services

The Bank has promoted "SyndBank Services Limited" as a wholly owned subsidiary to undertake BPO activities. The subsidiary, incorporated as a government company commenced its operations in March, 2006. This initiative of the Bank heralds a new beginning in the Indian banking industry by carving out the first BPO outfit of a nationalized Bank. This BPO company undertakes the following activities:

- Back office functions relating to debit cards, credit cards, ATMs, Bancassurance business and new products of the Bank.
- Follow-up of overdue accounts under retail loans by sending notices/SMS messages and tele-calling the customers to maintain a healthy retail credit portfolio of the Bank.
- Pre-shipment hardware testing for the newly procured computer Hardware items like personal computers, servers, ATMs, uninterrupted power supply, routers, switches, modems and other peripherals such as printers, scanners, digital cameras, etc., for banks and financial institutions.
- Facilitating customers to file their income tax returns.
- Back office functions relating to Government business transactions and interest/ dividend warrants issuance/ payments.
- Managing BCTT, service tax collection and bonds issue.
- Undertaking credit rating of Bank's borrowers.
- Providing guidance and maintenance of records for Provident Fund, Pension and Gratuity Trusts.

6. BRANCH NETWORK

The Bank opened 50 branches during the first half of financial year 2015-16 taking the total number of branches to 3565 including one branch in London, UK. As on Sept' 30, 2015, the domestic branch network comprising of 1174 rural branches, 945 semi-urban branches, 781 urban branches, 664 metro branches and 939 Ultra small branches. Total number of Satellite offices stood at 44 and the total number of ATMs stood as at 3592 at September 30, 2015.

7. PRIORITY SECTOR ADVANCES

Priority Sector advances increased by 16.08% from Rs.50810.09 Crores as at Sep, 2014 to Rs. 58979.78 Crores as at Sep, 2015, which stands at 36.39% of Adjusted Net Bank Credit (ANBC) against the required level of 40%. Similarly Agricultural credit increased by 8.56% forming 15.37% of Adjusted Net Bank Credit (ANBC) against the mandatory requirement of 18%. Advances to Minority communities increased by 17.56 % forming 15.98% of Priority Sector Advances against the mandatory requirement of 15%. Advances to women increased by 62.35 % forming 8.59% of ANBC against the mandatory requirement of 5%.

8. FOREX AND TREASURY

Treasury and Investment Banking Division ("T&IBD") is the 'A' Category Office in the Bank which maintains Foreign Exchange Position, Nostro and Vostro Accounts. T&IBD also monitors development and follow up of foreign exchange business, overseas business and treasury operations of the London branch of the Bank.

The Bank's centralized dealing room at T&IBD, Mumbai is technically equipped to handle customers at branches, to market our new services, to develop and maintain customer relationships, and to guide designated branches.

The Bank is one of the first to undertake web-based trading with overseas counter party Banks by using state-of-the-art web platforms. The Bank has 110 designated branches (Category B) to handle full-fledged FX transactions and 383 nominated branches to handle the FCNR business of the Bank. NRE/NRO deposits are accepted at all branches of the Bank. The Bank is a member of Clearing Corporation of India Ltd., (CCIL) for settlement of Inter-Bank forex deals in USD/ INR & for settlement of Inter-Bank USD/INR deals in the forex forward segment. Further, the Bank is one of the first banks to participate in Continuous Linked Settlement (CLS) for Cross Currency Deals by CCIL. Both the initiatives address the issue of settlement risk and improve the efficiency of settlement process. The Bank is offering only plain vanilla derivatives and no complex derivative products are offered by the Bank. There is no litigation against the Bank in respect of existing derivative transactions.

The Bank is final stage of implementing an Integrated Treasury Management Software (ITMS) which will integrate the domestic and forex treasury, reconciliation, settlement and core banking platform of the Bank with straight-through-process and access to the branches. The Domestic treasury of ITMS has been successfully integrated with Bank's Core Banking Solution (CBS) effecting the seamless flow of information. The Bank has become trading-cum-clearing member on three exchanges, i.e., MCX-SX, NSE and USE (now merged with BSE) for undertaking trading in currency futures.

The total Forex turnover of the International Division, Mumbai was Rs 5,85,010 Crores as on September 30, 2015 as against Rs 6,35,257 Crores during the first half of FY2015. The Forex turnover for the Financial Year 2014-15 was Rs



11,06,778 Crores. The Inter-Bank turnover of the Bank was Rs 5,50,276 Crores for the half year ended September 30, 2015 as against Rs 6,13,600 Crores during the first half of FY 2015. The Inter Bank turnover for the Financial year 2014-15 was Rs 10,64,587 Crores.

Taking advantage of the robust market, the Bank activated its trading desk and booked trading profits in both equity and debt market. The bank has also strengthened the non SLR investments by investing in qualitative and rated corporate bonds and debentures, commercial paper, certificate of deposits etc, resulting in improved yields on investment portfolio. The Bank has also earned from arbitrage deals, by effectively making use of windows like CBLO, repo and call. The Bank has managed funds very efficiently by these money market avenues, monitoring continuously the fund flows and the liquidity position, while lending and borrowing, depending on the market conditions and rates.

The domestic Investments of the Bank stood at Rs. 66,767.30 Crores as on September 30, 2015 as against Rs 60,961.07 Crores as on September 30, 2014. The domestic investments of the Bank stood at Rs. 69,260.99 Crores as on March 31, 2015. Bank's Investments in SLR securities amounted to Rs. 60,800.25 Crores, which formed 91.06% of Bank's total domestic investments as on September 30, 2015. Trading profit for the half year ended September 30, 2015 was Rs 378.95 Crores as against Rs 193.18 Crores for the half year ended September 30, 2014. Trading profit for the year ended March 31, 2015 was Rs. 644.30 Crores.

9. ASSET QUALITY & MANAGEMENT OF NPAs

The Bank accorded top most priority to Management of non-performing assets (NPAs). NPA level management was given priority with focus on reducing NPA level by atleast 10% in absolute terms over March 2015, maximizing cash recovery of NPAs and upgrading the existing NPAs.

The Bank's recovery policy is oriented towards addressing the entire gamut of NPA management and enables the field functionaries in resolving any category of non-performing accounts. The Bank has introduced / extended special OTS Schemes for considering proposals of farmers under Loans to Agriculture and Allied activities, OTS Schemes for small loans under doubtful and loss assets category upto Rs 5.00 lakhs, Special OTS Schemes for MSME borrowers, Special OTS Scheme for Education loan with sanctioned limit upto Rs 4.00 lakhs.

Credit monitoring is stepped up and overdues are monitored on daily basis by the separate vertical created at Corporate Office. Bigger accounts showing overdues/incipient sickness are triggered for immediate follow-up by Executive Directors and General Managers. Special weekly video conferencing are conducted by ED/GM wherein NPA level of the region vis-à-vis target and NPA recovery vis-à-vis target are being discussed threadbare in order to ensure orderly achievement of allotted targets. The Executives of Corporate Office visits Regional Office for review of performance of Regional Office as well as branches along with scouting of OTS proposals.

We have constituted Stressed Tiny Asset Recovery Teams (START) at all Regional levels exclusively to monitor and resolve small accounts on a continuous basis by directly contacting the borrowers and guarantors for recovery of dues both under Special Monitoring Accounts and NPAs. All the branches are sensitized on the latest guidelines by RBI on revitalization of stressed account monitoring.

The bank has launched Recovery Mission 15-16 for the current year to improve the recovery performance which involves sector-wise / category-wise targeting of NPAs.

To accelerate recovery performance under NPA, during the current Financial year 4 Bruhat Adalats are proposed to be conducted. Bank has so far conducted 3 Bruhat Synd Adalats during the FY 2015-16. During the past three Adalats conducted so far, 51404 cases were settled involving an amount of Rs. 490.45 crores and cash recovery of Rs. 148.79 crores were recovered as down payment.

Top NPAs from each Region were identified for giving focused attention in the beginning of the year itself and many of these accounts were resolved. All NPA borrowal accounts of above Rs 5.00 lakhs are being followed-up from Corporate Office and guidance/suggestion legal or otherwise are given to Branches/ROs for effectively resolving the accounts.

10. HUMAN RESOURCE DEVELOPMENT

Bank recognizes its employees as the most vibrant and valuable asset. HR plays a paramount role in developing human capital in tune with the Vision and Mission of the Bank.

Bank is constantly focussing on HR dimension by developing and retaining the workforce to meet the future HR challenges in the Banking Sector. We are geared up to achieve the same through pragmatic interventions in training and development and creating career growth opportunities.



Investment in employees' training and development has enabled the Bank to prepare the staff members to handle new HR challenges and make them 'future ready'.

The Human Capital of the Bank as on 30.09.2015 is as under:

Category	31.03.2015	30.09.2015
Officers	12838	14735
Clerks	10553	11231
Sub staff	4055	3934
Sweepers	1688	1679
Total	29134	31579

RECRUITMENT PLANNING

Bank had made direct recruitments for inducting skilled manpower in specialized areas like Marketing, Official Language, Law, CA, Rural Development Officers, IT. It is periodically reviewing the skill gaps and Officers with professional qualifications are recruited to fill up the skill gaps depending upon the future needs and challenges.

The Bank has also participated in the Common Recruitment Process conducted by IBPS under CWE-IV for the year 2015-16 and inducted 1470 Probationary Officers and 1663 Probationary Clerks during the year.

The details of Specialist Officers recruited by the bank during first quarter of the year 2015-2016 is shown below

SN	Posts	Joined
1	Marketing Officers	23
2	OL/Hindi Officers	11
3	Rural Development Officers	220
4	IT Officers	30
Total of Specialist Officers		284

The Bank, with the objective of "first day, first hour - productive" has introduced Strategic Talent Pipeline Building Programme in association with Manipal Global Education Services Pvt Ltd, Bangalore and NITTE Education International Pvt. Ltd. Noida, wherein both the Institutes will train 200 trainees each for a period of 12 months consisting of 9 months' academic input and 3 months' internship in the branch. On successful completion of 12 months training, these trainees will be absorbed as Probationary Officers of the Bank. The first such batch commenced classroom training in the identified institutes from April 2015.

CAREER PROGRESSION

The Bank provides optimum opportunities to its employees to fulfil their growing aspirations for faster career progression and motivate them to shoulder higher responsibilities. The promotion policy has also been fine-tuned to reward outstanding performers and is in sync with the succession planning.

TALENT GROOMING & RETENTION

Bank is reimbursing examination fees besides paying incentive for passing various professional examinations like NISM, IRDA, CISA, CISSP, ORACLE, Risk Management Examinations, Courses conducted by IIBF etc. with the objective of talent grooming and retention.

SCHEME FOR COMPASSIONATE APPOINTMENT AND PAYMENT OF EX-GRATIA LUMP SUM AMOUNT IN LIEU OF COMPASSIONATE APPOINTMENT

The Bank has formulated a scheme for appointment on compassionate grounds and payment of Ex-Gratia lumpsum amount in lieu of compassionate appointment to the dependents of the employee dies while in service and employee is retiring on medical grounds due to incapacitation before reaching the age of 55 years. The scheme covers all the cases where death of employee occurs on or after 05.08.2014.

The cadre wise ceiling on Ex-Gratia lump sum amount payable is as under:

Cadre	Maximum amount
Officers	Rs. 8.00 lakhs
Clerical	Rs. 7.00 lakhs
Subordinate Staff	Rs. 6.00 lakhs



COMPENSATION TO BANK EMPLOYEES KILLED IN BANK ROBBERIES, & TERRORIST INCIDENTS

Bank has formulated a Scheme as per Govt. guidelines for Payment of Compensation and Reward so as to motivate the Bank employees and members of public resisting Bank robberies, terrorist incidents including left-wing extremism.

In case of death, the family of deceased will be given compensation by the Bank as follows:

Category	Cadre	Maximum amount
Bank Employee	Officers	Rs. 20.00 lakhs
	Clerks /Sub Staff	Rs.10.00 lakhs
Other than bank employee	Customers/members of the public	Rs. 3.00 lakhs

In case of Bank employees / customers / members of public who actively resists Bank robberies and terrorist attacks on Banks, the Bank may consider a cash reward not exceeding Rs.02.00 lakhs. The Bank will look after educational expenses of the children of the deceased up to and inclusive of graduation and will give immediate employment to one member of the family of the deceased as per applicable rules.

DEPUTATION TO OTHER ORGANIZATIONS

The Bank has deputed our Officers to Ministry of Finance, Department of Financial Services and other organizations like CBI, DRT, National Academy of RUDSETI and Bharatiya Mahila Bank Ltd as per the request of Ministry of Finance, Department of Financial Services/other organizations.

RESERVATION to SC/ST/OBC

The Bank follows the reservation policy for SCs, STs and OBCs as prescribed by Government of India from time to time and has been extending applicable reservations/concessions to SC/ST/OBC/PWD employees in recruitment/promotions strictly as per Government guidelines.

A separate SC/ST Cell and OBC Cell are functioning at Head Office to redress the grievances of SC/ST/OBC employees working in the Bank and are currently headed by General Managers designated as Chief Liaison Officer.

Meetings with the representatives of the SC/ST Welfare Associations are held at regular intervals to redress their grievances. The Chief Liaison Officer will participate in meetings with the members /officials of the National Commission for SC/ST during their visits to our Regional Offices.

The progress made in the implementation of the Reservation Policy is placed to the Board once in a Year.

The Post based Reservation Roster is displayed on the website of the bank in compliance to the directions of the Government.

TRAINING

Syndicate Institute of Bank Management, (SIBM), Manipal at the apex level and the seven Training Centres at Bangalore, Chennai, Delhi, Ernakulam, Hyderabad, Kolkata and Mumbai cater to the training needs of the Bank by conducting various types of training programmes for different cadres of employees.

Considering the large scale retirements, SIBM has devised a new programme to groom the officers by motivating and empowering them to assume role of Branch Heads. For the officers promoted to Executive Cadre during 2015-16, SIBM has conducted special Executive Development Programmes, consisting of mainly soft skills. To address the knowledge gap, training programme on Forex and Credit Management were conducted.

IMPLEMENTATION OF HRMS IN OUR BANK

Our Bank has initiated steps to implement a comprehensive integrated HRMS solution which has the ability to manage the complete lifecycle from hire to retire of the Bank's employees. For implementation of HRMS application, M/s Hewlett Packard India Sales Private Limited (M/s HP) has been identified as System Integrator after following the (Request for Proposal) RFP process. The submission, reporting, reviewing, accepting and appeal process of APAR online is complete. Attendance functionality is made live. Other modules like Transfer, Promotion, Leave Management, Payroll, Pension etc., will be rolled out in phased manner.



11. SUBSIDIARIES&ASSOCIATES OF THE BANK

i) Regional Rural Banks (RRBs)

There are 3 Regional Rural Banks sponsored by the Bank covering 18 districts in 3 states, with a network of 1391 branches as on September 30, 2015. RRBs sponsored by the Bank are in the top league among various RRBs of the country, in respect of performance under key business parameters.

Total business of RRBs sponsored by the Bank stood at Rs. 45,753 Crores as on September 30, 2015 with the composition of deposits and advances at a level of Rs 24,728 Crores and Rs 21,025 Crores respectively. The total priority sector advances stood at Rs.18,728 Crores constituting 87.48% of total advances as on September 30, 2015. Agricultural advances reached a level of Rs.14,962 Crores forming 71.16 % of total advances. In all, the RRBs have issued 11.42 lacs Kisan Credit Cards to farmers with an outstanding credit of Rs 9674 Crores. The RRBs together have earned a net profit of Rs 240.00 Crores for the half year ending September 30, 2015.

ii) Syndbank Services Ltd.

SyndBank Services Limited (SBSL) was incorporated under the Companies Act 1956 on 25.01.2006, as a wholly owned subsidiary of the Bank, with an authorized capital of Rs.10 Crores and paid up capital of Rs. 25 lacs to extend back-office services to the Bank, its clients and other financial Institutions. The subsidiary is a profit making company.

12. OTHER STRATEGIC ALLIANCES/ INVESTMENTS/ JOINT VENTURES

- a) The Bank has a tie up arrangement with **National Small Industries Corporation Ltd (NSCI)** for promotion of the Bank's financing through its 'SyndMSE Scheme' for purchase of vehicle for commercial use.
- b) The Bank has a tie up arrangement with **Piaggio Vehicles Pvt. Ltd.** for promotion of the Bank's financing through its 'SyndMSE Schemes
- c) The Bank has a Memorandum of Understanding with reputed passenger vehicle manufacturer **Maruti Suzuki India Ltd.** for financing cars under SyndVahan Scheme as a preferred financing partner with the company.
- d) The Bank also has Memorandum of Understanding signed with reputed commercial vehicle manufacturers viz., **Tata Motors, TVS Motors, Bajaj Auto Ltd. and Force Motors**, for financing commercial vehicles under micro and small enterprises.
- e) The Bank has tie-up arrangements with 9 leading asset management companies viz., (i) **Reliance Asset Management Company Limited** (ii) **Birla Sun Life Asset Management Company Limited** (iii) **IDBI Asset Management Limited** (iv) **HDFC Asset Management Company Limited** (v) **UTI Asset Management Company Limited** (vi) **Franklin Templeton Asset Management Company Limited** (vii) **SBI Funds Management Private Limited** (viii) **ICICI Prudential Asset Management Company Limited** (ix) **DSP BlackRock Investment Managers Private Limited** for distribution of mutual fund products.
- f) The Bank has a strategic tie up arrangement with **Asit C Mehta Investment Intermediates Limited** for offering Synd e-Trade - Online Share Trading Facility to the customers of the Bank who invest or trade in securities. In terms of arrangement, 3 in 1 facility is offered to the customers by integrating their current or savings account; demat account with the Bank to trading account of M/s Asit C Mehta Investment Intermediates Limited.



13. CORPORATE STRUCTURE

Corporate Office : Bengaluru
Head Office : Manipal
Treasury & International Banking : Mumbai

8
Field General
Managers Office

50
Regional Offices

**3565 Branches
(Including London
Branch)**

Corporate Office - Bengaluru

1. Managing Director & CEO
2. Executive Directors
3. Planning & Development
4. Corporate Credit
5. Mid Corporate, Retail & MSME
6. Priority Sector Credit
7. NPA Management & Legal
8. Risk Management
9. Financial Inclusion Division
10. Vigilance Department
11. Dept. of Information Technology
12. Management Information System
13. Audit & Tax Cell
14. Board Secretariat
15. Marketing Department (Card Centre, Insurance Div.)
16. Compliance Department
17. Investor Relation Cell
18. Credit Monitoring & Review, SMA
19. Product Innovation & BPR

Head Office - Manipal

1. Personnel Department
2. Gen. Admn. Department
3. Operations Department
4. Inspection Department
5. Security Division
6. Stationary & Records Div.
7. Official Language Div.

Try & Intl Div- Mumbai

1. Treasury
2. International Banking

14. KEY OPERATIONAL & FINANCIAL PARAMETERS OF THE ISSUER FOR THE LAST 3 AUDITED YEARS
(Rs in Crores)

Sl. No.	Parameters	Half Year Ended 30-09-2015 (Reviewed)	FY 2014-15 (Audited)	FY 2013-14 (Audited)	FY 2012-13 (Audited)
1	Share Capital	662.06	662.06	624.58	601.95
2	Reserves & Surplus	13054.34	12396.72	11219.61	9939.39
3	Deposits	263721.80	255388.10	212343.31	185355.89
4	Borrowings	24216.59	26502.99	19224.51	12813.80
5	Total Debts (3+4)	287938.39	281891.09	231567.82	198169.69
6	Advances	205002.05	202719.82	173912.41	147569.02
7	Investments	67280.68	69339.66	55539.38	45647.66
8	Net Fixed Assets	1646.17	1608.36	1468.84	1433.96
9	Total Income	12993.61	23724.76	19945.21	18295.05
10	Total Expenditure (Interest Expenses & Operating Expenses)	10728.83	19717.47	16382.26	14845.46
11	Operating Profit	2264.78	4007.29	3562.95	3449.59
12	Provisions & Contingencies	1630.44	2484.36	1851.49	1445.17
13	Profit after Tax (PAT)	634.35	1522.93	1711.46	2004.42
14	Gross NPA to Gross Advances (%)	3.72	3.13	2.62	1.99
15	Net NPA to Net Advances (%)	2.37	1.90	1.56	0.76
16	Capital Adequacy Ratio [BASEL II - %]	10.80	10.92	12.01	12.59
17	Tier I [BASEL II - %]	7.42	8.00	8.99	8.96
18	Tier II [BASEL II - %]	3.38	2.92	3.02	3.63
19	Capital Adequacy Ratio [BASEL III - %]	10.46	10.54	11.41	NA
20	Core Tier I Ratio [BASEL III - %]	6.98	7.53	8.29	
21	Additional Tier I Ratio [BASEL III - %]	0.28	0.31	0.39	
22	Tier I [BASEL III - %]	7.26	7.84	8.68	
23	Tier II [BASEL III - %]	3.20	2.70	2.73	
24	Return on Assets (%)	0.43	0.58	0.78	1.07
25	Earnings Per Share (Basic & Diluted) (in Rs)	9.58*	24.38	28.21	33.30

* Not Annualised



15. CAPITAL ADEQUACY POSITION OF THE BANK AS PER BASEL III

SN	Parameters	(Rs in Crores)		
		Sep - 15	Mar - 15	Mar - 14
1	Common Equity Capital			
2	Additional Tier I Capital	12083	12070	10594
3	Tier I Capital	501	490	492
4	Tier II Capital	12584	12560	11086
5	Total Capital	5536	4331	3493
6	Total Risk Adjusted Assets	18120	16891	14579
7	Core Tier I [%]	173234	160249	127736
8	Additional Tier I [%]	6.98	7.53	8.29
9	Tier I Ratio [%]	0.28	0.31	0.39
10	Tier II Ratio [%]	7.26	7.84	8.68
11	TOTAL CRAR [%]	3.20	2.70	2.73
		10.46	10.54	11.41

As on September 30, 2015, the Total CRAR of the Bank as per Basel II norms stood at 10.80% (Tier I of 7.42% and Tier II of 3.38%).

16. DEBT EQUITY RATIO OF THE ISSUER

Particulars	(Rs in Crores)	
	Pre-Issue (September 30, 2015)	Post Issue of Basel III Compliant Tier II Bonds of Rs. 750 Crores
TOTAL BORROWINGS		
Total Borrowings	24216.59	27502.98
SHAREHOLDERS' FUNDS		
Share Capital	662.06	662.06
Reserves & Surplus(excl. Revaluation Reserve & Foreign Currency Translation Reserve)	12067.84	12067.84
- Deferred Tax Assets(net)		
Net Worth	12729.90	12729.90
Gross Debt/ Equity Ratio	1.90	1.96*

* After adding the Current Bond issue amount of Rs 750 Crores to the figures of September 30, 2015.

17. CHANGES IN MEMORANDUM OF ASSOCIATION

The Bank does not have any articles or memorandum of association, as it is a "corresponding new bank" under the provisions of the Bank Acquisition Act.

18. PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING OF NEW PROJECTS

The funds being raised by the Issuer through present issue of Bonds are not meant for financing any particular project. The Issuer shall utilise the proceeds of the Issue for augmenting overall capital of the Bank, for future growth and for enhancing long-term resources of the Bank. The funds would be used for its regular business activities and other associated business objectives.



VII. BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS

1. BRIEF HISTORY OF THE ISSUER

a. Incorporation

The Bank was established in 1925 in Udupi, in coastal Karnataka with a capital of Rs 8,000 by three visionaries viz Upendra Ananth Pai, a businessman, Dr. T. M. A. Pai, a physician and Vaman Kudva, an engineer. Their objective was primarily to extend financial assistance to the local weavers who were crippled by a crisis in the handloom industry through mobilizing small savings from the community. The business of the Bank commenced on November 10, 1925 with the name "Canara Industrial and Banking Syndicate Ltd.," a joint stock company with one employee.

b. The Pre-Nationalisation Period

The name of the Bank was changed from "Canara Industrial & Banking Syndicate Ltd." to "Syndicate Bank Limited" in 1963. The Head Office was shifted to Manipal on April 19, 1964. The Bank entered into agricultural financing in 1964. Rural and Semi Urban branches accounted for 66% of its network of 306 branches at the time of nationalisation.

c. The Post-Nationalisation Era

The Bank was nationalised on July 19, 1969. The Bank opened branches in rural and semi urban centers across the country and with a view to extend its social welfare philosophy. The Bank was one of the first to start the concept of farm clinics and farmers' service societies in early seventies. The Bank also established India's first regional rural bank, namely, Prathama Bank opened on October 02, 1975. The Bank sponsored 10 regional rural banks which has since been reduced to 3 due to merger. These regional rural banks cover 18 districts in 3 states, with a network of 1313 branches. RRBs sponsored by the Bank are in the top league among various RRBs of the country, in respect of performance under key business parameters. The Bank was also instrumental in the establishment of rural development and self-employment training institutes in 1982, providing vocational training to unemployed youth and the beneficiaries of poverty alleviation programmes for setting up self-employment ventures.

d. Key Milestones

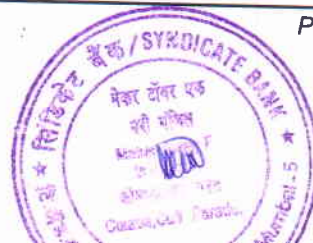
Year	Event / Milestone
1925	The Bank commenced business with the name "Canara Industrial and Banking Syndicate Limited"
1928	First branch of the Bank opened at Brahmavar in Dakshina Kannada District
1963	Name of the Bank changed from "Canara Industrial & Banking Syndicate Limited" to "Syndicate Bank Limited"
1964	Head office of the Bank was shifted to Manipal
1967	Agri Card -a ready credit facility for farmers -launched
1975	Sponsored India's first Regional Rural Bank -Prathama Bank, in Moradabad in UttarPradesh
1976	First overseas branch opened at London
1998	Syndicate Bank Kisan Credit Card launched
1999	Bank made an Initial Public Offer of its equity shares, raising capital of Rs.125 Crores
2000	First Specialized Capital Market Services branch opened at Mumbai
2001	Syndicate Laghu Udyami Credit Card launched
2002	Centralized Banking Solution under the brand name "Syndicat-e-banking" launched at Delhi, Mumbai, Bangalore and Manipal
2003	Branding of retail loan products on the Synd platform to benchmark the Bank's products against other offerings in the market
2004	Organizational restructuring consisting of 3 tier administrative set up of branch, controlling office and HO/CO implemented
2005	Bank raised Rs.250 Crores through Follow on Public issue of equity shares
2006	Syndicat-e-Banking Branches/Offices extended to 529 in 212 centres as at 31.03.2006
2007	The Bank has launched an innovative scheme called "SyndSmallCredit" during June 2007, to extend need-based credit to the entrepreneurs of small means, with inbuilt advantageous features viz. doorstep banking, ballooning repayment and limit for consumption and repayment of high-cost private debts.
2008-09	Bank was accorded ISO 27001 Certification for its secure information system
	Domestic deposit crossed Rs.1.00 lac scores
	Launched information technology enabled financial inclusion through Smart Cards
	Launched issue of instant Debit Cards
	Opened NRI business development centre at corporate office



	Achieved 100% implementation of Core Banking Solution by bringing all the branches on the CBS platform
2009-10	<p>Introduced SyndYuva package on 25.07.2009, "SyndYuva" is a special power-package to all Savings Bank and Current Account holders offering broader spectrum of services loaded in one. The USP of this product is "Instant Delivery" of the alternate delivery channels at the customer's doorsteps. This would facilitate the account holders to operate their account 24 X 7, anywhere, anyhow & anytime.</p> <p>Established Syndicate Rural Development Trust to promote rural development and rural entrepreneurship among the rural poor, especially women. Training is imparted for the purpose through 15 Syndicate Institutes of Rural Entrepreneurship Development set up in five states.</p> <p>Introduced "SyndVarshini" - a special scheme for financing rainwater harvesting units which is available as a alternative to traditional perennial sources of water and in urban areas to improve underground water retention capacity in urban areas in tune with Government policy guidelines.</p> <p>Participated in "Janashree Bima Yojana" of Life Insurance Corporation of India for covering all the women members of SHGs wherein the premium is subsidized by Government of India.</p> <p>Opened 3 new regional offices at Moradabad, Jaipur and Guwahati for better administration cover over branches in the respective jurisdictions. The regional office at Guwahati was set up for helping the Bank to play a more active role in the development of the north eastern parts of the country. The Bank opened 50 branches on a single day (11.03.2010).</p>
2010-11	<p>Opened 135 branches under the financial inclusion programme of the Government of India</p> <p>Introduced the cheque depository kiosk facility for deposit of physical cheques, capturing of the cheque details such as cheque number, date, amount etc. and issue of the scanned image of the cheque to the customer as a receipt, all without the intervention of the branch personnel. The data captured by the kiosk can be uploaded in the system thereby reducing the efforts of the branch personnel in receiving, acknowledging, entering of data etc.</p>
2011-12	<p>Opened 108 new branches on a single day which were spread across 15 States and the Union Territory of Andaman & Nicobar Islands. With this the branch network of the Bank including satellite offices and ultra small branches crossed the 2700 mark.</p> <p>Launched Synd e-Trade, an online trading facility, on October 24, 2011 providing additional facility to the customers</p>
2012-13	<p>Launched an online facility for remittances of donations by the customers towards the Prime Minister's National Relief Fund on the occasion of its foundation day</p> <p>Raised MTN of US\$ 500 mln for its London branch business at most competitive cost</p> <p>Launched Syndicate Bank VISA International Gold Debit Card which are personalized cards bearing the name of the cardholder and photo of the customer. The GOLD card provides the customers with higher daily transactions limits with a daily limit for cash withdrawal of Rs. 25,000/- and Rs. 50,000/- limit for use at merchant establishments and online shopping.</p> <p>Designed and launched a unique savings bank account specially designed for the salaried class employed with multi national companies, blue chip companies, reputed private organizations, Government and semi-government undertakings offering nine facilities viz., zero balance facility, instant global debit card, add-on debit card to joint account holder, SMS banking facility, funds transfer facility through RTGS/NEFT up to Rs. 1.00 lacs, internet and mobile banking facility, demand draft and pay orders issued without charges (6 instances), payable at par cheque facility and temporary overdraft facility.</p>
2013-14	<p>Reiterating its commitment towards developing MSME sector, Bank has launched 5 new products viz. SyndDoctor, SyndGranite, SyndTextiles, SyndCashew and SyndTransport which are tailor made schemes to meet the credit requirements of the specific sectors of industry / trade / profession.</p> <p>In order to ensure quick Turn Around Time (TAT) for credit and also to ensure top executive being close to customers & branches, Bank has introduced the concept of "Field General Manager". 8 FGMs' Offices started operational from 01/11/2013. These offices will be headed by General Managers to ensure quicker business decisions and to take care of development and recovery activities of the Regions within their jurisdiction.</p> <p>In view of the increased network Bank is carving out two new Regions at Ongole and Madurai for better customer service from 01/11/2013.</p> <p>Bank has opened an all women's branch in Makupura, Ajmer during the fourth quarter, leading to total number of all women branches to 4 as at 31.03.2014.</p>
	<p>Credit Monitoring is stepped up and over dues are monitored on daily basis by the separate vertical created. Bigger accounts showing over dues are triggered for immediate follow up.</p> <p>Bank has clocked the highest number of Health Insurance Policies in a day: 10000 Health Policies with a premium of Rs. 2.00 Crores, creating a record in the history of Bancassurance in India.</p> <p>SyndNayiDisha: Bank has drawn its long term plan "Vision 2020" for reaching business level of Rs. 10 lacs Crores. Bank has revisited its Vision and Mission Statements along with lot of initiatives are being taken to reach vision 2020 goals. Bank has brought all these initiatives under SyndNayiDisha as given below.</p>



2014-15	<p>Bank launched "CASA Advantage Campaign" from 21/07/2014 to 30.09.2014 with an emphasis on building CASA deposits base, particularly Savings Bank deposits for the bank by canvassing more accounts, bringing government funds, accounts of schools & colleges, public & private organisation and targeting NextGen young customers. Bank has opened 21.60 lacs accounts under the campaign, with an initial balance of Rs.244.28 Crores.</p> <p>For effective control and business development, Bank has opened 4 new Regional Offices at Varanasi, Ludhiana, Varanasi and Visakhapatnam during Q2 of FY 2014-15.</p> <p>As a part of its CSR activities, Bank has undertaken various activities viz. donated 89 Water Coolers to deserving Government Schools, distributed school bags and notebooks to students, blankets/utensils to needy people, donated towards river rejuvenation projects, donated 1 day PL encashment of all staff towards J&K flood relief. Bank has also earmarked Rs.2 Crores under Swachh Bharat Abhiyan.</p> <p>On the occasion of 89th Foundation Day, Bank has launched the following new products:</p> <p>SyndPrivilege Tab Banking: Customer can open an account sitting at Office / Home.</p> <p>SyndBalashakti: To inculcate savings habit among minors of 10 years and above.</p> <p>Synd Mahila Shakthi: A tailor-made product for women entrepreneurs.</p> <p>Synd Kuteer: To address the concern for affordable housing for all, especially for Economically Weaker Section / Low Income Group</p> <p>E-Passbook: Account details as Passbook available at customers finger tips.</p> <p>Synd SmartGen: To provide savings opportunity to customers for meeting towards life's important goal viz. children's education, family holiday, children's marriage etc., Bank has launched a smart savings scheme "Synd SmartGen" for limited period. Under the scheme, on the last day of every month, amount over Rs 10,000/- or average balance of the current month-whichever is less, will be transferred to term deposit in multiples of Rs.10000/- for 366 days carrying an attractive interest rate of 9% pa.</p> <p>Synd SmartSHE: To commemorate International Women's Day, Bank has introduced a new savings product exclusively designed for women "Synd SmartSHE". Under the scheme, the balance amount in the account over and above the minimum balance of Rs.500/-will be transferred in multiples of Rs.500 to a term deposit and earn attractive interest of 9% per annum.</p> <p>SyndJuniorMillionaire: Bank has designed a unique combo product (Savings Bank account and Recurring Deposit) named "SyndJuniorMillionaire" for the existing and prospective customers who desire to make their minor children millionaire within a period of 10 years. A special rate of interest is being given for the Recurring Deposit up to a period of 10 years. This scheme will be available upto 31st March 2015.</p> <p>SyndHotel: Keeping in view the huge potential of Hotel, Tourism and Hospitality industry, Bank has launched a new tailor-made product – "SyndHotel" to extend credit facilities to Hotels/Restaurants and Lodges /Fast Food Centres / Motels (Daba) /Bakeries/High Way Inns / Pizza Centres (Franchises) / Mess/Canteen/Catering Service/Service Apartment entrepreneurs at a very affordable & competitive interest rate. The maximum amount of loan that can be granted under the scheme is Rs.10 crore.</p> <p>SyndJeweller: In order to cater to the needs of Gold Jewellery Traders, Bank has launched a new tailor made product "SyndJeweller" to meet the working capital requirements of entrepreneurs engaged in Gold/Silver ornaments business under MSE-Services (Retail Trade). The maximum amount of loan that can be granted under the scheme is Rs.5 crore.</p> <p>Synd Connect: Bank has launched a new personal banking loan product "SyndConnect" to meet loan requirements of employees of Central /State Government Departments, reputed Public Sector Undertakings and "Fortune 500" Companies.</p> <p>Synd Delight: Bank has launched a hassle free loan product "SyndDelight" to existing Housing Loan customers, who have demonstrated satisfactory repayment record of 3 years or more, to meet any of their genuine personal credit needs.</p> <p>SyndTimber: Keeping in view the demand for wooden products and its contribution to MSME segment, Bank has launched a new tailor made product named "SyndTimber" to extend credit facilities for Timber Trading, Import of Wood and Wooden products, Wood Processing Units like Sawmill, Steam Chambers, Construction of Shed etc. and for Furniture Shops. The quantum of loan provided under the scheme is above Rs.10 lakh upto Rs.10 crore.</p>
2015-16	<p>Syndicate Bank RuPay Platinum Debit Card: Bank has issued a new variant of RuPay Debit Card namely "Syndicate Bank RuPay Platinum Debit Card" with higher limits facilitating the segmentation of the Debit Card product to attract HNI customers.</p>



	<p>SYND RD PLUS: A special product which allows customers to deposit more than one installment during the month and no penalty levied for premature withdrawal or delayed payment.</p> <p>Bank has implemented the following Government insurance focused deposit schemes/gift products:-</p> <ul style="list-style-type: none"> ✓ Suraksha Deposit Scheme ✓ Jeevan Suraksha Deposit Scheme ✓ Jeevan Suraksha Deposit Cheque
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e. Awards and Recognition

Year	Award/ Recognition
1972 & 1978	Indian Merchants Chamber Award for outstanding contribution towards welfare of community
1974	Indian Merchants Chamber Award for outstanding contribution in promotion of savings
1975	FICCI Award for outstanding achievements in agriculture
1975	Laghu Udyog Sahakari Award by the National Alliance of Young Entrepreneurs for significant contributions to the development of small scale industries and assistance to the young entrepreneurs through self employment clinics
1976	International Award by Jaycee International for self employment
1977	FICCI Award in recognition of corporate initiative in industrial relations
1977	Assocham Award for promotion of rural and agricultural activities of Syndicate Agriculture Foundation sponsored by the Bank
1978	Indian Merchants Chamber Award for outstanding contribution towards welfare of the community
1978	National Award for outstanding export performance
1981	National Investment and Finance Award for priority sector lending
1990	Chaudhari Charan Singh Award for rural development
1999	FICCI Award for institutional initiative in the field of "Rural Development" to RUDSETI jointly sponsored by the Bank
2001	IDRBT Award for innovative use of Banking Applications on INFINET awarded by IDRBT, Hyderabad
2003	Banking Technology Award by IDRBT, Hyderabad
2006	Best Core Banking Project award for Large Banks in 2006 for Asia Pacific Region. Special award for use of IT for customer service in semi urban and rural areas by IDRBT
2006	Best Core Banking Project Award for Large Banks in 2006 awarded by The Asian Banker
2007	BEST BANK Award sponsored by USAID through Winrock International (India) for promoting and financing the sector of solar home lighting
2007	Mr. C.P. Swarnakar, chairman and managing director of the Bank received "Best Banker" award from Dehali Kannadige Patrike
2007	Best performer award by NABARD for highest average loan size under SHG-Bank linkage programme among commercial banks operating in Karnataka.
2009-10	Second Best award in the area of educational loans from NDTV profit
2009-10	"Best Performer" among commercial banks operating in Karnataka by NABARD for its performance under the category of "Highest Average Loan Size" in relation to the SHG bank linkage programme.
2010-11	National Award for outstanding performance in lending to Micro Enterprises from the Ministry of Micro, Small and Medium Enterprises, Government of India, in recognition of its performance in financing micro enterprises. The award was handed over by her Excellency, Smt. Pratibha Devi Singh Patil, President of India.
2010-11	Andhra Pragathi Grameena Bank (sponsored by the Bank) received the Award for "Best Bank in the State" from the Government of Andhra Pradesh for its performance in the field of agricultural development.
2011-12	Adjudged "Best Performer" among commercial banks operating in Karnataka by NABARD for its performance under the category of "Highest Average Loan Size" in relation to the SHG-Bank linkage programme.
2012-13	Based on a survey commissioned by "Business Standard" on the contribution of large public sector banks towards financial inclusion, the Bank along with SBI was awarded the Best Bank award for its contribution towards financial inclusion.
2012-13	SKOCH Foundation's Digital Inclusion Awards 2012: Gold award has been conferred to the Bank at SKOCH Foundation's Digital Inclusion Awards 2012, for BCP and ITDR Project on 18/09/2012.
2012-13	Awarded a Certificate of Merit for BCP & IT DR Project for being rated amongst the Top 100 ICT projects in India during 2012.

