



STATE BANK OF TRAVANCORE

(Associate of the State Bank of India)

HEAD OFFICE : THIRUVANANTHAPURAM

MINUTES OF THE 51ST ANNUAL GENERAL MEETING OF THE
SHAREHOLDERS HELD ON SATURDAY THE 28th MAY 2011.

1. The 51st Annual General Meeting of the Shareholders of State Bank of Travancore was held at 12.00 noon, on Saturday, the 28th MAY 2011 at A.K.G.MEMORIAL HALL, GAS HOUSE JUNCTION, PALAYAM, Thiruvananthapuram. 662 Shareholders were present in person. One valid proxy was received.
2. The Chairman, Shri. Pratip Chaudhuri called the Meeting to order after ascertaining the quorum. He introduced the Directors on the Board of the Bank, who were present on the dais (Names of the Directors present are given in the Annexure).
3. The Chairman directed Shri.Pradeep Kumar, the Managing Director, to read the notice convening the 51st Annual General Meeting and the Auditors' Report on the Balance Sheet as on the 31st March 2011.
4. The Managing Director read out the notice dated 27thApril 2011 convening the 51st Annual General Meeting to discuss and adopt the Balance Sheet and Profit and Loss Account of the Bank made upto 31st March, 2011, the report of the Board of Directors and Auditors' Report on the Balance Sheet and Accounts.
5. The Chairman announced that the Report of the Board of Directors on the working and activities of the Bank, and the Bank's Balance Sheet, Profit and Loss Account for the year ended 31st March 2011 and the Auditors' Report on Balance Sheet had been circulated to the Shareholders and taken as read.



The Chairman extended a hearty welcome to all. He then apprised the Shareholders of the highlights of the performance of the Bank during the year 2010-2011, and delivered his address in English. (The copy of the same is attached.) Shri T. Balakrishnan, Director read the full text of his speech in Malayalam.

The Chairman then requested the Shareholders who wished to raise questions/queries to write down and send them to him through the officials.

He requested that the questions/queries should be confined only to the Balance Sheet and the Profit and Loss Account of the Bank for the year ended 31st March 2011, the report of the Board of Directors on the working and activities during the year 2010-2011 and the Auditors' Report on the Balance Sheet and the Accounts. He invited the Shareholders who wished to raise their questions orally, to come to the podium one by one.

8. The Chairman thanked the shareholders for taking all the troubles for attending the Annual General Meeting, and taking pain to go through the Financial Statements and Reports of the Bank, and coming up with valuable opinion and suggestions. He replied to the questions/ points raised by the Shareholders in one go and assured the shareholders that wherever necessary, answers and reply to their queries shall be sent to them with in next thirty days. He also assured the Shareholders that all the suggestions have been noted and that they will be examined and wherever feasible, would be implemented.

9. The observations/suggestions made by the Shareholders and replies given by the Chairman are detailed below:

a) Sri. V.T.Thomas, complimented the entire Management Team, Staff and Chairman for the substantial growth of business turnover and record profit, and for raising the Bank to the level of the foremost banks in the country. He suggested for centralized branches for pension customers with locker facility.

Mr. Thomas wanted a clarification regarding number of branches given in the Annual Report as 792. He also complained about not printing of the Annual Report in Malayalam as well as in Hindi.

The Chairman while responding to the above points clarified that the bank's specialized treasury branch and specialized service branch for government transaction are included as departments of Head Office. Also MICR branches do not have any balance sheet to be audited, and extension counters are not counted as separate branches. Thus the total branches come to $705+20+64+3=792$ branches.

Regarding the point raised by V.T.Thomas for printing the annual report in Malayalam and Hindi, the chairman pointed out that copies of reports in Malayalam and Hindi are also available on request. A soft copy of the bank's annual report is also available in the Bank's website which can be downloaded.

b) **Sri. P.J.Jacob**, while congratulating the Bank for crossing Rs. One lakh crore of business, pointed out that the staff strength remains almost the same. Lack of required staff in branches is affecting quality of customer services. He suggested that the Bank's exposure to priority sector lending should be maintained at around 40% as stipulated by RBI. He welcomed the Bank's initiative for bringing out with new products, but also suggested to give proper training to the staff handling these new products. He also desired the Bank to take necessary steps for conducting regular customer meets in branches, particularly in NRI branches. He also suggested that the Staff Learning Centre may be shifted from its present position in the Head Office complex. He further complained that the Bank's diaries and calendars are received after considerable delay, which should be avoided.

The Chairman agreed that lack of trained officials in the branches could be affecting the customer service, and advised that the Bank has already recruited 1000 non-subordinate staff, and 220 probationary officers since 2009. Recruitment of 1500 more non-subordinate staff is also in an advanced stage. Further the Chairman observed that implementation of technologies and business process re-engineering initiatives helped to increase the business turnover.

With regard to the shareholder's observation on Priority Sector Lending, the Chairman maintained that the Bank's priority sector advances are in conformity with national objectives and benchmarks set by RBI/Govt.

The Chairman welcomed the concerns of the shareholder with regard to untrained and under trained Bank personals, and assured the shareholders that the Bank will further strengthen training facilities. Steps also shall be taken to ensure that customer meets are regularly held in all branches.

Regarding the shareholder's complaint of late receipts of diaries and calendars were noted and it was assured that, in future the calendars and diaries shall reach the customers well before in time.

Sri. Mahadevan congratulated the entire team of the Bank for arranging the Annual General Meeting excellently this year. He expressed that pages allotted to CSB activities in the SBT house magazine "Maithri" be increased. Advertisements given in the press regarding various announcements made by the Bank to be published in Tamil also. He also mooted the idea of declaring State Bank of Travancore, a Tobacco Free Zone.

The Chairman thanked the shareholder for the compliments and assured that all his suggestions would be considered.

d) Sri. K.S.Pillai observed that there is huge capital reserve of Rs.3413.54 crores, and he suggested for issue of bonus shares to the shareholders.

The Chairman clarified that the State Bank of India (Subsidiary Banks) Act did not have provision for issue of Bonus shares till its last amendment. Moreover, for the issue of bonus shares, Bank requires permission from RBI / SBI. However the Chairman assured the shareholders that the Management will continue to pursue this matter

e) Sri.Vellanad Nagappan Nair, preferred to speak in Malayalam, and suggested that adoption of girl child and financial assistance to visually challenged children should be widely publicised. He also suggested that "May I Help You" counter

may be made compulsory in all branches. He suggested that fraud committed by staff members, should be immediately attended to and stringent action taken. He requested for coming out with names of best AGMs in annual reports. He also sought explanation for decline in profit in 2010 as compared to 2009.

Chairman welcomed the suggestions and assured the shareholder that his points are noted. He pointed out that full time 'Grahak Mitra' is available in 178 branches and part time 'Grahak Mitra' is available in 196 branches, and all effort will be taken to have 'May I Help You' counter in all medium sized branches except for some rural branches. He assured the gathered shareholders that the Bank is absolutely unsparing in terms of punishing employees, with lack of integrity and who has perpetuated fraud, and there will be no compromise on this. Regarding publishing of best AGMs in the Annual Report, the Chairman pointed out that such practice of naming individual staff members in the Annual Report is not customary. On touching the point raised by the shareholder about low operating profit, the chairman clarified that this is due to additional provision on wage revision.

f) **Sri.K.K.Sunilkumar** introduced himself as a small-scale industrialist, and has been associated with the Bank for last 50 years. He suggested for more relaxed procedures for micro-finance loans, and at the same time NPA level should be reduced. He also requested the management to look into the interest rate on car loans. He drew the attention of the shareholders and management to the participation of the Bank in the Vizhinjam project, and suggested that the shareholders be informed about the details of Bank's involvement like interest, repayment, time limit etc. He cautioned that due care must be exercised before associating with such long projects. He also suggested for improved performance under insurance sector. He requested for an evening counter at Oachira branch.

The Chairman told the gathering that car loan is a very useful business and the interest rate is decided upon taking into consideration the fund cost and other relevant factors. He also pointed out that the interest rates are fairly competitive in the market.

The Chairman welcomed the suggestion for improved performance under insurance sector, and informed the gathering that the Bank has more than 700 CIFs and efforts

is underway to increase the number of CIFs, and to provide at least one CIF in every branch. Opening of evening branch at Oachira will be explored subject to feasibility. Touching upon the Vizhinjam project, the Chairman told the gathering that the Bank has a positive and proactive approach, not only to Vizhinjam project, but also to all development projects in Kerala, because the Bank believes that Kerala needs more development and not less. He assured that in case of Vizhinjam project, SBT has only agreed to syndicate loans in association with SBI Capital Markets Ltd. The Bank has not so far released any amount of loan. Processing of the project is still at an early stage and loan will be considered only after detailed appraisal of the project.

g) Sri.Narayaswamy, while congratulating the Bank for sustained growth in all sectors, pointed out that allocation to agricultural credit and loans to minority is inadequate, and bank's exposure towards agriculture and minority should be enhanced.

The Chairman replied that the Bank has disbursed 5716 loans under agriculture under various special scheme. The chairman drew the attention of the shareholders to fact that Kerala's economy and cropping pattern is more towards cash crops and plantation, and less towards food crops. Loans for plantation and other forms of cash crops do not find proper inclusion under agriculture. However the Bank has taken up with RBI for drafting suitable and more comprehensive definition of agricultural credit.

h) Sri.M.Vijayakumar, requested for an office to be provided to the elected directors at Trivandrum to enable the shareholders to contact their elected representatives. He also made a suggestion for putting up an ATM at International Air Port at Trivandrum.

The Chairman expressed his opinion that only less than 10% of the shareholders of the Bank are based in Trivandrum. Hence an office as referred by the shareholder is not feasible. The suggestion for ATM at International Air Port is well received and shall be implemented depending upon its feasibility.

i) Sri. M.N.Thampi congratulated the entire SBT team for continuously coming up with increased dividend to its shareholders. He was of the opinion that the meeting time of the Annual General Meeting is not convenient.

He suggested for timely exhibition of deposit rates and forex rates at the branches. He also requested the management to take necessary steps for details of transactions to be described in the passbook. He drew the attention of the management to the increasing NPA level particularly under Housing loan segment. He suggested for Gold Loans in joint names. He particularly sought clarification regarding payment of salary of more than Rs.15 lacs in one month.to the Managing Director.

The Chairman said that the suggestion is well taken and assured the shareholders that necessary steps will be taken for incorporating details of transactions in pass books. Regarding the higher level of NPAs in Housing loan segment, he pointed out that the situation is common to many banks on account of slippage in some large accounts due to economic situation. However he assured the house that the issue will be addressed meticulously. He clarified that payment of Rs. 15 lacs in one month to Shri Jagannathan, M.D includes his salary, other emoluments and also arrears of wage revision, and payment of incentive, as per the scheme approved by Govt. of India. Gold savings scheme will be looked into and Gold loans may be allowed in joint names also.

j) Sri. K.Gopalakrishnan complained that the annual report was not received in time. He also suggested for issuing photo identity cards to shareholders, so as to enable the shareholders to attend the Annual General Meeting even without notice. He also suggested for displaying the details of defaulting customers of education, car and housing loans in branches. A survey can also be conducted on the credibility of prospective customers.

The Chairman told the shareholder that his suggestion of issuing photo IDs is well taken, but it may not be possible because of the practical difficulties. With regard to publishing of names and other details of defaulted shareholders, the Chairman, reminded the shareholders about the commitment of the Bank to maintain secrecy of customer information.

10 The Chairman ascertained that there were no more issues/views from the Shareholders. Concluding the question and answer session, the Chairman said that the Bank would be glad to receive suggestions from Shareholders for improving the Bank's performance. He added that replies would be sent for questions given in writing. He thanked the Shareholders for the keen interest and involvement shown in the affairs of State Bank of Travancore and while terming it as a priceless intangible asset of the Bank, was sure that this interest, feed-back and advices have enabled the Bank to perform better and better every year.

11 **The Chairman declared that the discussion on the Balance Sheet and Profit and Loss Account, Report of the Board of Directors and Auditors' Report on Balance Sheet of the Bank made upto 31st March, 2011 is over. After seeking permission from the House he declared that the Balance Sheet and Profit and Loss Account, Report of the Board of Directors and Auditors' Report on Balance Sheet of the Bank made upto 31st March, 2011 is adopted.**

12 Sni.P.J.Jacob, Shareholder, proposed vote of thanks to the Chair, Directors, Members of the Top Management, the Statutory Auditors, officers and employees of the Bank and others, on behalf of Shareholders.

13 The Chairman declared the meeting closed at 2.30 p.m.

ANNEXURE

STATE BANK OF TRAVANCORE

LIST OF DIRECTORS WHO ATTENDED THE 51st ANNUAL GENERAL MEETING

PLACE: AT "A.K.G.MEMORIAL HALL", GAS HOUSE JUNCTION, PALAYAM,
THIRUVANANTHAPURAM.

TIME : 12.00 noon DATED 28th MAY 2011

1. SHRI. PRATIP CHAUDHURI
2. SHRI PRADEEP KUMAR
3. SHRI. B.S.GOPALAKRISHNAN
4. SHRI. GYAN CHAND PIPARA
5. SHRI. P VINAYAGAM
6. SHRI. J SADAKKADULLA
7. SHRI. C N VENUGOPALAN
8. SHRI. T.BALAKRISHNAN
9. SHRI. K.T.RAJAGOPALAN
10. SHRI. C.RAJKUMAR