



PROCEEDINGS OF THE EXTRAORDINARY GENERAL MEETING
HELD AT 3:30 P.M. ON WEDNESDAY, THE 19TH FEBRUARY 2014 AT
MULKI SUNDER RAM SHETTY AUDITORIUM, 10TH FLOOR, VIJAYA
BANK, HEAD OFFICE, No. 41/2, M.G. ROAD, BANGALORE.

The Extraordinary General Meeting of the Bank commenced at 3:30 P.M. with the following Directors present on the dais:

1. Shri. V. Kannan, Chairman & Managing Director
2. Shri. K.R. Shenoy, Executive Director
3. Shri. B.S. Rama Rao, Executive Director
4. Shri. P.C. Nalwaya, Non-Official Director & ACB Chairman
5. Smt. Bharati Rao, Shareholder Director
6. Shri. P. Vaidyanathan, Shareholder Director
7. Shri. Ashok Gupta, Non-Official Director
8. Shri. H. Harish Ballal, Officer-employee Director

Shri M.M. Dawla, Under Secretary, Ministry of Finance, Government of India was present at the Meeting as the representative of the Government of India. The meeting was attended by 208 shareholders and 7 proxies.

Shri V. Kannan, Chairman & Managing Director, chaired the meeting. The proceedings commenced with Shri K. R. Shenoy, Executive Director welcoming the Shareholders, Proxies and Directors to the Extraordinary General Meeting of the Bank.

The programme commenced with the melodious rendition of invocation by Ms. Gomati. The busts of the Founder Chairman of the Bank, Shri A.B.Shetty and the architect of modern Vijaya Bank, Shri Mulki Sunder Ram Shetty were garlanded by the Chairman & Managing Director & the Executive Directors.

After the traditional lighting of lamp by the Chairman & Managing Director, Executive Directors and the Directors, the Chairman confirmed the quorum and called the meeting to order. The Chairman greeted the shareholders and introduced the Directors and the General Managers present in the meeting. Thereafter the Company Secretary read the notice of the meeting.

The Chairman & Managing Director, in his address to the Shareholders, explained the purpose and necessity of holding the EGM. Detailing the existing shareholding pattern in terms of public shareholding, government holding, break up of capital, CRAR requirement as per Basel II and III, the Chairman spoke on the need to convert existing preference shares into equity shares and also to meet statutory requirements on capital norms. It is in this



context that Government of India has communicated their approval to increase the paid up capital by way of conversion of existing Perpetual Non-Cumulative Preference Shares (PNCPS) to the tune of Rs.1200 Crore into 30,46,45,849 equity shares of Rs.10 each at a premium of Rs.29.39 (i.e. an issue price of Rs.39.39 including premium) determined in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended from time to time, ("SEBI ICDR Regulations") considering 20th January 2014 as the Relevant Date for this purpose. The conversion will help in improvement of Tier I Capital of the Bank.

The Notice of EGM along with draft resolutions and explanatory statements, details of the proposed issue, pricing, etc., which were circulated among the shareholders earlier were taken as read with the permission of shareholders in attendance.

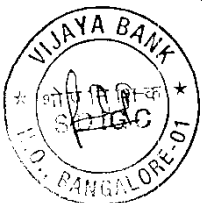
The Chairman expressed his gratitude to shareholders for their continued support in all bank's endeavours. He expressed his thanks to the customers of the Bank for their support, patronage, encouragement and for sharing a common goal of all-round excellence. He expressed his sincere appreciation to the employees for their untiring efforts and to the Unions/Associations of the Workmen and Officers for their wholehearted co-operation. He expressed gratitude to the Directors on the Board for their prudent guidance and thanked Auditors, Legal Advisors, Consultants and Correspondent Bankers for their invaluable contribution. He also expressed his sincere thanks to the Government of India, RBI, SEBI, IRDA, Stock Exchanges, various State Governments, other banks, financial institutions, R&T Agents and the media for their continued support and patronage in all our business endeavours.

He concluded his address by citing the challenges and opportunities faced by Banks in the present economic scenario and expressed that with the organisational vigour and versatility the Bank would successfully realise the various corporate goals and objectives with the continued support of the shareholders towards the journey of further excellence.

The Chairman and Managing Director solicited queries, if any, from the shareholders on the subject matter.

Shri. Udaya Kumar, General Manager explained to the gathering on the procedures to be followed while raising queries, before the house took up the Special Resolutions to be passed in the meeting. The shareholders were requested to raise their clarifications/ questions on the subject matter, in writing in query slips provided to them.

The shareholders' observations / queries were consolidated and responded by the Chairman & Managing Director. After ensuring that all the shareholders were given adequate opportunity to make their observations in writing, the Chairman & Managing Director responded to the queries/ observations and suggestions of the shareholders, as follows:



Sl. No	Query by Shri	Query	Reply / clarification
1	Chitrashek araiah 00239824	What will be the mode of receipt of funds from Govt. of India?	This is only a conversion of existing Preference Shares into Equity Shares. The Bank has already received the funds to the tune of Rs.500 Crore on 31.03.2009 and Rs.700 Crore on 14.06.2010 aggregating to Rs.1200 Crore.
2	S. Ranganathan 30000595	1. What is the interest rate being paid on the PNCPS at present? 2. Will the business of the Bank expand fast enough to service the expanded equity?	1. Present interest rate paid on PNCPS is Repo rate plus 100 bps. 2. We will be doing our best to further improve the business and profitability of the Bank so that that increased equity can be serviced well.
3	R. Gopalan 14504997	Since the Government of India is going to hold 74.06% of the shares, can public share holders expect increase of their holding through 'Rights Issue'?	Presently, there are no plans for Rights Issue. However, the same may be considered at an appropriate time.
4	Adiranga-natha 303077	When will the price of the shares improve?	Bank has no control over share price as it is determined by market forces. The stressed economic condition in the country during the year is reflected in our performance of Banks as well. Our Bank's share price is in line with the market conditions and that of our peers.
5	S.N. Rani Aishwarya 182379		
6	R.Nagaraja Reddy 182452		
7	G. Sagare 20021069	1. We are meeting for the second time for raising the capital. Govt of India has allowed to increase its stake to 74%; what about allowing ordinary share holders to subscribe to capital, i.e., rights issue 2. Is the increased share capital use properly or kept idle?	1. Presently there are no plans for Rights Issue. However, the same may be considered at an appropriate time. 2. We are growing at a healthy 15-16%, in line with the market, but not very aggressively because of the economic scenario; once economy improves we have good Tier-I capital which will be put to optimum use and there will be much better results.

8	T S Chandra- shekhariah IN302148 DP 11066415	1. On 12.12.2013 the issue price was at Rs.42.42. However, now it is Rs.39.39. Why there has been a decline in the issue price? 2. During the 3 rd quarter, profit is down by 91.1% because of NPA, what are the difficulties in recovering NPAs?	1. The offer price of Rs.39.39 is arrived at as per SEBI (ICDR) Regulations. 2. Though 3 rd quarter results were a bit subdued, we have strengthened our Balance Sheet with a provision coverage ratio of 66% and provisions for wage revision of employees.
9	V.S. Dharani 0291612	Permit transfer of my shares to my son.	We are happy that the next generation also continues to be investor in our shares. We request you to kindly contact Share Division for transfer of shares.
10	Venkatesh Rao 240304	The Bank dividend amount may kindly be increased by substantially, the present dividend percentage is comparatively less	We have already declared an interim dividend; after taking into account the provisioning requirements and the need for strengthening the Balance Sheet on account of Basel III norms, we will be happy to share our profits with the share holders.

The Chairman & Managing Director thanked the shareholders for the active interest shown by them in the discussions.

On conclusion of the discussions, the Chairman & Managing Director moved the following Resolutions for shareholders' approval:

1. **"RESOLVED THAT** pursuant to provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, Clause 23 of the Listing Agreement for Equity entered into with the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and Bangalore Stock Exchange Ltd (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of Regulation 4A of the Vijaya Bank (Shares and Meetings) Regulations, 2003 and the other Rules/ Notifications/ Circulars/ Regulations/ Guidelines, if any, prescribed by the Government of India, Reserve Bank of India, Securities and Exchange Board of India or any other relevant authority, from time to time to the extent applicable and subject to approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Vijaya Bank (the **Bank**) (hereinafter referred to as the **"Board"**, which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Regulation) be and is hereby authorised on behalf of the Bank, to create, offer, issue and allot by way of conversion of 120 Crore PNCPS (Perpetual Non-cumulative Preference Shares) of Rs.10/- each into 30,46,45,849 Equity Shares of the Bank of Rs.10/- (Rs. Ten only) each at a conversion price of Rs.39.39 (Rupees Thirty



Nine and Paise Thirty Nine only) including premium of Rs.29.39 (Rupees Twenty Nine and Paise Thirty Nine only) determined in accordance with Regulation 76(1) of SEBI ICDR Regulations and aggregating upto 1,200 Crore (Rupees One Thousand Two Hundred Crore) on preferential basis to Government of India."

"RESOLVED FURTHER THAT the Relevant Date for determination of the Preferential Issue Price is **20th January 2014.**"

The house approved the resolution unanimously on a proposal from Shri Venkatappa B.H. (Folio No.6414428) duly seconded by Shri Sagar (Folio No.20021069).

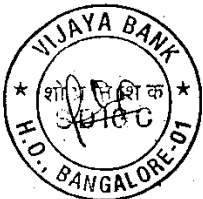
2. **"RESOLVED FURTHER THAT** the Board shall have authority and power to accept any modification in the proposal as may be required or imposed by the Government of India / Reserve Bank of India / Securities and Exchange Board of India/ Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allot and list thereof and as agreed to by the Board."

The house approved the resolution unanimously on a proposal from Shri K.R. Prabhu (Folio No. 20006195) duly seconded by Shri Venkatesh (Folio No. 240304).

3. **"RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted on preferential basis in pursuance of this Resolution shall be issued in dematerialized form and shall be subject to lock-in requirements required under Chapter VII of the SEBI ICDR Regulations and shall rank pari passu in all respects (including Dividend) with the existing Equity Shares of the Bank."

The house approved the resolution unanimously on a proposal from Shri Dayanand (Folio No.0062928), duly seconded by Shri H.S. Gurunath (Folio No.30135620).

4. **"RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise in regard to the issue of the equity shares and further to do all such acts, deeds, matters and things, finalise and execute all documents and writings as may be necessary, desirable or expedient as it may in its absolute discretion deem fit, proper or desirable without being required to seek any further consent or approval of the shareholders or authorise to the end and intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."



"RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to delegate all or any of its powers to a Committee of Directors of the Bank to give effect to the aforesaid Resolution."

The house approved the resolution unanimously on a proposal from Shri Lincoln K Rowland (Folio No.10004100), duly seconded by Shri Joshi, representative of M/s. Life Insurance Corporation of India.

Proposing formal Vote of Thanks, Shri. B.S. Rama Rao, Executive Director, thanked everyone for the cooperation extended for the smooth conduct of the EGM. The Executive Director profusely thanked the shareholders and sought their continued support and patronage to the Bank for scaling greater heights in the days ahead. He also thanked the staff members, their Unions/Associations and the colleagues on the Board for driving the Bank on the progressive growth path. The Executive Director also thanked the Auditors, Legal Advisers, Consultants and Correspondent Bankers, Media, R&T Agent, RBI, Govt of India, LIC, SEBI, IRDA, Stock Exchanges, different State Governments for extending their valuable support. Lastly he thanked all those who have directly or indirectly contributed for the success of this meeting and growth of the Bank.

Meeting was concluded at 4.15 pm after the National Anthem.




V. KANNAN
CHAIRMAN & MANAGING DIRECTOR