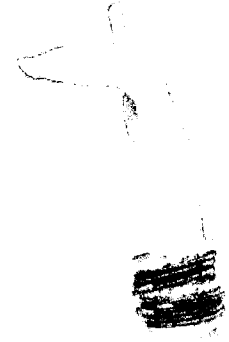
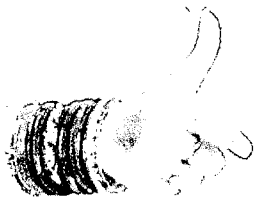


MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SEI	✓
YE	✓	✓		

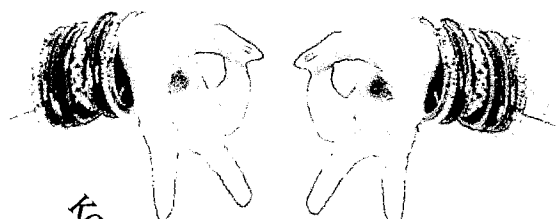
Chandrakalā - Vision

Ham sapaksha - Expertise



Sikhara - Strategy

Karkata - Teamwork



Kartari Mukha - Diversification



Tripatāka & Kartari Mukha - Growth

5th Annual Report 1997-98

Report  Junction.com

### *Milestones of 1997-98*

#### Products

- Launched 2424 PhoneBanking in 6 Major Cities
- Launched MyTime ATMs in 5 Major Cities
- New deposit products introduced
  - Mahasavings scheme
  - Flexi Unit Deposit scheme
- Depository services

#### Services

- Clearing Bank / Member to Pepper Futures Exchange at Kochi
- Clearing Bank to National Stock Exchange

#### Branches

- Nearly doubled the number of branches, from 23 to 45, providing more reach to customers



Registered & Corporate Office : 303-48-3, Sardar Patel Road, Secunderabad - 500 003. A.P., INDIA.  
e-mail : [sharing@globaltrustbank.com](mailto:sharing@globaltrustbank.com), Internet : <http://www.globaltrustbank.com>

## Notice

Notice is hereby given that the Fifth Annual General Meeting of the Company will be held at Hari Hara Kala Bhawan, Sardar Patel Road, Secunderabad, on Thursday, the 30th day of July, 1998, at 10.00 a.m., for transacting the following business:

### Ordinary Business :

1. To consider and adopt the audited Profit and Loss account of the Company for the year ended 31st March, 1998, and the Balance Sheet as on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare a dividend @ 18% p.a., subject to necessary approvals.
3. To appoint a Director in place of Dr. Jayanta Madhab, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Dr. A C Muthiah, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Mr. Tiah Thee Kian, who retires by rotation and being eligible offers himself for reappointment.
6. To consider and appoint Statutory Auditors of the Company in place of M/s. Laxminiwas & Jain, retiring auditors, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed to between the Board of Directors and the Auditors including reimbursement of out of pocket expenses.

By order of the Board

**RAMESH GELLI**  
Chairman & Managing Director

Place : New Delhi.  
Date : 21st May, 1998.

### Notes :

- 1 (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND A PROXY NEED NOT BE A MEMBER OF THE BANK.  
(b) PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED IN THE PROXY FORM BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
- 2 The Register of members and Share Transfer Books of the Company will remain closed from 16.07.1998 to 30.07.1998 (both days inclusive).
- 3 The Board of Directors at its meeting held on 21.05.1998 has recommended Dividend @ 18% p.a., for the year 1997-98. Payment of Dividend, if approved and declared at the Annual General Meeting will be paid to those Members whose names appear in the Register of Members of the Company on 30th July, 1998, subject to the provisions of Section 206 A of the Companies Act, 1956.
- 4 Members are requested to quote the Regd. Folio number in all correspondence and notify immediately, the changes in their address or Bank Account particulars, if any, to the Share Transfer Agents M/s. Aarthi Consultants Pvt. Limited, 1-2-285, Domalguda, Hyderabad - 500 029 (Tel : 7638111 / 7634445).
- 5 Members are requested to bring their copy of the Annual Report to the Meeting for reference.
- 6 The unpaid dividend pertaining to the period ended 31.03.1995 (paid in October, 1995) will be transferred to the General Revenue account of the Central Government on or before 3rd October, 1998. Those who have not encashed the dividend warrants for the above period, may please write to the Company immediately.
- 7 M/s. Laxminiwas & Jain, Chartered Accountants, Hyderabad, have completed the tenure of 4 years as Statutory Auditors of the Bank (the maximum period stipulated by the Reserve Bank of India) and will retire at this Annual General Meeting. The board recommends the appointment of M/s. Mukund M Chitale & Co., Chartered Accountants, Mumbai, as the Statutory Auditors in place of M/s. Laxminiwas & Jain for the financial year 1998-99.





Registered & Corporate Office : 303-48-3, Sardar Patel Road, Secunderabad - 500 003. A.P., INDIA.  
e-mail : sharing@globaltrustbank.com, Internet : http://www.globaltrustbank.com

## ANNEXURE TO THE DIRECTORS' REPORT

Statement of particulars of employees as required under section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules, 1975.

Name	Designation Et Nature of Duties	Remuneration received (in Rs.)	Qualifications Et Experience	Date of Joining	Age in Years	Previous Employment
AKULA KUMAR	Deputy General Manager, Head of Branch, Secunderabad	3,69,988	B.Com., LLB, CA, 24 yrs.	04.09.95	54	Secretary - Board, Andhra Bank, Hyderabad
ANAND ANCHAN	Head - Treasury	19,30,351	B.Sc., LLB, CAIIB, 21 yrs.	06.05.96	42	Manager-Treasury Marketing, Hongkong Bank, Mumbai
ANJANA GREWAL	General Manager, Retail Banking	8,18,279	B.Ch.Engg., MMS, 18 yrs.	02.04.97	43	Country Manager-Retail Banking, ANZ Grindlays Bank, Mumbai
ASHOK KUMAR A	Divisional Manager, Corporate Banking	3,11,904	B.Sc., B.Tech., PGDM, 17 yrs.	06.07.94	40	Sr. Deputy Manager, Vysya Bank Ltd., Chennai
ASWIN KUMAR T	Dy. General Manager, Head of Branch, Chennai	3,87,567	B.Com., BGL, CAIIB, 21 yrs.	06.06.94	43	Chief Manager, Vysya Bank Ltd., New Delhi
CHOUDARY K A	Vice President, Audit Et Operations	12,18,818	B.Com., ACA, CAIIB, 28 yrs.	04.03.94	52	Asst. General Manager, Vysya Bank Ltd., Bangalore
DEEPAK KULKARNI *	Asst. General Manager, Head of Branch, Opera House, Mumbai	1,18,575	M.Sc., DFM, 25 yrs.	06.03.96	48	General Manager, First Alliance Bank Ltd., Zambia
DIPTESH SHAH	General Manager, Investment Banking	6,38,325	B.Com., CA, 17 yrs.	18.01.95	40	General Manager, Merchant Banking, JM Financial Et Investment Consultancy Services Ltd., Mumbai
GANAPATHY S *	Vice President, Planning Et Finance	2,10,290 18 yrs.	B.Tech., MBA, MS, 29 yrs.	10.10.94	44	Executive Director (Finance), Standard Chartered Bank, Zambia
JANARDANAN V	Asst. General Manager, Head of Branch, Pune	3,33,366	B.Com., LLB, CAIIB 29 yrs.	22.01.95	47	Chief Manager, Vysya Bank Ltd
JOB XAVIER A J *	General Manager, Human Resource	2,74,300	M.A., LLB, MAM, DIRPM, 19 yrs.	04.08.97	45	Corporate Manager (P&A), Gulf Oil India Ltd.
KARTICK K MISRA	Dy. General Manager, Retail Banking	5,82,895	M.A, M.Phil., M.B.F., 18 yrs.	31.05.95	42	Manager, Consumer Financial Services (India), American Express Bank Ltd., Calcutta
LAKSHMINARAYANA T V	Dy. General Manager, Head of Branch, Fort, Mumbai	3,83,693	M.Sc., 18 yrs.	28.11.94	44	Chief Manager, Vysya Bank Ltd., Secunderabad
MD. SHAFI B S	Dy. General Manager, Head of Branch, Bandra, Mumbai	4,23,227	MA, BL, Diploma in Labour Et Ind. Law, CAIIB-I, 20 yrs.	21.02.94	48	Chief Manager, Vysya Bank Ltd., Mumbai
MOHAN RAJAH C V	General Manager, Corporate Affairs	4,17,141	B.Com., 31 yrs.	23.06.94	54	Asst. General Manager, Vysya Bank Ltd., Delhi
MURALI N	Chief Manager, MIS	3,07,613	B.Com., CAIIB, DBM, 23 yrs.	12.08.94	43	Officer, Andhra Bank, Hyderabad
NAGESWARA RAO M V S	General Manager, Corporate Banking	4,53,185	B.Com., ACA, 20 yrs.	28.02.94	44	Divisional Manager, Vysya Bank Ltd., Mumbai
NARAYAN P C	Vice President, Information Technology	11,37,256	B.E., MBA, CISA, 23 yrs.	07.07.95	46	Manager, Consultancy, Kapiti Ltd., Dubai
PANDIAN S	Asst. General Manager, Corporate Banking	3,61,326	B.E., ICWA, CAIIB, 19 yrs.	17.08.94	42	Sr. Manager, Vysya Bank Ltd., Bangalore

Name	Designation & Nature of Duties	Remuneration received (in Rs.)	Qualifications & Experience	Date of Joining	Age in Years	Previous Employment
PRABHAKAR UDIPI G	Dy. General Manager, Head of Branch, Bangalore	4,91,492	B.E., 23 yrs.	01.07.94	47	Executive Secretary in Chairman's Office, Vysya Bank Ltd., Bangalore
PRAKASH B N	Asst. General Manager, Corporate Banking	3,70,482	M.Tech., 18 yrs.	13.06.94	43	Special Officer, Vysya Bank Ltd., Bangalore
RADHAKRISHNA N	Asst. General Manager, Divisional Chief, Structured Finance	6,10,482	B.Sc., MBA, 17 yrs.	11.03.96	41	VP-Corporate & Institutional Finance, Union Bank of Switzerland, Mumbai
RAJASEKARAN K	Asst. General Manager, Head of Branch, Ahmedabad	3,68,940	B.Com., CAIIB, 21 yrs.	21.03.96	44	Chief Manager, State Bank of Travancore, Ahmedabad
RAMA RAO V	Dy. General Manager-Operations	4,37,369	M.Com., LLB, 29 yrs.	07.09.95	53	Manager (P&A, Trg.) Bank Dhofar Al-Omani Al - Fransi (SOAC), Oman
RAMAKRISHNA P S	Sr. Manager-Operations	3,14,255	M.Com., CAIIB, 21 yrs.	27.10.94	42	Sr. Dy. Manager, Vysya Bank Ltd., Delhi
RAMESH BABU V	Divisional Manager, Head of Branch, Visakhapatnam	3,19,848	B.Com., LLB., 21 yrs.	20.02.94	43	Branch Manager, Vysya Bank Ltd., Aurangabad
RAMESH GELLI	Chairman & Managing Director	26,01,652	B.E., MBM., 28 yrs.	08.12.93	52	Chairman & Chief-Executive Officer, Vysya Bank Ltd., Bangalore
RAMESH K V	Dy. General Manager-Treasury	4,97,505	B.Com., 24 yrs.	21.04.94	45	Sr. Manager, Vysya Bank Ltd., Mumbai
RAMGOPAL B	Dy. General Manager, Head of Branch, Delhi	3,59,121	B.Com., 17 yrs.	30.06.94	44	Branch Manager, Vysya Bank Ltd., Mumbai
RAMKUMAR K	Dy. General Manager, Head of Branch, Coimbatore	4,09,986	B.Sc., CAIIB-I, 21 yrs.	02.02.94	44	Chief Manager, Vysya Bank Ltd., Coimbatore
RAO K V	Dy. General Manager, Strategic Business Unit	5,78,220	B.Com., 25 yrs.	14.02.94	47	Chief Manager, Vysya Bank Ltd., Mumbai
RAGHUTHAM BABU	Divisional Manager Treasury, Mumbai	4,36,421	B.Com., CAIIB-I 22 yrs.	22.02.94	44	Dealer, Corporation Bank
RAJA REDDY R	Divisional Manager, Head of Operations, Bandra Mumbai	3,12,262	M. Com; LLB, CAIIB 19 yrs.	11.08.94	45	Senior Manager, Vysya Bank Ltd
RAJESWARI PRASAD	Sr. Manager, Head of Operations Chennai Branch	3,07,909	B.Sc., CAIIB-I 23yrs.	29.08.94	47	Deputy Manager, Vysya Bank Ltd
SOBANADRI P	Dy. General Manager, Head of Branch, Nariman Point, Mumbai	4,68,261	M.Sc., 20 yrs.	23.02.94	47	Divisional Manager, Vysya Bank Ltd., Calcutta
SRIDHAR SUBASRI	Executive Director	21,33,200	B.Sc., MBA, LLB, CAIIB, 21 yrs.	09.03.94	44	General Manager, Vysya Bank Ltd., Bangalore
SRIRAM P	Asst. General Manager, Planning & Finance	3,63,800	B. Com; ACA 20 yrs.	01.12.94	49	Manager, Andhra Bank
SIVARAMAN R	Divisional Manager, Internal Audit,	3,51,950	B.Sc., C.A. 10 yrs.	25.02.95	38	Senior Deputy Manager, Vysya Bank Ltd
VENKATESH V	Dy. General Manager, Information Technology	4,20,056	B.Com., MBA, CISA, 20 yrs.	16.02.94	39	Consultant, Citicorp Information Technology Inds. Ltd., Bangalore
VENKATESWARAN M S	Divisional Manager, Head of Branch, Cochin	3,19,910	B.Sc., 21 yrs.	01.10.96	46	Chief Manager, Vysya Bank Ltd., Ernakulam
YELLA REDDY C	Divisional Manager, Information Technology	3,14,904	M.Sc., CAIIB-I 19 yrs.	28.02.94	46	Branch Manager, Vysya Bank Ltd

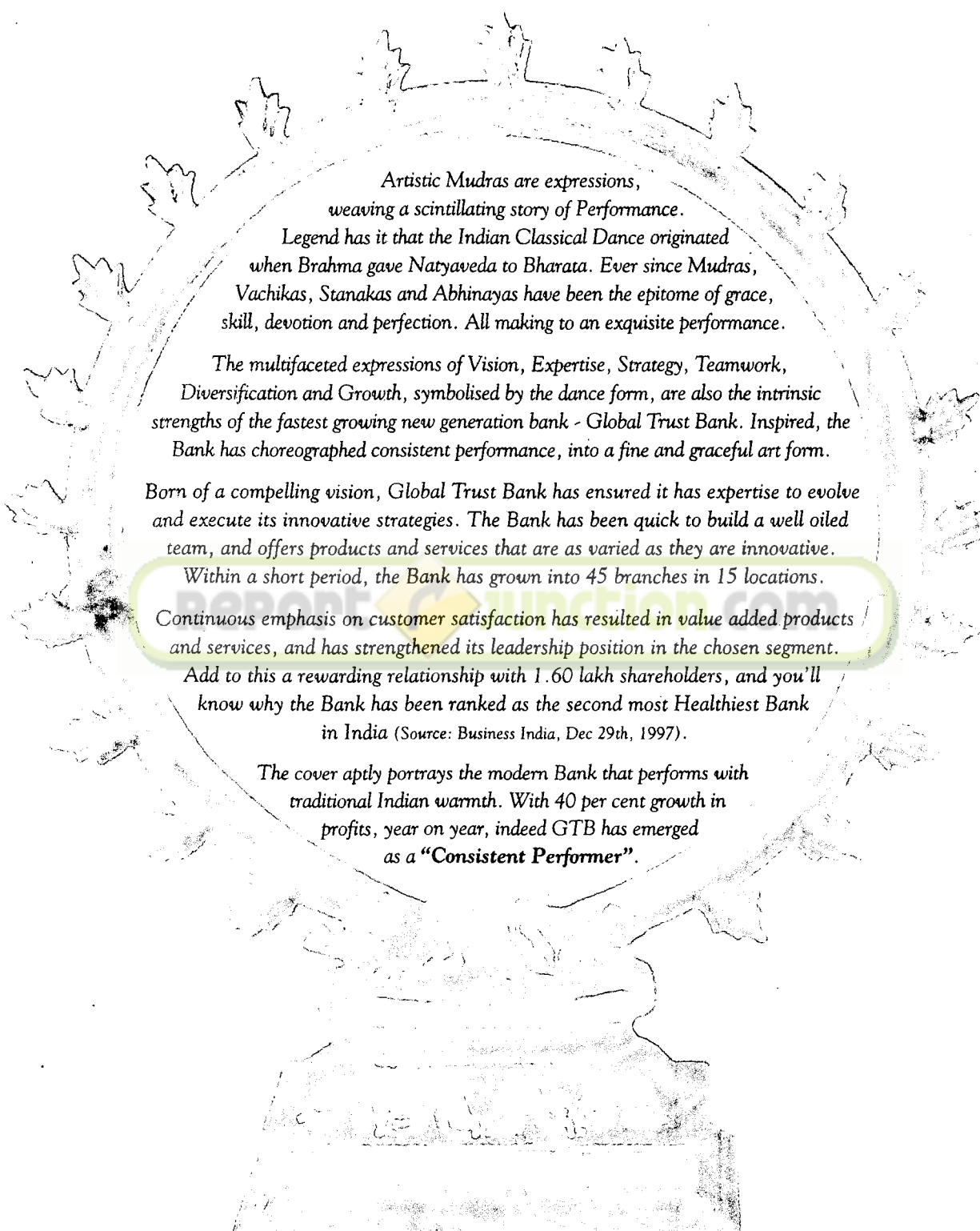
\*Employed for part of the year

- Notes: 1 None of the employees is related to any Director of the Bank except Mr. Ramesh Gelli, who is related to Ms. Premkala, Director of the Bank.  
2 The terms of the employment are non-contractual except for Mr. Ramesh Gelli and Mr. Sridhar Subasri.  
3 Remuneration includes salary, allowances and perk value as per Income Tax Act, 1961.

By Order of the Board

**RAMESH GELLI**  
Chairman & Managing Director

Place : New Delhi  
Date : 21st May 1998



*Artistic Mudras are expressions,  
weaving a scintillating story of Performance.*

*Legend has it that the Indian Classical Dance originated when Brahma gave Natyaveda to Bharata. Ever since Mudras, Vachikas, Stanakas and Abhinayas have been the epitome of grace, skill, devotion and perfection. All making to an exquisite performance.*

*The multifaceted expressions of Vision, Expertise, Strategy, Teamwork, Diversification and Growth, symbolised by the dance form, are also the intrinsic strengths of the fastest growing new generation bank - Global Trust Bank. Inspired, the Bank has choreographed consistent performance, into a fine and graceful art form.*

*Born of a compelling vision, Global Trust Bank has ensured it has expertise to evolve and execute its innovative strategies. The Bank has been quick to build a well oiled team, and offers products and services that are as varied as they are innovative.*

*Within a short period, the Bank has grown into 45 branches in 15 locations.*

*Continuous emphasis on customer satisfaction has resulted in value added products and services, and has strengthened its leadership position in the chosen segment.*

*Add to this a rewarding relationship with 1.60 lakh shareholders, and you'll know why the Bank has been ranked as the second most Healthiest Bank in India (Source: Business India, Dec 29th, 1997).*

*The cover aptly portrays the modern Bank that performs with traditional Indian warmth. With 40 per cent growth in profits, year on year, indeed GTB has emerged as a "Consistent Performer".*



*We performed better because we focused better*

## The Chairman looks back at 1997-98



### Q. Was 97-98 any different ?

A. It was a tremendous and also a tumultuous year for GTB. The continuing slow growth economy had significant negative multiplier

effect. The silver lining was that we forged ahead, with one more year of improved and **consistent performance.**

We worked on expanding our reach, identifying new delivery systems, creating products that

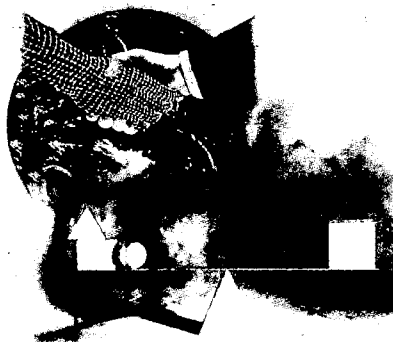
met the unmet needs, and worked on support systems through process design and technology.

We brought a balance between customer needs, innovative products, organisational strengths and financial results.

We were not chasing results alone, but were simultaneously pursuing long term initiatives and actions. The result was, we focused better on customer needs.

We were able to fine tune our business strategies, and introduce an internal system of 'balanced score card'. We brought a balance between customer needs, innovative products, organisational strengths and financial results. What seemed a period of dynamic challenges and moving targets, was converted as bedrocks for the future.

Concurrently, the people within the organisation felt enriched in their endeavours. I think we came through taller during the year.

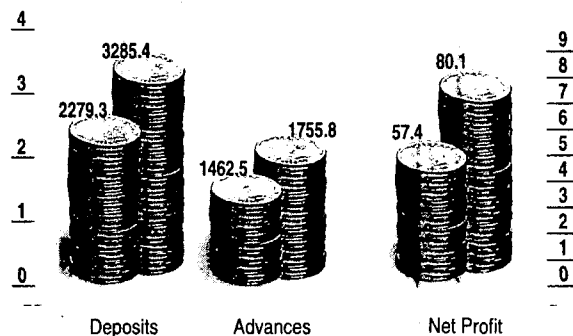


### Q. There was volatility in the money and foreign exchange markets. What was the impact?

A. The year was certainly challenging. Banking industry started seeing new dimensions of risks. Interest rates became highly volatile; Rupee-dollar rate accentuated exchange risks; there were sudden changes in the liquidity in the market; credit off-take was affected because of the industrial slowdown; quality lending became difficult; NBFCs crashed and caused ripples in the financial market.

The challenge was how the banking industry understood, appreciated, evaluated, monitored and managed risks.

Of course, within GTB, we were on top of asset-liability management. Credit expansion was strategically slowed. We had also to study the impact of the south east Asian crisis, so that we could draw lessons, and pre-empt problems. Volatility became an opportunity in our treasury operations. We, however, were on our toes all the time.



All figures in Rs. crore



## & takes a preview of 98-99

### Q. What was GTB's response ?

A. We responded to the new challenge, by sharpening risk evaluation and management systems. In fact we were critically evaluating and comparing them with best international practices.

A period of dynamic challenges and moving targets was converted as bedrocks for the future.

Our response becomes clearer, if we look at two different but related yardsticks. Firstly, we had to look at our customers more comprehensively, to understand what risks they were exposing themselves to.

There was continuous guidance to them. Indeed the customers gained.

Internally, as for the bank itself, we responded by working to increasing capital adequacy ratio. We have hence a strong bank responding to the opportunities and delivering results. Simultaneously, consolidating and building on strengths, and continuing with leadership efforts.

### Q. Where are we heading in 1998-99? What is the likely excitement?

A. We believe the banking industry will continue to face uncertainties. The real challenge will be in maintaining both, quality and return on assets.

Developing the retail deposit segment will continue to be our thrust area. In support, we will add to our reach - both depth and breadth - by increasing the branch network. We expect to have 65 branches and believe, we can achieve a deposit growth of 40 per cent.

In GTB, we see opportunities due largely to the segment that we have chosen to focus i.e. mid corporates. This is a large market where competition is also easy. Internally, we needed to build very special skills and expertise to add value in this segment, and we have honed this in the last couple of years. As part of optimal distribution of resources, we have also built strengths in evaluating and investing in corporate debts. We will enhance value addition in the middle market. In 98-99, we will be more active in this market. The book size will continue to increase cautiously.

○ Treasury will continue to be an important component of our business.

○ Taking depositories retail will be our focus in the capital market segment.

○ As for profits, our track record is likely to be maintained.

### Q. How is the bank enhancing shareholder value ?

A. A good bank is a good value. A great part of our thrust is to build a good bank.

We have consistently outperformed our promises and projections. In 41 months of operations ending March 98, we have earned cumulative net profit of Rs.192 crores, nearly 1.8 times our equity capital. Cumulative dividend payout exceeded Rs.50 crores. In 97-98, the EPS was a high Rs.7.70. We have also tried to provide substantial information to our shareholders.

We believe that good governance and consistent performance makes for excellent fundamentals. Our effort therefore is to continue to enhance shareholder value by building on our excellent fundamentals.

*Conceived and Researched by CAPRICORN*

*A wise man should have  
money in his head,  
not in his heart.*

-Jonathan Swift

## *Turbulent year for the Banking Industry*

# Waves provide a staircase of growth

The year that went by, was exciting, to say the least. There was turbulence like never before. South East Asia saw a crisis for the first time after it became a tiger land. Economies

slowed down, and the currencies collapsed. Banks in those countries were badly hit.

The whip of the dragon's tail had its impact on

India, as well. The rupee had a steady fall, quoting at Rs.35.80 to a dollar in April 97, and by March 98, it had slipped to Rs.39.50.

1997-98 saw the GDP growing at 5 per cent and industrial production grew at 4.2 per cent, a low for many years. Slow growth in industry had the banks flush with money. High liquidity, falling interest rates, narrow spreads, and exchange risks were increasing the sensitivities in the banking industry. There was sluggish demand. There was also severe competition amongst banks.

Both the credit policy announcements, in April and

October 1997, liberalised the market. Some of the major provisions were reintroduction of the Bank Rate; exempted inter bank from SLR/CRR; freedom of interest rates over 30 days; freedom of interest rates on FCNR & NRI deposits; reduction in CD size to Rs.5 lakhs; rationalisation of export credit and reduction in export refinance to cover only incremental credit; consortium norms freed; individual bankers to determine rules; withdrawal of Maximum Permissible Bank Finance; non inclusion of preference shares and NCDs in 5 per cent investable limit on shares and securities; financing promoters contribution; freedom on margins on share finance; bridge loans against equity issue; strengthening of loan system. of delivery of credit; introduction of Prime Term Lending Rates; and, reduction in CRR from 10 to 8 per cent.

This was followed by a special announcement on January 16, 1998 on the forex front as part of managing exchange rates, when CRR was increased and interest rates hiked up. All this made it

essential that the banks were competent to deal with the new opportunities.

The competitive situation brought in its own dynamics. A measure of the volatility was the changes in the Bank Rate that Reserve Bank of India made during the last twelve months. It dropped it to 11 per cent from 12 per cent (April 97), to 10 per cent (June 97), and further to 9 per cent (Oct. 97). This was raised to 11 per cent (January 98), and subsequently reduced to 10.5 per cent (March 98) and 10 per cent (early April 98).

GTB was quick to recognise and take pre-emptive steps. As the Executive Director, Mr. Sridhar Subasri assured, "We were possibly the only bank which studied the South-east Asian crisis closely. We recognised that malfunctioning financial systems can tell stories and hold lessons, for anyone willing to learn. We reviewed our exposures and were convinced that we do not have mismatches. We quickly rechecked our customers' exposures to see that they were not carrying unnecessary risks."

We went the  
extra mile.  
And retained the  
cutting edge.