

वित्त, आयोजना व निवेशक संबंध
(बीएसएमजी - आर्थिक आसूचना विभाग)

अनुदेश परिपत्र क्र.10023

दिनांक: 9 अगस्त 2014

प्रति : सभी शाखाएं/कार्यालय

विषय: यूनियन कार्य निष्पादन प्रोत्साहन योजना-वित्त वर्ष 2014-15

- ☞ सभी शाखाओं/कार्यालयों के स्टाफ सदस्यों को कवर करनेवाली व्यापक प्रोत्साहन योजना
- ☞ यह योजना वित्त वर्ष 2014-15 के लिए लागू होगी.
- ☞ तीन संवर्गों के अंतर्गत प्रोत्साहन देय होगा: अर्थात्,
 - यूनिट/ग्रुप आधारित प्रोत्साहन योजना;
 - विशिष्ट अभियान प्रोत्साहन योजना;
 - बैंक के कारोबार लीडरों के लिए प्रोत्साहन योजना
- ☞ यूनियन कार्य निष्पादन प्रोत्साहन योजना की सीमा के बाहर कोई अन्य प्रोत्साहन योजना नहीं बनायी जानी चाहिए.

1. योजना का परिचय:

- 1.1 बैंक ने अनुदेश परिपत्र क्र 9702 दिनांक 29 जुलाई 2013 के द्वारा 'कार्य निष्पादन से सम्बद्ध व्यापक नकद प्रोत्साहन योजना' प्रारंभ की थी जो कि वित्त वर्ष 2013-14 से प्रभावी है. इसयोजना में सभी स्टाफ कवर किये गये हैं.
- 1.2 कुछ संशोधनों के साथ बैंक के महत्वपूर्ण क्षेत्रों यथा, औसत वृद्धि, आस्ति गुणवत्ता एवं लाभप्रदता पर फोकस करते हुए यह वित्त वर्ष 2014-15 के लिए जारी रहेगी.
- 1.3 प्रस्तावित योजना की रूपरेखा विविध पैरा में दी गयी है.

2. सरकारी दिशा निर्देश:

- 2.1 किसी भी बैंक द्वारा प्रोत्साहन के रूप में भुगतान की जानेवाली कुल रकम पिछले वित्तीय वर्ष की लिए कर(पीएटी) के बाद के बैंक के लाभ के 1% से अधिक नहीं होना चाहिए.
- 2.2 किसी भी कर्मचारी द्वारा प्राप्त की जाने वाले प्रोत्साहन राशि उसके कुल वार्षिक वेतन के 20% से अधिक नहीं होनी चाहिए.
- 2.3 यह प्रोत्साहन उच्च कार्य निष्पादकों तक ही सीमित होगा और कुल स्टाफ संख्या के 20-25% तक सीमित होगा. न्यूनतम प्रारंभिक सीमा कुल की 100% होगी और प्रत्येक मुख्य उत्तरदायित्व एरीया (केआरएएस) का 75% होना चाहिए.
- 2.4 प्रोत्साहन राशि बैंक द्वारा चार मूल पैरामीटरों में लक्ष्य प्राप्त किए जाने पर ही भुगतान होगा अर्थात् 1. शुद्ध एनपीए 3% से कम 2. सीआरएआर 9% से अधिक बना रहना 3. शुद्ध मालिकाना निधि रु 300 करोड से अधिक और 4. विगत 3 वर्षों के लिए बैंक का शुद्ध लाभ .

3. योजना की मुख्य बातें:

- 3.1 योजनाओं का वर्गीकरण: यूनियन कार्य निष्पादन प्रोत्साहन योजना को विस्तृत रूप से निम्न उप योजनाओं में वर्गीकृत किया गया है:

To: All Branches/Offices

Sub: Union Performance Incentive Scheme - FY 2014-15

- A comprehensive Incentive Scheme to cover staff across all branches/offices;
- Scheme to be applicable for FY 2014-15
- Incentives payable under three broad categories, namely,
 - Unit /Group based incentive scheme;
 - Campaign specific incentive scheme;
 - Incentive Scheme for Business Leaders of the Bank.
- No other incentive scheme should be framed / implemented which is outside the purview of the ***Union Performance Incentive Scheme***.

1 Introduction:

- 1.1 ***Union Performance Incentive Scheme for FY 2013-14*** was launched by the Bank vide I.C. no. 9702 dated 29th July 2013, which was applicable for FY 2013-14. This scheme covered all categories of employees of the Bank.
- 1.2 The scheme is continued for FY 2014-15 with few modifications to focus on key areas like average growth, Asset quality and Profitability.
- 1.3 The key features of the proposed scheme are outlined in subsequent paras.

2 Government Guidelines:

- 2.1 The total amount to be paid as incentive by any bank should not exceed 1% of the bank's profit after tax (PAT) for the previous financial year.
- 2.2 The amount of incentive received by any employee should not exceed 20% of his/her gross annual salary.
- 2.3 The incentive should be limited only to the top performers and should be restricted to 20 to 25 percentile of the total staff strength. The minimum threshold limit should be 100% of the aggregate and 75% of each of the Key Responsibility Areas (KRAs).
- 2.4 The incentive would be payable subject to the Bank achieving four basic parameters viz. i) Net NPA being below 3%, ii) CRAR remaining above 9%, iii) Net owned funds being above ₹ 300 crore and iv) Bank having earned net profit for the last 3 years.

3 Salient features of the scheme:

- 3.1 Classification of Schemes: The ***Union Performance Incentive Scheme*** is broadly categorised under the following sub-schemes;

3.1.1 यूनिट/ग्रुप आधारित प्रोत्साहन योजना (परिशिष्ट-1)

- i. शाखाओं के लिए प्रोत्साहन योजना (परिशिष्ट I-ए)
- ii. विशेषीकृत शाखाओं/कार्यालयों के लिए प्रोत्साहन योजना (परिशिष्ट I-बी)
- iii. क्षेत्रीय कार्यालयों के लिए प्रोत्साहन योजना (परिशिष्ट I-सी)
- iv. क्षेत्र महाप्रबंधक कार्यालयों के लिए प्रोत्साहन योजना (परिशिष्ट I-डी)
- v. केंद्रीय कार्यालय विभागों के लिए प्रोत्साहन योजना (परिशिष्ट I-ई)

3.1.2 विशिष्ट अभियान प्रोत्साहन योजना (परिशिष्ट-II)**3.1.3 बैंक के कारोबार लीडर के लिए प्रोत्साहन योजना (परिशिष्ट-III)****3.1.4 चेयरमैन - क्लब एवं कार्यपालक निदेशक - क्लब प्रोत्साहन योजना (परिशिष्ट-IV-ए)****3.1.5 हाउस कीपर्स और दफ्तरियों के लिए नकद प्रोत्साहन योजना (परिशिष्ट-IV-बी)**

3.2 अभियान विशिष्ट प्रोत्साहन योजना को छोड़ कर सभी अन्य योजनायें ग्रुप आधारित प्रोत्साहन योजना का भाग होंगी. अभियान योजनाओं के लिये नकद प्रोत्साहन राशि का भुगतान वर्ष के दौरान किया जायेगा जबकि अन्य सभी योजनाओं के अंतर्गत प्रोत्साहन राशि का भुगतान, वर्ष के दौरान कार्य निष्पादन के आधार पर वित्तीय वर्ष के अंत में किया जायेगा.

4. मार्गदर्शी सिद्धांत:

- 4.1 कार्यनिष्पादन आधारित प्रोत्साहन योजना में भाग लेने के लिए बैंक के सभी संवर्गों के कर्मचारियों को बराबर का मौका दिया जाएगा. इस योजना के अंतर्गत 25% से अधिक कर्मचारियों को प्रोत्साहन राशि नहीं दी जाएगी. अभियान योजनाओं में भाग लेनेवाले कर्मचारी अन्य ग्रुप योजनाओं के लिए भी पात्र होंगे.
- 4.2 फ्रेक्शन नंबर के मामले में अगले उच्चतर पूर्णांक को पात्र कार्यालयों के लिए चयन के लिए विचार किया जाएगा.
- 4.3 परफोर्मेंस मैनेजमेंट सिस्टम (पीएमएस) के अनुसार वार्षिक मूल्यांकन रिपोर्ट में 75% से कम अंक प्राप्त करने वाले कार्यपालक और अधिकारी ग्रुप प्रोत्साहन योजनाओं के अंतर्गत नकद प्रोत्साहन के लिए पात्र नहीं होगा.
- 4.4 ग्रुप प्रोत्साहन योजना में पात्र होने के लिए स्टाफ अपनी शाखा/क्षेत्र/क्षेत्रप्रका/केका के विभाग में वित्त वर्ष के दौरान कम से कम 185 दिनों के लिए कार्यरत होना चाहिए.
- 4.5 31 मार्च 2015 को हानि दर्शानेवाली शाखाएं ग्रुप आधारित प्रोत्साहन योजना के अंतर्गत नकद प्रोत्साहन के लिए पात्र नहीं होंगी.
- 4.6 बैंक के कर्मचारी जो अन्य संस्थानों जैसे यूनियन केबीसी, एसयूडी लाइफ और आरआरबी आदि में वित्त वर्ष के दौरान 185 दिनों से अधिक के लिए प्रतिनियुक्त पर हों, को यूनियन कार्य निष्पादन प्रोत्साहन योजना के अंतर्गत कवर नहीं किया जाएगा. इसी प्रकार जो कर्मचारी विदेश में जैसे हॉगकांग और दुबई की शाखाओं और ओवरसीज प्रतिनिधि कार्यालयों में कार्य करते हैं उन्हें यूनियन कार्य निष्पादन प्रोत्साहन योजना में शामिल नहीं किया गया है क्योंकि वे भारत सरकार के अलग दिशा निर्देशों से संचालित होते हैं.
- 4.7 प्रोबेशन पर कर्मचारियों सहित पूर्णकालिक कर्मचारियों को ही नकद प्रोत्साहन देय होगा.
- 4.8 सभी प्रोत्साहन योजनाएं अनिवार्यता यूनियन कार्य निष्पादन प्रोत्साहन योजना में कवर होंगी. ऐसी कोई प्रोत्साहन योजना बनायी नहीं जानी चाहिए जो यूनियन कार्य निष्पादन प्रोत्साहन योजना की परिधि से बाहर हो.

5. प्रोत्साहन राशि के भुगतान के लिए आधारभूत निधि का बंटवारा

- 5.1 पैरा 3 में उल्लिखित सभी प्रोत्साहन योजनाओं के लिए आधारभूत निधि पूर्ववर्ती वर्ष के 1% पीएटी यथा, ₹ 16.96 करोड़ की समग्र उच्चतम सीमा के अंतर्गत होगी.

- 3.1.1 **Unit / Group Based Incentive Scheme (Annexure-I)**
 - i. Incentive scheme for Branches (Annexure I-A)
 - ii. Incentive scheme for Specialized Branches / Offices (Annexure I-B)
 - iii. Incentive scheme for ROs (Annexure I-C)
 - iv. Incentive scheme for FGMOs (Annexure I-D)
 - v. Incentive scheme for Central Office Departments (Annexure I-E)
 - 3.1.2 **Campaign Specific Incentive Scheme (Annexure-II)**
 - 3.1.3 **Incentive Scheme for Business Leaders of the Bank (Annexure-III)**
 - 3.1.4 **Chairman's Club and Executive Directors' Club Incentive Scheme (Annexure-IV-A)**
 - 3.1.5 **Cash Incentive Scheme for House keepers and Daftaries (Annexure-IV-B)**
- 3.2 Except for campaign specific incentive scheme, all other schemes will be part of Group based incentive scheme. Cash incentive can be paid during the year for campaign schemes, whereas incentive under all other schemes will be paid only after the end of the financial year, based on performance during the year.

4 Guiding Principles:

- 4.1 All section of employees of the Bank should be given equal opportunity to participate in the performance based incentive schemes. Not more than 25% of employees should be incentivised under the scheme. All employees participating in Campaign Schemes are also eligible under other group schemes.
- 4.2 In case of fraction number, the next higher integer will be taken into consideration for selection of eligible offices.
- 4.3 Executives and Officers obtaining marks below 75% in their annual appraisal as per Performance Management System (PMS) shall not be eligible for cash incentive under group incentive schemes.
- 4.4 The staff should have worked in the unit / group for at least 185 days during the financial year to be eligible under group incentive schemes.
- 4.5 Loss making branches as of 31st march 2015 will not be eligible for cash incentive under the Group based incentive scheme.
- 4.6 The employees of the Bank who are on deputation to other institutions such as Union KBC, SUD Life and RRB etc. for more than 185 days during the financial year shall not be covered under the **Union Performance Incentive Scheme**. Similarly employees working in foreign Offices like Hong Kong and Dubai branches and overseas representative offices are excluded from the **Union Performance Incentive Scheme** as they are governed by separate Govt. of India guidelines.
- 4.7 Cash incentive would be payable to full time employees only, including those on probation.
- 4.8 All incentive schemes should be necessarily covered under the **Union Performance Incentive Scheme**. No other incentive scheme should be framed / implemented which is outside the purview of the **Union Performance Incentive Scheme**.

5 Distribution of corpus for incentive payout:

- 5.1 The corpus for all incentive schemes detailed above in Para 3 would be within the overall ceiling of 1% PAT of the previous year i.e. ₹ 16.96 crore.
- 5.2 The corpus for campaign schemes shall be 20% of the total corpus i.e. ₹ 3.39 crore. The corpus for all other schemes will be 80% of the total corpus i.e. ₹ 13.57 crore. Any unutilised fund from the campaign specific scheme would be made available to the combined corpus of group schemes.
- 5.3 If the corpus available is insufficient to cover the stipulated payout under these schemes, the incentive for all awardees under these schemes, except Campaign & CMD/ED Club schemes, will be reduced proportionately.

- 5.2 अभियान योजनाओं के अंतर्गत आधारभूत निधि कुल निधि का 20% यथा, ₹ 3.39 करोड़ होगी। अन्य सभी योजनाओं के लिए आधारभूत निधि की गणना कुल निधि का 80% यथा ₹ 13.57 करोड़ की जाएगी। विशिष्ट अभियान के योजना की उपयोग में नहीं लायी गयी निधि ग्रुप योजना के सम्मिलित आधारभूत निधि को उपलब्ध करायी जाएगी।
- 5.3 यदि उपलब्ध आधारभूत निधि इन योजनाओं के अंतर्गत आवश्यक भुगतान को नहीं कवर कर पाती है तो अभियान एवं सीएमडी/ईडी क्लब योजनाओं को छोड़ कर इन योजनाओं के अवार्डियों को देय प्रोत्साहन राशि को अनुपातिक आधार पर कम किया जायेगा।
6. **मानव संसाधन प्रबंधन विभाग की भूमिका:**
- 6.1 प्रोत्साहन राशि के वितरण और स्टाफ के अनुशासनिक कार्रवाई के मामले से संबंधित विवाद मानव संसाधन विभाग के अंतर्गत होंगे। मानव संसाधन विभाग यह सुनिश्चित करे कि इसमें सरकारी दिशा निर्देशों का पालन किया जाता है।
- 6.2 पुरस्कृत किए जानेवाले अधिकारियों, लिपिकों/अधिनस्थ स्टाफ की सूची, जिसमें उन्हें दी जानेवाली प्रोत्साहन राशि का भी उल्लेख होगा, को रखने के लिये मानव संसाधन विभाग नोडल विभाग होगा। सभी योजनाओं में प्रोत्साहन के भुगतान का कार्य मानव संसाधन विभाग के पास होगा।
- 6.3 **जिन कर्मचारियों के विरुद्ध अनुशासनिक कार्रवाई चल रही हो:** पुरस्कार के लिए पात्र कर्मचारियों के विरुद्ध अनुशासनिक कार्रवाई लम्बित हो उनके संबंध में प्रोत्साहन के लिए निम्न शर्तें लागू होंगी। मानव संसाधन विभाग पात्र स्टाफ सदस्यों को नकद प्रोत्साहन देने के पहले निम्न दिशानिर्देश ध्यान में रखे।
- 6.3.1 कथित अनुशासनिक कार्रवाई विषयक मामले या उससे संबंधित उस अवधि/कार्यनिष्पादकता से नहीं हो जिसे प्रोत्साहन हेतु मूल्यांकित/संगणित किया गया है।
- 6.3.2 यदि अनुशासनिक कार्रवाई उस वर्ष के दौरान उसके कार्य निष्पादन से संबंधित हो तो वह अभियान योजना में ही प्रोत्साहन प्राप्त करने के लिए योग्य होगा/होगी न कि ग्रुप योजनाओं के अंतर्गत। ग्रुप योजनाओं के अंतर्गत वह प्रोत्साहन राशि प्राप्त करने के लिए तभी पात्र होगा जब उसे दंड से मुक्त किया जाता है।
- 6.3.3 पूर्ववर्ती वर्षों के लिए अनुशासनिक कार्रवाई के संबंध में मानव संसाधन विभाग इन मामलों का मूल्यांकन करेगा और कानि/अप्रनि से अनुमोदन के पश्चात पात्र कर्मचारियों को भुगतान करे।
7. **प्रोत्साहन योजना की आवर्तिता:**
- 7.1 अभियान विशिष्ट प्रोत्साहन योजनाओं को छोड़ कर सभी उप-योजनायें वित्तीय वर्ष 2014-15 से लागू होंगी। वित्तीय वर्ष के ठीक प्रारंभ में केंद्रीय कार्यालय वर्टिकलों द्वारा अभियानों को प्रारंभ करने हेतु अभियान विशिष्ट प्रोत्साहन योजना, अन्यथा अधिसूचना तक सतत आधार पर जारी रहेंगी। संबंधित वर्टिकल, अभियान योजना को प्रारंभ करने से पूर्व वित्त आयोजन एवं निवेशक संबंध विभाग से उचित बजट की मांग करेगा। आगामी वित्तीय वर्ष (विव 2015-16) के प्रारंभ में अंतरिम बजट चालू वर्ष (विव 2014-15) में अभियान योजनाओं के आबंटित बजट का 50% होगा।
- 7.2 योजना की प्रत्येक वर्ष समीक्षा की जायेगी और योजना में कोई भी संशोधन बोर्ड की अनुमति से किया जायेगा
8. यह अपेक्षा की जाती है कि सभी यूनियनाइट अपनी पात्रता के अनुसार सभी प्रोत्साहन योजनाओं में भाग लें और बैंक के कारोबार में वृद्धि लाने के लिए प्रयास करें तथा यह सुनिश्चित करें कि बैंक की प्रतिष्ठा में चहुमुंखी वृद्धि हो।


के सुब्रह्मण्यम
के.सुब्रह्मण्यम
(कार्यपालक निदेशक)

6 **Role of Human Resources Management Department:**

- 6.1 The disbursement of incentive and any disputes pertaining to disciplinary matters of staff would be vested with the HRM department. The HRM department shall ensure that the Government guidelines are adhered to.
- 6.2 The HRM department shall also be the nodal department in respect of maintaining the list of officers/clerks/subordinate staff to be awarded along with their incentive amount and the sub-schemes under which incentive is paid. The disbursement of the eligible incentive payout to the awardees would be vested with the HRM department in all the schemes.
- 6.3 **Employees facing disciplinary proceedings:** In case of disciplinary proceedings pending against the eligible awardees, the following conditions will be applied to effect payment of the incentive amount. The HRM Department shall take the following guidelines into consideration before awarding the cash incentive to the eligible awardees.
- 6.3.1 The said disciplinary proceedings should not be the subject matter or related to his/her period/performance which is being assessed/reckoned for incentive.
- 6.3.2 In case the disciplinary proceedings are the subject matter or related to his/her period of performance during the year, then he/she will be entitled to receive the incentive under the Campaign Schemes only and not under Group schemes. The incentive amount under Group schemes will be paid to him/her only after he/she is exonerated.
- 6.3.3 In the event of disciplinary cases pertaining to the preceding years, the HRM department should assess such cases and the payment to the eligible employee may be made after obtaining approval from ED / CMD.

7 **Periodicity of the incentive scheme:**

- 7.1 All the sub-schemes except Campaign Specific Incentive Scheme shall be effective for the financial year 2014-15. The Campaign Specific Incentive Scheme will be on a continual basis, till otherwise notified, to enable Central Office Verticals to launch campaigns right at the beginning of the financial year. The respective verticals should seek appropriate budget from FP&IR before launching of the campaign schemes. The provisional budget at the start of the next financial year (FY 2015-16) will be 50% of the budget allotted to campaign schemes in the current year FY 2014-15).
- 7.2 The scheme will be reviewed every year and any modifications under the scheme will be made with the approval of the Board.
- 8 It is desired that all Unionites would participate in the various incentive schemes as per their eligibility, achieve sustainable growth in business of the Bank and ensure more laurels to the organization.



K. Subrahmanyam
(Executive Director)

Unit/Group Based Incentive Scheme

1. **Objective:** Unit / Group Incentive Schemes are intended to reward those teams / groups that have delivered exceptional performance through coordinated efforts. Incentive under this category would be payable only once in a year.
2. **Coverage:** The Unit / Group scheme covers the following offices:
 - 2.1 Best Performing Branches;
 - 2.2 Best Performing Specialized Branches / Offices / Units (Business and Back-offices);
 - 2.3 Best Performing Regional Offices;
 - 2.4 Best Performing Field General Manager Offices;
 - 2.5 Best Performing Departments at Central Office.
3. **Eligibility criteria:** All employees who have worked in these units / groups for at least 185 days during the financial year and eligible as per the defined criteria would be awarded incentive for their contribution to the overall performance.
4. **Ownership of Group Schemes:** The General Manager (Finance, Planning & Investor Relations) would administer and manage the three sub schemes namely, incentive scheme for FGMOs, ROs and Branches, which will be assessed mainly on quantitative parameters. The incentive scheme for specialized branches and incentive scheme for Central Office departments would be assessed by the respective Committees set for this purpose. These branches / units will be assessed on mix of both quantitative and qualitative parameters.
5. **Evaluation process:** The parameters for evaluation under the Group based incentive scheme are aligned with the annual business plan targets of the Bank. The details of each sub-scheme are given in Annexure I-A to I-E.

Incentive scheme for branches

1. **Coverage:** Best performing Branches among homogenous groups based on the defined criteria. Only staff, excluding DGMs, of those branches which are opened on or before 31st March 2013 are eligible for cash incentive under the scheme.
2. **Categories of Branches:** There is a huge variation in focus areas, roles and catchment areas of the Branches in terms of the business potential across the Bank. In order to compare the performance of the Branches against similarly placed branches, the Branches will be classified under 4 categories, namely Industrial Finance Branches (IFB), Agri-focussed Branches (AFB), Business Banking Branches (BBB) and General Banking Branches (GEN). The classification of branches is done based on the following criteria:
 - 2.1 IFB branches are those 9 branches under Large Corporate Department.
 - 2.2 Agri-focussed branches (AFBs) will consist of those agri-focused branches identified by Rural & Agriculture Business Department from time to time.
 - 2.3 Business banking branches (BBBs) are those identified as credit thrust branches, subject to them not falling in the above category of AFBs, and identified by MSME Department from time to time. In case of branches classified both as AFB & BBB, the branches located in Rural & Semi-urban areas will be treated as AFB branches and those located in other centres shall be classified as BBB.
 - 2.4 General Banking branches (GEN) are those branches that are not covered in any of the above categories and also do not fall in any of the categories mentioned as specialized branches.
3. **Parameters for branch evaluation:** Key metrics have been identified for assessing branch performance and bucketed under three categories in the form of KPIs viz., growth, profitability, compliance & Service.

Growth	Profitability	Compliance	Service
Average Total deposits	Gross profit	NPA level	HR Factor
Average Total Advances	Non-interest income		

4. **Assigned weights:** The weights assigned to KPIs for all the branches shall be as per the table below:

Parameter	Weights
Average Total Deposits	15%
Average Total Advances	40%
Increase in operating profit / decrease in loss in operating profit	10%
Non Interest Income	15%
NPA Level	15%
HR Factor*	5%
Total	100%

* HR factor is quality of customer service provided at the branch. This could be measured based on feedback from the customer in the form of compliments and complaints.

5. **Identification of eligible Branches:** Composite index scores would be calculated for each branch in each category of branches as per the methodology defined in **Appendix -II**. After computing the scores, branches that satisfy the following two criteria would be identified:

- 5.1 Achieving at least 100% of their Operating Profit target;
- 5.2 Achieving at least 75% in each of the remaining targets.

6. **Quantum of incentive:**

- 6.1 Top 10% of the total branches under each category would be identified for payment of incentive.
- 6.2 The staff of the eligible Branches will be paid incentive as under:

Top 4% of total branches in each category	20% of gross annual salary
Next 3% of total branches in each category	15% of gross annual salary
Remaining 3% of total branches in each category	10% of gross annual salary

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Incentive scheme for specialized branches / offices

1. **Objective:** To reward staff, excluding DGMs of top performing specialized branches / offices which are not covered under group incentive for branches.
2. **Coverage:** The employees of specialized branches / offices are covered under this scheme. The specialized branches will be divided into 2 broad categories; the business units and back office units. The business unit branches will be assessed on the basis of quantifiable targets while the back office units will be evaluated on the basis of mix of qualitative and quantifiable parameters. STC, Bangalore is excluded from specialised branches list as it is included under the Central Office category. The categorisation of branches is given below:

Business Units		Back Office (Non Business Units)	
Specialised Branch / Office Category	No. of units	Specialised Branch / Office Category	No. of units
Overseas (incl. SEEPZ, NRI branches, VOSTRO)	14	Service Branches (including MICR centres, Clearing Houses)	60
CMS Branches	9	Staff Training Centres (excluding STC, Bangalore)	7
Asset Recovery Branches	10	Audit Offices	14
		Currency Chests	64
		Union Loan Points	63

3. **Selection of Specialised Branches / Offices:** The selection of specialized branches will be done by a committee of 3 General Managers comprising GM-FPIR, GM-HR and GM of the respective vertical under which the specialized branch is reporting. General Manager of the respective vertical will chair the Committee and will be responsible for final evaluation. As GM-HR is also the vertical Head of Staff Training centres (STCs), the committee to evaluate STCs will include GM-PBOD. KRAs of Specialized Branches / Offices for FY 2013-14 were approved by the Committee of General Managers. These KRAs shall also be applicable for FY 2014-15. If any modifications / changes in KRAs of any specialised branch / office is required, the same will be put up to the respective Committee as mentioned above.
4. **Methodology for selection:** The scoring criteria for evaluating the performance of the business units, support and control units are as under:

Achievement under Quantitative Parameters	Marks Awarded	Achievement under Qualitative Parameters	Marks Awarded
1. 95% & above	10	1. Outstanding	10
2. Between 90% to less than 95%	9	2. Excellent	9
3. Between 85% to less than 90%	8	3. Very Good	8
4. Between 80% to less than 85%	7	4. Good	7
5. Between 75% to less than 80%	6	5. Fair	6
6. Less than 75%	0	6. Average	0

Each parameter for evaluation of performance of the specialized branches has been assigned maximum marks of 10. For quantitative parameters, we may assign the marks as per the above matrix. In case of qualitative parameters, the performance of the department would be assessed by the committee as per the evaluation matrix by

assigning score out of 10 under each parameter and arriving at aggregate score out of composite index of 100.

5. **Eligibility Criteria:** A minimum threshold limit for eligibility for incentive should be 75% under each of the Key responsibility areas specific to the specialised branch / Office. Business Unit branches would be evaluated on quantifiable parameters while back office branches (non business units) would be evaluated on a mix of qualitative and quantifiable parameters.
6. **Quantum of incentive:** The staff of eligible specialized branches / Offices under each category will be paid incentive as detailed below:

Specialised Branch Category	No. of units	Max no. of eligible branches	%age of gross annual salary payable to eligible branches		
			20%	15%	10%
			No. of branches		
Overseas (incl. SEEPZ, NRI branches, VOSTRO)	14	2	1	1	-
Union Loan Points	63	6	2	2	2
Asset Recovery Branches	10	2	1	1	-
Service Branches (including MICR centres, Clearing Houses)	60	6	2	2	2
Staff Training Centres (excluding STC, Bangalore)	7	1	1	-	-
Audit Offices	14	2	1	1	-
Currency Chests	64	7	3	2	2
CMS Branches	9	1	1	-	-

Incentive scheme for ROs

- 1 **Coverage:** All staff members of ROs, excluding Regional Heads.
- 2 **Categories of Regional Offices:** There is a huge variation in terms of the business potential across the 62 Regions of the Bank. In order to compare the performance of the Regions uniformly, the Regions will be classified under 3 categories according to the size of their business mix. The names of Regions falling under each category are given in Appendix-I.

Category	Business Mix as on 31 March 2014	Number of Regions
A	Above ₹ 6500 cr	19
B	₹ 4000 cr to ₹ 6500 cr	21
C	Less than ₹ 4000 cr	22
Total no. of ROs		62

- 3 **Selection criteria:** The performance of the Regional offices shall be assessed as per the achievement under following key parameters outlined in the table below. A composite index score for these offices would be calculated as per the methodology described in Appendix - II.

Parameter	Weights
Average Total Deposits	15%
Average Total Advances	40%
Increase in operating profit / decrease in loss in operating profit	10%
Non Interest Income	15%
NPA Level	15%
Recovery in written off accounts	5%
Total	100%

- 4 **Eligibility:** For the Regional office to be eligible, the following conditions will apply.
 - 4.1 Achieve 100% target for operating profit;
 - 4.2 At least 75% of the target should be achieved for each of the remaining parameters;
- 5 **Quantum of incentive:** 9 ROs will be eligible for cash incentive. The staff of top 3 ROs under each category will be paid incentive as under:

Category A	Category B	Category C	Incentive payable to staff
1 st Ranked RO	1 st Ranked RO	1 st Ranked RO	20% of gross annual salary
2 nd Ranked RO	2 nd Ranked RO	2 nd Ranked RO	15% of gross annual salary
3 rd Ranked RO	3 rd Ranked RO	3 rd Ranked RO	10% of gross annual salary

Annexure I-DIncentive scheme for FGMOs

1. **Coverage:** All staff members of FGMOs, excluding FGMs & DGMs.
2. **Selection criteria:** The performance of the FGM offices shall be assessed as per the achievement under following key parameters outlined in the table below. A composite index score for these offices would be calculated as per the methodology described in Appendix - II.

Parameter	Weights
Average Total Deposits	15%
Average Total Advances	40%
Increase in operating profit / decrease in loss in operating profit	10%
Non Interest Income	15%
NPA Level	15%
Recovery in written off accounts	5%
Total	100%

3. **Eligibility:** For the FGM office to be eligible, the following conditions will apply.
 - 1 Achieve 100% target for operating profit;
 - 2 At least 75% of the target should be achieved for each of the remaining parameters;
4. **Quantum of incentive:** 2 FGMO will be eligible for cash incentive. The staff of eligible FGMOs will be paid incentive as under:

1 st Ranked FGMO	20% of gross annual salary
2 nd Ranked FGMO	15% of gross annual salary

Incentive scheme for Central Office Departments

1. **Objective:** To reward staff of top performing Central Office departments / Offices excluding GMs & DGMs.
2. **Coverage:** The staff working in Central Office Departments is covered under this scheme. The Central Office departments are classified into 2 categories viz. Business units and Support & Control Units depending upon their mode of operation. Out of a total 20 departments, the top 4 performing departments, 2 from each category shall be eligible for cash incentive. Departments not mentioned here will be evaluated as part of major Department, which the concerned GM is responsible for as on 31.03.2015. Departments mentioned here and existing as on 31.03.2015 will only be evaluated. New department/s as on 31.03.2015 and not in this list will also be considered under respective categories, subject to minimum 185 days of functioning of the new department during FY 2014-15.

Strategic Business units	Support & Control Units
MSME	HRMD (Including STC, Bangalore)
Retail Banking & Mktg. Dept. (RBMD)	FPIR
Rural and Agri. Banking (RABD)	Dept. Of Information Technology (DIT)
Financial Inclusion (FI)	MD / ED Secretariat, MDO
Large Corporate (LC)	Support Services (SSD)
Mid Corporate (MC)	Credit Monitoring & Restructuring Dept. (CMRD)
Personal Banking & Operations Dept. (PBOD)	Risk Management (RMD)
International Banking Dept. (IBD)	Central Audit and Inspection CAID)
Treasury Branch	Central Vigilance
CRLD	Corporate Communication
Alternate Channel & NID (ACNID)	

Note: CMD & ED secretariat will be covered under MDO, Security in HR Deptt., Library under FPIR.

3. **Selection of Central Office Departments:** A committee comprising of four General Managers namely GMs of FPIR, HR, CRLD, MSME and all Executive Directors would select the top departments from each category, based on their performance during the year by taking into account budgetary & non-budgetary achievements. The qualitative and quantitative targets along with the methodology for evaluation would be set for each vertical at central office by the Committee at the beginning of the year.
4. **KRAs of the Central Office Departments:** The Committee of Executive Directors & General Managers in consultation with heads of respective Departments will finalize the KRAs of the Departments and assign weights for evaluation. While setting KRAs, mainly quantitative targets will be taken for Business Units whereas mix of quantitative and qualitative targets will be taken for support and control units. KRAs of CO Departments for FY 2013-14 were approved by the Committee of General Managers. These KRAs shall also be applicable for FY 2014-15. If any modifications / changes in KRAs of any Central Office Department is required, the same will be put up to the Committee for approval.
5. **Methodology for selection:** The scoring criteria for evaluating the performance of the business units, support and control units are as under:

Achievement under Quantitative Parameters	Marks Awarded	Achievement under Qualitative Parameters	Marks Awarded
Applicable for Business Units		Applicable for Support/Control Units	
1. 95% & above	10	1. Outstanding	10
2. Between 90% to less than 95%	9	2. Excellent	9
3. Between 85% to less than 90%	8	3. Very Good	8
4. Between 80% to less than 85%	7	4. Good	7
5. Between 75% to less than 80%	6	5. Fair	6
6. Less than 75%	0	6. Average	0

Each parameter for evaluation of performance of the departments at central office has been assigned maximum marks of 10. For quantitative parameters, we may assign marks as per the above matrix. In case of qualitative parameters, the performance of the department would be assessed by the committee as per the evaluation matrix by assigning score out of 10 under each parameter and arriving at aggregate score out of composite score of 100.

6. **Eligibility:** Based on the methodology discussed above, scores of business units, support units and control units will be finalized taking into account respective KRAs of the department. For the C.O. department to be eligible for incentive, it should achieve 75% under each of the Key Responsibility Areas specific to the department.
7. **Disbursement of the incentive amount:** Once the evaluation by committee is done, the list of eligible departments under the 2 categories shall be forwarded to the Human Resources Management Department for payment of eligible amount of incentive to the staff of these departments.
8. **Quantum of incentive:** 2 top performing CO Departments under each category will be eligible for incentive. The staff of the eligible CO departments depending on the marks obtained, will be paid incentive as under:

1 st Ranked CO Dept. in each category	20% of gross annual salary
2 nd Ranked CO Dept. in each category	15% of gross annual salary

Campaign Specific Incentive Scheme

- 1 **Objective:** Campaign specific incentive scheme would be rolled out by the Central Office Departments for a specific period during the financial year towards achievement of specific goals with approval of the concerned Executive Director(s). Campaign schemes should give focus on key areas of the Bank such as broad-based growth in deposits, advances, asset quality, revenue maximization particularly towards non-interest income, cost control, detection of leakages of income, strengthening systems & procedure, detection & prevention of frauds, customer acquisition & customer satisfaction etc. While launching campaigns, focus should be given on long term & sustainable benefit accruing to the Bank and ensure that there is no immediate reversal of the benefits, once the campaign is over.
- 2 **Coverage:** The Scheme will cover employees in all the branches/specialised branches/administrative offices **excluding AGMs working as Regional Heads and all GMs & DGMs.**
- 3 **Eligibility criteria:**
 - 3.1 Pre-defined minimum criteria should be fixed for an employee to be eligible for incentive under Campaign Specific Scheme.
 - 3.2 The performance of an employee under campaign specific scheme will be linked to the benchmark performance of the campaign in which he / she is participating. The payment of incentive to an employee who has achieved the target in a particular campaign scheme will be subject to that campaign achieving at least 75% of its set goal.
 - 3.3 No single campaign Scheme should benefit more than 3% of the eligible participants. The upper limit for marketing officers shall be 10% of the total eligible participants i.e. within the overall ceiling of 3%.
 - 3.4 The respective Central Office Departments launching campaigns will be vested with deciding the incentive amount to the participating staff under the campaigns.
 - 3.5 While placing the note for launch of new campaign schemes by C.O. Departments to the concerned Executive Director, a reference should be made in the Note that the guidelines mentioned herein are adhered to in terms of coverage, eligibility criteria and cash incentive payable.
- 4 **Budget allocation for Campaigns:** The central office departments would be provided with appropriate budget for launching campaigns by the Finance, Planning & Investor Relations Department at the beginning of the financial year depending upon the requirement for budgets from various departments and the corpus available under campaigns schemes. Respective Departments launching campaigns should strive to fully utilize their allocated budget for the financial year.
- 5 **Amount & disbursement of Incentive:** The minimum amount payable to an employee in a particular campaign should be in the range of ₹ 5,000 to ₹ 50,000. However, C.O. Department concerned may incentivise different categories of employees with different amounts. The total incentive payable to any staff under multiple campaign schemes should be restricted to 10% of his / her gross annual salary. The respective Department at C.O. launching the campaigns should forward the list of eligible employees along with their respective incentive amount to the HR Department after closing of the campaigns.

Annexure III

Incentive scheme for Business Leaders of the Bank

- 1 **Introduction:** All General Managers, Deputy General Managers and only those Asst. General Managers heading Regional Offices perform key leadership roles in the Bank. In addition to their regular work, they have additional functions that contribute to the performance of the Bank. Their responsibilities are challenging as they are vested with crucial decision making at various levels. In the current scenario where succession planning & creating leadership pipeline is the key objective, it is desired that all GMs & DGMs and those AGMs heading Regional Offices are suitably rewarded with incentive as leadership premium on account of the shouldering higher responsibilities and for providing leadership.
- 2 **Objective:** The scheme is formulated to reward the Business Leaders for their additional responsibilities and their leadership quality.
- 3 **Coverage:** All GMs, DGMs and only those AGMs heading Regional Offices are covered in this scheme.
- 4 **Computation of incentive:** The maximum incentive payable to the Business Leaders is 20% of the gross annual salary. The incentive for all GMs, DGMs and those AGMs working as Regional Heads will be divided under 3 components viz. a) Bank performance component (5%), b) individual performance component (7.5%) and c) performance of the respective Vertical/Zone/Region/Branch (7.5%) as detailed below.
 - 4.1 **Bank performance component:** The incentive payable under this component would be equal to 5% of gross annual salary multiplied by the average ratio of marks obtained by the CMD and the EDs.
 - 4.2 **Individual Performance Component:** The incentive payable under this component would be maximum 7.5% of gross annual salary. Based on their appraisal marks, all GMs, DGMs and those AGMs working as Regional Heads would be divided into four categories (A, B, C and D). The appraisal marks of these executive would be forwarded by HRM to FP&IR department. The category and amount of incentive payable under this component is as under:

Appraisal Marks	Category	Incentive
90 marks & above	A	7.5% of gross annual salary
85 to 89 marks	B	4.5% of gross annual salary
80 to 84 marks	C	3.0% of gross annual salary
75 to 79 marks	D	2.0% of gross annual salary

4.3 **Performance of the respective Vertical/Zone/Region/Branch:**

- 4.3.1 The incentive payable under this component would be a maximum of 7.5% of gross annual salary. Based on the composite score obtained by the respective Vertical/Zone/Region/Branch, all GMs, DGMs and those AGMs working as Regional Heads would be divided into four categories (A, B, C and D). The category and amount of incentive payable under this component is as under:

Composite score of respective Vertical/Zone/Region/Branch	Category	Incentive
90 marks & above	A	7.5% of gross annual salary
85 to 89 marks	B	4.5% of gross annual salary
80 to 84 marks	C	3.0% of gross annual salary
75 to 79 marks	D	2.0% of gross annual salary

4.3.2 The incentive under this component will be payable subject to the following mandatory criteria:

- 4.3.2.1 APA score of the Business Leaders is 75 marks & above;
- 4.3.2.2 Regional Heads (DGMs & AGMs) will be eligible only if 80% of the Regional targets are achieved in each parameter and 75% of the branches within the Region achieve their business targets (Deposits & Advances);
- 4.3.2.3 Zonal Heads will be eligible only if 80% of the Zonal targets are achieved in each parameter and 50% of the branches within the Zone achieve their business targets (Deposits & Advances);
- 4.3.2.4 Other GMs & DGMs will qualify if their respective departments / units achieve composite score of 75%.

5 **Eligibility criteria for payment of incentive:** The GMs, DGMs and those AGMs heading Regional Office should have worked in their respective roles for a minimum period of 185 days during the financial year. For multiple postings of these executives having completed 185 days, cash incentive shall be reckoned for the period where he/she has served as GM, DGM or AGM as Regional Head for the maximum period during the year.

Annexure - IV

A. Chairman's Club and Executive Directors' Club Incentive Scheme

1. The "***Chairman's Club and Executive Directors' Club Incentive Scheme for Branch Managers***" was introduced during FY 2011-12 with an objective of rewarding the top performing Branch Managers with monetary and non-monetary benefits. This Scheme also recognizes the key role played by the staff members for providing crucial support to the Branch Managers by rewarding them with cash incentive.
2. This scheme for FY 2014-15 with appropriate modifications shall be launched shortly.

B. Cash Incentive Scheme for House Keepers and Daftaries

1. The "***Cash Incentive Scheme for House Keepers and Daftaries***" was introduced during FY 2011-12 vide I.C. no. 5803 dated 24th October 2011. This Scheme was introduced to specifically cover the Housekeepers and Daftaries working at the branches and awarding for their performance in the areas of upkeep & maintenance of branch premises, files, records, vouchers etc., in the branches.
2. This scheme shall be applicable for FY 2014-15 and in the subsequent years with appropriate modifications, if any, by the HR Department.
3. The HR Department is entrusted with the responsibility of creating awareness among the targeted group, timely implementation of the scheme, selection of awardees and distribution of incentive.
4. The field functionaries should bring the contents of the scheme to the notice of the Housekeepers and Daftaries working at branches and encourage them to participate in the incentive scheme.

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Classification of Regions by business mix as on 31.03.2014

Category A	
Sr. no.	Region
1	Mumbai (South)
2	Delhi (South)
3	Mumbai (West)
4	Delhi (North)
5	Mumbai (North)
6	Kolkata
7	Lucknow
8	Pune
9	Nagpur
10	Bhubaneshwar
11	Hyderabad
12	Jaipur
13	Chennai
14	Baroda
15	Ernakulam
16	Ahmedabad
17	Bangalore
18	Raipur
19	Chandigarh

Category B	
Sr. no.	Region
1	Varanasi
2	Nasik
3	Rewa
4	Ludhiana
5	Ranchi
6	Gorakhpur
7	Bhopal
8	Jalandhar
9	Jabalpur
10	Karnal
11	Jaunpur
12	Meerut
13	Rajkot
14	Kanpur
15	Agra
16	Surat
17	Azamgarh
18	Indore
19	Ghazipur
20	Visakhapatnam
21	Kolhapur

Category C	
Sr. no.	Region
1	Vijayawada
2	Guwahati
3	Kozhikode
4	Dehradun
5	Belgaum
6	Allahabad
7	Trivandrum
8	Patna
9	Udaipur
10	Madurai
11	Coimbatore
12	Nellore
13	Sambalpur
14	Mehsana
15	Kottayam
16	Salem
17	Durgapur
18	Goa
19	Samastipur
20	Howrah
21	Mangalore
22	Siliguri

Appendix - IIMethodology for computing composite index

The key metrics applicable for determining the performance of FGMOs / ROs / branches is bucketed into 3 groups. Marks will be assigned out of 100 for each parameter based on target and actual.

Group-1: Deposit and Advances

Parameters Covered are:

Average Deposit, Average Advances.

% achievement of terminal target	Marks out of 100
<75%	0
75% to 90%	75
>90% to 100%	90
> 100%	100

Group-2: Other Financial Metrics**Operating profit.**

% achievement of terminal target	Marks out of 100
<100%	0
100% to 105%	75
>105% to 110%	90
> 110%	100

Non-interest income, Recovery in w/off a/cs.

% achievement of terminal target	Marks out of 100
<75%	0
75% to 90%	75
>90% to 100%	90
> 100%	100

NPA level.

% Reduction in NPA level	Marks out of 100
<75%	0
75% to 85%	75
>85% to 90%	80
>90 to 95%	90
>95%	100

Group-3: HR Factor

Customer Service given by branch	Marks out of 100
Average / Below Average	0
Good	75
Very good	90
Outstanding	100

