CHAPTER 2
PERFORMANCE OF PUBLIC AND PRIVATE SECTOR BANKS ADOPTING MODERN BANKING TECHNOLOGIES

The chapter is devoted to analyse the performance of certain selected public and private sector banks in India. An attempt has also been made to study the status of adoption and diffusion of modern banking technologies.

2.1 PUBLIC SECTOR BANKS IN INDIA

Brief history of selected public sector banks has been explained in the proceeding sections.

2.1.1 State Bank of India

The State Bank of India, the country’s oldest bank and a premier in terms of balance sheet size, number of branches, market capitalization and profits is today going through a momentous phase of Change and transformation –. The two hundred year old Public sector behemoth is today stirring out of its Public Sector legacy and moving with an agility to give the Private and Foreign Banks a run for their money. The bank is entering into many new businesses with strategic tie ups – Pension Funds, General Insurance, Custodial Services, Private Equity, Mobile Banking, Point of Sale Merchant Acquisition, Advisory Services, structured products etc. Each one of these initiatives having a huge potential for growth.

The Bank is forging ahead with cutting edge technology and innovative new banking models, to expand its rural banking base, looking at the vast untapped potential in the hinterland and proposes to cover 100,000 villages in the next two years. It is also focusing on the top-end of the market, on whole sale banking capabilities to provide India’s growing mid / large Corporate with a complete array of products and services. It is consolidating its global treasury operations and entering into structured products and derivative instruments. Today, the Bank is the largest provider of infrastructure debt and
the largest arranger of external commercial borrowings in the country. It is the only Indian bank to feature in the Fortune 500 list.

With four national level Apex Training Colleges and 54 learning Centres spread all over the country the Bank is continuously engaged in skill enhancement of its employees. Some of the training programs are attended by bankers from banks in other countries. The bank is also looking at opportunities to grow in size in India as well as internationally It has also 7 subsidiaries in India – SBI Capital Markets, SBICAP Securities, SBI DFHI, SBI Factors, SBI Life and SBI Cards - forming a formidable group in the Indian Banking scenario. It is in the process of raising capital for its growth and also consolidating its various holdings.

Bank’s Financial Performance

Against the backdrop of a challenging environment, net Profit of the Bank increased by 41.66% from Rs8,265 crores in FY"11 to Rs 11,707 crores in FY"12, one of the highest net profits earned by any corporate in the country. Operating profit of the Bank crossed Rs30,000 crores mark, rising by 24.62% to Rs31,574 crores in FY"12 from Rs25,336 crores in FY"11, indicating that core operations remained robust.

The Bank consolidated gains on the income side by recording a robust increase in Net Interest Income. In particular, Interest Income on Advances rose by 35.18% from Rs59,976 crores in FY"11 to Rs81,078 crores in FY"12. Interest income of the Bank increased by 30.87% in FY"12 against a growth of 14.65% in FY"11 while growth in interest expenses stood at 29.39% in FY"12. Fee income also recorded a rise of 4.56% in FY"12. Consequently, Net Interest Income increased by 33.10% to Rs43,291 crores in FY"12. However, reflecting market conditions, non-interest income showed a decline of 9.31% due to the loss of Rs920 crores on account of sale of domestic equity and bonds. On the other hand, with lower reliance on bulk deposits, interest paid on deposits showed a smaller increase of 28.70% from Rs43,235 crores in FY"11 to Rs 55,644 crores in FY"12. More importantly, the quarterly movement in income parameters shows that the last year has witnessed a constant and consistent up trend, leading to enduring results. Due to a
prudent and market driven approach, the Bank is able to lend profitably and borrow at a reasonable cost which is clearly shown by the strong Net Interest Margin (NIM) of 3.85% in FY"12, up from 3.32% in FY"11. This performance is remarkable because the Bank has the lowest Base Rate in the industry, clearly bank has the trust of the people, as it strive to be "The Banker to Every Indian". Revenue growth has significantly outstripped growth in expenses. Staff expenses, which have largely been contained after full provisions for current wages and superannuation expenses rose by 11.59% from Rs15,213 crores in FY"11 to Rs16,974 crores in FY"12. Due to consolidated improvement all round, total provisions also increased by 16.37% from Rs17,071 crores in FY"11 to Rs19,866 crores in FY"12.

**Asset Quality**

Along with robust growth, the bank has ensured that asset quality is maintained. As of end-March"12, Gross NPAs of Bank stood at 4.44%. Net NPAs, that had risen to 2.22% in December"11 also fell below the psychological threshold of 2% to 1.82%. What adds to its strength is that the Bank’s Provision Coverage Ratio improved to 68.10% in March”12 from 64.95% in March”11, reflecting its abundant prudence and caution. Further, out of the total Restructured Standard Assets of Rs37,168 crores outstanding on the books the Bank as on 31st March 2012, only Rs6,010 crores are in the NPA category, so the risk is well contained. Improved performance in respect of NPAs has been possible due to committed and focused efforts. The bank has reduced NPAs but increased provisioning as a prudent measure. One reason for the low level NPAs is all-out efforts made by Bank to step up recovery. This has also been helped by the fact that the Bank has revived the modular structure and posted DGMs at modules for closer supervision and monitoring.

**Capital Structure**

Capital Adequacy Ratio of the Bank increased from 11.98% in March”11 to 13.86% in March”12. Specifically, the Tier-1 Capital Adequacy Ratio, which is the bedrock of a bank’s strength, rose from 7.77% to 9.79% during this period. This turnaround has been helped, firstly, by improved
internal generation and plough back of profits. A second reason is the Rs7, 900 crores capital infusion by the Government at the end of March 2012. Finally, the huge effort made by the Bank in terms of optimizing capital has paid off. Capital infusion happens only once in 3-4 years, as a good corporate citizen, the Bank discharges its duties diligently and is among the highest tax payers in the country every year. Including income tax and service tax, the total tax paid by the Bank rose from Rs7, 329 crores in FY’10 to Rs7,647 crores in FY’12.

**Deposits and Advances**

Deposits of the Bank rose from Rs9, 33,933 crores in March'11 to Rs10, 43,647 crores in March'12, a growth of 11.75%. The bank has not only grown its deposits, but the quality of Bank’s deposit growth is very good. In time deposits, bank has stopped taking bulk deposits and CDs and instead focused on increasing our stable term deposits portfolio. In a scenario where other banks offer higher interest on savings bank deposits, Bank’s Savings Bank deposits increased by 11.27% from Rs3,23,394 crores in March 2011 to Rs3,59,847 crores in March 2012.

This was made possible through their efforts to deliver value to all our Savings Bank customers through multi-city cheques, doing away with minimum balance requirement, large number of ATMs and providing accident insurance for savings bank account holders. Overall CASA ratio declined from 49.82% in March’11 to 46.64% in March’12, a decrease of 188 bps, but this is still well above the CASA ratios other banks strive to achieve. Gross Advances of the bank recorded a growth of 15.78% from Rs 7,71,802 crores in March'11 to Rs8,93,613 crores in March'12. Credit deposit ratio (domestic) at 78.5% as at the end of March'12 was 220 bps higher than 76.3% at the end of March'11.

Bank’s advances remain well distributed across all verticals. Large Corporate advances have grown from Rs1,08,741 crores in March’11 to Rs1,25,023 crores in March’12, registering a growth of 15%. Mid-Corporate Advances increased from Rs1,57,566 crores to Rs1,67,639 crores, growing by 6.4%. In fact, Bank has crossed a milestone of Re1 lakh crore in
agricultural advances. Retail advances grew 10.9% from Rs1,64,576 crores in March"11 to Rs1,82,427 crores in March"12. Bank continues to be the No.1 Home Loan provider with a 26% market share. It also maintains its retail market leadership in Car loan financing and enjoys a market share of 17.51% as on March 2012. Bank is also conscious of its responsibility towards the MSME segment which provides employment to large numbers and contributes substantially to India’s GDP and exports. Advances under the SME Business Unit grew 17.40% from Rs1,39,470 crores in March"11 to Rs1,63,745 crores in March"12.

**Dividend**

The Board of Directors of SBI Bank has declared a dividend of Rs 35 per share (350%) for the year ended 31st March 2012.

**New Initiatives**

The new product, "unfixed Deposits", introduced by the Bank for deposits of 7-180 days, with option to break the deposit any time without penalty, has been a great success. With interest rate of 8-9%, this product is uniquely positioned to attract short term funds and compete with liquid mutual funds, which offer returns ranging from 8.8% to 9.5%.

SBI is the market leader (market share around 25.55% as on March"11) in SHG-Bank Credit Linkage programme having credit linked so far 20.65 lakh SHGs and disbursed loans to the extent of Rs17,600 crores (cumulative) up to March"12.

**Looking Ahead**

Global economy remains fragile, but it is hoped that the situation will improve. Though the Euro zone sovereign debt crisis continues to dominate the financial landscape, Bank is optimistic the global political leaders and regulators will be able to stem the downslide. However, we need to be alert as in today's integrated world, global shocks can get transmitted to the Indian economy. Twin deficits (current account deficit and fiscal deficit) along with low growth and high inflation are the major challenges for Indian economy in the year ahead. The Indian banking scenario is encouraging and positive.
Bank is expecting a loan growth of 16% and a deposit growth of 20%. In the coming years, Bank’s main thrust will be on retail, and, as shown by its achievements, it is well positioned to meet the competition. Overall, the Bank will remain vigilant to the new opportunities and challenges as the current economic environment warrants greater prudence. As it goes forward, the Indian and global economic environment could remain challenging for the next few years. While remaining vigilant to the new opportunities in this milieu, Bank will act with the necessary prudence as required.

Initiatives for Modern Technologies: The Bank is changing outdated front and back-end processes to modern customer friendly processes to help improve total customer experience. With about 8500 of its own 10000 branches and another 5100 branches of its Associate Banks already networked, today, it offers the largest banking network to the Indian customer. The Bank is also in the process of providing complete payment solution to its clientele with its over 21000 ATMs and other electronic channels such as Internet banking, debit cards, mobile banking, etc. The Bank is changing outdated front and back-end processes to modern customer friendly processes to help improve total customer experience. With about 8500 of its own 10000 branches and another 5100 branches of its Associate Banks already networked, today, it offers the largest banking network to the Indian customer. The Bank is also in the process of providing complete payment solution to its clientele with its over 21000 ATMs and other electronic channels such as Internet banking, debit cards, mobile banking, etc. Throughout all this change, the Bank is also attempting to change old mindsets, attitudes and take all employees together on this exciting road to transformation. In a recently concluded mass internal communication programme termed ‘Parivartan’, the Bank rolled out over 3300 two-day workshops across the country and covered over 130,000 employees in a period of 100 days using about 400 Trainers, to drive home the message of change and inclusiveness. The workshops fired the imagination of the employees with some other banks in India as well as other Public Sector Organizations seeking to emulate the programme. To promote trade finance, in March‘11 the Bank launched a web-based portal, e-Trade SBI, to provide
access to trade finance services with speed and efficiency. Presently, the e-trade platform has been introduced in all 6 CAG Branches and 63 MCG Branches. As on 31st March"12, 393 corporates have registered under e-Trade SBI. To support the growing demand from the retail segment and tap the huge potential available in the market, The Bank moved aggressively to create a comprehensive electronic payment infrastructure to activate 108 million debit cards and has entered into Merchant Acquiring Business (MAB). It has, so far, approved deployment of more than 28,000 POS terminals. The number of transactions from these terminals rose from 2.62 lakh in March"11 to 10.19 lakh in March"12.

2.1.2 Bank of India

Bank's Financial Performance: Net Profit of the Bank has increased by 42.94%. Operating profit of the Bank crossed Rs 5384 crores. Capital Adequacy Ratio is 12.17% as against 12.94% in previous year (under Basel-II).Net Worth of the bank is at ` 15,500 crore grew by 24.43% over March 2010. Book Value per share is ` 283.24 (` 236.84 previous year). Gross NPA ratio is at 2.23% as on 31.03.2011. Net NPA ratio is at 0.91% as on 31.03.2011. Total business (Deposits + Advances) reached at ` 5,15,040 crore recording a growth of ` 1,13,961 crore (28.41%). Domestic business grew by 26.02% to reach the level of ` 4,18,110 crore. Total deposits of the bank is increased by ` 69,124 crore reached the level of ` 2,98,886 crore, a growth of 30.08%. Domestic deposits increased by 28.68% to reach the level of ` 2,52,963 crore. Share of low cost deposits in the domestic deposits is 29.18% as on 31.03.2011. Gross credit touched ` 2,16,154 crore, recording a growth of 26.17% with domestic credit recording a growth of 22.16% to reach level of ` 1,65,147 crore Priority Sector lending constituted 46.27% of Net Adjusted Bank Credit and the share of Agricultural Credit to Net Adjusted Bank Credit was 16.76%. Credit to SME sector grew from ` 29,568 crore to ` 35,586 crore recording a growth of 20.35%. Retail Credit grew by 5.70% from ` 15,750 crore to ` 16,649 crore. Export Credit registered growth of ` 898 crore, i.e., 13.53% growth over previous year.
Asset Quality

The percentage of net NPAs to net advances as at 31st March, 2011 is 0.91% (Previous year 1.31%).

Capital Structure

Net worth of the Bank in FY 2010-11 has increased to `15,499.5 crore from `12,456 crore. During the year the bank has issued 2,13,04,870 Equity Shares of `10 each to Government of India at a price of `474.07 per share, on preferential basis, as approved by the shareholders in an Extra ordinary General Meeting held in accordance with the regulation 76(1) of SEBI (Issue of Capital and disclosure requirements) Regulations, 2009. The amount received by the bank on this account is `1,010 crore. Consequently, the Government of India shareholding has increased from 64.47% to 65.86%. As per Basel II framework, the Bank’s Capital Adequacy Ratio was at 12.17%, which was higher than the regulatory requirement of 10%.

Deposits and Advances

Bank’s deposits increased by `69,123.87 crore to 2,98,885.81 crore during the year recording a growth of 30.08%. The growth in domestic deposits was to the tune of `56,378.47 crore or 28.68% as against previous year’s growth of 23.26%. Non-Resident Deposits of the Bank stood at `12,250 crore which constituted 4.96% of aggregate domestic deposits. Savings Bank deposits grew by 22.93% and Current deposits logged a growth of 2.43%. The share of low cost deposits comprising of savings and current deposits to aggregate domestic deposits is 29.18%. The Bank has a well diversified deposit base with 10% of domestic deposits coming from rural areas, 11% from semi urban, 17% from urban and 62% from metro areas. The bank’s total clientele base of 45.05 million consisted of 42 million depositors and 3.05 million borrowers as at end of March, 2011. The gross domestic credit of the Bank registered a growth of 22.16% from `1,35,193.96 crore on 31.03.2010 to `1,65,147.16 crore. The growth rate in the last year was 17.20%. Robust sanctions / disbursement by Large Corporate, Mid Corporate, SME and Agriculture segments enabled the growth Under Large Corporate, the bank added 187 accounts. There are 8 Large Corporate
Branches, 40 Mid Corporate Branches and 4 domestic overseas branches to cater exclusively to the specialised credit requirement of the Corporate borrowers/ exporters.

**Dividend**

A Dividend at the rate of ₹ 7 per share (70%) for the year, has been declared. The total dividend payment amounts to ₹ 444.29 crore (including dividend distribution tax).

**New Initiatives**

To ensure faster decision making and provide the Bank a competitive edge in the marketplace, The bank undertook a reorganization of its business structure. Consequent to the restructuring, the entire business of the Bank has been bifurcated into two broad groups of 'Wholesale & International Banking Group' and the 'National Banking Group'. Further, verticals have been created for each business such as Large Corporate, Mid Corporate, SME, Retail and Rural. To facilitate and professionalize growth of these verticals, The bank created 12 SME City Centers, 5 Retail Business Centres and 15 Rural Credit Processing Centers during 2010-11. All these Processing centers will help us to reduce the turnaround time and scale up operations. More such specialized centers will be set up during the current year also. The Project Finance and Syndication business was reactivated and was further reinforced during FY2011. Financial closures were done with Project cost of over ₹ 27,000 crore and Syndicated debt of over ₹ 9,000 crore. Bank recognizes the importance of Financial Inclusion. It has completed 100% Financial Inclusion at 2992 villages having a population over 2000. It has set up 41 RUDSETIs and has imparted vocational training to 14,645 persons. Bank identified man power needs and emerging skill needs. It recruited additional 2896 staff and imparted training to 22,644 of its existing employees.

The Bank has launched a number of new products and services to meet the customers' needs and to shore up its business, such as, BOI Kisan Sathi, "Jai Jawan" Salary Plus Scheme, Star Suraksha S/B Plus, Students ATM-cum-Debit Cards – "BINGO".
Initiatives for Modern Technologies:

Bank opened 283 new Branches during 2010-11, taking Domestic branch network to 3490. Similarly, 605 new ATMs were installed during 2010-11, taking total number of ATMs to 1425 from 820 as at March, 2010. Technology has been leveraged by the Bank in the following important projects: Solar Power Project (Eco-friendly – Technology Power for Rural Areas), V-sat Connectivity Project –(Networking / connecting the Rural / Remote locations), Collaborative Communication (Virtual classroom sessions)

- Installation of Biometric ATMs and ATMs with easy accessibility for the physically handicapped.
- Credit application Processing Systems (CAPS).
- Established Global Remittance Centre for centralizing some of the activities related to NRI Customers which would hasten turnaround time and product delivery and also enable proactive marketing strategies & grievance redressal mechanism.

2.1.3 Canara Bank

The Bank is a Government of India undertaking and carries on all banking business. The Bank was brought into existence by an ordinance passed on the 19th July 1969 by the Central Government. In terms of the ordinance the undertaking of the Canara Bank Ltd was vested to and transferred to the new bank. This ordinance was replaced by the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1969. This Act was declared null & void by the Supreme Court on the 10th of February 1970 and subsequently the Ordinance was promulgated. Then the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 was passed and it was made effective retrospectively from 19th July 1969

Financial Performance

During the year, due to slackened business growth and increase in stressed assets at the industry level, the Bank took a conscious decision to consolidate its business position and rebalance assets and liabilities. The
The Bank earned a net profit of Rs3283 crore for 2011-12 compared to Rs4026 crore last year. Operating profit of the Bank stood at Rs5943 crore compared to Rs6091 crore last year. Return on average assets (RoAA) for the year stood at 0.95%. Profit per employee worked out to Rs8.21 lakh for the year. The Bank’s interest income recorded a y-o-y growth of 34.5% to reach Rs30851 crore compared to Rs22940 crore recorded during the previous financial year. Non-interest income increased to Rs2928 crore compared to Rs2811 crore recorded last year. The Bank’s cost of deposits increased to 7.35% due to uptrend in interest rates during the year. The yield on advances improved to 10.93% as at March 2012 compared to 9.73% last year. Interest spread stood at 2.23% compared to 2.76% as at March 2011. While interest expenditure increased to Rs23161 crore with a y-o-y increase of 52%, the Bank contained its increase in operating expenses at 5.7% amounting to Rs4674 crore. The net interest income of the Bank stood at Rs7689 crore and Net Interest Margin (NIM) worked out at 2.50%.

**Capital and Reserves**

Networth of the Bank, as at March 2012 increased to Rs19027 crore compared to Rs15915 crore as at March 2011. While total paid-up capital of the Bank was Rs443 crore, reserves and surplus increased to Rs22247 crore. The Government Shareholding in the Bank stood at 67.72% as at March 2012. Capital Adequacy Ratio stood at 13.76%, with Tier I capital ratio at 10.35% as at March 2012. The Bank has adequate headroom available under both Tier-1 and Tier-11 options to raise capital to support business growth momentum.

**Dividend**

The Bank’s Board of Directors recommended a dividend of 110% for 2011-12. While Book Value increased to Rs431.26 as at March 2012 as compared to Rs 359.25 for the previous financial year, EPS stood at Rs74.10 as at March 2012 compared to Rs97.83 a year ago. Return on Equity stood at 18.75% for 2011-12.
Deposits and Advances

Total Deposits of the Bank registered a growth of 11.5% to reach Rs327054 crore as at March 2012 compared to Rs293437 crore a year ago. The Bank’s CASA deposits reached Rs79611 crore as at March 2012. The Bank’s CASA deposits to domestic deposits stood at 25.16%. Savings deposits rose by 10.5% to Rs64792 crore as at March 2012. During FY12, the Bank launched a nationwide campaign to mobilize SB deposits in two phases. During the campaign period, the Bank has brought in about 24 lakhs fresh SB clientele and about Rs3000 crore SB deposits in the new accounts. Pursuing a strategy of broad-basing deposit clientele, all the branches together opened over 33 lakhs deposit accounts, taking the total number of deposit accounts to 3.75 crores. During 2011-12, the Bank’s net advances witnessed a 10% growth to reach Rs232490 crores compared to Rs211268 crore a year ago. The Bank’s diversified credit portfolio include all productive segments of the economy like agriculture and Micro, Small and Medium Enterprises (MSME), exposure to corporate and infrastructure segments. As at March 2012, the number of borrowal accounts stood at 45 lakhs.

During 2011-12, the total business of the Bank grew by 10.9% to reach Rs559544 crore as against Rs504705 crore during the previous financial. The Bank’s domestic business constituted about 96% of the total business. Productivity, as measured by business per employee, increased to Rs13.74 crore from Rs11.96 crore a year ago. During the year, the Bank’s clientele base increased to 4.20 crores.

Asset Quality

The Bank has implemented system based identification in collation of NPAs during the year, irrespective of size and category of the borrowal accounts. With the moderation in the economy, asset quality of the banking sector was under stress. The gross NPA level of the Bank stood at Rs4032 crore with a gross NPA ratio of 1.73% as at March 2012. The Bank’s gross NPA ratio continues to be one of the lowest among the peers. With a net NPA level of Rs3386 crore, net NPA ratio was at 146%. The Provision Coverage Ratio stood at 67.59% as at March 2012. Cash recovery during the year
aggregated to an all time high of Rs3295 crore, well exceeding the preceding year's cash recovery of Rs2032 crore. Out of this, recovery from written off accounts at branches, write back and unapplied interest together amounted to Rs1191 crore. Recovery from accounts where the liability is less than Rs1 crore was Rs2000 crore.

During the year, recovery amounting to Rs1270 crore was made under SARFAESI Act. The Bank conducted 17200 recovery meets which resulted in a recovery of Rs 1575 crore. Under Lokadalat, 800 cases were settled. Besides, the Bank took several initiatives to contain slippages and speed up recovery from overdue loan accounts. These include identification of stressed accounts for restructuring/ rephrasing in time, conduct of Canadalats at branch level and mega adalats at Circle level for one time settlements, regular follow-up of overdues in loan accounts through Call Centre and e-auctions. The Bank also formulated a special scheme for settlement of small NPAs and for MSMEs below =1 crore.

Initiatives for Modern Technologies: During FY12, the Bank further expanded its branch and ATM network. The Bank added record 342 domestic branches and one overseas branch at Manama, Bahrain, taking the total tally under the branch network to 3600. The Bank, on 19th November 2011, dedicated 106 new branches and 106 new ATMs to the nation in commemoration of the Bank's Founder's Day and its 106th year of service to the nation. The Bank added 642 ATMs during the year, taking the total number of ATMs to 2858 as at March 2012. The Bank's debit card base rose further to 71.92 lakh. The Bank introduced Mobile Banking during the year. Several IT initiatives have been undertaken during the year, which include Funds Transfer through Interbank Mobile Payment Services (IMPS) in ATMs, ASBA facility to net banking users, E-filing of tax returns and facility for viewing details of tax deducted at source, Terminal at 223 branches for customers to use net banking, SMS/e-mail alerts for all transactions done through ATM, net banking, POS, mobile banking, online payments irrespective of amounts, online loan applications and tracking facility, generation of automatic pass sheets through e-mail and automatic renewal of term deposits. Under Government business, the Bank has implemented
internet based application for UGC Maulana Azad National Fellowship Scheme, Web portal for national Scheme for Girl Child Secondary Education Scheme, Electronic Accounting Systems of e-Receipts- Customs (EASeR-C) for collection of customs duty and e-payment of commercial taxes module for UP, Karnataka, Delhi and Tamil Nadu.

2.1.4 PNB

With over 60 million satisfied customers and more than 5100 offices including 5 overseas branches, PNB has continued to retain its leadership position amongst the nationalized banks. The bank enjoys strong fundamentals, large franchise value and good brand image. Besides being ranked as one of India's top service brands, PNB has remained fully committed to its guiding principles of sound and prudent banking. Apart from offering banking products, the bank has also entered the credit card, debit card; bullion business; life and non-life insurance; Gold coins & asset management business, etc. PNB has earned many awards and accolades during the year in appreciation of excellence in services, Corporate Social Responsibility (CSR) practices, transparent governance structure, best use of technology and good human resource management.

The Bank has started several innovative initiatives for marginal groups like rickshaw pullers, vegetable vendors, dairy farmers, construction workers, etc. Bank has launched a welfare scheme of adoption of village viz., "PNB VIKAS". Under the scheme, Bank has selected 117 villages (60 in lead districts and 57 in non lead district) in different circles for all-round improvement in the living standards of the villagers. Besides, Bank has formed "PNB PRERNA", an association of the wives of the Bank's senior management. The association through its voluntary initiatives has undertaken activities like distribution of food to the poor and needy, provision of computers, books, stationary items to poor girl students at various orphanages and schools etc. Backed by strong domestic performance, the Bank is planning to realize its global aspirations. Bank has opened one branch each at Kabul and Dubai, two branches at Hong Kong and an Off Shore Banking Unit at Mumbai. In addition to the above, The bank has Representative offices at Almaty, Dubai, Shanghai and Oslo, a wholly owned
subsidiary in UK with 7 branches and a subsidiary each in Kazakhstan & Bhutan, and joint venture with Everest Bank Ltd. Nepal. During the year, The bank acquired majority equity stake of 63.64% in Dana Bank of Kazakhstan

**Initiatives for Modern Technologies:** The bank always looked at technology as a key facilitator to provide better customer service and ensured that its ‘IT strategy’ follows the ‘Business strategy’ so as to arrive at “Best Fit”. The Bank has made rapid strides in this direction. All branches of the Bank are under Core Banking Solution (CBS) since Dec’08, thus covering 100% of its business and providing ‘Anytime Anywhere’ banking facility to all customers including customers of more than 3200 rural & semi urban branches. The Bank has also been offering Internet banking services to its customers which also enables on line booking of rail tickets, payment of utilities bills, purchase of airline tickets, etc. Towards developing a cost effective alternative channels of delivery, the Bank with 5050 ATMs has the largest ATM network amongst Nationalized Banks.

With the help of advanced technology, the Bank has been a frontrunner in the industry so far as the initiative for Financial Inclusion is concerned. With its policy of inclusive growth, the Bank’s mission is “Banking for Unbanked”. The Bank has launched a drive for biometric smart card based technology enabled Financial Inclusion with the help of Business Correspondents/Business Facilitators (BC/BF) so as to reach out to the last mile customer.

**2.1.5 Bank of Baroda**

It has been a long and eventful journey of almost a century across 25 countries. Starting in 1908 from a small building in Baroda to its new hi-rise and hi-tech Baroda Corporate Centre in Mumbai, Bank of Baroda is a saga of vision, enterprise, financial prudence and corporate governance. It is a story scripted in corporate wisdom and social pride. It is a story crafted in private capital, princely patronage and state ownership. It is a story of ordinary bankers and their extraordinary contribution in the ascent of Bank of Baroda to the formidable heights of corporate glory. It is a story that needs to be shared with all those millions of people - customers, stakeholders, employees
& the public at large - who in ample measure, have contributed to the making of an institution. Between 1913 and 1917, as many as 87 banks failed in India. **Bank of Baroda** survived the crisis, mainly due to its honest and prudent leadership. This financial integrity, business prudence, caution and an abiding care and concern for the hard earned savings of hard working people, were to become the central philosophy around which business decisions would be effected. This cardinal philosophy was over years of its existence, to become its biggest asset. It ensured that the Bank survived the Great War years. It ensured survival during the Great Depression. Even while big names were dragged into the Stock Market scam and the Capital Market scam, the Bank of Baroda continued its triumphant march along the best ethical practices.

**Initiatives**

Bank of Baroda is a pioneer in various customer centric initiatives in the Indian banking sector. It is amongst the first in the industry to complete an all-inclusive rebranding exercise wherein various novel customer centric initiatives were undertaken along with the change of logo. The initiatives include setting up of specialized NRI Branches, Gen-Next Branches and Retail Loan Factories/ SME Loan Factories with an assembly line approach of processing loans for speedy disbursal of loans.

**People Initiatives**

The bank is endowed with a competent and motivated employee base which is engaged in handling the extensive business operations of the Bank across the globe. Strategic HR interventions like, according cross border and cross cultural work exposure to its managers, hiring diverse functional specialists to support line functionaries and complementing the technical competencies of its people by imparting conceptual, managerial and leadership skills, gave the Bank competitive advantage. People initiatives were blended with IR initiatives to create an effectively harmonious workplace, where everyone prospered. The bank launched a comprehensive leadership development program ‘Project UDAAN’ during 2010-11 with the prime objective of creating leaders for the future. Such a massive and
A comprehensive leadership development effort is unparalleled in the Indian banking industry and first of its kind for any Indian state-owned Bank. These kinds of elaborate management policies have made the Bank a breeding ground for business leaders. The Bank provided several leaders to the industry—men who went on to build other great institutions.

**Marketing Initiatives**

Ever since its rebranding in 2005, the Bank has consistently promoted its major strengths viz. large international presence; technological advancement and superior customer service etc. It has introduced the sub brand BARODA NEXT-State of the Art-Straight from the Heart to showcase how it has utilized technology to nurture long term relationships for superior customer experience. The sub brand has been reinforced by alternate delivery channels such as internet banking, ATMs, mobile banking etc and robust delivery outfits like Retail Loan Factories, SME Loan Factories, and City Sales Office etc. Bank’s constant endeavor to strengthen its branch/ATM network combined with well informed staff offering personalized service at its various touch points have enhanced customer interactions and satisfaction. Thus the Bank has firmly positioned itself as a technologically advanced customer-centric bank.

**Corporate Social Responsibility (CSR) Initiatives**

Bank has always upheld inclusive growth high on its agenda. Bank has established 36 Baroda Swarojgar Vikas Sansthan (Baroda R-SETI) for imparting training to unemployed youth, free of cost for gainful self employment & entrepreneurship skill development and 52 Baroda Gramin Paramarsh Kendra and for knowledge sharing, problem solving and credit counseling for rural masses across the country, as on 31.03.2011. Bank has also established 18 Financial Literacy and Credit Counseling Centres (FLCC) in order to spread awareness among the rural masses on various financial and banking services and to speed up the process of Financial Inclusion, as on 31.03.2011.
Looking Ahead

Revolutionary and discontinuous changes in the operating environment are stark reminders that business success is 'impermanent'. Bank has achieved substantial progress in technology and is continuously integrating multiple platforms of technology to generate synergies. Bank continuously attempts to adapt to the dynamic economic environment while engaging in long term relationships to provide superior customer service. Bank's constant endeavor to delight its customers, which is built on its strong fundamentals will make it stronger, more resilient and enable to achieve its vision of to be the Most Admired Bank

Initiatives for Modern Technologies:

Bank had initiated a major Business Process Reengineering to give a big boost to sales growth by enhancing customer satisfaction and by making possible alternate channel migration thus reinventing itself to challenges of the 21st century. Bank's BPR project known as "Project- Navnirmaan" has altogether 18 activities covering both the BPR and organisational restructuring, aimed at transforming the Bank's branches into modern “sales & service” outlets. The most important initiatives planned under this project include – (1) Conversion of all metro and urban branches into modern centres known as Baroda Next branches; (2) Creation of Automated and Leaner Back Offices like City Back Office (for automated cheque processing etc), Regional Back Office (for faster account opening etc), Establishment of two Call Centers, Creation of Academy of Excellence, Introduction of Frontline Automation at select branches for customer convenience and Organizational Restructuring. The bank has made substantial progress in its end-to-end business and IT strategy project covering the Bank's domestic, overseas and subsidiary operations. All Branches, Extension Counters in India, overseas the business and five sponsored Regional Rural Banks are on the Core Banking Solution (CBS) platform. Bank has been providing to its customers Internet Banking, viz., Baroda Connect and other facilities such as online payment of direct and indirect taxes and certain State Government taxes, utility bills, rail tickets, online shopping, donation to temples and institutional fee payment. The bank has a wide network of ATMs across the country and
has also launched mobile ATMs in select cities. Initiatives have been taken to provide corporate customers with facilities like direct salary upload, trade finance and State Tax payments etc. Bank has introduced Mobile Banking (Baroda M-connect) and prepaid gift cards. Bank has implemented Global Treasury Solution in its key territories like UK, UAE, Bahamas, Bahrain, Hong Kong, Singapore and Belgium. Bank has taken various technological initiatives in overseas operations such as implementation of Centralized SWIFT activity through Data Centre in Mumbai, Payment Messaging System with Anti Money Laundering check, Anti Money laundering Compliance and Online List Matching solution. While it has implemented Transaction-based Internet Banking facility for its customers in Uganda, Botswana, UAE, New Zealand, Kenya, Mauritius and Seychelles, a view based e-banking facility was made available in Fiji, Oman, Tanzania and UK.

2.2 PRIVATE SECTOR BANKS IN INDIA

Brief history of some private sector banks has been explained in the proceeding paras.

2.2.1 H.D.F.C Bank

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995. HDFC Bank's mission is to be a World-Class Indian Bank. The objective is to build sound customer franchises across distinct businesses so as to be the preferred provider of banking services for target retail and wholesale customer segments, and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank's business philosophy is based on four core values - Operational Excellence, Customer Focus, Product Leadership and People. As on 31st
March, 2012 the authorized share capital of the Bank is Rs. 550 crore. The paid-up capital as on the said date is Rs. 469,33,76,540 (234,66,88,270 equity shares of Rs. 2/- each). The HDFC Group holds 23.15% of the Bank's equity and about 17.29% of the equity is held by the ADS / GDR Depositories (in respect of the bank's American Depository Shares (ADS) and Global Depository Receipts (GDR) Issues). 30.68% of the equity is held by Foreign Institutional Investors (FIIs) and the Bank has 4,47,924 shareholders.

The shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The Bank's American Depository Shares (ADS) are listed on the New York Stock Exchange (NYSE) under the symbol 'HDB' and the Bank's Global Depository Receipts (GDRs) are listed on Luxembourg Stock Exchange under ISIN No US40415F2002. On May 23, 2008, the amalgamation of Centurion Bank of Punjab with HDFC Bank was formally approved by Reserve Bank of India to complete the statutory and regulatory approval process. As per the scheme of amalgamation, shareholders of CBoP received 1 share of HDFC Bank for every 29 shares of CBoP. The merged entity will have a strong deposit base of around Rs. 1,22,000 crore and net advances of around Rs. 89,000 crore. The balance sheet size of the combined entity would be over Rs. 1,63,000 crore. The amalgamation added significant value to HDFC Bank in terms of increased branch network, geographic reach, and customer base, and a bigger pool of skilled manpower. In a milestone transaction in the Indian banking industry, Times Bank Limited (another new private sector bank promoted by Bennett, Coleman & Co. / Times Group) was merged with HDFC Bank Ltd., effective February 26, 2000. This was the first merger of two private banks in the New Generation Private Sector Banks. As per the scheme of amalgamation approved by the shareholders of both banks and the Reserve Bank of India, shareholders of Times Bank received 1 share of HDFC Bank for every 5.75 shares of Times Bank.

**Distribution Network**

HDFC Bank is headquartered in Mumbai. The Bank, at present, has an enviable network of 2,544 branches spread in 1,399 cities across India. All branches are linked on an online real-time basis. Customers, in over 500
locations, are also serviced through Telephone Banking. The Bank's expansion plans take into account the need to have a presence in all major industrial and commercial centres where its corporate customers are located as well as the need to build a strong retail customer base for both deposits and loan products. Being a clearing/settlement bank to various leading stock exchanges, the Bank has branches in the centres where the NSE/BSE has a strong and active member base.

The Bank also has 9,333 networked ATMs across these cities. Moreover, HDFC Bank's ATM network can be accessed by all domestic and international Visa/MasterCard, Visa Electron/Maestro, Plus/Cirrus and American Express Credit/Charge cardholders.

**Businesses**

HDFC Bank offers a wide range of commercial and transactional banking services and treasury products to wholesale and retail customers. The bank has three key business segments:

**Wholesale Banking Services**

The Bank's target market ranges from large, blue-chip manufacturing companies in the Indian corporate to small & mid-sized corporates and agri-based businesses. For these customers, the Bank provides a wide range of commercial and transactional banking services, including working capital finance, trade services, transactional services, cash management, etc. The bank is also a leading provider of structured solutions, which combine cash management services with vendor and distributor finance for facilitating superior supply chain management for its corporate customers. Based on its superior product delivery / service levels and strong customer orientation, the Bank has made significant inroads into the banking consortia of a number of leading Indian corporates including multinationals, companies from the domestic business houses and prime public sector companies. It is recognised as a leading provider of cash management and transactional banking solutions to corporate customers, mutual funds, stock exchange members and banks.
Retail Banking Services

The objective of the Retail Bank is to provide its target market customers a full range of financial products and banking services, giving the customer a one-stop window for all his/her banking requirements. The products are backed by world-class service and delivered to customers through the growing branch network, as well as through alternative delivery channels like ATMs, Phone Banking, NetBanking and Mobile Banking. The HDFC Bank Preferred program for high net worth individuals, the HDFC Bank Plus and the Investment Advisory Services programs have been designed keeping in mind needs of customers who seek distinct financial solutions, information and advice on various investment avenues. The Bank also has a wide array of retail loan products including Auto Loans, Loans against marketable securities, Personal Loans and Loans for Two-wheelers. It is also a leading provider of Depository Participant (DP) services for retail customers, providing customers the facility to hold their investments in electronic form. HDFC Bank was the first bank in India to launch an International Debit Card in association with VISA (VISA Electron) and issues the Mastercard Maestro debit card as well. The Bank launched its credit card business in late 2001. By March 2010, the bank had a total card base (debit and credit cards) of over 14 million. The Bank is also one of the leading players in the "merchant acquiring" business with over 90,000 Point-of-sale (POS) terminals for debit / credit cards acceptance at merchant establishments. The Bank is well positioned as a leader in various net based B2C opportunities including a wide range of internet banking services for Fixed Deposits, Loans, Bill Payments, etc.

Treasury

Within this business, the bank has three main product areas - Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities. With the liberalisation of the financial markets in India, corporates need more sophisticated risk management information, advice and product structures. These and fine pricing on various treasury products are provided through the bank's Treasury team. To comply with statutory reserve requirements, the bank is required to hold 25% of its deposits in government
securities. The Treasury business is responsible for managing the returns and market risk on this investment portfolio.

**Ratings**

The Bank has its deposit programs rated by two rating agencies - Credit Analysis Research Limited (CARE) and Fitch Ratings India Private Limited. The Bank's Fixed Deposit programme has been rated 'CARE AAA (FD)' [Triple A] by CARE, which represents instruments considered to be "of the best quality, carrying negligible investment risk". CARE has also rated the bank's Certificate of Deposit (CD) programme "PR 1+" which represents "superior capacity for repayment of short term promissory obligations". Fitch Ratings India Pvt. Ltd. (100% subsidiary of Fitch Inc.) has assigned the "AAA (ind)" rating to the Bank's deposit programme, with the outlook on the rating as "stable". This rating indicates "highest credit quality" where "protection factors are very high".

The Bank also has its long term unsecured, subordinated (Tier II) Bonds rated by CARE and Fitch Ratings India Private Limited and its Tier I perpetual Bonds and Upper Tier II Bonds rated by CARE and CRISIL Ltd. CARE has assigned the rating of "CARE AAA" for the subordinated Tier II Bonds while Fitch Ratings India Pvt. Ltd. has assigned the rating "AAA (ind)" with the outlook on the rating as "stable". CARE has also assigned "CARE AAA [Triple A]" for the Bank's Perpetual bond and Upper Tier II bond issues. CRISIL has assigned the rating "AAA / Stable" for the Bank's Perpetual Debt programme and Upper Tier II Bond issue. In each of the cases referred to above, the ratings awarded were the highest assigned by the rating agency for those instruments.

**Initiatives for Modern Technologies:**

HDFC Bank operates in a highly automated environment in terms of information technology and communication systems. All the bank's branches have online connectivity, which enables the bank to offer speedy funds transfer facilities to its customers. Multi-branch access is also provided to retail customers through the branch network and Automated Teller Machines (ATMs). The Bank has made substantial efforts and investments in acquiring
the best technology available internationally, to build the infrastructure for a world class bank. The Bank's business is supported by scalable and robust systems which ensure that clients always get the finest services. The Bank has prioritized its engagement in technology and the internet as one of its key goals and has already made significant progress in web-enabling its core businesses. In each of its businesses, the Bank has succeeded in leveraging its market position, expertise and technology to create a competitive advantage and build market share.

2.2.2 ICICI BANK

ICICI Bank is India's second-largest bank with total assets of Rs. 4,736.47 billion (US$ 93 billion) at March 31, 2012 and profit after tax Rs. 64.65 billion (US$ 1,271 million) for the year ended March 31, 2012.

ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management. The Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. Our UK subsidiary has established branches in Belgium and Germany. ICICI Bank's equity shares are listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE).

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46% through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all-stock amalgamation in fiscal 2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. ICICI was formed in 1955
at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses.

In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI became the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE. After consideration of various corporate structuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking, the managements of ICICI and ICICI Bank formed the view that the merger of ICICI with ICICI Bank would be the optimal strategic alternative for both entities, and would create the optimal legal structure for the ICICI group's universal banking strategy. The merger would enhance value for ICICI shareholders through the merged entity's access to low-cost deposits, greater opportunities for earning fee-based income and the ability to participate in the payments system and provide transaction-banking services. The merger would enhance value for ICICI Bank shareholders through a large capital base and scale of operations, seamless access to ICICI's strong corporate relationships built up over five decades, entry into new business segments, higher market share in various business segments, particularly fee-based services, and access to the vast talent pool of ICICI and its subsidiaries.

In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmedabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002. Consequent to the merger, the ICICI group's financing and banking operations, both wholesale and retail,
have been integrated in a single entity. ICICI Bank has formulated a Code of Business Conduct and Ethics for its directors and employees.

**Initiatives for Modern Technologies:** The Bank has a network of 2,755 branches and 9,363 ATMs in India, and has a presence in 19 countries, including India. ICICI Bank launches first Electronic Toll Collection on NH-1 in association with NHAI. Bank launches the super premium Sapphiro Credit Cards. Bank adds new mobile banking services. Bank closes the first rupee Credit Default Swap transaction.

### 2.2.3 AXIS BANK

Axis Bank was the first of the new private banks to have begun operations in 1994, after the Government of India allowed new private banks to be established. The Bank was promoted jointly by the Administrator of the specified undertaking of the Unit Trust of India (UTI - I), Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC) and other four PSU insurance companies, i.e. National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd. The Bank as on 31st March, 2012 is capitalized to the extent of Rs. 413.20 crores with the public holding (other than promoters and GDRs) at 54.08%. The Bank's Registered Office is at Ahmedabad and its Central Office is located at Mumbai. The Bank has strengths in both retail and corporate banking and is committed to adopting the best industry practices internationally in order to achieve excellence.

**Promoters**

Axis Bank Ltd. has been promoted by the largest and the best Financial Institution of the country, UTI. The Bank was set up with a capital of Rs. 115 crore, with UTI contributing Rs. 100 crore, LIC - Rs. 7.5 crore and GIC and its four subsidiaries contributing Rs. 1.5 crore each.

**SUUTI - Shareholding 23.53%**

Erstwhile Unit Trust of India was set up as a body corporate under the UTI Act, 1963, with a view to encourage savings and investment. In
December 2002, the UTI Act, 1963 was repealed with the passage of Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 by the Parliament, paving the way for the bifurcation of UTI into 2 entities, UTI-I and UTI-II with effect from 1st February 2003. In accordance with the Act, the Undertaking specified as UTI I has been transferred and vested in the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI), who manages assured return schemes along with 6.75% US-64 Bonds, 6.60% ARS Bonds with a Unit Capital of over Rs. 14167.59 crores. The Government of India has appointed Shri K. N. Prithviraj as the Administrator of the Specified undertaking of UTI, to look after and administer the schemes under UTI - I, where Government has continuing obligations and commitments to the investors, which it will uphold.

**Initiatives for Modern Technologies:** The Bank has a very wide network of more than 1600 branches (including 169 Service Branches/CPCs as on 31st March, 2012). The Bank has a network of over 10000 ATMs (as on 31st March, 2012) providing 24 hrs a day banking convenience to its customers. This is one of the largest ATM networks in the country. In its Vision 2015: To be the preferred financial solutions provider excelling in customer delivery through insight, empowered employees and smart use of technology. Bank provides the facility of transfer of funds to axis bank accounts using axis bank ATM.

**2.2.4 INDUSIND BANK**

IndusInd Bank derives its name and inspiration from the Indus Valley civilisation - a culture described by National Geographic as 'one of the greatest of the ancient world' combining a spirit of innovation with sound business and trade practices. Mr. Srichand P. Hinduja, a leading Non-Resident Indian businessman and head of the Hinduja Group, conceived the vision of IndusInd Bank - the first of the new-generation private banks in India - and through collective contributions from the NRI community towards India's economic and social development, brought the Bank into being. The Bank, formally inaugurated in April 1994 by Dr. Manmohan Singh, Honourable Prime Minister of India who was then the country's Finance Minister, started with a capital base of Rs.1,000 million (USD 32 million at the
prevailing exchange rate), of which Rs.600 million was raised through private placement from Indian Residents while the balance Rs.400 million (USD 13 million) was contributed by Non-Resident Indians. A New Era IndusInd Bank, which commenced its operations in 1994, caters to the needs of both consumer and corporate customers.

RATINGS:

‘ICRA AA’ for Lower Tier II subordinate debt program and ‘ICRA AA-‘ for Upper Tier II bond program by ICRA. ‘CRISIL A1+’ for certificate of deposit program by CRISIL. ‘CARE AA’ for Lower Tier II subordinate debt program by CARE. ‘Fitch AA-‘ for Long Term Debt Instruments and ‘Fitch A1+’ for Short Term Debt Instruments by Fitch Ratings.

2011-2012

• Awarded as the “Best Bank Mid-sized” in Business world–PwC Best Banks Survey 2011
• Awarded as the “Best Mid-Sized Bank Bank” in Business Today – KPMG Best Banks Survey 2011
• Awarded as the “Best Mid-Sized Bank Bank” in Business Today – KPMG Best Banks Survey 2011
• Awarded M.I.T.R- 50 Marketing & IT Recognition Program amongst top 50 brands –organised by Paul Writer in association with IBM
• Awarded the CII Environment Best Practice Award 2012 for the “Most Innovative Environmental Project”
• Awarded in the “Business Enterprise Services” category for running ATMs on solar power – Organised by Panasonic Green Globe Foundation
• Awarded the status of ‘Star Brand 2011 ICMR Star Brands of India Survey
• Awarded the “Best Bank in New Generation Category ” by the STATE FORUM OF BANKERS CLUB KERALA
Brand

IndusInd Bank has been aggressive in its brand building program since last year. As a part of the brand building exercise, the bank has taken many initiatives which have helped the brand connect up with the customers & enhance the visibility quotient. IndusInd Bank had launched its first ever mass media campaign in May-June 2009 along with its punch line “Makes you feel richer” and since then, the bank has been consistent in communication through Television, Radio, and Outdoor & print advertising.

IndusInd Bank understands its customers’ money is not just money. It is the vehicle to realise their dreams! Hence, the bank aims to ensure that the customers’ experience with the bank is pleasant and enriching. That they get value for their money, enabling them to lead a richer, fuller, content life... For this, the bank:

- Offers a new level of banking – better services, better understanding of unique needs and better management of finances
- Demystifies the banking process and makes it more accessible
- Apart from fulfilling traditional banking responsibilities, advises customers on how and where to use their money to get the best out of it
- Projects an image of being a young, energetic, modern bank with values of dynamism, confidence and progression
- Further, as a banking partner, the bank also aims to help its customers discover how they can do more things with their money.

In the recent advertising campaign, the Bank reinforces its focus on Innovative banking based on the philosophy of Responsive Innovation. The bank is taking ‘responsiveness’ theme to customers and reinforces its commitment to give best-of-class services in the industry.

Initiatives for Modern Technologies: It has a robust technology platform supporting multi-channel delivery capabilities. IndusInd Bank has 365 branches, and 674 ATMs spread across 254 geographic locations of the country as on December 31, 2011. The Bank also has 2 Representative
offices, one each in London and Dubai. The Bank believes in driving its business through technology. It has multi-lateral tie-ups with other banks providing access to their ATMs for its customers. It enjoys clearing bank status for both major stock exchanges - BSE and NSE - and three major commodity exchanges in the country - MCX, NCDEX, and NMCE. It also offers DP facilities for stock and commodity segments. The Bank has been bestowed with the mandate of being a Settlement Banker for six tea auction centres.

2.2.5 KOTAK MAHINDRA BANK

Since the inception of the erstwhile Kotak Mahindra Finance Limited in 1985, it has been a steady and confident journey leading to growth and success. In 2003, Kotak Mahindra Finance Ltd. Converted into a commercial bank- the first Indian company to do so. Kotak Mahindra Bank Ltd is a one stop shop for all banking needs. The bank offers personal finance solutions of every kind from savings accounts to credit cards, distribution of mutual funds to life insurance products. Kotak Mahindra Bank offers transaction banking, operates lending verticals, manages IPOs and provides working capital loans. Kotak has one of the largest and most respected Wealth Management teams in India, providing the widest range of solutions to high net worth individuals, entrepreneurs, business families and employed professionals.

Awards

ICAI Award
Excellence in Financial Reporting under Category 1 - Banking Sector for the year ending 31st March, 2010

Asiamoney
Best Local Cash Management Bank 2010

IDG India
Kotak won the CIO 100 'The Agile 100' award 2010

Initiatives for Modern Technologies: Kotak Mahindra Bank has over 357 branches and 866 ATMs, which are spread all India over, not just in the metros but in Tier II cities and rural India as well. Bank offer complete financial
solutions for infinite needs of all individual & non-individual customers depending on the customer's need - delivered through a state of the art technology platform. Apart from Phone banking and Internet banking, the Bank offers convenient banking facility through Mobile banking, SMS services, Net card, Home banking and Bill Pay facility among others. The Depository services offered by the Bank allows the customers to hold equity shares, government securities, bonds and other securities in electronic or Demat forms. Bank’s Salary 2 Wealth offering provides comprehensive administrative solutions for Corporate with features such as easy and automated web based salary upload process thereby eliminating the paper work involved in the process, a dedicated relationship manager to service the corporate account, customized promotions and tie - ups and many such unique features.

Thus, the brief history of certain public and private banks is given in this chapter. As the study has been based on ten major public and private banks in India, a brief explanation of these banks has been given. Bank's initiatives for modern technologies have been discussed.