CHAPTER 4

SAMPLE PROFILE OF SELECTED BANKS
4.1 History of Indian banking
4.2 Background of selected banks
4.1 **HISTORY OF INDIAN BANKING:**

Banking in India is as old as the hills. It flourished even in ancient Vedic times. Money was accepted on deposit and given in the form the advances. As far back as the second of thirty century A.D., Manu, the great Hindu Jurist, devoted a section of his work to deposit end advances and laid down rules relating to rates of interest to be paid or charged.

Mode of transfer of money for commercial transactions. During Mogul Period, the indigenous bankers played a very important role in lending money and financing of foreign trade and commerce. They were also engaged in profitable business of money changing. Every town big or small had a ‘sheth’ also known as a ‘Shah’ or ‘Shroff’, ‘Shetty’ or ‘chettiar’ who performed a number of banking functions. He was respected by all section of people as an important citizen. In principal towns, besides Shroff, there was a ‘Nagar sheth’ or ‘Town Banker’. They were instrumental in transferring funds from place to place and doing collection business mainly through Hundis were an accepted

For the history of modern banking in India, a reference to the English Agency House in the days of East India Company would be necessary. These agencies house, with almost no capital of their own and depending entirely on deposits, were in fact trading with banking had necessarily to be fatal. No wonder, therefore, that almost all such Agency Houses vanished from the scene in the crises of 1829-32. In the first half of the 19th century, the East India Company established three banks. The bank of Madras in 1809, these bank is also known as presidency banks, were independents units and functioned well, it was however, considered that it would be in the interest of these banks and the century that they should be amalgamated. In 1920, there was passed the Imperial Bank of India was established in 1921. The bank was authorized to hold government balances and manage public debt. It was not, however, given power to issue notes. The issuing of the currency issuing notes. The issuing of currency continued to be close preserving of the government of the India. The branches of the bank were to work as clearing houses. It was mainly a commercial bank competing with other banks. The imperial bank of India was nationalized in 1955 by the SBI act.
In the wake of the Swadeshi movement a number of banks with Indian management were established in the country. The Punjab National Bank Ltd. was founded in 1895 the Bank of India Ltd. in 1906. The Canara Bank Ltd. in 1906. The India Ltd in 1907. The bank of Baroda Ltd in 1908., and the Central Bank of India Ltd in 1911.

There have been a number of setbacks to the banking industry in the form of bank failures during the last over 100 years. The series of bank crises particularly during the period 1913-17, 1939-45 and 1949-53 wiped out many weak units. Loss in trade or industry affected their credit solvency. It may however, be stated that one of the important reasons for the last banking crises of 1949-53 was the partition of the country into India and Pakistan. Most of depositors who were Hindus migrated from Pakistan to India. While the major portion of the assets of the bank, which failed remained in Pakistan.

Although suggestions have been made from time to time that India out to have a central bank. The royal commission on Indian currency and finance recommended that a central bank should be started in India so as to perfect her credit and currency organization. From 1927 to 1933, there was a proposal and constitutional reforms low process has been made. It was enacted in due course and became law on the 6th March 1934 and the Reserve bank of India started functioning with effect from 1st April, 1935. Banking regulation Act was passed in 1949.

“Indian Banking has to adopt the universal banking model for better business opportunities “

-Dr. Katuri Nageswara Rao
4.2 **BACKGROUND OF SELECTED BANKS:**

4.2.1 **Allahabad Bank:**

Allahabad Bank is one of the premier nationalized banks in India. It is also the oldest joint stock bank of India. It was incorporated by a group of Europeans at Allahabad on April 24, 1865. It was the time Indian economy had started shifting towards organized trade and business affairs. After some years in 1920, the P&O Bank brought Allahabad Bank and its headquarters at Kolkata. The Allahabad bank got an entirely new identity when it was nationalized in 1969 along with 13 other banks in India. Since then the Allahabad Bank had a smooth journey towards progress. Today it is one of the leading banks in India with a whooping business of over Rs.1,00,000 crores. Allahabad has adopted CBS (Core Banking Service) since 2006 and has developed 24 hours connectivity with its 2165 branches across the length and breath of the country. In 143 years of it existence the bank has come a long way by developing a wide grip over all the corners of India. At present the Allahabad Bank has 44 Zonal Offices 6 Staff Training Colleges and 3 Staff Training centers for imparting training centers in India.

Apart from general branches, the bank has also come up with specialized branches, like Industrial Finance Branches, International Branches, Finance Branches, Recovery Branches, NRI Branches Specialized Personal Banking Branches, Specialized Savings Bank Branches, Quick Collection Service Branches, Trading Finance Branches and Service Branches in many major cities of India.

The businesses of the bank are thriving successfully. In the end of March 2007, the Allahabad Bank crosses a land mark of Rs.1,00,000 crores. The bank's business also registered a 6.90% growth during April-Sept 2007, when its business increased up to Rs.1,08,458 crores from Rs.1,01,458 crores in merely 5 months. On Year-on-Year basis, the business of the bank has grown at a rate of 19.87%. The bank also registered an immense growth in total deposit record when its business went up to Rs.65,896 at end of September 2007 crores from Rs.54,006 crore in September 2006.
Table 4.1
DIVIDEND PAYOUT BY ALLAHABAD BANK

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend (%)</td>
<td>24.95</td>
<td>28.85</td>
<td>20.90</td>
<td>16.08</td>
<td>16.99</td>
<td>23.82</td>
<td>23.33</td>
<td>18.67</td>
<td>29.61</td>
<td>11.61</td>
</tr>
</tbody>
</table>

Figure 4.1

The data presented in table and figure 4.1 represented Dividend Payout by Allahabad Bank for the period 2004-05 to 2013-14. In highest Dividend payout were 29.61 during the year 2012-13 where as the lowest 16.08 during the year 2007-08.

4.2.2 Andhra bank:

Andhra Bank" was founded by the eminent freedom fighter and a multifaceted genius, Dr. Bhogaraju Pattabhi Sitaramayya. The Bank was registered on 20th November 1923 and commenced business on 28th November 1923 with a paid up capital of Rs 1.00 lakh and an authorised Andhra Bank (AB) was founded by the eminent freedom fighter and multifaceted genius, Dr.BhogarajuPattabhiSitaramayya.
The Bank was registered in 20th November 1923 and commenced its business in 28th November 1923. AB offering innovative and need based financial products and services using state-of -the art technology. The Bank is rendering services through 2128 Business Delivery Channels consisting of 1366 branches, 68 Extension Counters, 38 Satellite Offices and 656 ATMs spread over 21 States and 2 Union Territories as at the end of March 2008. All Branches are 100% computerized, 1186 units' viz., 1101 Branches, 68 Extension Counters, 15 Service Centres networked under Cluster Banking Solution and providing 'Any Branch Banking (ABB)', Real Time Gross Settlement (RTGS) Facility and National Electronic Fund Transfer (NEFT) facility. In 15th April 1980, the bank was nationalised. Andhra Bank had introduced Credit Cards in the country during the year 1981. In 1987 AB had sponsored its third RRB under the name OF Godavari Grameena Bank. During the year 2000, Andhra Bank had installed a request-transmitting machine at its Jubilee Hills Branch in association with the country's largest depository participant Stock Holding Corporation of India Limited AB had started a new service called collection of Direct Taxes, which comprises corporate tax, estate tax, gift tax etc. The Bank had entered into an alliance with Western Union Financial Services International, so as to make available inbound money transfer services at all its locations in India. The Bank had opened its representative office in Dubai during May of the year 2006. capital of Rs 10.00 lakhs.

### Table 4.2

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend (%)</td>
<td>26.08</td>
<td>39.86</td>
<td>39.55</td>
<td>39.43</td>
<td>39.09</td>
<td>27.03</td>
<td>28.23</td>
<td>26.60</td>
<td>25.39</td>
<td>24.10</td>
</tr>
</tbody>
</table>
Figure 4.2

The data presented in table and figure 4.2 represented Dividend Payout by Andhra Bank for the period 2004-05 to 2013-14. In highest Dividend payout were 39.86 during the year 2005-06 where as the lowest 24.10 during the year 2013-14.

4.2.3 Bank of Baroda:

Bank of Baroda 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 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. Our mission statement, “To be a top ranking National Bank of International Standards committed to augmenting stakeholders' value through concern, care and competence.”
Table 4.3
DIVIDEND PAYOUT BY BANK OF BARODA

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend (%)</td>
<td>24.66</td>
<td>25.11</td>
<td>24.59</td>
<td>23.75</td>
<td>17.22</td>
<td>20.90</td>
<td>17.76</td>
<td>16.22</td>
<td>23.64</td>
<td>20.33</td>
</tr>
</tbody>
</table>

Figure 4.3

The data presented in table and figure 4.3 represented Dividend Payout by Bank of Baroda for the period 2004-05 to 2013-14. In highest Dividend payout were 24.66 during the year 2004-05 where as the lowest 16.22 during the year 2010-11.

4.2.4 Bank of India:

Bank of India was founded on 7th September, 1906 by a group of eminent businessmen from Mumbai. The Bank was under private ownership and control till July 1969 when it was nationalized along with 13 other banks. Beginning with one office in Mumbai, with a paid-up capital of Rs.50 lakh and 50 employees, the Bank has made a rapid growth over the years and blossomed into a mighty institution with a strong national presence and sizable international operations. In business volume, the Bank occupies a premier position among the nationalized banks.
The Bank has 4545 branches in India spread over all states/ union territories including specialized branches. These branches are controlled through 50 Zonal Offices. There are 54 branches/ offices and 5 Subsidiaries and 1 joint venture abroad.

The Bank came out with its maiden public issue in 1997 and follow on Qualified Institutions Placement in February 2008. Total number of shareholders as on 30/09/2009 is 2,15,790. While firmly adhering to a policy of prudence and caution, the Bank has been in the forefront of introducing various innovative services and systems. Business has been conducted with the successful blend of traditional values and ethics and the most modern infrastructure. The Bank has been the first among the nationalized banks to establish a fully computerized branch and ATM facility at the Mahalaxmi Branch at Mumbai way back in 1989. The Bank is also a Founder Member of SWIFT in India. It pioneered the introduction of the Health Code System in 1982, for evaluating/ rating its credit portfolio.

Presently Bank has overseas presence in 20 foreign countries spread over 5 continents – with 53 offices including 4 Subsidiaries, 4 Representative Offices and 1 Joint Venture, at key banking and financial centres viz., Tokyo, Singapore, Hong Kong, London, Jersey, Paris and New York.

Table 4.4
DIVIDEND PAYOUT BY BANK OF INDIA

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend (%)</td>
<td>32.54</td>
<td>23.76</td>
<td>17.51</td>
<td>12.23</td>
<td>16.34</td>
<td>24.61</td>
<td>17.85</td>
<td>17.40</td>
<td>21.70</td>
<td>11.77</td>
</tr>
</tbody>
</table>
The data presented in table and figure 4.4 represented Dividend Payout by Bank of India for the period 2004-05 to 2013-14. In highest Dividend payout were 32.54 during the year 2004-05 where as the lowest 11.77 during the year 2013-14.

4.2.5 Corporation bank:

Corporation Bank came into being as Canara Banking Corporation (Udipi) Limited, on 12th March, 1906, in the temple town of Udupi, by the pioneering efforts of a group of visionaries. The Bank started functioning with just Rs.5000/- as its capital and at the end of the first day, the resources stood at 38 Rupees-13 Annas-2 Pies.

The Founder President Khan Bahadur Haji Abdullah Haji Kasim Saheb Bahadur, committed to fulfill the long felt banking needs of the people and also to inculcate the habit of savings, provided the much-needed impetus to founding a financial institution that would bring about prosperity to the society. The content of the first Appeal to the public dated 19th February, 1906 speaks volume about the lofty ideals and ethos behind the foundation. The Founder President Haji Abdullah declared that:

"The Primary object in forming ‘Corporation’ is not only to cultivate habits of thrift amongst all classes of people, without distinction of caste or creed, but also
habits of co-operation amongst all classes”. “This is ‘Swadeshism’ pure and simple and every lover of the country is expected to come forward and co-operate in achieving this end in view”

Table 4.5
DIVIDEND PAYOUT BY CORPORATION BANK

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
</table>

Figure 4.5

The data presented in table and figure 4.5 represented Dividend Payout by Corporation Bank for the period 2004-05 to 2013-14. In highest Dividend payout were 27.85 during the year 2006-07 where as the lowest 20.13 during the year 2013-14.

4.2.6 Dena bank:

Dena Bank was founded o-n 26th May, 1938 by the family of Devkaran Nanjee under the name Devkaran Nanjee Banking Company Ltd. It became a Public Ltd. Company in December 1939 and later the name was changed to Dena Bank Ltd.
In July 1969 Dena Bank Ltd. along with 13 other major banks was nationalized and is now a Public Sector Bank constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970. Under the provisions of the Banking Regulations Act 1949, in addition to the business of banking, the Bank can undertake other business as specified in Section 6 of the Banking Regulations Act, 1949.

one among six Public Sector Banks selected by the World Bank for sanctioning a loan of Rs.72.3 crores for augmentation of Tier-II Capital under Financial Sector Development project in the year 1995. One among the few Banks to receive the World Bank loan for technological upgradation and training. Launched a Bond Issue of Rs.92.13 crores in November 1996. Maiden Public Issue of Rs.180 Crores in November 1996. Introduced Tele banking facility of selected metropolitan centers.

Dena Bank is an Indian commercial bank based in Mumbai. The bank was founded by the Devkaran Nanjee family on the 26th of May, 1938. At the time of establishment, its name was Devkaran Nanjee Banking Company Ltd. Further, the banking company was incorporated as a Public Ltd. Company in December 1939, changing its name to Dena Bank Ltd. The bank was nationalized by the Government of India along with 13 other commercial banks in the year 1969.

Dena Bank was one of the six Public Sector Banks which had been chosen by the World Bank in the year 1995 for granting a loan of Rs. 72.3 Crores under Financial Sector Development project. Also, it is one of the few banks which have been given a loan by the World Bank for technological advancement and training. Dena Bank has maintained a strong technological infrastructure with state-of-the-art IT innovations and solutions implemented at its branches and back-end.

100% branches of the bank have been fully computerized, and the bank has established its own network called “DENANET” to ensure seamless connectivity and smooth workflow all the way through its banking process. DENANET is comprised of VSATs, leased lines, dial-up lines and ISDN backups, and is completely integrated with the Indian Financial Network (INFINET) of the Reserve Bank of India (RBI).
Dena Bank offers a host of Regular Banking Services to its customers, including Personal Banking Services comprising of Deposit, Loan and Investment Services, Priority and Small & Medium Enterprises (SME) services, International Banking Services, Corporate Banking Services and a host of other Value Added Services.

Leveraging the potential of its own advanced high-speed Information Network DENANET, Dena Bank offers a host of network based services to its customers in addition to the Regular Banking Services. These services include Data Transfer, Remote Support, Real Time Gross Settlement (RTGS), Dena Bill Pay, Dena m-banking, Any Branch Banking, Multi-City Cheque Facility, Internet Banking and Dena e-Tax Pay.

Table 4.6

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
</table>

Figure 4.6

Dividend Payout by Dena Bank

![Dividend Payout by Dena Bank](image)
The data presented in table and figure 4.6 represented Dividend Payout by Dena Bank for the period 2004-05 to 2013-14. In highest Dividend payout were 23.75 during the year 2012-13 whereas the lowest 9.32 during the year 2007-08.

4.2.7 Punjab National Bank:

Punjab National Bank (PNB) is the second largest bank in India and headquarters is at New Delhi. It was founded in 1894 and is currently the second largest state-owned commercial bank in India ahead of Bank of Baroda with about 5000 branches across 764 cities.

PNB was founded on 19 May 1894 under the Indian Companies Act at Lahore (presently in Pakistan) as an off-shoot of the Swadeshi Movement. Among the inspired founders were Sardar Dayal Singh Majithia, Lala HarKishen Lal, Lala Lalchand (founding father), Shri Kali Prosanna Roy, Shri E.C. Jessawala, Shri Prabhu Dayal, Bakshi Jaishi Ram, Lala Dholan Dass. With a common missionary zeal they set about establishing a national bank; the first one with Indian capital — owned, managed and operated by the Indians for the benefit of the Indians. The Lion of Punjab, Lala Lajpat Rai, was actively associated with the management of the Bank in its formative years.

The Bank made steady progress right from its inception. It has shown resilience to tide over many a crisis. It withstood the crisis in banking industry of 1913 and the severe depression of the thirties. It survived the most critical period in its history — the Partition of 1947 — when it was uprooted from its major area of operations. It was the farsightedness of the management that the registered office of the Bank was shifted from Lahore to Delhi in June 1947 — even before the announcement of the Partition. With the passage of time the Bank grew to strength spreading its wings from one corner of the country to another. Some smaller banks like, The Bhagwan Dass Bank Limited, Universal Bank of India, The Bharat Bank Limited, The Indo-Commercial Bank Limited, The Hindustan Commercial Bank Limited and The Nedungadi Bank were brought within its fold.

PNB has the privilege of maintaining accounts of the illustrious national leaders like Mahatma Gandhi, Shri Jawahar Lal Nehru, Shri Lal Bahadur Shastri,
Shrimati Indira Gandhi besides the account of the famous Jalianwala Bagh Committee.

VISION

"To be a Leading Global Bank with Pan India footprints and become a household brand in the Indo-Gangetic Plains providing entire range of financial products and services under one roof"

MISSION

"Banking for the unbanked"

Table 4.7
DIVIDEND PAYOUT BY PUNJAB NATIONAL BANK

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend (%)</td>
<td>14.01</td>
<td>14.98</td>
<td>30.71</td>
<td>23.40</td>
<td>23.86</td>
<td>20.74</td>
<td>15.72</td>
<td>15.27</td>
<td>23.51</td>
<td>10.83</td>
</tr>
</tbody>
</table>

Figure 4.7

Dividend Payout by Punjab National Bank
The data presented in table and figure 4.7 represented Dividend Payout by Punjab National Bank for the period 2004-05 to 2013-14. In highest Dividend payout were 30.71 during the year 2006-07 where as the lowest 10.83 during the year 2013-14.

4.2.8 State Bank of India:

State Bank of India (SBI), with a 200 year history, is the largest commercial bank in India in terms of assets, deposits, profits, branches, customers and employees. The Government of India is the single largest shareholder of this Fortune 500 entity with 61.58% ownership. SBI is ranked 60th in the list of Top 1000 Banks in the world by "The Banker" in July 2012.

The origins of State Bank of India date back to 1806 when the Bank of Calcutta (later called the Bank of Bengal) was established. In 1921, the Bank of Bengal and two other banks (Bank of Madras and Bank of Bombay) were amalgamated to form the Imperial Bank of India. In 1955, the Reserve Bank of India acquired the controlling interests of the Imperial Bank of India and SBI was created by an act of Parliament to succeed the Imperial Bank of India.

The SBI group consists of SBI and five associate banks. The group has an extensive network, with over 20000 plus branches in India and another 173 offices in 34 countries across the world. As of 31st March 2012, the group had assets worth USD 359 billion, deposits of USD 278 billion and capital & reserves in excess of USD 20.88 billion. The group commands over 22% share of the domestic Indian banking market.

SBI's non-banking subsidiaries/joint ventures are market leaders in their respective areas and provide wide ranging services, which include life insurance, merchant banking, mutual funds, credit cards, factoring services, security trading and primary dealership, making the SBI Group a truly large financial supermarket and India's financial icon. SBI has arrangements with over 1500 various international / local banks to exchange financial messages through SWIFT in all business centres of the world to facilitate trade related banking business, reinforced by dedicated and highly skilled teams of professionals.
Table 4.8
DIVIDEND PAYOUT BY STATE BANK OF INDIA

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend (%)</td>
<td>17.46</td>
<td>19.06</td>
<td>18.98</td>
<td>22.64</td>
<td>22.90</td>
<td>23.36</td>
<td>26.03</td>
<td>22.59</td>
<td>22.79</td>
<td>21.65</td>
</tr>
</tbody>
</table>

Figure 4.8

The data presented in table and figure 4.8 represented Dividend Payout by State Bank of India for the period 2004-05 to 2013-14. In highest Dividend payout were 26.03 during the year 2010-11 where as the lowest 17.46 during the year 2004-05.

4.2.9 Syndicate bank:

Syndicate Bank was established in 1925 in Udupi, the abode of Lord Krishna in coastal Karnataka with a capital of Rs.8000/- by three visionaries - Sri Upendra Ananth Pai, a businessman, Sri Vaman Kudva, an engineer and Dr.T M A Pai, a physician - who shared a strong commitment to social welfare. Their objective was primarily to extend financial assistance to the local weavers who were crippled by a crisis in the handloom industry through mobilising small savings from the community. The bank collected as low as 2 annas daily at the doorsteps of the depositors through its Agents under its Pigmy Deposit Scheme started in 1928. This
scheme is the Bank's brand equity today and the Bank collects around Rs. 2 crore per day under the scheme.

The progress of Syndicate Bank has been synonymous with the phase of progressive banking in India. Spanning over 80 years of pioneering expertise, the Bank has created for itself a solid customer base comprising customers of two or three generations. Being firmly rooted in rural India and understanding the grassroots realities, the Bank's perception had vision of future India. It has been propagating innovations in Banking and also has been receptive to new ideas, without however getting uprooted from its distinctive socio-economic and cultural ethos. Its philosophy of growth by mutual sustenance of both the Bank and the people has paid rich dividends. The Bank has been operating as a catalyst of development across the country with particular reference to the common man at the individual level and in rural/semi urban centres at the area level.

The Bank is well equipped to meet the challenges of the 21st century in the areas of information technology, knowledge and competition. A comprehensive IT plan is being put in place and the skills and knowledge of the Bank's personnel are being upgraded through a variety of training programmes to promote customer delight in every sphere of its activity. The Bank has launched an ambitious technology plan called Centralized Banking Solution (CBS) whereby 500 of its strategic branches with their ATMs are being networked nationwide over a 4 year period. The Bank is pioneer among Public Sector Banks on launching CBS. Our bank has already achieved CBS implementation among all its branches. Thus, the bank is 100% CBS enabled.

Table 4.9

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
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<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend (%)</td>
<td>26.49</td>
<td>27.73</td>
<td>23.55</td>
<td>20.16</td>
<td>20.07</td>
<td>22.45</td>
<td>20.24</td>
<td>17.41</td>
<td>20.12</td>
<td>21.62</td>
</tr>
</tbody>
</table>
The data presented in table and figure 4.9 represented Dividend Payout by Syndicate Bank for the period 2004-05 to 2013-14. In highest Dividend payout were 27.73 during the year 2005-06 where as the lowest 17.41 during the year 2010-11.

4.2.10 Union Bank of India:

Union Bank of India (UBI) was registered on 11 November 1919 as a limited company in Mumbai and was inaugurated by Mahatma Gandhi. At the time of India's Independence in 1947, UBI only had four branches – three in Mumbai and one in Saurashtra, all concentrated in key trade centres. After Independence UBI accelerated its growth and by the time the government nationalized it in 1969, it had grown to 240 branches in 28 states. Shortly after nationalization, UBI merged in Belgaum Bank, a private sector bank established in 1930 that had itself merged in a bank in 1964, the Shri Jadeya Shankarling Bank. Then in 1985 UBI merged in Miraj State Bank, which had been established in 1929. In 1999 the Reserve Bank of India requested that UBI acquire Sikkim Bank in a rescue after extensive irregularities had been discovered at the non–scheduled bank. Sikkim Bank had eight branches located in the North–east, which was attractive to UBI.
UBI began its international expansion in 2007 with the opening of representative offices in Abu Dhabi, United Arab Emirates, and Shanghai, Peoples Republic of China. The next year, UBI established a branch in Hong Kong, its first branch outside India. In 2009, UBI opened a representative office in Sydney, Australia.

Table 4.10
DIVIDEND PAYOUT BY UNION BANK OF INDIA

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar '05</th>
<th>Mar '06</th>
<th>Mar '07</th>
<th>Mar '08</th>
<th>Mar '09</th>
<th>Mar '10</th>
<th>Mar '11</th>
<th>Mar '12</th>
<th>Mar '13</th>
<th>Mar '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend (%)</td>
<td>25.32</td>
<td>29.85</td>
<td>24.20</td>
<td>17.04</td>
<td>17.11</td>
<td>15.66</td>
<td>20.19</td>
<td>24.79</td>
<td>22.22</td>
<td>14.95</td>
</tr>
</tbody>
</table>

Figure 4.10

The data presented in table and figure 4.10 represented Dividend Payout by Union Bank of India for the period 2004-05 to 2013-14. In highest Dividend payout were 29.85 during the year 2005-06 where as the lowest 14.95 during the year 2013-14.