CHAPTER – III

PROFILES OF THE SELECTED BANKS

3.1 STATE BANK OF INDIA

The evolution of State Bank of India can be traced back to the first decade of the 19th century. It began with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. The bank was redesignated as the Bank of Bengal, three years later, on 2 January 1809. It was the first ever joint-stock bank of the British India, established under the sponsorship of the Government of Bengal. Subsequently, the Bank of Bombay (established on 15 April 1840) and the Bank of Madras (established on 1 July 1843) followed the Bank of Bengal. These three banks dominated the modern banking scenario in India, until when they were amalgamated to form the Imperial Bank of India, on 27th January 1921.

An important turning point in the history of State Bank of India is the launch of the first Five Year Plan of Independent India, in 1951. The Plan aimed at serving the Indian economy in general and the rural sector of the country, in particular. Until the Plan, the commercial banks of the country, including the Imperial Bank of India, confined their services to the urban sector. Moreover, they were not equipped to respond to the growing needs of the economic revival taking shape in the rural areas of the country. Therefore, in order to serve the
economy as a whole and rural sector in particular, the All India Rural Credit Survey Committee (AIRCSC) recommended the formation of a state-partnered and state-sponsored bank.

The All India Rural Credit Survey Committee proposed the take over of the Imperial Bank of India, and integrating with it, the former state-owned or state-associate banks. Subsequently, an Act was passed in the Parliament of India in May 1955. As a result, the State Bank of India (SBI) was established on 1\textsuperscript{st}, July 1955. This resulted in making the State Bank of India more powerful, because as much as a quarter of the resources of the Indian banking system were controlled directly by the State. Later on, the State Bank of India (Subsidiary Banks) Act was passed in 1959. The Act enabled the State Bank of India to make the eight former State-associated banks as its subsidiaries.

The State Bank of India emerged as a pacesetter, with its operations carried out by the 480 offices comprising branches, sub offices and three Local Head Offices, inherited from the Imperial Bank. Instead of serving as mere repositories of the community's savings and lending to credit worthy parties, the State Bank of India catered to the needs of the customers, by banking purposefully. The bank served the heterogeneous financial needs of the planned economic development.

The corporate center of SBI is located in Mumbai. In order to cater to different functions, there are several other establishments in and outside Mumbai, apart from the corporate center. The bank boasts of having as many as 14 local
head offices and 57 Zonal Offices, located at major cities throughout India. It is recorded that SBI has about 10000 branches, well networked to cater to its customers’ needs throughout India.

SBI provides easy access to money to its customers through more than 8500 ATMs in India. The Bank also facilitates the free transaction of money at the ATMs of State Bank Group, which includes the ATMs of State Bank of India as well as the Associate Banks – State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Indore, etc. You may also transact money through SBI Commercial and International Bank Ltd by using the State Bank ATM-cum-Debit (Cash Plus) card.

The State Bank Group includes a network of eight banking subsidiaries and several non-banking subsidiaries. Through the establishments, it offers various services including merchant banking services, fund management, factoring services, primary dealership in government securities, credit cards and insurance.

The eight banking subsidiaries of SB Group include:

- State Bank of Bikaner and Jaipur (SBBJ)
- State Bank of Hyderabad (SBH)
- State Bank of India (SBI)
- State Bank of Indore (SBIR)
- State Bank of Mysore (SBM)
- State Bank of Patiala (SBP)
• State Bank of Saurashtra (SBS)
• State Bank of Travancore (SBT)

**Vision**

To be a premier Indian financial services group with global perspective, world class standards of the efficiency and professionalism and also its core institutional values.

To retain its perspective in the country as a pioneer in developing Countries. To also aims to maximize its shareholders value through high earning.

To become as an institution with a culture of mutual care and commitment. It also focuses on a pleasant working environment to have continuous learning opportunities.

**Mission**

To retain the banks position as the premier Indian Financial Services provider. It also aims to be a group with world class standards and significant global business commitments to excellence in customers, share holders and employee satisfaction so as to play a leading role in expanding and diversifying emphasis on its development banking role.
Products and Services offered by SBI

Products

- Khata
- Khata Plus
- Saral
- Vyapaar
- Vistaar
- Electronic Vendor Finance
- Electronic Dealer Finance
- Direct Debit
- E-Collection

Services

- Access to multiple users
- Account view / Statement
- Funds Transfer
- Third party funds transfer (RTGS/NEFT)
- Demand Draft request
- Utility Bill Payment
- Bulk transaction through file upload
- Direct and indirect tax payment
- SMS/Email alerts
- User hierarchy with discretionary access/rights to accounts
- MIS reports
- Host to Host integration
- Demat View facility
Highlights 2011 – 2012 SBI

- Net profit: 11,707 crore. An increase of 42% compared to the previous year.
- Balance sheet size: 1335,519 crore as at 31st March 2012.
- Total deposits: 1043,647 crore. An increase of 11.75% compared to the previous year.
- Total advances: 867579 crore. An increase of 14.65% compared to the previous year.
- Capital Adequacy Ratio: 12.05%. Regulatory minimum requirement is 9%
  Tier I capital ratio: 8.50%.
- Non Performing Assets: 49,649 crore (gross); 4.15% of Gross advances.
- Network: Branches:10,000 ATMs: 8500

3.2 HDFC 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 liberalisation 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 is a banking company engaged in providing a range of banking and financial services, including commercial banking and treasury
operations. The Bank operates in four segments: treasury, which primarily consists of net interest earnings from the Bank’s investment portfolio, money market borrowing and lending, gains or losses on investment operations and on account of trading in foreign exchange and derivative contracts; retail banking, which serves retail customers through a branch network and other delivery channels; wholesale banking, which provides loans, non-fund facilities and transaction services to corporate, public sector units, government bodies, financial institutions and medium scale enterprises and other banking business, segment includes income from para-banking activities, such as credit cards, debit cards, third party product distribution, primary dealership business and the associated costs.

Vision

To be customer driven best managed enterprise that enjoys market leadership in providing housing related finance.

Mission

To provide a package of attractive financial services for housing purposes through a competent and motivated team of employees using the state of the art technology to maintain financial stability and growth of the organization whilst contributing to the national goal of providing decent housing to all.
Products and Services offered by HDFC

- Accounts and Deposits
- Loans and Advances
- Cards
- Investments
- Forex
- Premium Banking
- Private Banking
- Retail Banking
- Whole sale Banking
- Para-banking activities
- Commercial Banking and Treasury Operations

Highlights 2011 – 2012 HDFC

- Net profit: 5,167 crore. An increase of 31.6% compared to the previous year.
- Balance sheet size: 337,909 crore as at 31st March 2012.
- Total deposits: 246,706 crore. An increase of 18.3% compared to the previous year.
- Total advances: 195,420 crore. An increase of 22.2% compared to the previous year.
- Capital Adequacy Ratio: 16.5%. Regulatory minimum requirement is 9%
3.3 CANARA BANK

Widely known for customer centricity, Canara Bank was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. Canara Bank is an India-based bank. The Bank operates in four segments: treasury operations, retail banking operations, wholesale banking operations and other banking operations. The Bank has gone through the various phases of its growth trajectory over hundred years of its existence. Growth of Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterized by business diversification for the Bank. In June 2006, the Bank completed a century of operation in the Indian banking industry. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks. With an unbroken
record of profits since its inception, Canara Bank has several firsts to its credit. These include:

- Launching of Inter-City ATM Network
- Obtaining ISO Certification for a Branch
- Articulation of ‘Good Banking’ – Bank’s Citizen Charter
- Commissioning of Exclusive Mahila Banking Branch
- Launching of Exclusive Subsidiary for IT Consultancy
- Issuing credit card for farmers
- Providing Agricultural Consultancy Services

Over the years, the Bank has been scaling up its market position to emerge as a major 'Financial Conglomerate' with as many as nine subsidiaries/sponsored institutions/joint ventures in India and abroad. As of March 2012, the Bank has further expanded its domestic presence, with 3595 branches spread across all geographical segments. Keeping customer convenience at the forefront, the Bank provides a wide array of alternative delivery channels that include 2858 ATMs, covering 1139 centers. 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, Electronic Accounting Systems of e-Receipts-Customs (EASeR-C) for collection of customs duty and e-payment of commercial taxes module for Uttar Pradesh, Karnataka, Delhi and Tamil Nadu.

Not just in commercial banking, the Bank has also carved a distinctive mark, in various corporate social responsibilities, namely, serving national priorities, promoting rural development, enhancing rural self-employment through several training institutes and spearheading financial inclusion objective. Promoting an inclusive growth strategy, which has been formed as the basic plank of national policy agenda today, is in fact deeply rooted in the Bank's founding principles. “A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people”. These insightful words of its founder continue to resonate even today in serving the society with a purpose. The growth story of Canara Bank in its first century was due, among others, to the continued patronage of its valued customers, stakeholders, committed staff and uncanny leadership ability demonstrated by its leaders at the helm of affairs. We strongly believe that the next century is going to be equally rewarding and
eventful not only in service of the nation but also in helping the Bank emerge as a “Global Bank with Best Practices”. This justifiable belief is founded on strong fundamentals, customer centricity, enlightened leadership and family like work culture.

As of March 31, 2012, the Bank had a network of 373 correspondent banks spread across 79 countries. As of March 2012, it had over 3600 branches and 2858 automated teller machines (ATMs). Its services include corporate cash management services, executor, trustee and taxation services and agricultural consultancy services. As of March 31, 2012, its overseas operations covered six countries with one branch each at London and Leicester (the United Kingdom), Hong Kong, Shanghai (China) and Manama (Bahrain) and a representative office at Sharjah (United Arab Emirates). During the fiscal year ended March 31, 2012 (fiscal 2012), it opened 343 branches and 642 ATMs. During the year, the Bank has installed six bio-metric ATMs, taking the total to 29. In fiscal 2012, 151 Farmers’ Clubs were formed.

Vision

To emerge as a ‘Best Practices Bank’ by pursuing global benchmarks in profitability, operational efficiency, asset quality, risk management and expanding the global reach.
Mission

To provide quality banking services with enhanced customer orientation, higher value creation for stakeholders and to continue as a responsive corporate social citizen by effectively blending commercial pursuits with social banking.

Products and Services offered by Canara Bank

Products

- Savings and Deposits
- Loan products
- Technology products
- Mutual Funds
- Insurance Business
- Technology Up-gradation and Fund Schemes

Services

- International Services
- Card Services
- Consultancy Services
- Depository Services
- Ancillary Services
- Merchant Banking Services
- IPO Monitoring Activity
- Syndication Services
- NRI Banking
- Internet Banking
Highlights 2011 – 2012 CANARA

- Net profit: 3,283 crore. An increase of 23% compared to the previous year.
- Balance sheet size: 1,900,056 crore as at 31st March 2012.
- Total deposits: 327,054 crore. An increase of 11.5% compared to the previous year.
- Total advances: 232,490 crore. An increase of 10% compared to the previous year.
- Capital Adequacy Ratio: 16.5%. Regulatory minimum requirement is 9%
- Tier I capital ratio: 10.35%
- Non Performing Assets: 4032 crore (gross); 1.73% of Gross Advances
- Network: Branches: 3600 • ATMs: 2858

3.4 KARUR VYSYA BANK

Commercial banking in India can boast of a history of about 200 years. Though one could trace the history of banking back to the 19th century, the beginning of the last century saw the birth of many banks in India, set up by people with vision, commitment and national spirit.

The Karur Vysya Bank Limited, popularly known as KVB, one such endeavour, was set up in 1916 by two great visionaries and illustrious sons of Karur, the Late Shri M A Venkatarama Chettiar and the Late Shri Athi Krishna Chettiar to inculcate the habit of savings and provide financial assistance to traders and small agriculturists in and around Karur, a textile town in Tamil Nadu.
Though the bank started with a seed capital of Rs.1 lakh, it has withstood innumerable changes and challenges in the past few decades and has profitably emerged as one of the leading banks in India without compromising on its fundamentals.

The bank is professionally managed and guided by the Board of Directors drawn from different fields with vision, experience, knowledge and business acumen. Shedding its inherent regional flavour, the bank has now spread its wings far and wide with over 320 branches in 13 States and 3 Union Territories in order to gain a pan India presence. The bank has been conducting its affairs meticulously to conform to all the prudential norms and exacting statutory regulations. KVB has consistently maintained strong fundamentals with a higher percentage of Capital Adequacy Ratio than mandated by the RBI. KVB has also been generating profits and rewarding its stakeholders with handsome dividends since inception.

KVB is one of the earliest banks in the country to achieve full networking of its branches under Core Banking Solutions, offering services through alternate delivery channels. The bank has in place robust risk management systems and adheres to the tenets of Corporate Governance. The bank is well-equipped to boldly take up the challenges in the industry and emerge as a top-notch one-stop-shop techie financial supermarket. KVB will continue its endeavors to bring the
best of products and services to its customers to emerge as the techie bank that provides the gateway to Smart Way to bank.

**Vision**

Delight the customers constantly by blending tradition with technology to deliver innovative products and services at affordable rates through a pan India Branch Network. The bank that carries with it a tradition of 96 years and yet is young enough to adapt itself to the rapidly changing scenario in the banking industry.

**Mission**

Adapt technology to introduce innovative products and services as well as increase the value of products on an on-going basis and provide them at reasonable rates.

Expand branch network to reach the top business centers, besides unbanked and under banked areas in the country.

Strengthen the financials through effective deployment of funds and ensuring financial discipline while adhering to the regulator's guidelines.

Update the knowledge and skills of the human capital to provide quality customer support.
Products and Services offered by Karur Vysya Bank

- Accounts and Deposits
- Loans and Advances
- Insurance
- Corporate Banking
- Mobile Banking
- Agricultural Banking
- Internet Banking
- NRI Banking

Highlights 2011 – 2012 KARUR VYSYA

- Net profit: 5017 crore. An increase of 17% compared to the previous year.
- Balance sheet size: 3763 crore as at 31st March 2012.
- Total deposits: 3211 crore. An increase of 30% compared to the previous year.
- Total advances: 2394 crore. An increase of 34% compared to the previous year.
- Capital Adequacy Ratio: 14.33%. Regulatory minimum requirement is 9%
- Tier I capital ratio: 13.07%
- Non Performing Assets: 812 crore (gross); 1.3% of Gross Advances
- Network: Branches: 320 ATMs: 825