CHAPTER V

CORPORATION BANK: A PROFILE

INTRODUCTION: Corporation Bank commenced its banking operations on March 12, 1906 with a mere Rs.38-13-3\(^1\) (rupees thirty eight annas thirteen and paise three) as its resources on the first day, a very small amount indeed to float a bank even for those days! Its share capital was a mere Rs.5000/-.

The founders had no experience whatsoever in running a bank, for four of them were pleaders, three merchants, two educationists and one insurance agent! But they had enough backing of love and respect of the people. A firm determination to provide a solution to the problems faced by the people of Udupi due to lack of banking facilities, coupled with their desire to contribute their might to the Swadhi Movement lead by Shri Bal Gangadhar Tilak, goaded them to set up the bank which has not only stood the test of times but has emerged as one of the best banks in India. Over the century it has learnt to, as the cliché goes, 'swim through the thicks and thins' and has come out unscathed.

5.1 THE BANK’S ODYSSEY OVER THE CENTURY:

The banking scenario of Dakshina Kannada, especially Udupi taluk, was very dismal at the beginning of the 20\(^{th}\) century. Merchants were at the mercy of the moneylenders and the proud officials of the only branch of The Bank of Madras. This bank too was situated at Mangalore, a 60 kms. of tedious journey from Udupi Taluk. This situation, along with the fiery, inspiring waft of ‘Swadeshism’ that was flapping through the country galvanized a few citizens of Udupi taluk of Dakshina Kannada undertake the incredible – setting up of a swadeshi bank! The public were officially made aware of this dream on February 19, 1906, when the founder president of the bank issued a notification under his signature proposing to set up a bank in Udupi under the banner ‘The Canara Banking Corporation (Udipi) Ltd.’. Funds were to be supplied by setting up a ‘Nidhi’. The object was to encourage thrift among all, the low and the mighty, by inducing them to contribute to the funds of the ‘Corporation’. In fact a desire for the wellbeing of the common man seemed to have prompted the
bank to choose the motto 'Sarve Janah Sukhino Bhavanthu' (Prosperity for all) and the same has been its noble heritage till date. The first Board of Directors was formed with twelve members. Khan Bahadur Haji Abdullah Haji Kasim Saheb Bahadur, was its founding president. Of the twelve members of the Board, ten were Hindus; nine of them were Gowd Saraswath Brahmins, a prevalent merchant community of the district. Two, including the founding president, were Muslims. The first subscriber of the bank's shares was Haji Abdullah Saheb, whose contribution was Rs.5/-; the first depositor was Mr. Narayana Rao, with a deposit of Rs.100/- and the first borrower was Janab Shidi Bapu Saheb, with a loan amount of Rs.100/-. A glimpse of the first shareholders of the bank (compiled in 1908) shows, that the Bank was truly a cosmopolitan one with all the religions and communities listed as its stake holders. It was the 9th Scheduled Joint Stock bank to have been set up in India and the first born of Dakshina Kannada district. There is no doubt that the bank was an inspiration to many others for, by 1939, the district had become the proud host of nineteen banks with 141 branches of which 63 were located in the district! A district which had no banks at the beginning of the century had come to prominence as the 'cradle of banking' just by the grit of a few citizens. The table 5.1 is the earliest balance sheet found in the Golden Jubilee Souvenir of the bank.

Table 5.1: Summary of Assets and Liabilities as on September 15, 1916

<table>
<thead>
<tr>
<th>Liabilities (in Rs.)</th>
<th>Assets (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid-up Capital (Permanent and Withdrawable)</td>
<td>25,594 0 0</td>
</tr>
<tr>
<td>Reserves</td>
<td>5127 1 4</td>
</tr>
<tr>
<td>Deposits</td>
<td>4521 8 5</td>
</tr>
<tr>
<td>Building Fund</td>
<td>112 8 2</td>
</tr>
<tr>
<td>Other Items</td>
<td>895 14 1</td>
</tr>
<tr>
<td>Net Profit</td>
<td>2087 1 1</td>
</tr>
<tr>
<td>Total</td>
<td>38338 1 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities (in Rs.)</th>
<th>Assets (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Premises</td>
<td>2250 3 7</td>
</tr>
<tr>
<td>Furniture</td>
<td>194 0 1</td>
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<tr>
<td>Out standings</td>
<td>34866 15 11</td>
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<tr>
<td>Other items</td>
<td>92 1 6</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>893 2 5</td>
</tr>
<tr>
<td>Cash with Bankers</td>
<td>41 9 7</td>
</tr>
<tr>
<td>Total</td>
<td>38338 1 1</td>
</tr>
</tbody>
</table>

Source: Corporation Bank - A Corporate Journey
5.1.1. The Celebrations:

The bank has so far celebrated a number of occasions in the course of its working. The first known occasion to celebrate was its Silver Jubilee at the tenure of its second president Haradi Keshava Pai. The celebrations were held in the year 1931. A souvenir was released on the occasion which gives a glimpse of its work and mind in those days.

The Golden Jubilee was celebrated on 12th March 1956 when Dr. U Sunder Ram Pai, the longest standing Chairman of the bank, held the reigns. The occasion was presided over by the then Governor of Reserve Bank of India, Sir Benegal Rama Rao. His Presidential Speech clearly indicates that South Kanara District had by then been prominently placed on the Indian Banking map with the three leading banks in the district, i.e. Corporation Bank, Canara Bank and Syndicate Bank, providing banking services through their 50 branches at a time when over 100 districts in the country had not even got a branch of any bank. To commemorate the occasion, the bank donated 7124 square feet of land with a building measuring 4137 square feet to the Model Primary School at Udupi which had no proper building to accommodate it. The school was renamed 'Corporation Bank Golden Jubilee Memorial Model Primary School.'

The Platinum Jubilee was celebrated on the 17th and 18th of April 1976, to mark the completion of seventy years of the bank's operation. Mr. N.N. Pai was the chairman of the bank then, who was responsible for the bank's ensuing era of galloping progress. The occasion also marked many a landmark events for the bank and the citizens of Mangalore were blessed with the presence of the high and the mighty. The occasion saw the inaugural of the commodious newly built premises of its Corporate Office at Managala Devi Temple Road by the Vice-President of India, His Excellency B.D. Jatti; the unveiling of the founder President's portrait; release of Bank's Platinum Jubilee Souvenir by Mr. C.N. Patil, the then Minister of Karnataka for Forests; inauguration of Platinum Jubilee Cash Certificate Scheme by the then Chief Minister of Karnataka, Sri D. Devraj Urs; the inauguration of the Staff Training School by Mr. K.R. Puri, Governor of Reserve Bank of India; the release of the House Journal 'Kshema' by Mr. C. Eknath Kamath and the inauguration of the Seminar on
‘Role of Banks in the 20 point Programme’ by Mr. Pranab Mukherjee, the then Minister for Revenue and Banking, Govt. of India.

The tenure of Mr. Ramamoorthy, was another period in which the bank made leaps in progress. He felt the need to enhance the bank’s image in the eyes of the public and it was decided to celebrate the *Eighty Fifth Birth Anniversary* of the bank on the 4th of March 1992 on a very grand scale. The Chief Guest of the Ceremony was none other than the President of India, His Excellency, R. Venkataraman. It was again another blessed occasion for the residents of Dakshina Kannada, visited by many distinguished citizens of India, including the Chief Minister of Karnataka, Mr. Veerappa Moiley and the former Chief Justice of India, Mr. Venkataramiah. The celebrations saw the launching of the Corporation Bank Economic Development Foundation, the institution of a Research Fellowship at the Post Graduate level at the Mangalore University, the presentation of an endowment for the Corporation Bank Golden Jubilee Memorial Government Model Primary School at Udupi in order to provide additional infrastructure facilities to the students and the honouring of the longest serving staff of the bank.

The following year saw the inaugural of the newly built Corporation Bank House at Carstreet in Mangalore. The honour was to be done by none other than the then Finance Minister Dr. Manmohan Singh, the present Prime minister. Three new schemes, Corpremit, Corpmeditech and Bank Order were launched on the occasion.

The *ninetieth Anniversary* of the bank on April 6, 1996, was again a time for grand celebration when Mr. Ramamoorthy continued to hold the reigns. The bank undertook a number of public service schemes amounting to crores of rupees to mark the occasion. A large bound volume of its profile written by Mr. M. V. Kamath, a renowned journalist, was also release at the time.

The year 2005-06 was its *Centenary Year*, a year to reminisce on its wonderful growth and great achievements over the century. Celebrations were launched by Shri V. Leeladhar, Deputy Governor of RBI with the Bank’s Foundation Day lecture on March 12, 2005. The year was marked by a number of occasions where it had one or the other newsworthy banking or service activity to report. The grand finale of the
centenary celebrations was held on the 12th of March 2006. The following Centenary Celebration Projects were envisaged and fulfilled:

- Launching of the Corp Kissan Card - debit card, a tie-up with VISA international, to enable the farmers make timely purchases for agricultural operations at Yeshwantpur-Malur in Kolar District on 13th March 2005.
- Setting up a high-tech public library in Mangalore, with a Numismatic museum, and a multipurpose hall for intellectual activities. The library was dedicated by Shri P. Chidambaram, Hon’ble Union Finance Minister, on March 12, 2006.
- Publication of the Updated version of the bank’s biography “Corporation Bank – A Corporate Journey” and the biography of Khan Bahadur Haji Abdullah Haji Kasem Saheb Bahadur, the Founder President of the Bank.
- Setting up libraries in 25 villages in the country where banking service is rendered by the bank alone. It was envisaged to set up such libraries in 75 more villages in a phased manner.
- Scholarship for one hundred meritorious students of these villages for the pursuit of higher education.

There have been a number of other occasions for celebration like winning awards, crossing the performance landmarks and so on. The launching of the House Journal Kshema in the year 1976 seems to have strengthened the Corporation Bank family bonds and made these events possible and greatly fulfilling to every member of the staff spread throughout the country. Their efforts were recognised when ‘Kshema’ won ‘The best editorial content award 2000’ in the all-India house journal competition, organised by Mayarm Surjan Foundation, Rajpur.

5.1.2 Other Moments of Rejoicing:

a. The Firsts:

The Corporation Bank, a premier banking institution has led the arena of banking on various occasions. The following are the major ‘Firsts’ to its credit:

- The first Bank to be set up in South Kanara.
- The first to evolve scheme for financing coffee growers under FSQ
• The first bank to have been credit rated for CD's
• The first bank to end use competing through LAN at its corporate office way back in 1989.
• Corporation Bank is the first public sector bank to launch the bullion scheme for jewellery exporters following the necessary amendments made by the Maharashtra State Government in the Mumbai Sales Tax Act of 1959 in 2000
• The first public sector bank in the country to adopt US GAAP accounting standards in 1998-99.
• The first Public Sector Bank to identify domestic correspondent Banking as one of the thrust areas
• The first bank to introduce e-mail communication system of the bank on October 20, 1995.
• The first PSB to complete its move to total CBS

b. Awards and Recognitions:

The Bank has won a number of awards and has been prominently ranked in many studies, which have again provided momentous times for celebration. The awards and rankings won by the bank over the Century are:

• Gem and Jewellery Export Promotion Council Award for five years from 1981 to 1985.
• National Award for Assistance to Exporters, the President of India (1976-77)
• One of the Top Five Public Sector Banks, 1994-95 and 1995-96
• Shiromani Award 1992 for Banking from Union Minister for Commerce
• Best Public Sector Bank adjudged by the Business Standards' study, 1999.
• Asian Banking Award 1999 given by the Asian Bankers' Association, Manila.
• The Industrial Finance Branch of the Bank in New Delhi received the ISO 9002 certificate issued by Det Norske Veritas, Netherlands in 2000
• The prestigious Best Bank Award for Excellence in Banking Technology from the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad, Sponsored by the Reserve Bank of India, November 2001.
• The Best Bank Award for Innovative Usage and Application on INFINET (Indian Financial Network) for 2002 from the IDRBT.
• Adjudged by the Asian Banker Magazine, Singapore, as India’s strongest Bank and Asia’s second strongest Bank in its December 2003 issue
• Ranked as one of the top 200 companies outside the US having up to One billion dollar turnover per annum by the Forbes Magazine, Hong Kong in its October 27, 2003 issue.
• Ranked to be the 59th best Company in India by Dun and Bradstreet in their study.
• Ranked as No. 1 Public Sector Bank in the Country and the II best amongst all banks in the country by The KPMG – Business Today Survey, published in the December 7th 2003 issue of the the Business Today.
• The Best Bank Award for Delivery Channel for the year 2003 from IDRBT.
• One of the Best 200 companies world over outside the US having a turnover under a billion US dollars - Forbes Global, Hongkong, issue dated 27th October, 2003
• The Best Public Sector Bank award instituted by the personal finance magazine Outlook Money, 15th March, 2004
• Ranked by the Forbes Global, Hongkong, as one among the Best 200/100 companies in Asia/pacific and Europe having turnover under a billion dollars for the second consecutive year, on 1st November 2004.
• The Runner-up Award in the “Best Online and Multi-Channel Banking Team Category” and Runner-up Award in the “Outstanding Achiever of the year – Corporate Category” in recognition of its outstanding achievements in Banking Technology for 2004, instituted under the aegis of Indian Banks’ Association and Trade Fairs and Conferences International.
• One among India’s Best Public Sector Banks - Business Today, 26th February, 2006
• ‘IT Team-Runner up Award’ for 2006, instituted by Indian Banks’ Association (IBA) and Trade Fares Conferences International.

5.1.3 Official Language:

Corporation Bank has its roots in a non-Hindi speaking district of South Kanara. The local language is Kannada. Therefore prior to its nationalisation the need for the use of Hindi as its official language was not felt. Having gained its national
status in the year 1980, the bank has spared no efforts in implementing the provisions of the Official Languages Act of 1963 (as amended in 1967) and the Official Language Rule 1976 (as amended in 1987), when it discovered that the Government of India was inclined towards the use the Hindi as the Official Language in the bank’s affairs. An Official Language Cell has been constituted in 1980. The bank has also constituted an Official Languages Implementation Committee at the Administrative Office. Most of the bank’s communications to various sections of interest, the correspondence and computerisation have been bilingualised.

In spite of the late beginnings, the bank has been one of the best even here and has bagged a number of awards and recognitions for all its efforts.

5.1.4 The Moods: Days of Transformation:

The above section portrayed the sunny side of the bank’s past and the celebrations. This section probes into the moods which toughened it to its sturdy youth-hood of today.

a. The First Test: It came when the Bank was still in its infancy, just after seven years of its inception. P.L. Tandon in his book ‘Banking Century’ has this to say about the crisis: ‘The growth of Indian banks suffered its first and major crisis in India starting before the [I World] war and accentuated by it.’ Though the World War I was the main cause, there were many other reasons i.e., the tight money conditions and the rigid liquidity conditions, weak and lax laws, absence of central banking authority to control the mushrooming banks and to keep a watch on their unhealthy practices and the resultant unhealthy competition, rivalry and mismanagement due to lack of experienced and competent management, absence of cooperation from banks, lack of support from the Government, etc. The failure of banks and the shock caused by it was very great, especially for the middle class who had just begun to appreciate the usefulness of banking compared to the past methods of hoarding and exorbitant spending on houses and ceremonies. This period saw the failure of not less than 94 banks and caused worse repercussions for India than the World War II. The Canara Banking Corporation, well known for its conservative outlook, supported by the unblemished reputation of its founders and still with its single banking outlet at Udupi, not only survived the storm but also made ‘satisfactory progress’.
b. **The Premises:** In the early part of the 20th century there was no construction activity in the city. As a result the bank could not have its own premises. It started its operations in one of the average-size rooms in the palatial residential house of the founder president Haji Saab, provided free of rent. In 1909 it was moved to the upstairs of the residential house of Mr. B. Narayan Rau. In 1914 it acquired its own premises. Soon the room was found insufficient and was extended by an addition of two wings and a meeting hall in 1929. Udupi continued to be the Head Quarters of the bank till 1962 when the administrative section of the Head Office was shifted from Udupi to Mangalore due to two main reasons. The first three chairmen of the bank hailed from Udupi. But subsequently those who assumed the Chairman’s office were from the city of Mangalore. In addition to this in 1961, the Reserve Bank of India ordered the merger of the Bank of Citizens Ltd., Belgaum with the Canara Banking Corporation Ltd. With the addition of its sixteen branches and the deposits to the Corporation Bank’s fold and the need for better and quicker communication among its branches covering a wider geographical area, the board felt the need for the transfer of the Administrative Section of the Head Office from the then sleepy town of Udupi to Mangalore, which had become by then a bustling centre of trade and activity. Premises comprising of two and a half acres with a decent bungalow was bought at a cost of Rs.2,50,000/-at the Mangaldevi Temple Road on 3rd October 1960 and the Administrative section of the Head Office was shifted in 1962. The total shifting of the Head Office to the newly built structure at the premises consisting of the basement and four floors each with a plinth area of 11,800 sq. feet was accomplished during the Platinum Jubilee Celebrations.

c. **The Great Depression:** The times of testing visited the economy again in the mid-thirties when it was gripped by depression. The money was dear and the money lenders charged very high interest rates. Though the banks in other places were affected adversely, the Corporation Bank seemed to thrive during this time! Its operations were extended to dealings such as remittance of funds both by mail and telegram, collecting and discounting cheques and bills, accepting deposits and making advances on approved securities at reasonable interest rates, etc. Its daring activities at this time not only saved the business and planter community but also infused confidence in them. In fact all the leading banks of South Kanara seemed to thrive so
well that their activities called for the establishment of a clearing house in 1936, a
time which perfectly matched to take care of the leap in trade after the World War II.

d. The Rumours of Amalgamation: In these thriving days there were first references
made to its amalgamation with Canara Bank to form a new bank by name 'Federal
Bank'. But nothing seemed to materialise out of the talks between the officials of the
two banks. However to reflect the wider scope of its operations, the word ‘Udupi’
was deleted from its nomenclature in the late thirties.

The talks of amalgamation again seemed to reverberate in 1951, but this time
among the three leading banks of South Kanara to include the Syndicate Bank as well.
In fact the initiative seemed to come from the dynamic General Manager of Syndicate
Bank, Mr. T.A. Pai. This time the bank seemed to have quite taken up with the idea,
as the matter was not only discussed at the board, but the General Manager of the
bank was deputed to work on the matter with the proposed committee of General
Managers of the three banks. There were very clear grounds for amalgamation. The
names of all the three banks began with the word ‘Canara’, which often caused
confusion to the consumers of the banks especially the uneducated ones. In addition
all the three banks were managed and run by the same community of Gowd Saraswath
Brahmins, each bank enjoying its own distinct and clearly identifiable culture but
shared the Canara ethos. The amalgamation might have resulted in the formation of a
new bank which would have been the largest in India. But again the matter seemed
to fade into insignificance only to surface to the fore in 1961 between the two former
banks.

Next came the partition of India and again difficult times visited the banking
circles. The hearts of the depositors were gripped with fear for as many as 236 banks
failed this time. From 1961 to 1964 many banks were merged. Some of these
mergers were made compulsorily. The scene seemed to have affected the Banks of
South Kanara as well, for the talks of amalgamation resurfaced between the
Corporation bank and the Canara Bank. However with the nationalisation of Canara
Bank in 1969, the matter was permanently shelved. The Corporation bank officials
also seemed to have been gripped with the fear of nationalisation way back at its
Golden Jubilee in 1956, seen from the address of the Governor of RBI offering
clarification on the Government’s stand in response to the bank’s query on the matter.
e. The II World war: In 1939 the outbreak of the II World war hit the global economy adversely. But for the banks in India, the scene was especially grave due to the collapse of one of the highly renowned bank, i.e. the Travancore National and Quilon Bank Ltd. There was a run on banks, and a 'dollar famine' further aggravated by the setting up of the RBI as a regulating body for foreign exchange transactions. All this took its toll on the Corporation Bank as well. There were litigations and a decrease in the income of the bank. But the Management of the bank faced the challenge squarely and mobilized funds to pay anyone who wanted to withdraw money. The steps taken by the management not only enabled the bank to come out unscathed but at the end of it, enhanced the banks credibility in the eyes of the public.

f. The Nationalisation: Even though the bank escaped the first move of nationalisation, it was caught up with the second in April 1980, when six more banks were nationalised. The nationalisation seemed to have given a real boost to the expansion of its activities. With a shift of thrust to financing the priority sectors, its dream spelt out in its Silver Jubilee Souvenir almost half a century ago, was fulfilled. But soon the nationalization, considered as a panacea for all ills, brought on its wings new problems. Low returns from priority sector lending, rural branch expansion, lethargy among the bank employees in the post nationalisation period and the like, seemed to plunge the profitability of the nationalised banks. Though the trend affected the Corporation Bank as well to some extent, the dynamic leadership of the bank has afforded the bank the unique boast of an unbroken record of profitability since its inception till date.

The early nineties posed the challenge of liberalisation followed by that of privatisation. These trends seemed to have jolted all the PSB personnel out of their sweet reverie, for the premise now seemed to be ‘do or die’. But the Corporation bank felt no threat of the situation for it was already geared up to take up the challenge. It outshone many of the Public Sector Banks and managed to carve a special niche for itself in the banking arena among the Public Sector Banks. In fact these were the days it galloped to its present position, a time when it showed its mettle by winning many coveted awards and ranks. Even when the PSBs were in the process of shedding their excess staff through the Voluntary Retirement Scheme (VRS) with scores of employees calling it a day, the Corporation Bank seemed to differ in its
While all the other banks offered VRS to its employees to reduce its excess staff, Corporation Bank felt it had no excess staff! The option was given at the insistence of some employees, and only around one hundred and fifty of them took it up.

The latter part of Nineties posed another mood for the PSBs. With the move for privatisation mooted by the Government of India, many PSBs made public issues. The Corporation Bank too raised public funds in 1997. As a result the bank has at present a diversified shareholding, with the Government of India holding a major share of 57.17% of its total shares, the foreign shareholding (NRI, OCB, FII) amounting to 10.34%, the rest being held by the Indian Institutional Investors and resident Individuals. The share of the general public is 2.68% of its total shareholding. The LIC holds 26.32% of the shares and stands as the second largest shareholder of the bank. The share of the bank are in demat form and are traded on the National Stock Exchange and the Stock Exchange, Mumbai. The bank which had come out with a public issue at the rate of Rs.80 per share in the price-to-earning ratio of 5:2 is currently priced around Rs.400/- per share. Its scrip at BSE is coded ‘532179’ and has the id. ‘CORPBANK’. The bank has disbursed a dividend of 90% for the financial year 2006-07. As per its latest announcements, pursuant to the approval received from the concerned authorities, the Bank has sold has sold 1,19,250 equity shares constituting 0.26% of the issued and paid up capital of National Stock Exchange of India Ltd (NSEIL) to Citigroup Strategic Holdings Mauritius Ltd for an aggregate sum of USD 6,625,000 on June 28, 2007 and 47,000 equity shares to Fidelity Trustee Co. Pvt Ltd A/c Fidelity Equity Fund and 73,750 equity shares to HDFC Ltd (total 1,20,750 equity shares) constituting 0.27% of the issued and paid up capital of National Stock Exchange of India Ltd (NSEIL) for an aggregate sum of Rs.35,01,75,000.00 (Rupees Thirty five crore one lakh and seventy five thousand only) on Sept 7, 2007.

The challenges at the beginning of this century for the banks will be the horizontal and vertical ‘Bank Mergers’ and Foreign Direct Investment. Proposals are being worked out by the Ministry of Finance towards this end in order to stand the test of the likely competition due to financial sector reforms. There are rumours of mergers of PSBs into five large scale banks to improve their competitive advantage.

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and the likelihood of the bank merging with its northern counterparts, i.e., Oriental Bank of Commerce and the Indian Bank. It has already entered into a Memorandum of Understanding (MOU) with Oriental Bank of Commerce and Indian Bank for strategic business association. The top five PSBs are likely to retain their nomenclature and identity. Though the bank does not figure out among the top five in its resources, it definitely stands among the top five in its performance, in fact it stands as the best among PSBs in most of the performance indicators. The management and personnel of the bank seem to entertain no doubt about its likelihood of standing on its own name. Even then it has already had its three chances of change of name!

5.1.5 The Name:

Way back in 1906, the bank was registered under the name ‘The Canara Banking Corporation (Udipi) Limited’. Up to 1923, it remained a local bank serving the people of Udipi run by a board whose members were also from Udipi. With its branch expansion outside the city, even to places beyond South Kanara, it was felt that the name did not reflect its widened scope of operations, the name was changed to ‘The Canara Banking Corporation Limited’, the word ‘Udipi’ was dropped from its banner in 1939.

Soon it was realised that the three leading banks of South Kanara with the first word of their name as ‘Canara’, were creating confusion among the clientele of the bank. The Canara Bank which was established just three months after the Corporation bank was conscious from its early days that the fortunes of the three banks were tied too close together for its liking, due to the sharing of the word ‘Canara’ in their names. It started quietly and respectfully working on the matter by distinguishing the identity of the three banks by referring to the other two banks as ‘The Corporation Bank’ and ‘The Syndicate Bank’ and gradually, though unofficially, the banks’ names stuck. But the official change of name from ‘Canara Banking Corporation Ltd’ to ‘Corporation Bank’ came only in the year 1971. The proposed rationale behind the change was cited as ‘the name was too long to pronounce or write’. The third bank, i.e., ‘The Canara Industrial and Banking Syndicate Limited’ changed its name to ‘Syndicate Bank’ officially in the year 1964.
5.1.6 Subsidiaries and other Units Sponsored by the Bank:

An Indian PSB is entrusted with many social responsibilities in addition to its financial performance. In line with such social responsibilities entrusted, the bank has begotten its own network in the shape of subsidiaries and other institutes. Most of its efforts in this direction are concentrated in the districts of Kodagu and Chickmagalur where it plays the Lead Bank role. The following is the account of the bank in this direction:

- The Bank sponsored the Chickmagalure Kodagu Bank (CHIKO bank) immediately after its nationalisation. The bank has at present its own network of 48 branches. Computerisation in 20 branches has been completed and in the rest of the branches is under progress. The RRBs were set up mainly to cater to the rural banking needs.

- The Bank established the Corporation Bank Self-Employment Training (COBSETI) Institute at Chikmagalur in co-ordination with Government of Karnataka on March 22, 1996 with the aim to take care of the vocational training needs of Chikmagalur and Kodagu districts. It has imparted training to 6,528 candidates (4041 have taken up self-employment ventures) and is engaged in establishing self-employment ventures by co-ordinating with development departments in providing necessary linkages. The institute has imparted special training to women folk of Kudremukh National Park area aiming to rehabilitate the families affected by discontinuation of mining operations by the KIOCL.

- As a responsible corporate citizen and in tune with its corporate mission the bank fulfills social obligations through its Corporation Bank Economic Development Foundation to execute its various projects of societal concerns. Through the foundation it aims at providing infrastructural facilities such as clean drinking water, health-care camps, malaria eradication programmes, provision of class-rooms in Government schools, study rooms for orphans, etc. Through its economic empowerment project implemented in collaboration with the NGO, SKKRDP, which is one of the most important achievements of the foundation, it has empowered 15,000 families. Through the foundation the
bank also undertakes promotion and capacity building activities of self-help groups.

- Corporation Bank had established two subsidiaries of its own:

1. CorpBank Homes Limited, a housing finance company, was inaugurated on May 22, 1998 intended as a joint venture with National Housing Bank. This wholly owned subsidiary of the bank was merged with Corporation Bank vide Honourable High Court of Karnataka order dated August 11, 2006, effective from October 4, 2006.

2. CorpBank Securities Limited was again established as a subsidiary of the bank at the turn of the century. At the meeting of the Board of Directors held on February 27, 2007, the bank resolved to take-up the Primary Dealership (PD) Business of the subsidiary to function as Bank-PD department with effect from April 1, 2007 for which it has received the approval of the RBI. Accordingly, the company has discontinued the PD activity by gradually exiting its stock in trade and as at the end of March 2007 the entire stock in trade has been sold. The company however is to continue to pursue various other activities by securing approvals from its Board and other regulatory authorities.

5.2 BANK'S CUSTOMER ORIENTATION:

The Financial Sector Reforms, coupled with the economic depression at the turn of the century, truly changed the face of the PSBs in India. From a time when the customer had to wait on the Banker's mercy for any kind of transaction, especially to procure loans, we see a time of 'loan mela's', 'searching for and waiting on the customer's whims and fancies', 'any time banking', 'all time banking', 'extended working hours', etc. They have brought back the 'Kingship' to the customers, a term which seemed to have been relegated to the walls of the bank in the early days of nationalisation. Except for a short spell after nationalisation, the Corporation bank was noted for its customer orientation, especially prior to nationalisation. In the new century it is seen making concerted efforts to improve its customer orientation.
The following is a report of its customer orientation in the new era under four major heads, i.e., Products, Technology, Service Environment and Complaint handling:

5.2.1 Bank’s Customer Orientation through Product Offers:

The following are the broad categories of banking services at Corporation Bank:

1. Personalized Services:

   (i) Savings:
   - Students Saving Bank Account
   - Gold Bars and Coins
   - Savings account
   - Current: Corp 4-in-1 account

   (ii) Term deposits:
   - Fixed Deposits
   - Tax Saving Term Deposits
   - Continuous Ready Cash Deposits
   - Recurring Deposits
   - Premium Deposits
   - Janatha Deposit
   - Corp gold

2. Corporate Banking

   - Home or Housing Loans
   - Personal Loan
   - Car Loan
   - Educational Loan
   - Loans against Property or Securities
   - Forex - Foreign Exchange
   - Working Capital Finance
   - Finance For Project, Business And Retail

3. NRI Services

   - Speed Cash
   - Speed Remittance
   - Deposits And Loans
   - Taxation

4. Cards

   - Credit Card
   - ATM Cum Debit Card
   - Cash Back Cards

5. Other Services

   - Mobile, SMS Banking
   - Corpnet - Internet Banking Services
   - Online Railway Tickets Reservation
   - Mediclaim
   - Bill Pay
   - Mobile Recharge
   - Sale of Gold Bars and Coins
   - Issuing Government of India Bonds
   - Senior Citizens’ Schemes and Pension Accounts
   - Sale of Stamp Papers in Karnataka
In keeping with the Government’s Financial Inclusion Programme and with a view to take the banking services to remotest villages through the aid of technology, Corporation Bank has launched a rare initiative of Branchless Banking Project and Smart Card System by which, basic banking facilities are extended to rural people in non-banked areas in December 2007. The Bank is authorized to collect Direct Tax, Excise Duty & Custom Duty with online remittance facility.

Corporation Bank is in the forefront of providing innovative and Tech Savvy products & services to its customers. In its bouquet of products & services are Internet banking, SMS Banking, International Debit Card, International Credit Card and SMS-based Pay-by-Mobile Service, which is first of its kind in the country. The Pay-by-Mobile facility is available to all debit cardholders of the Bank. Through this service a customer can now shop at Internet, do tele-shopping and purchase at over 3,000 merchant establishments across categories and interfaces which include airlines, restaurants, retailers etc., through the mobile.

In order to render comprehensive, multifaceted quality service to its customers, Corporation Bank launched two maiden services “Financial Health Check-up” & “Invest Shoppe” at Mangalore and Mumbai in late 2007 and plans to launch the service at important centers across the country, shortly. Financial Health Check-up facilitates the customers to get their finance portfolio examined from the point of healthy mix and get advise on risk-reward portfolio sharing. With a view to providing these facilities under the specialized roof, the Bank has opened a new outlet “Invest Shoppe” attached to Fort – Mumbai Branch of the Bank. Put together, these services ensure that the customers need not look further than the Bank for any of their financial requirements. This financial boutique will be a one point focused cell for investment to better manage the wealth of customers, leveraging the expertise of a host of partner organizations.

CRISIL has assessed and reaffirmed ratings for all of the bank’s products on December 8, 2007 with the industry’s best ratings. Its Fixed deposits have been rated FAAA, bonds at AAA, other certificate deposit programmes at P1+, all of which speak of their Very strong degree of safety with regard to timely payment of Interest and Principal.
If the newsworthy items in the new century on banks are scanned, it goes without saying that Corporation Bank is spoken of as the most techno-savvy bank among all the PSBs. Its association with technology dates back to the 1980s when most of the PSBs went in for computerisation following the recommendations of Rangarajan Committee. The beginnings were made just with simple, isolated applications at branch level to culminate in providing a local area network at the bank’s headquarters in the year 1989. Soon the bank found itself working with enterprise-wide networking, on a distributed platform, backed by satellite data communication technology known as the fourth wave in computing which made it the first bank to introduce email as a major communication medium for the bank in the year 1995 and, to reengineer the fund transfer system which enabled immediate and speedier transfers. From then onwards there was no turning back. Being the first in email adoption, through which all its branches were connected together, it is consistently reported to bag one tech-award after another, as can be seen under the awards section. In 2006 its total move to CBS made it the first among PSBs to connecting all its customers on-line.

With the automation and the total migration to CBS, the Bank has launched a number of tech-products like, ‘Corp Dial’ tele-banking facility, ‘Corp-e-check’, ‘Any branch banking’, own demat services, payment processing centre for its Corporate clients, and the like. Its recent effort at extending basic banking facilities to the remotest rural population through Branchless Banking Project and Smart Card System has its technology to thank for. Its innovative products and projects like “Financial Health Check-up”, “Invest Shoppe”, “Internet Shopping”, “Tele-shopping” own demat services, etc. are the fruit of its rapid technological advances and today it can boast of offering services almost on par with the new generation and other tech-savvy banks. The economy can expect from this bank a rare combination of low cost products, unlike the foreign and New Generation banks, and efficient, speedy services in the immediate future and be better served than by other PSBs due to its technological prowess.

In its technological pursuit during the financial year 2006-07, Wide Area Network (WAN) connecting all the computerized branches, a pre-requisite for Core
Banking to be operational, was scheduled to run parallel to the Core Banking project. 917 units of the Bank have been already linked to the WAN as on March 31, 2007. Apart from Core Banking, the WAN is used for mail messaging, transmission of Swift messages, Straight through processing of RTGS transactions, accessing e-Circular etc. The Bank participated in the RTGS system set up by RBI facilitating transactions through 836 Branches and Extension Counters as on March 31, 2007 and enabled NEFT in 718 Branches out of 836 RTGS Branches expected further to be extended to all core branches covered under NEFT network. Internet banking facility which is increasingly used by its corporate clients and also by some retail customers has been extended to the customers of 199 additional branches during the financial year thereby taking the number of branches covered to 913. On-line trading with IL&FS was made live during the financial year. SMS Banking was launched for customers during the financial year and the Bank is now in the process of exploring companies that offer cutting edge technologies for using the Mobiles for carrying out financial transactions at authorized outlets. In view of the huge potential that is available in the Credit Card market, the Bank decided to introduce its own Credit Card in association with VISA International for the customers of the Bank. The Credit Card introduced by the Bank offers the customers one of the lowest rates of interest for revolving credit facility. In addition, the features of the card have been framed according to the current market conditions and customers can enjoy all facilities offered by credit cards today. The bank made the soft launch of the Credit Cards with effect from February 15, 2007. The Bank has consolidated its technology drive during the year by offering several innovative and tailor-made products and services, with the ultimate objective of enhancing value to the customers.

Now that the bank is fully connected through core banking and WAN, a precedence to make headway into Call Centre and Customer Relationship Management (CRM) solutions, it is natural that it should move into these areas as its next step in automation. This would enable it to breeze into the competition that has visited the banking sector which is intensifying day-by-day due to the Financial Sector Reforms. So far the bank, as in the case of SBI and Bank of India, had outsourced call centres which largely handle product and ATM-related queries. It has further plans to introduce a few more products on the call centre platform. It has a
blueprint ready for its own customer-management call centre to be launched soon in addition to the call centre which services its credit and debit card clients now.

5.2.3 Bank’s Customer Orientation through its Service Environment:

Any service environment is made up of the facilities as well as the personnel, especially at the touch points. The table 5.3 highlights quantitative side of the service environment of Corporation Bank, a transpose from the beginning of the century.

Table 5.2 Service Environment of Corporation Bank

<table>
<thead>
<tr>
<th>Branch Network</th>
<th>ATM Network</th>
<th>Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptionally Large</td>
<td>Very Large</td>
<td>Large</td>
</tr>
<tr>
<td>49</td>
<td>98</td>
<td>277</td>
</tr>
</tbody>
</table>

Around 11,500

Source: Collected from various sources of data on banks

A case in favour of any bank is its service environment which enables it to capture the market at a fast pace when it provides speed, certainty, ease and recognition. From the above discussions in the chapter it is seen that Corporation bank’s customers are afforded one of the best service environments among the PSBs. The bank’s service environment is comparable to a certain extent to the New Generation and Foreign banks in offering the speedy service whereas due to the Government ownership, it supersedes the other banks in providing certainty due to its secure backing. As far as the qualities of ease and recognition are concerned, they may need to gear up as the other banks are endowed with efficient, state of art banking and customer relationship technology, well furnished and appealing physical set up, and highly efficient, well endowed and highly customer oriented personnel.

With a view to overcome the above lacunae in its service orientation the bank is espied, since 2004, in its efforts in enhancing its service environment through tie-ups, amalgamations, MOUs and alliances. It is said that ‘two is better than one’. In the business arena in spite of the problems that may ensue, if two organisations get together, it would no doubt results in better service environment, sharing of facilities, expertise, knowledge, better spread, etc., more so, when one of them happens to be a
bank tying the knot. It results in the accretions and enhancements for the customers of the bank though, at times may be at a slightly higher cost. Corporation Bank’s efforts in this direction have definitely enabled its customers to feel its presence over the globe and courted their delight especially through its recent one-stop-super-shop strategy made possible due to its enhanced network. Its efforts in this direction are summed up below.

Tie-ups and Partnerships to Enhance the Service Orientation:

a. **To Enhance the Use of Service Environment with a view to increase the Fee Income:** Corporation Bank has entered into tie-ups with reputed mutual fund (consultants) for distribution of mutual fund products.

   - In the year 2000, the Bank signed an agreement with DSP Merrill Lynch Mutual Fund.
   - In its efforts become a “financial super shop” and offer a range of financial services and products it has entered into "strategic alliances" with Life Insurance Corporation, New India Assurance and LIC Mutual Fund to sell their life and general insurance products. The alliance made its debut in the year 2002 and has seen a number of accretions of facilities over the years.
   - Marketing Tie-up with Birla Sun Life for selling its Mutual Fund products
   - The Bank has partnership with AMCs of all major Mutual funds in the country numbering to 13.

b. **To Enhance the Service Environment by optimizing Trading Services:** The bank has forged a holistic and integrated partnership with Religare, an integrated financial services provider, to offer “Bancinvest” channel and internet trading services platform to the bank’s customers. It will eventually be followed with a roll-out of the entire spectrum of Religare’s services. The online trading service will be part of a value-added 3-in-1 offering for the bank’s savings account customers, offering them a savings and a DP account from the bank along with an internet trading account, powered by Religare. This alliance will enable the bank to expand their suite of capital market-related facilities to customers in terms of Banking, Depository and Broking services which would also contribute to an
increase in the bank’s non-interest income. The Bank has also similar tie-ups with IL&FS and Reliance Money. The bank had forged a strategic alliance with Stock Holding Corporation of India Ltd., (SHCIL) at the turn of the last century. A pact between Corporation Bank and IL&FS Investsmart engendered the offering of capital market services to the bank's customers in 2005. Corporation Bank and Usectrade.com, the online trading portal of UTI Securities Ltd, entered into a strategic tie-up in October 2007 under which the bank will serve as a major distribution channel for the portal.

c. To Enhance Service Environment by Optimising ATM and Plastic Money Network: Corporation bank has the second largest ATM network of its own among the PSB. Inspite of this it is seen tying hands with a number of other banks and organisation to provide enhancements to this facility in numbers and quality of products. In its efforts it has tied with the following:

- The Bank joined Cashnet, the largest independent shared ATM network in India in early 2004 by which Corporation Bank's ATMs were linked to the large network of Cashnet’s ATMs. Cashnet has been promoted by Euronet Services Pvt Ltd which operates the largest independent Pan-European ATM network and is a leading provider of Electron distribution or top-up service for prepaid mobile airtime. It provides secure electronic transaction solutions, outsourcing and consulting services, integrated EFT software, network gateways and electronic top-up services to financial institutions, mobile operators and retailers. These solutions enable customers to access personal finances and to perform secure payment transactions any time, any place.
- It inked pact with Andhra Bank to share ATMs in 2004. Corporation Bank and Andhra Bank have international debit cards namely 'Corp Convenience', and 'Andhra Card' respectively which run on the global VISA Electron platform. These debit cards can be used to withdraw cash from 6,500 VISA enabled ATMs within the country and over 8.5 lakh ATMs worldwide. These cards can also be used for making payment at over 70,000 point of sale terminals in the country and over a crore worldwide.
- Corporation Bank jointly with New India Assurance has launched a mediclaim scheme with a cashless facility for the bank's ATM and debit cardholders, called Corp Mediclaim in 2004.

- Since the bank has the largest ATM network among the public sector banks amounting to over 1000, a number of other banks have arrangements to share the Corporation Bank network and this arrangement generated additional revenues for the bank. Corporation Bank has entered into ATM network sharing agreement with Karnataka Bank, Dena Bank, Bank of Rajasthan, IndusInd Bank, ING Vysya Bank, Allahabad Bank and Oriental Bank of Commerce by 2004.

- Corporation Bank obtained the right to host ATMs at 14 stations of the Western Railway in 2001.

- Corporation Bank on March 25, 2003 inaugurated 33 new outlets within premises of the Life Insurance Corporation. These service outlets, which includes extension counters and automated teller machines are spread across the states of Punjab, Delhi, Rajasthan, Jharkhand, Orissa, Maharashtra, Goa, Karnataka and Tamil Nadu.

- Among all its alliances, that which it signed on November 17, 2006 with the Oriental Bank of Commerce and Indian Bank, no doubt, tops. This MOU envisaged the following for the three banks:
  - 1) Building payment system; 2) Sharing of IT resources/infrastructure;
  - 3) Sharing of Treasury Resources; 4) Joint foray into capital market and other financial ventures; 5) Common approach to delivery channel like ATMs/POS terminals/Card Business/Bancassurance etc; 6) Credit syndication and project appraisals; 7) Sharing training resources; 8) Common procurement of IT resources/other assets wherever feasible; 9) Sharing Network of alliance Banks for collection of various financial instruments/utilisation of surplus cash; 10) Collaboration for market research and product development; 11) Sharing Network for selling financial products on behalf of alliance partners; 12) Any other mutually acceptable beneficial areas such as publicity/public relation activities.

- The MOU also finalised creation of various advisory councils as well as execution/coordinating/implementation committees. The main object of
the MOU is to reap benefits of the economies of scale for the benefit of all stakeholders. Legal identities of each institution have been maintained. Though it clearly states that signing of MOU does not tantamount to explicit/implicit merger, it is rumoured that the three banks are the likely candidates to form a unit in the event of the merger of the PSBs.

d. To Enhance Service Environment by Optimising Technology Solutions: These have enabled the bank to offer Internet banking, tele banking and all other facilities to its customers on par with new generation banks. The handshakes in this regard were:

- The Bank entered into a Strategic Business Alliance with Netsavvy Solutions Pvt. Ltd., a Chennai-based company, in 2000 to provide Internet banking facilities to its customers.
- Chennai-based Laser Soft Infosystems Ltd, exclusively focussed on developing software suited to the banking industry, signed a major contract in 2000 with the Corporation Bank to bring about total branch automation through a unique concept called 'cluster banking'.

All these tie-ups and technology enhancements have enabled the bank to become the first PSB to make a total move into CBS and thus offer a spate of products both in traditional and modern garb in an efficient and timely manner.

e. For Rating its products: The bank has shaken hands with a number of rating agencies for the purpose of rating its products and customers. They are:

- Corporation Bank has entered into Memorandum of Understanding (MOU) on 27.09.2007 with CRISIL Ltd for Rating of Small & Medium Enterprises (SMEs), Small Scale Industries (SSIs) and Facility Rating of corporates as required under BASEL II.
- The Bank has entered into a Memorandum of Understanding with the following Rating Agencies in December 2007: (1) With D&B, on December 19, 2007, for SSI Rating. (2) with ICRA LTD, on December 20, 2007, Loan Rating. (3) with FITCH, on December 20, 2007, for SME/Loan Rating". 

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The Bank has signed a Memorandum of Understanding with Credit Analysis & Research Ltd., on December 20, 2007 for assigning credit rating to SME units and also Bank loan Rating to existing/prospective customers of the Bank.

f. Other Tie-Ups of the Bank to Enhance the Service Environment

Signed MoU in 2003 to collaborate with Eicher for financing tractors to farmers.

The year 2004 was an important milestone in the tie-up history of the bank. The bank made pact with the following from the year 2004-2007 apart from those already mentioned:

- A pact with Toyota Motors, Memorandum of agreement with Honda Siel Power Products Ltd. to provide easy loans for purchasing Honda power generators.
- A tie-up with Tractors and Farm Equipment Ltd for financing tractors to farmers.
- A tie-up with Tanishq and World Gold Council (WGC) to offer finance scheme to their customers for the purchase of gold jewellery, tie-up with Bajaj Auto Ltd to finance two wheelers;
- A memorandum of understanding with SAME Deutz-Fahr India (P) Ltd for financing its tractors to farmers.
- A MoU with ICFAI University to publish research papers submitted and discussed at the Bank Economists' Conference (BECON) 2002, as books.
- A MoU with National Bank for Agriculture and Rural Development (Nabard) for the co-financing of hi-tech agricultural, agro-processing and export-oriented projects with a view to help accelerate capital formation in rural areas 2003.
- A MoU with Greaves Cotton Ltd. for financing farm machines to farmers.
- A tie-up with Payquick and Deutsche Bank to provide the facility of online Euro remittance for NRIs in Germany.
- A tie-up with seven exchange houses in the UAE in 2005 to offer money remittance to India in order to offer more banking service to its NRI clientele whose deposits account for a sixth of the bank’s total deposits;
launched clearing bank facility for Multi-Commodity Exchange of India Ltd (MCX) and enabled opening of the clearing accounts with electronic debit facility for the brokers who were members of MCX.

• An agreement with the Indian Railway Catering and Tourism Corporation (IRCTC) for online booking of railway tickets.
• Joined hands with Mumbai's dabbawallas to source clients for offering banking services in 2007.
• Jointly with GE Money India, LIC Housing Finance Limited and LIC Mutual Fund signed a Memorandum of Understanding with Life Insurance Corporation of India on September 7, 2007 to create a new Credit card Company that would leverage the strengths of each Company. The parties intended to finalise the definitive agreements by end of October 2007.

The FCCI-BISNET in its ‘India in Business’ page has this to report about the bank’s personnel “...Today, its good customer service, pre-eminent track record in House Keeping, adherence to Prudential Accounting norms, consistent profitability and adoption of modern technology for betterment of customer service have earned the Bank a place of pride in the Banking Community. The Bank has been richly endowed with a relatively young, dynamic and efficient manpower, which is the key factor of the Bank's success. Excellence in performance and uniqueness in customer service form the central core of the Bank’s organisational culture.”

5.2.4 Bank’s Customer Orientation through Customer Satisfaction and Complaint Management:

Gone are the days of ‘satisfaction’. Today ‘Customer Delight’ is the catchword which matches with the concept of customer retention. Business organisations are seen playing conceptual gymnastics with a view to woo and retain customers. Customer satisfaction is reflected in an organisation’s ability to retain its customers and in the enhanced cross-and-up-selling of its products. The customers of Corporation bank are often heard remarking that the bank is one of the best among the Indian PSBs.

Another area which reflects customer satisfaction is that of ‘customer complaints’. The number, type, mode, frequency of and freedom to complain determine the kind of relationship that customers enjoy with the organisation and the
satisfaction they find in their dealings. Table 5.3 presents the quarterly break-up of the causes that evoked complaints in the financial year 2007-08.

Table 5.3 Causes of Complaints Received During the Year 2007-08

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Cause</th>
<th>Number of Complaints During the Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>01.04.07 to 30.06.07</td>
</tr>
<tr>
<td>1</td>
<td>Loans &amp; Advances related</td>
<td>27</td>
</tr>
<tr>
<td>2</td>
<td>Deficiency in counter service</td>
<td>106</td>
</tr>
<tr>
<td>3</td>
<td>Systems &amp; Procedures</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Staff Behaviour</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Collection of Instruments</td>
<td>68</td>
</tr>
<tr>
<td>6</td>
<td>Recovery related</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>NRI Accounts/Service</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>General</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>249</td>
</tr>
</tbody>
</table>

Source: Corporation Bank Directors’ report 2007-08

A glance at the table 5.3 shows that deficiency in counter service has been the major cause of complaint over all the quarters with NRI services evoking the least complaints. Complaint with regard to loans and advances and deficiency in counter services generally seem to be rising and on all the other causes have been generally lower than in the previous quarters. Table 5.4 gives the break-up of the time taken to dispose the complaints received for the two years 2006-07 and 2007-08.

Table 5.4 shows that the number of complaints disposed have increased almost to double from the past year but the directors’ report 2007-08 mentions that that all the complaints have been resolved for the year at the time of reporting. The report mentions that the Time frame has been fixed for resolution of complaints as follows:

- At branches: Within 24 hours but not later than 7 working days from the date of receipt of complaint.
- At Zonal Office: Within 15 working days from the date of receipt of complaint.
At Head Office: Within 30 working days from the date of receipt of Complaint

Table 5.4 Time Taken for Disposal of Complaints

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Period [Days]</th>
<th>No. of Complaints disposed of as on 31.03.07</th>
<th>No. of Complaints disposed of as on 31.03.08</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1-15</td>
<td>379</td>
<td>698</td>
</tr>
<tr>
<td>2</td>
<td>16-30</td>
<td>157</td>
<td>289</td>
</tr>
<tr>
<td>3</td>
<td>31-90</td>
<td>52</td>
<td>96</td>
</tr>
<tr>
<td>4</td>
<td>Beyond 91 days</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>590</strong></td>
<td><strong>1086</strong></td>
</tr>
</tbody>
</table>

Source: Corporation Bank Directors' report 2007-08

5.3 PERFORMANCE HIGHLIGHTS:

The narration so far makes it clear that the bank is considered one of the best because of its financial performance. This section lays down the facts and figures of its performance in the recent past. Tables 5.5 to 5.7 set out the financial performance of the bank in the last financial year ended March 31, 2007. Chart 5.1 presents the yearly core business trend from March 2003 to September 2006.

Chart 5.1 Trend of the bank's business March 2003 to September 2006

Source: Q2 FY 2007 update, Pioneer Intermediaries Private Limited

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Table 5.5 gives the growth of net profits and NII of the bank. The data on average deposits and advances with a comparative growth analysis over the quarters of the financial year 2006-07 are presented in Table 5.6. Table 5.7 gives the important performance indicators.

Table 5.5 Growth of Net Profits and NII of the Bank at Half and Quarter Ends.

<table>
<thead>
<tr>
<th></th>
<th>Half Year ended</th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sept-06</td>
<td>Sept-07</td>
</tr>
<tr>
<td>Total Income</td>
<td>1825.75</td>
<td>2485.76</td>
</tr>
<tr>
<td></td>
<td>930.64</td>
<td>1246.93</td>
</tr>
<tr>
<td>Net Profit</td>
<td>271.25</td>
<td>338.49</td>
</tr>
<tr>
<td></td>
<td>127.01</td>
<td>161.38</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>604.10</td>
<td>707.06</td>
</tr>
<tr>
<td></td>
<td>301.78</td>
<td>354.56</td>
</tr>
</tbody>
</table>

Source: Press release of the bank dated October 27, 2007

Table 5.5 shows that the bank is a consistent performer with regard to income and profit indicators depicted by it with a fair growth in its performance over the year.

Table 5.6 Growth of Average Deposits, Advances and Working Funds for the Half Year End Compared to the Previous Period.

<table>
<thead>
<tr>
<th>Half Year ended</th>
<th>Sept-06</th>
<th>Sept-07</th>
<th>Abs. Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Deposits</td>
<td>33,682</td>
<td>42,617</td>
<td>8,935</td>
</tr>
<tr>
<td>Average Advances</td>
<td>24,855</td>
<td>29,352</td>
<td>4,697</td>
</tr>
<tr>
<td>Average Working Funds</td>
<td>40,100</td>
<td>49,700</td>
<td>9,600</td>
</tr>
</tbody>
</table>

Source: Press release of the bank dated October 27, 2007

Table 5.6 again shows a comfortable and consistent growth in the average deposits, advances and working funds from the previous year.

The other performance indicators presented in table 5.7 show a comfortable increase in all the indicators. The gross as well as net NPAs have declined and the CRAR has improved, putting the bank in a better position to face risks. The credit-deposit ratio, the NIM, NII and business per employee also show a positive trend from the previous year.
Table 5.7 Important Performance Indicators at End March and September 2007

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>At End March 2007</th>
<th>At End Sept. 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Credit Deposit Ratio</td>
<td>70.71</td>
<td>71.4</td>
</tr>
<tr>
<td>2</td>
<td>CRAR</td>
<td>12.76</td>
<td>13.58</td>
</tr>
<tr>
<td>3</td>
<td>NIM</td>
<td>2.61</td>
<td>2.85</td>
</tr>
<tr>
<td>4</td>
<td>Non-interest Income/total income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Gross NPA</td>
<td>2.05</td>
<td>1.86</td>
</tr>
<tr>
<td>6</td>
<td>Net NPA</td>
<td>0.47</td>
<td>0.35</td>
</tr>
<tr>
<td>7</td>
<td>Business per Employee</td>
<td>6.37 Lakhs (Rs)</td>
<td>7.03 Lakhs (Rs)</td>
</tr>
<tr>
<td>8</td>
<td>Profit per Employee</td>
<td>4.79 Lakhs(Rs)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Collected from various sources

All the above tables and chart prove that the Bank’s odyssey over the century has been the result of a constant striving to better its performance over itself.

The above pages portray the eventful past of Corporation Bank’s heritage, the Bank’s walk through one hundred years. An unimaginably small bank, or rather, the ‘tiny little tot’ in all respects at the time of its inception, except for the tall dreams of its founders, it has truly grown to a handsome youth-hood, may be even beyond the wildest dreams of its founders. This leaves very little scope for doubt that it will soon fulfill its Centenary vision ‘to emerge as the Most Preferred Bank with Global Standards in Financials, Efficiency, Technology, Products & Services.’

NOTES AND REFERENCES:

1. During the British Raj, India’s monetary system was as follows: A rupee was divided into sixteen annas, an anna into four quarter annas and a quarter anna into three pies. Thus an anna was equal to 12 pies and a rupee was equal to 192 pies. There were coins of the denomination of eight anna, four anna, half anna and quarter anna, as also a pie. The last three coins were of copper, four anna coins were available in silver.


4. Obtained from various sources on Corporation Bank.