CHAPTER-3

PROFILE OF SELECT INDIAN PUBLIC SECTOR BANKS
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This chapter addresses a detailed background of the selected Indian public sector

ALLAHABAD BANK:

Allahabad Bank was incorporated in 1865 by a group of Europeans with a subscribed capital base of Rs 2 lakhs. In the year 1969 the bank was nationalized. More than 55 percent of the equity is held by the Central Government, institutional investors hold a share of about 21 percent and the Indian public holds about 21 percent.

The bank provides services in Retail Lending, Depository Services, Education Loans and International Banking. Retail lending offers a wide range of products such as housing finance, personal loans and export loans for small business establishments. The Depository services are extended towards investors, traders and brokers for Equity, Bonds, Debentures, G. Sec. and Commercial Papers. Education loans are provided for students at different stages of their education. The International banking division offers services for the NRI community as well as assists export finance for Indian exporters.

The bank also extends specialized products and services to the small-scale industry and the agricultural sector. The registered office of Allahabad
Bank is in Kolkata. Besides, the bank has a widespread network of over 1900 branches, over 150 extension counters and around 100 ATMs. These facilities are spread over 30 States and Union Territories across India. The bank has entered into a MOU and alliance with various financial companies like SIDBI and Wall Street finance to spread its services globally.

**ANDHRA BANK:**

Andhra Bank is founded by the freedom fighter, Dr. Bhogaraju Pattabhi Sitaramayya, commenced business on 28 November 1923. The bank is headquartered in Hyderabad and has a concentrated network in the state of Andhra Pradesh with major proportion of its advances being generated from the branches located in the state. Andhra Bank is a fast growing public sector bank in the country with a total business size of Rs.69,343 crore as on 31 March 2007.

It renders services through 1,930 delivery channels consisting of 1289 branches, 99 extension counters, 505 ATMs and 37 satellite offices spread over 21 states and 2 Union Territories at the end of March 2007. The bank has an overseas presence primarily in the Middle East with a representative office in Dubai. In addition, it has also obtained Reserve Bank of India's (RBI) permission for opening representative offices in New Jersey, Kuwait and Riyadh. The bank also has plans for opening more such offices in Doha, Muscat, Riyadh and Kuwait. The bank played an important role towards
developing and expanding self help groups (SHGs). It continued to focus on agriculture and allied activities ensuring a steady flow of credit to this sector.

It extended finance to 1,21,926 SHGs and the outstanding credit to them stood at Rs.521.2 crore. For 2006--07, advances to the priority sector and direct agriculture lending stood at 41.4 per cent and 18.5 per cent of net bank credit. In order to step up tractor financing, Andhra Bank entered into tie ups with Eicher Tractors, Mahindra & Mahindra, Bajaj Tempo and TAFE. It also has a pact with Bajaj Auto for providing two wheeler loans to the farmers under its Kisan Chakra scheme. During 2006--07, the bank's food credit grew 20 per cent to Rs.898 crore from Rs.751 crore in the earlier year. Over this same period, its non--food credit also witnessed a 26 per cent jump from Rs.21,733 crore to Rs.27,336 crore. In 2001--02, an alliance was established between the bank and Western Union Financial Services for speedy foreign currency remittances. In the following year, it received Insurance Regulatory and Development Authority's (IRDA) approval to act as a corporate agent of United India Insurance Company Ltd.

Further as a part of its initiatives to augment non--interest income, Andhra Bank up with Principal Mutual Fund, Tata Mutual Fund, UTI Mutual Fund and Sundaram Mutual Fund to act as a distributor of their mutual fund products. Andhra Bank also plans to market and sell the products of Life Insurance Corporation of India.
Andhra Bank is in the lookout for a partner to start a life insurance venture after its talk with Dai Ichi Mutual Life Insurance failed. The bank is all set to participate in a joint venture with Bank of Baroda and Punjab National Bank for promoting a bank in Malaysia. According to the bank's chairman and managing director K Ramakrishnan, the bank will hold 25 per cent of equity in the proposed joint venture. The remaining equity will be contributed by Bank of Baroda and Punjab National Bank in the ratio of 40:35. At the end of the June 2007 quarter, the Indian government owned 51.6 per cent of the shareholding. Mutual funds owned 6.5 per cent while foreign institutional investors owned 19.2 per cent. Retail investors owned 15.9 per cent.

BANK OF BARODA:

Bank of Baroda was established with a paid-up capital of Rs.10 lakh in 1908 in Baroda in Gujarat. After raising Rs.300 crore through a bond issue in 1995, the bank tapped the capital market with an initial public offering of Rs.850 crore in 1996. The bank's international presence covers 21 countries through 40 overseas branches, 3 representative offices and 17 branches of the bank's overseas subsidiaries.

It has approvals for opening branches in Trinidad and Tobago, Ghana, Australia and Bahrain. It set up a global loan syndication centre in London in 2000 and plans to set up two syndication centers in Dubai and Singapore. During 2006--07, the bank upgraded 917 branches to take take the total
number of branches on core banking platform to 1,043. As of 31 March 2007, the bank had 1,893 fully networked branches.

Total branch strength of the bank in the country stood at 2,732 of which 1,164 are rural branches, 572 are semi-urban branches, 506 are urban branches and 490 are metro branches. More than 47 per cent of the bank's branch network is concentrated in the western region. Bank of Baroda classified its loan business into working capital finance, term finance, SSI, SME, small business/borrowers and trader loans. For the retail and SME segments, it has set up a chain of 13 retail and 16 SME 'loan factories'. The SME loan factories are located in Ahmedabad, Surat, Pune, Baroda, Kolkata, Coimbatore, Chennai, Jaipur, Bhilwara, Kanpur, Ludhiana, Delhi, Kalbadevi (Mumbai) and Jogeshwari (Mumbai), Thane and Lucknow. The bank defines SMEs as entities with sales revenues less than Rs.100 crore.

The bank identifies the following four groups as 'critical business segments' viz. Retail, SME, Wholesale (mid-corporate and large corporate) and rural/agri business. The bank's wholesale credit business recorded a growth of 38 per cent during 2006--07. SME credit reported a 31.4 per cent growth to Rs.9,006 crore. Within the SME segment, growth in small enterprises was 27.03 per cent while growth in medium enterprises segment was 40.3 per cent. Retail credit continues to be a major thrust area for the bank. The bank's retail credit grew by a robust 46.4 per cent during 2006--07
to Rs.14,319 crore and formed over a fifth of the bank's gross domestic advances. The bank has done well on the priority sector credit front too.

The bank's priority sector advances grew by 34.87 per cent to Rs.25,275 crore during 2006-07 and formed 40.61 per cent of net bank credit against the mandated minimum of 40 per cent. The bank is engaged in micro finance credit.

It expanded its self help groups by 9,382 to reach 55,375 during 2006-07. Credit assistance under the programme amounted to Rs.66.9 crore in 2006-07. The bank enjoys a comfortable capital adequacy ratio of 12.9 per cent as on 30 September 2007. Its gross nonperforming assets amount to Rs.2,12,914 crore and its GNPA ratio stands at 2.33 per cent.

Emerging revenue streams for the bank include third party product distribution for the bank include tie-up with HDFC Standard Life Insurance Company for selling various life insurance products and a tie-up with Birla Sun Life Mutual Fund for selling mutual fund products. Another emerging revenue stream for the bank includes wealth management services for which the bank has entered into a tie-up with India Infoline for offering online trading platforms for equity and derivatives trading. The bank launched its wealth management services in Mumbai, Ahmedabad and Delhi during 2006-07.
BANK OF INDIA:

Bank of India was incorporated in 1906 as a private entity with a paid-up capital of Rs.50 lakh. In July 1969 it was nationalized along with 13 other large commercial banks. It provides banking services which includes deposit schemes that include savings and term deposits, NRI deposits etc; credit schemes for personal loans, like home loan, mortgage loan, auto finance and education loan, export finance, bill finance and bullion banking; corporate banking deals with large credit services; overseas banking which specializes in foreign exchange business to merchant banking.

Apart from commercial and personal banking, it also offers services in agricultural finance, lease finance, small scale industries, and asset recovery and treasury operations. The bank also facilitates internet banking, SMS banking and tele-banking to its customers. To derive full benefits of technology various tech driven products like utility bills payment and instant fund transfers have been introduced. The bank manages clearing & settlement operation of Bombay Stock Exchange through its subsidiary BOI Share Holding Limited. It is the leading shareholder of Securities Trading Corporation of India Limited (STCI), a leading Indian primary dealer. To be a one stop shop for all the financial needs, the bank has entered into selling of third party products.

With its registered office in Mumbai, the bank has a wide network of 2644 branches spread across the country including 93 specialized branches,
controlled through 48 zonal offices. It has 314 ATMs besides making over 16000 ATMs available to customers through shared ATM network. Overseas network consists of 20 branches and three representative offices spread across 12 countries in four continents, with presence in all the major financial centers such as London, New York, Paris, Tokyo, Singapore and Hong Kong. As on 31 March 2007, Bank of India was the sixth largest bank in India with a business of Rs.2,05,217.6 crore. Its deposit base stood at Rs.1,19,882 crore. Its advances portfolio stood at Rs.85,336 crore. As on 22 August 2007, Bank of India was the seventh largest bank by market capitalisation. Its market capitalisation on that day was Rs.10,611 crore. The bank is planning to focus aggressively on agriculture and SME sectors. About 1,044 of its branches are already on its core banking solution. The bank has a well-diversified deposit base with 49.2 per cent of domestic deposits coming from rural, semi-urban and urban centres. The balance 50.8 per cent comes from metros. The Bank has a total of 2.5 crore deposit customers and 20 lakh advances customers.

Government of India is the major shareholder with 69 per cent stake in equity. At the end of the June 2007 quarter, institutions including FIIs held around 22 per cent in the company. Individuals held around seven per cent stake.

**BANK OF MAHARASTRA:**

Bank of Maharashtra commenced operations on 8 February 1936 as a public limited company. Subsequently, in the year 1944, it became a
scheduled bank and expanded its operations by taking over some of the smaller banks being viz. Bank of Konkan, Bank of Nagpur, Bharat Industrial Bank and Banthia Bank. As on 31 March 2007, the delivery channels of the bank comprised 1,345 branches along with 13 extension centers spread over 22 states and two Union territories. The bank also has a network of 302 ATMs.

The bank formed Maharashtra Executor and Trustee Company Ltd. (METCO) in April 1946, as a wholly owned subsidiary for extending trustee services including management of public and private trusts along with administration and execution of will. Bank of Maharashtra entered in to a memorandum of understanding (MOU) with Exim Bank during 1999-2000 for co-financing export related projects. In the following year, Magic eMoney Ltd. was promoted by the bank as a joint venture (JV) with Nextstep Infotech Pvt. Ltd. and Magic Software Enterprises of Israel. This company is engaged in the software development and other IT related requirements of banks and financial institutions in India and abroad. The bank sponsored three regional rural banks (RRBs) viz. Marathwada Gramin Bank, Aurangabad Jalna Gramin Bank and Thane Gramin Bank as a part of its social responsibility towards the rural development and poverty alleviation. The branches of these RRBs are spread across different districts of the state of Maharashtra and cater to the needs of rural India. The RRBs provided banking facilities in nine districts and recorded a total business of Rs.2,104.4 crore as on 31 March 2007. It also formed self help groups (SHGs), which numbered at 36,719 as on 31 March
2007. The outstanding advances as on that date were was Rs.76.7 crore, which was 59 per cent higher compared to the previous year's figure. As of 30 September 2003, Bank of Maharashtra's total business stood at Rs.61,923 crore. Deposits stood at Rs.36,864 crore. Cost of deposits stood at 5.75 per cent. Gross advances stood at Rs.25,059 crore. yield on advances has improved from 8.63 per cent to 10.10 per cent. The bank's agricultural advances stood at Rs.4,132 crore. Lending to small and medium enterprises stood at Rs.2,188 crore. Retail advances stood at Rs.4,007 crore. The bank trimmed its work force from 14,145 to 13,893. Business generated per employee increased from Rs.1.9 crore in 2002 to Rs.4 crore in 2007.

Bank of Maharashtra also established Mahabank Agricultural Research and Rural Development foundation (MARDEF) in the year 1980. This foundation aims at supporting the needs of the farmers by providing credit services and undertaking research and development for agriculture and allied activities. In addition the bank set up two rural development centres in Pune district for implementing various developmental programmes for educating the farmers. The bank implemented core banking solution (CBS) in 66 of its branches. It expects to cover 600 branches under CBS by the end of March 2008. It has tied up with M/s Tata Consultancy Services Ltd. for the software development and appointed Ernst & Young as an implementation consultant. Bank of Maharashtra plans to enter the non-life insurance segment during the current financial year in joint venture with the Chennai-based Shriram Group and South Africa-based insurance company Sanlam.
CANARA BANK:

Canara Bank was founded in 1906 as the 'Canara Bank Hindu Permanent Fund' by Sri Ammembal Subba Rao Pai. It was formally registered with a capital of 2000 shares of Rs.50/- each. It was converted into a limited company as Canara Bank Ltd. in 1910. It became Canara Bank in 1969 after nationalisation. It launched Cancard, a credit card, in 1983. In 1984 it merged with Lakshmi Commercial Bank. In 1987 it launched Canbank Mutual Fund and Canfin Homes. In 2002--03, the bank made its maiden initial public offering and became a listed bank. As of 31 December 2007, the Bank boasts a pan India presence, with over 2,644 branches and 1,667 ATMs. This includes one branch each at London, Hong Kong and an Offshore Banking Unit at NOIDA, Delhi, besides 217 Extension Counters. The bank plans to commission five branches in Johannesburg, Frankfurt, Muscat, Manama and QFC - Qatar. The bank has identified 21 international centres for expansion in the medium term.

Its representative office at Shanghai is being converted into a fully fledged branch. The bank added 66 branches and 535 ATMs during April-December 2007. Through ATM sharing arrangements with other banks, the bank provides access to 23,000 ATMs across the country. About 1,157 branches provide internet and mobile banking (IMB) services and 1,833 branches offer 'Anywhere Banking' services. Over 1,693 branches of the bank offer advanced payment and settlement system under Real Time Gross
Settlement (RTGS) and National Electronic Funds Transfer (NEFT). The bank divides its business into four segments. Personal banking includes savings & deposits, loan products, mutual funds, insurance, cards and depository services. Corporate banking includes accounts & deposits, IPOs, cash management, merchant banking, loans & advances, TUF schemes and syndication. Priority banking includes SME business, RRB division, agri-marketing and consultancy, rural development and CED for women social banking. As of 31 December 2007, the bank's aggregate business stood at Rs.2,42,733 crore. Business per employee stood at Rs.5.62 crore. Average business per branch stood at Rs.91.8 crore. Its total clientele base stood at 31.7 million comprising 27.7 million deposit accounts and 4 million borrowal accounts. Priority sector formed 40.2 per cent (Rs.39,368 crore) of adjusted net bank credit. Retail credit stood at Rs.17,187 crore forming 17.4 per cent of net credit. Credit to SME's stood at Rs.17,025 crore and is growing robustly. Canara Bank plans to shortly launch its Online Trading Platform for buying and selling shares. It plans to foray into the growing asset management and insurance markets with the incorporation of two joint ventures viz. Canara Robeco Asset Management Company Ltd and Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd. Canara Bank will retain majority shareholding at 51 per cent.

CENTRAL BANK OF INDIA:

Incorporated in 1911, Central Bank of India was the first Indian commercial bank that was wholly owned and managed by Indians. Sir Sorabji
Pochkhanawala was the founder of the bank and Sir Pherozesha Mehta was the first Chairman of the Bank. The Government of India nationalized the bank, along with 13 other major commercial banks of India, on 19th July 1969. Currently Ms. Homai A. Daruwalla is the Chairperson and Managing Director of the bank. The products and services offered by the bank include a variety of deposit schemes. These cover interest deposit receipt, flexi-yield deposit scheme and senior citizen deposit scheme etc. The credit schemes offered by the bank are personal loans such as housing finance, vehicle finance, education, loan to pensioners' etc.

The bank also offers cash management services to Corporates, Public, Private & Joint Sector Companies, Proprietorship and Partnership Firms, Individuals & Institutions. Central Bank is also playing an increasingly active role in promoting agriculture, small-scale industries, medium and large industries and has introduced a number of self employment schemes to promote employment among the educated youth. The bank has tied-up with Life Insurance Corporation of India & The New India Assurance Co. Ltd. for undertaken selling and distribution of their products through it's branches. The registered office of the Central Bank of India is in Mumbai and it operates through its 3165 Branches and 270 Extension Counter across 27 States 4 Union Territories in India.
CORPORATION BANK:

Corporation Bank, formerly known as The Canara Banking Corporation (Udupi) Ltd., one of the oldest banks in India, was founded in 1906 in Udupi, Karnataka, by a small group of philanthropists led by Khan Bahadur Haji Abdulla Haji Kasim Saheb Bahadur.

The head office was shifted to Mangalore, Karnataka in the year 1961. The name was changed to its current name in 1972. The bank was nationalised in 1980 along with five other private sector banks. The bank offers a wide range of products and services to the retail, corporate and agricultural customers. To cater to the financing needs of the corporate and large business houses as well as small and medium enterprises, the bank provides term and project finance, working capital finance and forex services. The bank also offers cash management services to its corporate customers. Retail credit products include home loans, personal loans, education loans, vehicle loans and loan against shares. As part of its effort to address priority sector needs and social lending, the bank offers specialized products and services to these sectors. Through its subsidiary Corp Bank Securities, the bank deals in government securities. Its wholly owned housing finance subsidiary, Corp Bank Homes, was merged with the parent bank with effect from 4 October 2006. The bank is the corporate agent of Life Insurance Corporation of India and New India Assurance Company. It markets their insurance products. Under life insurance the bank mobilized first premium
business of Rs.61.2 crore. It mobilized general insurance premium of Rs.20.5 crore. To increase the income from fee-based products and services, the bank entered into agreements with mutual fund companies for distribution of their products. The mutual fund products of LIC, UTI, DSP Mutual Fund, Franklin Templeton Mutual Fund, Prudential ICICI Mutual Fund and Principal PNB Mutual Fund are available at the branches of the bank. During the year ended March 2007, it mobilized a fund business of Rs.512 crore. Corporation Bank entered into an alliance with Indian Bank and Oriental Bank of Commerce in September 2006 to share infrastructure, enter new businesses and set up joint ventures. Together, the three plans to set up a common E-payment system, share information technology and treasury resources, jointly foray into capital markets, enter banc assurance, business syndication and undertake common procurement of assets wherever possible. The bank signed an MoU with the Life Insurance Company of India to form a credit card company. It signed the memorandum with GE Money India, LIC Housing Finance and LIC Mutual Fund. During 2006-07, the bank opened 66 branches. The bank has 294 branches (33 per cent of total) in metro areas, 253 branches (28 per cent of total) in urban / port town areas, 183 branches (20 per cent of total) in semi-urban areas and 171 branches (19 per cent of total) in rural areas. The bank had 47 extension counters as on 31 March 2007. As on 31 December 2007, the bank had a network of 949 branches and 941 ATMs. The bank came up with an initial public offer (IPO) in October 1997 and mobilised Rs.304 crore. Government of India is the major shareholder with around 57 per cent stake.
Institutions hold around 39 per cent stake, out of which Life Insurance Corporation of India holds a significant stake of around 26 per cent. The bank has considerable leeway to manage capital adequacy requirements under the Basel II norms by diluting its equity.

**DENA BANK:**

Dena Bank was founded on 26th May 1938 under the name Devkaran Nanjee Banking Company Ltd. In 1939 the bank became a Public Limited Company and the name was changed to Dena Bank Ltd. In 1969 Dena Bank Ltd. along with 13 other major banks was nationalized. Currently Mr. P. L. Gairola is the Chairman and Managing Director of the bank. The Central Government of India holds 51 percent equity stakes in the bank while the Indian public holds 24 percent and institutional investors hold about 17 percent. Dena bank offers services and products in personal banking, corporate banking and in the NRI sector. Personal banking includes deposit schemes and loans.

Deposit schemes include savings/current accounts, fixed/recurring deposit schemes and senior citizen's scheme. Loans offered by the bank include housing, education, consumer-durables loans and trade finance, auto-finance and finance against rent receivables. In the corporate banking sector the bank has devised specific schemes for the following sectors: Educational Institutions, Builders & Developers, Hospitals, Hotels & Restaurants and the Entertainment Industry. The bank has also put in place multi pronged
strategies to enhance credit flow to the agriculture and the SME sectors. For the Small Scale Industry the bank has branches catering to its specific needs. For other SME's the bank offers technology up gradation funds, capital subsidies and credit guarantee funds. The bank provides micro finance for self help groups. The facilities provided by the bank are Electronic Fund Transfer, Debit and Credit Card, Tele banking, Kiosks, Internet Banking, Distribution of Mutual Funds, Any Branch Banking and Direct Tax Collection etc. The Registered office of Dena Bank is in Mumbai and it operates through a total of 1122 branches and 166 ATM's across the country.

INDIAN OVERSEAS BANK:

Indian Overseas Bank (IOB) was founded in 1936, by Shri. M. Ct. M. Chidambaram Chettyar. Currently Mr. T. S. Narayanasami is the Chairman and Managing Director of the bank. The promoters Government of India holds the major equity stake of 61 percent in the bank while the institutional investors hold about 21 percent and the Indian public a sizable 15 percent. The products and services of the bank include personal banking, NRI services, agricultural and agri-related consultancy services and taxable/non-taxable bond schemes. The personal banking division offers deposit and loan schemes. These include savings and current accounts, fixed, recurring, reinvestment cumulative deposit schemes besides personal and home loans. The NRI services of the bank offer FCNR, NRE, NRO and RFC accounts. In the agricultural sector IOB encourages, fosters and facilitates the growth of Hi-Tech Agriculture, Horticulture, Agro-Processing, Agro-Forestry, Animal
Husbandry etc., and related Agro industries primarily through provision of consultancy. Apart from providing various personal and commercial banking services, IOB offers services for transferring currencies across countries to facilitate cross-border transactions. The registered office of the bank is in Chennai and it runs its operations through its 1427 branches in India and 6 branches overseas. Besides the bank had 243 extension counters and a wide network of over 300 ATMs.

**ORIENTAL BANK OF COMMERCE:**

Rai Bahadur Lala Sohan Lal established Oriental Bank of Commerce in Lahore in 1943. The Central Government holds 51% stake; institutional investors hold about 40% and the Indian public hold about 6% stake in this public sector bank. Currently Mr. K. N. Prithviraj is the Chairman and Managing Director of the bank. OBC provides its personal banking customers with savings and current account, term deposit, etc. It offers the corporate customers with corporate advances, retail credit products etc. For their NRI customers the bank extends non-residence external accounts, non-residence ordinary accounts and foreign currency non-residence account. OBC has traditional loan schemes like housing loan, education and car loan. It also helps the Government through its direct tax collection scheme. OBC looks after the personal needs of the pensioners through its Pensioners Scheme and meets the credit needs of women entrepreneurs through its Oriental Mahila Vikas Yojna. In the agricultural sector OBC extends rural credit and encourages the cottage industry.
Apart from basic banking services, the bank also offer insurance service by distributes life insurance products of LIC and non-life insurance products of Oriental Insurance Company Ltd. as their Composite Corporate Agent. Based at New Delhi the bank operates through 1148 Branches besides 162 Extension Counters and 29 Regional. OBC has also installed 524 ATMs in major cities across the country. In 2004, Global Trust Bank merged with OBC strengthening its network in southern and western India. OBC has tied up with Western Union to offer inbound money transfer services. The Bank has introduced Centralized Banking Solution.

**PUNJAB NATIONAL BANK:**

Punjab National Bank was established in 1895 at Lahore in undivided India. It was nationalised in 1969 alongwith 13 other banks. It is headquartered at New Delhi. Punjab National Bank is the fourth largest bank in terms of business size with a business of Rs.2,51,474 crore at the end of the first half of 2007--08. In terms of market capitalisation, it is the sixth largest with a market capitalisation of Rs.19,586.6 as on 19 December 2007. In 2003, Punjab National Bank acquired Nedungadi bank, an old private sector bank in Kerala. The bank owns a network of 4,569 offices and 369 counters as at the end of September 2007. The bank owns a network of 1,163 ATMs. It plans to set up 347 ATMs by the end of March 2008. It provides access to 24,000 ATMs through ATM sharing agreements with other banks. The bank has implemented core banking solutions in 2,791 service outlets at 935 centres.
covering 83 per cent of the bank's business. NEFT (National Electronic Funds Transfer) is operational in 2,280 of its branches. RTGS (Real Time Gross Settlement) is implemented in 2,353 of its branches.

The bank's Large Corporate Branches (LCBs) are located in Ahmedabad, Bangalore, Chennai, New Delhi, Kolkata, Ludhiana and Mumbai. LCBs cater to corporates with credit limits in excess of Rs.25 crore. The bank's Mid Corporate Branches (MCBs) cater to mid cap corporates and are located in Delhi, Mumbai, Indore, Nagpur, Jaipur, Ghaziabad, Hyderabad, Goa and Chandigarh. The bank recently upgraded its representative office at London (UK) into a wholly owned subsidiary. The office had commenced operations in May 2007.

The bank plans to soon open a branch at Hong Kong, a subsidiary in Canada and an offshore banking unit at Singapore. The bank has sponsored nine regional rural banks in six states.

Net worth of these RRBs stood at Rs.787 crore at the end of 2006--07 compared to Rs.699 crore at the beginning of the year. At the end of March 2007, Punjab National Bank had three million ATM--cum--debit cards in issue. At the end of September 2007, the bank's deposit base stood at Rs.1, 49,980 crore while its loan book stood at Rs.1, 01,494 crore. Its investments stood at Rs.50, 126 crore. Retail credit formed 23.3 per cent of gross credit and registered a growth of 21.8 per cent to Rs.24, 100 crore. Housing credit
formed 30 per cent of its retail credit. Priority sector credit formed 42.4 per cent of its net bank credit and registered a growth of 13.9 per cent to Rs.41, 709 crore. Capital adequacy stood at 12.6 per cent. Yield on advances stood at 10.2 per cent. Cost of deposits stood at 5.6 per cent. Net interest margin stood at 3.5 per cent. Gross nonperforming assets stood at 4.57 per cent or Rs.4, 716.6 crore. Net non performing assets stood at 1.86 per cent or Rs.1, 866.3 crore.

STATE BANK OF INDIA:

VISION

• My SBI.
• My Customer first.
• My SBI: First in customer satisfaction

MISSION

• We will be prompt, polite and proactive with our customers.
• We will speak the language of young India.
• We will create products and services that help our customers achieve their goals.
• We will go beyond the call of duty to make our customers feel valued.
• We will be of service even in the remotest part of our country.
• We will offer excellence in services to those abroad as much as we do to those in India.
• We will imbibe state of the art technology to drive excellence.
VALUES

- We will always be honest, transparent and ethical.
- We will respect our customers and fellow associates.
- We will be knowledge driven.
- We will learn and we will share our learning.
- We will never take the easy way out.
- We will do everything we can to contribute to the community we work in.
- We will nurture pride in India

The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later the bank received its charter and was re-designed as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921.

Primarily Anglo-Indian creations, the three presidency banks came into existence either as a result of the compulsions of imperial finance or by the felt needs of local European commerce and were not imposed from outside in an arbitrary manner to modernise India's economy. Their evolution was,
however, shaped by ideas culled from similar developments in Europe and England, and was influenced by changes occurring in the structure of both the local trading environment and those in the relations of the Indian economy to the economy of Europe and the global economic framework.

The establishment of the Bank of Bengal marked the advent of limited liability, joint-stock banking in India. So was the associated innovation in banking, viz. the decision to allow the Bank of Bengal to issue notes, which would be accepted for payment of public revenues within a restricted geographical area. This right of note issue was very valuable not only for the Bank of Bengal but also its two siblings, the Banks of Bombay and Madras. It meant an accretion to the capital of the banks, a capital on which the proprietors did not have to pay any interest. The concept of deposit banking was also an innovation because the practice of accepting money for safekeeping (and in some cases, even investment on behalf of the clients) by the indigenous bankers had not spread as a general habit in most parts of India. But, for a long time, and especially up to the time that the three presidency banks had a right of note issue, bank notes and government balances made up the bulk of the investible resources of the banks.

The three banks were governed by royal charters, which were revised from time to time. Each charter provided for a share capital, four-fifth of which were privately subscribed and the rest owned by the provincial government. The members of the board of directors, which managed the
affairs of each bank, were mostly proprietary directors representing the large European managing agency houses in India. The rest were government nominees, invariably civil servants, one of whom was elected as the president of the board.

STATE BANK OF BIKANER AND JAIPUR:

State Bank of Bikaner and Jaipur (SBBJ) was incorporated in the year 1963. It was formed, when the two State Bank of India subsidiaries - State Bank of Jaipur and State Bank of Bikaner was merged with each other. The merged entity was renamed as State Bank of Bikaner and Jaipur. The registered office of the bank is located in Jaipur, Rajasthan. The bank is a subsidiary of State Bank of India (SBI). O P Bhatt is the Chairman and Shiva Kumar is the Managing Director of the Bank. SBBJ offers a wide range of banking services. It has a pan India presence with concentrated operations in the state of Rajasthan. Services offered by the bank includes treasury operations, corporate banking, retail banking, international banking services, demat services, internet banking, ATM service, NEFT etc. The bank offers loans to farmers for buying farm equipments, vehicles and conducting various agricultural activities.
STATE BANK OF MYSORE:

Incorporated in 1913 the State Bank of Mysore was started of as Bank of Mysore Ltd. under the patronage of erstwhile Government of Mysore, at the instance of banking committee headed by Sir M. Visvesvaraya. Subsequently, in March 1960, the Bank became an associate of State bank of India group. The State bank of India holds around 93 percent of the equity holdings of the bank. Currently Mr. Y. Vijayanand is Managing Director of the bank. The services offered by the bank include various advances and deposits. These include personal banking, commercial & industrial banking, agricultural banking and small and medium enterprise schemes. The bank offers deposits such as term and multi optional deposit schemes. The bank also provides several NRI services like international banking forex services, account opening services, drawing and remittance facility. The bank has introduced housing loan schemes for rural areas. On behalf of the Government of Karnataka the bank has been authorised to collect non-judicial stamp duty. Besides SBM has entered into tie-ups with SBILife Insurance Company Ltd. for marketing and distributing life insurance products. SBM also guides its customers to invest in tax free Govt. of India Saving Bonds, Capital Gain Bonds, National Housing Bank Bonds, Rural Electrification Corporation Bonds, Small Industries Development Bank of India (SIDBI) Bonds etc.
The registered office of the bank is at Bangalore. It has 641 branches and 20 extension counters spread all over India. These include SSI branches, industrial finance branches, personal banking branches, agricultural development branches, treasury branches, asset recovery branches etc. Bank has 213 ATMs across India.

STATE BANK OF TRAVANCORE:

State Bank of Travancore (SBT) was incorporated in 1945 as Travancore Bank Ltd. after being floated by the state of Travancore. SBT was transformed into a consociate of State Bank of India by virtue of Subsidiary Bank Act in 1959. Currently the Promoters State Bank of India has 75% of the equity holdings in bank, while the Indian public stake is about 12%. The current Managing Director of the bank is Mr. K. Sitaramam. The bank offers its services in the personal and business banking sectors. Besides it also provides banking services to the agricultural and the NRI sectors. In the personal banking sector SBT offers saving/current accounts and fixed and recurring deposits. It also offers financing for housing, education, and special schemes for pensioners. SBT focuses on rendering all forms of credit assistance to small-scale industries, agricultural sector and small business enterprises through variety of lending products. To the agricultural/rural sector SBT offers General purpose Agri. Term Loan and Crop loans. To the NRI's the bank has schemes of NRE and NRO savings account and term deposits in Indian Rupees. In Foreign Currency the bank has FCNR Accounts and RFC Accounts.
SBT has a cross-selling arrangement for life and non-life insurance and mutual funds at its branches. The above services of the bank are facilitated with Any-branch banking, Multi-city cheques, International debit card, e-Rail booking and Safe Deposit Vaults.

The registered office of SBT is at Triuvananthapuram(Kerala). It has its operations running at 670 branches in 14 states of India. However their business is concentrated primarily in Kerala with 552 branches located there alone.

SYNDICATE BANK:

Syndicate Bank, formerly known as Canara Industrial and Banking Syndicate Limited, was established in 1925 in Udupi, Karnataka. It was formed with the objective of extending financial assistance to the local weavers by mobilising small savings from the community. The bank was nationalised on 19th July 1969, along with 13 other commercial banks, by the Government of India. The name was changed to its current name in 1963 and the head office was shifted to Manipal, Karnataka in the year 1964. The bank's retail business portfolio includes housing, retail trade, automobile, consumer, education and other personal loans and deposit services such as demand, savings and fixed deposits for retail customers.

To meet the demand of corporate and commercial customers including small and medium sized businesses and government entities the bank provides
term loans, short-term loans, cash credit, export credit and other working capital financing and bill discounting along with letters of credit and guarantees. Fee-based products and services include cash management services and direct tax collections. The bank caters to the agricultural sector through agri-financial schemes for crop production, land development, minor irrigation, allied activities, plantation, animal husbandry, hi-tech agriculture, watershed development and horticulture. Credit is made accessible to small scale industry borrowers with flexible security requirements to facilitate the establishment, expansion and modernisation of their businesses. Funds are made available both for fixed assets, plant and machinery and meeting working capital needs. Agricultural credit grew by 37 per cent to Rs.8,050 crore during 2006-07 and amounted to 17.4 per cent of net bank credit. Growing by 26 per cent, priority sector advances of the bank topped Rs.18,441 crore at the end of 2005-06 constituting 39.9 per cent, just short of the mandatory target of 40 per cent. The bank lent about 5.4 per cent to small scale industries and 17.1 per cent to tertiary sectors. The bank's credit to the housing sector stood at Rs.5,100 crore. The bank issued 1.05 lakh fresh kisan credit cards during 2006-07. The cumulative number of kisan credit cards issued was 8.05 lakh. Syndicate Bank has a wide spread network of more than 2,115 branches and 701 ATMs spread across the country. Over 53 per cent of the branch network is spread in rural and semi urban areas. The bank's credit card base stood at 53,860 as on 31 March 2007. Its debit card cum ATM base stood at 14 lakh. Syndicate Bank has sponsored 5 regional rural banks (RRBs)
covering 30 districts in 5 States (Andhra Pradesh, Haryana, Karnataka, Kerala and Uttar Pradesh). These RRBs have a network of 1197 branches. Total business of Syndicate Bank-sponsored RRBs stood at Rs.16,228 crore representing a growth of 23.9 per cent during 2006-07.

Syndicate Bank made an IPO in October 1999 to raise Rs.125 crore followed by another in July 2005 for Rs.50 crore. Government of India is the major shareholder and enjoys over 66 per cent stake, while institutions and individuals hold around 18 per cent and 13 per cent respectively. In 2006, the bank floated a BPO company named Syndbank Services Ltd as a wholly owned subsidiary. It distributes third party products such as life and non-life insurance policies. Other services include online railway ticket booking, utility bill payments and excise & service tax payments through internet.

UCO BANK:

UCO Bank, a commercial bank, was founded in 1943 as United Commercial Bank with headquarters in Kolkata. It was nationalized in 1969 and was renamed UCO Bank in 1985. Apart from normal deposit generating operations the bank provides personal loans for housing, vehicle, education and other domestic needs. It also provides credit for both term and working capital requirements for agriculture and businesses including LCs and Bank Guarantees for export/imports. The bank facilitates NRI banking, loans in foreign currency, ECBs, remittances and other forex and treasury operations. UCO Bank has entered into agreements for distribution of products of Life
Insurance Corporation of India, National Insurance Corporation, Reliance Mutual Fund and UTI Mutual Fund. It has also tied up with Western Union to offer in-bound money transfer facilities. The bank has more than 1700 branches in the country, 48% of which are in rural areas. In addition, it has 166 extension counters, one Integrated Treasury Management Branch at Mumbai, an Industrial Finance Branch at Kolkata and three overseas branches at Kolkata, Chennai and Bangalore. It also has two branches each in Singapore and Hongkong. The bank has 79 ATMs across the country. Following its maiden IPO in 2003, the Government holds more than 70% stake in the bank and the rest by the Indian public, institutional investors and others.

Union Bank of India

Union Bank of India was incorporated in the year 1919, as a Central Government commercial enterprise.

The Central Government of India is the major stake holder of the bank with around 55 percent of the total share capital. The non-promoters hold around 45 percent share of which the Indian public has a significant share of about 15 percent. Currently Mr. M. V. Nair as its Chairman and Managing Director heads the bank.

The banking services provided by the bank include deposit schemes such as monthly income, recurring and cumulative deposit scheme, savings and current account and senior citizens scheme etc. UBI accepts collections
under Central Excise Duties and Service Tax from the assessee. It is also authorized to accept collection under Direct Taxes like Income Tax, Corporate Tax, Interest Tax, Expenditure Tax, Estate Duty Tax and Gift Tax etc. 609 branches throughout the country are selected to accept Direct Tax Collection from the assessee. The NRI Banking division of the bank handles foreign currency accounts, International trade finance, and other NRI Products & Services such as exchange risk management, deposits and advances etc. Priority sector such as Agriculture and Small Scale Industries are offered a range of products and services by the bank. It also offers retail loans for education, health, trade and automobiles. Treasury Product & Services of the bank include currency swap, interest rate swap and forward contract. The registered office of the Bank is at Mumbai and has more than 719 branches/extension counters and has installed nearly 469 networked ATMs across the country.

Vijaya Bank

Late Shri A. B. Shetty and other enterprising farmers in Mangalore, Karnataka, founded Vijaya Bank. The bank became a scheduled bank in 1958. Currently Mr. Prakash P. Mallya is the Chairman and Managing Director. Promoters of the bank, the Government of India has equity holding of about 54 percent, while the Indian public has about 20 percent and institutional investors have approximately 22 percent stakes in the bank.
The banking deposits of Vijaya bank include saving/current accounts and term deposits like fixed/recurring deposits, stock investments and capital gains accounts scheme. These schemes are devised to meet the needs of diverse investors like individuals, institutions, executives, professionals, entrepreneurs, housewives, and farmers among others. Loans and advances schemes of the bank include retail lending such as home, automobile, education loans, trade finance and advances to the agricultural, SME and SSI sector. The bank's loans & advances is also extended to assist rural women with special schemes. For the NRIs the bank offers deposits and loans such as NRE, FCNR, ordinary non-resident account and resident foreign currency deposit account. Other services of the bank include credit cards and merchant banking, which includes a Depository Participant with National Securities Depository Limited for both individuals and corporate. Vijay Bank offers life insurance cover to its deposit holders under a tie-up arrangement with Life Insurance Company of India.

The registered office of Vijaya bank is in Bangalore and it runs its operations through its 923 branches 62 extension counters and about 115 ATM's spread over 29 states and 3 union territories in the country.