Chapter-4: Research Methodology and Data Collection

This explorative research aims at identifying the strategic planning process being pursued by the Banks India in facilitating the transformation of the Banks to Learning Organization. An attempt has been made understand the impacting factors in the process of transformation through Organizational learning process facilitated by Information Technology. The sample banks for research have been identified through stratified random sampling method- public sector banks, new generation banks and old private sector banks. The data collection would be through a combination of methods such as Primary data and Secondary data collection methods.

Secondary Data Collection: - The secondary data has been collected from a variety of sources, depending on the type of data required for the research study:

- Review of Books on relevant areas for the research such as Change Management, Information Technology, Learning Processes, Technology based learning Technology driven banking,
- Proceedings of Seminars/conferences books on conferences — Bank Economist's conference (BECON),
- Other Publications such as Banks' Annual Results
- Press releases and interviews by executives/decision makers regarding Banks approach to Information Technology
- Web Information: Web sites of banks, other sites such as indiainfo.com, bankersindia.com etc.

Primary Data Collection Method: - The primary data required for the research was collected by mailing questionnaires to the sample banks. The questionnaire was designed with the following objectives:

- What is the Role of IT in the Strategic Planning Process in the bank?
- Does the bank have an Institutionalized Process/planning approach towards Identifying futuristic competencies and skills for building them at the bank level?
- Is the bank adopting a planned approach towards creating learning environment with the facilitation of IT at organizational, group/team and individual employee level?
- Role played by line managers and training managers in Learning process of these banks.
• What are the IT tools used by Banks for facilitation of Learning Process i.e., Technology Tools for collection and dissemination of Information to employees (e-learning etc.,)

4.1 Sampling for the Research

The objective of the research is to understand the emerging trends in the area of technology in Indian banking with a view to study the adoption process of technology, the phenomena of learning, the role of technology in facilitating learning processes in Indian banks. The changes in the form of competition and technology which are the two major driving forces in Indian banking context have made it imperative for the banks to focus upon learning for providing sustainable competitive advantage. The advent of technology has not only changed the way banks are functioning in this country but in the process it has also changed the working environment as well as the skills and competencies acquired by the employees for performing in the changed scenario. The technology adaptation for technology by the employees requires their learning of not only the technology facets but of several emerging areas such as asset liability management, net banking and other such recent IT initiatives of the banks. This calls for a contemporary learning in the work context itself as against the earlier practice of off the job learning. This concept of learning of the job while performing not only possesses a challenge to the banks but also to the employees at the individual and also at the group level. The study aims to understand the performance of various players i.e. public sector banks, old private sector banks, foreign banks and new generation banks vis-a-vis their levels of technology adoption, the learning environment, subsisting in them and also the extent of usage of IT by these banks in facilitating the learning environment.

4.2 Sample Strata

The methodology adopted for selection of the samples, the banks, based on the categorization of the Indian Banks Association (IBA), the major players have been categorized into following strata. The brief profile of each of the strata has described below:

Strata 1: Public sector Banks: These banks which were occupying commanding heights during eth license are now seriously facing the onslaught of competition and the increasing influence of Information Technology. The scenario of these banks presents a kaleidoscope. Some banks have excelled in terms of IT adoption, while the rest are gearing to the situation are either in the stage of finalizing their IT plans/strategies or implementation of the decided IT plans.
Strata 2: Old Private Sector Banks: These banks have the mixed characteristics of the public sector as private sector banks. Their structure, systems and even the manpower competencies are closer to the public sector counterparts. Some of the players who were the leaders in the private sector are trying to catch with their younger counter by taking up the recruitment and IT adoption on an aggressive scale to meet the competitive pressures.

Strata 3: New Generation Banks: These banks have come into the existence in the post liberalized scenario since 1991 and most of them had recruited the best available manpower from the existing payers and have taken up the help of Information Technology, not only to differentiate, but also to overcome the deficiency of branch network with ATMs and other technology driven services to provide accessibility to the customers.

To understand the sub-sectoral dimensions with the above parameters and to study the differences it is proposed to carry out the research in two segments, which are selected through stratified random sampling method.

In case of Public sector Segment, it is proposed to take the banks, which have excelled in terms of implementation of IT initiatives and others, which are in the process of IT adaption.

Private Sector segment, similarly, it is proposed to take two banks randomly, from the new generation and the second from the old generation banks for comparison purposes. Among the new generation banks, Global Trust Bank, HDFC Bank which are aggressive players, and fore runners among the new generation banks to offer technology driven facilities to the customers. Among all old generation banks J & K Bank & The Vysya Bank, are typical old generation banks, which were leaders till the early nineties, but were over taken by the new generation banks. They have been carrying out the reformation to transform into a modern banks.

The brief profiles of the sample banks have been given below: -

4.3 Public Sector Banks

4.3.1 The Corporation Bank

The bank was established on March 12, 1906 and would be celebrating its centenary year shordy. The performance parameters of the bank are: -
**Total Business:** During the financial year 2000-2001, the performance of the Bank soared to new heights in terms of total business. The business of the Bank crossed the landmark of Rs.25,000 crore and the business stood at Rs.25,226.24 crore, recording a growth rate of 14.4 per cent.

The total deposits of the Bank have grown by Rs.2280.51 crore from Rs. 14279.63 as on 31st March 2000 to Rs. 16560.14 crore as on 31st March 2001 registering a growth rate of 15.97 per cent.

The Bank had adopted a cautious approach in expanding credit in consonance with its policy on Credit Risk Management. The loans outstanding have risen by Rs.888.64 crore from Rs. 7777.47 crore as on 31st March 2000 to Rs. 8666.10 crore as on 31st March 2001 registering a growth rate of 11.4 per cent.

**Financial Results:** The year 2000-2001 has been one more year of success for the Bank as far as maximization of profit and profitability is concerned. The superior performance in each of the functional areas yielded the desired results thereby enhancing the returns to shareholders. The constant monitoring of pricing of deposits and advances through effective tools of Asset-Liability Management and measuring, monitoring and controlling risk through a well defined risk management system helped the Bank to sustain and improve the spread.

**Income Analysis:** In spite of cuts in PLR during the year, the Bank could improve the Interest Income and at the same time, reduce the Cost of Deposits and also show a reasonable growth in Non-interest Income.

<table>
<thead>
<tr>
<th>Parameters</th>
<th>2000 - 2001 (April/March)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>1804.54</td>
</tr>
<tr>
<td>Interest Expenditure</td>
<td>1223.21</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>581.33</td>
</tr>
<tr>
<td>Fee, Commission &amp; Other Revenue</td>
<td>292.09</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>873.42</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>341.36</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>532.06</td>
</tr>
<tr>
<td>Provisions &amp; Contingencies</td>
<td>135.07</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>369.99</td>
</tr>
<tr>
<td>Provision of Tax</td>
<td>135.15</td>
</tr>
<tr>
<td>Net Profit</td>
<td>261.84</td>
</tr>
</tbody>
</table>
The total income (interest income plus non-interest income including fees, commission and revenue) has improved to Rs.2096.63 crore during the fiscal 2000-2001 from Rs. 1875.20 crore in the previous fiscal year, recording a rise of Rs.221.43 crore (11.8%). Total Interest Income amounted to Rs.1804.54 crore for the financial year 2000-2001, as compared to Rs.1604.39 crore in the previous financial year, registering an increase of Rs.200.15 crore (12.5%).

Non-interest Income showed a reasonable growth of Rs.21.28 crore (7.9%) from Rs.270.81 crore in the financial year 1999-2000 to Rs.292.09 crore in the financial year 2000-2001. The percentage of Non-interest Income to Total Income stood at 14.0%. The Net Income from operations (Interest Spread plus Non-interest Income) has increased to Rs.873.42 crore in the financial year 2000-2001 as compared to Rs.729.11 crore in the financial year 1999-2000, thus recording a growth rate of 19.8%.

**Spread Analysis:** The efficient and prudent Asset Liability Management enabled the Bank to improve the interest spread. The yield spread increased by 40 basis points, from 3.00 per cent in financial year 1999-2000 to 3.40 per cent in financial year 2000-2001. The details of the spread analysis is furnished here below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Working Funds</td>
<td>16900.00</td>
<td>15100.00</td>
</tr>
<tr>
<td>Total Interest Income</td>
<td>1804.54</td>
<td>1604.39</td>
</tr>
<tr>
<td>Total Interest Expended</td>
<td>1223.21</td>
<td>1146.09</td>
</tr>
<tr>
<td>Spread</td>
<td>581.33</td>
<td>458.30</td>
</tr>
<tr>
<td>Yield on Funds (%)</td>
<td>10.6%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Cost of Funds (%)</td>
<td>7.2%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Net Interest Margin (%)</td>
<td>3.4%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

**Gross Profit:** The Gross Profit for the financial year 2000-2001 stood at Rs.532.06 crore as compared to Rs.425.12 crore in the financial year 1999-2000, thus registering an increase of Rs.106.94 crore (25.2%). The Asset Utilization Ratio (percentage of Gross Profit to average Working Funds) has improved from 2.8% in the financial year 1999-2000 to 3.1% in the financial year 2000-2001.

**Capital Funds and CRAR:** The Net Worth of the Bank as on 31st March 2001, stood at Rs.1347.70 crore as compared to Rs.1144.76 crore as on 31st March 2000. The Capital to Risk
Adjusted Ratio (CRAR) improved from 12.8 per cent as on 31st March 2000 to 13.3 per cent as on March 31, 2001, which is well above the stipulated Reserve Bank of India norms of 9%.

**Branch Network:** During the year 4 branches were opened, thereby taking the number of branches to 652 as on 31.3.2001, spread over 21 states and 2 Union Territories. The Bank has presence in 93 out of 100 top centres of the country. The number of specialized branches rose to 118 during the year 2000-2001. The number of Extension Counters stood at 45 as on March 31, 2001.

<table>
<thead>
<tr>
<th>Specialized Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td>Personal Banking</td>
</tr>
<tr>
<td>CAPS</td>
</tr>
<tr>
<td>Industrial Finance</td>
</tr>
<tr>
<td>SSI</td>
</tr>
<tr>
<td>Asset Recover)°</td>
</tr>
<tr>
<td>Housing Finance</td>
</tr>
<tr>
<td>Overseas</td>
</tr>
<tr>
<td>Commercial Banking</td>
</tr>
<tr>
<td>NRI</td>
</tr>
<tr>
<td>Commercial &amp; Personal Banking</td>
</tr>
<tr>
<td>Service</td>
</tr>
<tr>
<td>Fast Collection Sendee Branch</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>No.</strong></td>
</tr>
<tr>
<td><strong>Metro</strong></td>
<td>169</td>
</tr>
<tr>
<td><strong>Port Town</strong></td>
<td>21</td>
</tr>
<tr>
<td><strong>Urban</strong></td>
<td>143</td>
</tr>
<tr>
<td><strong>Semi Urban</strong></td>
<td>154</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td>165</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>652</td>
</tr>
</tbody>
</table>
Customer Service: The Bank has been continuing its endeavours to provide the best of the services to its clientele. The Bank has taken many strategic initiatives to improve the standards of customer service at Branches. Service with quality is the essence of success in winning the customer confidence. The Bank secured ISO 9002 certification for service excellence at nine of its branches. The business hours of computerized branches are extended by one hour on week days and by thirty minutes on half-days. The Bank has also extended non-cash business hours till one hour before closure of working hours at all the branches. The Bank has identified the key areas in which the level of customer satisfaction can be enhanced on an ongoing basis through customer service surveys and self-audit by branches. Corrective measures have been initiated wherever required with a view to improving the service levels at branches. The Bank declared the year 2000 as the "Year of Customer Care" to make the entire front-line employees customer focused.

Customer Grievance System: Aggrieved customers can lodge their complaints with the branch manager, zonal manager or with the Head Office. Customer Service Division at Head Office monitors the redressal of customer complaints. The Bank has evolved a system to promptly redress the complaints.

Social Concerns: As a good Corporate Citizen and as part of the Bank's societal concerns, the Bank sponsored Road Dividers in Mangalore with an objective to help the Civic Authorities in regulating traffic in busy roads. The Bank has donated Rupees one crore to the Prime Minister's National Relief Fund for the rehabilitation of the Gujarat earthquake victims. The members of the staff also donated one day's salary amounting to Rs. 41 lakhs to the Prime Minister's National Relief Fund. The Bank's endeavours on societal concerns in various parts of the country have contributed in a larger measure in enhancing its image in the eyes of the public.

Performance of Subsidiaries and other units sponsored by the Bank

Corpbank Homes Limited: The housing finance subsidiary, viz. Corpbank Homes Ltd., launched by the Bank on 22nd May 1998, has posted satisfactory performance during the fiscal. The subsidiary earned an operating profit (profit before tax) of Rs. 2.13 crore for the year as against Rs.1.43 crore for the previous year. The net profit after tax for the year ended 31st March 2001 was Rs.1.66 crore as against Rs.1.09 crore for the previous year. The loan disbursements by the Company aggregated to Rs.54.19 crore during the year and the outstanding advances stood at Rs.82.54 crore as at March 2001. The net worth of the
Company stood at Rs.12.57 crore as on 31st March 2001 and the Capital Adequacy Ratio was at 14.53 per cent.

- **Corpbank Securities Limited:** Corpbank Securities Limited, a wholly owned subsidiary of the Bank was set up to function as a Primary Dealer and started business operations on 14th March 2000. During the first year of full-fledged business operations, Corpbank Securities Ltd. posted excellent financial results. The company earned an operating profit (profit before tax) of Rs.25.24 crore. The net profit after tax for the year ended 31st March 2001 was Rs.14.79 crore. The net worth of the Company stood at Rs.86.19 crore as at 31st March 2001 and the Capital Adequacy Ratio was 26.21 per cent.

- **Regional Rural Bank:** The Chikmagalur Kodagu Grameena Bank [CHIKO Bank], sponsored by the Bank, recorded satisfactory progress in its overall performance during the year. As on 31st March 2001, the deposits and advances of the Grameena Bank stood at Rs.83.70 crore and Rs.69.34 crore, respectively. The CHIKO Bank posted net profit for the fifth year in succession and the net profit for the year 2000-2001 stood at Rs.218.29 lakhs. The Grameena Bank has a network of 46 branches and one extension counter.

- **Corporation Bank Self Employment Training Institute:** Corporation Bank Self Employment Training Institute [COBSETI] has completed five successful years of its existence. COBSETI has so far conducted 91 vocational training programmes since inception covering various areas. The institute has so far trained 2588 unemployed youth from Chikmagalur and Kodagu Districts. Of these, 1294 trainees have taken up self-employment ventures.

- **Economic Development Foundation:** The Bank continued its social service under the aegis of Corporation Bank Economic Development Foundation. Financial grants to the extent of Rs.22.88 lakhs were sanctioned to 17 needy schools for providing infrastructural facilities such as building construction/renovation, furniture and drinking water. Computers were donated to 34 schools towards enabling school children residing in remote areas to have access to Information Technology. Various health care projects and a seminar on population policy for Karnataka were also organised by the Foundation.

**Technology Driven Banking Services for Corporates —
(Collection and Payment Services-CAPS)**

The bank launched Internet Banking for the corporate customers of its Collection And Payment Services (CAPS) i.e., Cash Management Services. Shri. Keshub Mahindra, Chairman, Mahindra &
Mahindra Ltd. launched the Net Banking Facility at an impressive function held in Mumbai on January 1, 2001.

In the niche area of Collection And Payment Services, Corporation Bank has a leadership presence in the country and caters exclusively to the Cash Management requirements of the corporates. The Bank, within its network, has ten specialized CAPS Branches, which are fully automated and currently service over 900 companies.

The Bank's Fast Collection Services (FCS) is one of its Premier Products as per which collections from 135 cities / towns are pooled at locations of corporate's choice. The Bank is able to substantially collapse the time involved in transfer of funds representing the receivables, benefiting the corporates in terms of improved liquidity, reduced interest cost, elimination of reconciliation hassles etc.

In keeping with the tradition of improving the services continuously. Corporation Bank has now introduced the Internet Banking facility for the corporate customers of CAPS. This facility will significantly change the way the Cash Management Services is currently delivered. It will impart convenience of accessing data / information round the clock on all days at the user.

- **CORP DIAL:** Anything that saves you time nowadays must be worth its weight in fold. That's why the bank has launched tele-Banking service. Customer can check their finances and also manage money when it's most convenient to them and not necessarily during banking hours only.

**Remote Access from Companies and Homes:** Corporation Bank offers CorpReach, the Remote Access facility for its customers that enables the customers to bank from the comfort of your home, or even from workplace.

**Corp Reach:** The salient feature of the service is that remote Access is provided to the customer through computers and:

- Customer is able to get all account related information on his/her computer
- Facility to download account statement as ASCII text file
- Can leave instructions to the Bank
- Can view advices given by the Bank
- Authentication using Personal Identification Number
The Special services offered include, Balance Enquiry, Statement Enquiry - printing/download, Stop payment Request, Cheque Book Request, Transfer of Funds Request, Withdrawal Request, Outward Clearing Cheque Status Enquiry, Outstanding Bills Query, Deposit Interest Rate Query, Advances Scheme Details, LC Application Entry, Bills Purchase Application Entry, Deposit Application Entry etc.,

4.3.2 The Andhra Bank
Andhra Bank is one of the leading Nationalized Banks in India. Its Head Office is located at Hyderabad, Andhra Pradesh. It was established in 1923 by the illustrious leader of freedom movement, great visionary and a Telugu man, Dr.Bhogaraju Pattabhi Sitaramayya at Machilipatnam, Krishna District, in the erstwhile Madras Presidency. The history of Andhra Bank spans over a period of more than 7 decades and the Bank has been rendering invaluable service to the customers and contributing for economic, industrial and agricultural advancement of the Nation. Starting from a humble beginning, the Bank has grown from strength to strength and made rapid strides.

The Bank is having 978 full-fledged branches, 27 Clusters and 65 extension counters, operating in 17 States and 2 Union Territories of India with a work force of 16,200 employees. The Bank has opened one Industrial Finance Branch at Hyderabad and four Specialized Small Scale Industrial Finance Branches and designated three Branches as High-Tech Agricultural Branches besides one as Auto-Tech Branch.

The total deposits of the Banks stood at Rs.18,490 crores and advances at Rs.9678 crores as on March 31, 2002 . The Bank is a pioneer in the Credit Card Business and is the only Bank having arrangements with all the three major International Organizations - Visa, MasterCard and JCB.

The Bank has its presence in core sector industries in Steel, Power, Cement and other industries like Textiles, Paper, Sugar, Drugs and Pharmaceuticals etc. The Bank participates in project finance and working capital loans both Domestic and Export-based. Substantial number of Export clientele is with the Bank.

The Bank has been making continuous efforts to improve the customer service to the satisfaction of its clients. The Bank has started special counters for "issuance of Demand Drafts and for attending to 'Senior Citizens". The Bank has also introduced 'Seven-day Banking' and 'Extended Business
Hours at selected branches. Fast track cheque collection system is introduced initially covering 181 branches at 15 major centers.

### 4.3.3 Canara Bank

Canara Bank was founded in 1906 as Canara Bank Hindu Permanent Fund, after that it blossomed into a limited company as Canara Bank Ltd. In 1910 and after nationalization in 1969 it became Canara Bank. Canara Bank has more than 2400 branches spread over 22 states with 13 circle offices and 32 regional offices. They have international Divisions and Foreign Departments to support NRI's.

**HRD PRACTICES:** From a small town Bank, started way back in 1906, today the bank has grown to become a frontline Banking Institution of India with sound foundations. The bank firmly believes that Human Resources as a most valuable asset. He employees have inherited a unique heritage of open and informal family culture. There are a series of people-building HRD initiatives. The emerging challenges of a HberaKsed economy entail a responsibility for developing motivated and knowledgeable workforce to meet the requirements.

Canara Bank has been a forerunner in establishing its own training system way back in 1950s itself. The Apex Level Training College at Bangalore ably supported by 13 Regional Centres spread over length and breadth of the country takes care of the knowledge, skill, and attitudinal development of the employees. Being proactive to the requirements of empowered workforce, the Bank also sponsors individuals to external training programmes both within and outside the country.

In order to ensure that a well-motivated workforce contributes towards the growth of the institution, our Bank has made inroads towards establishment of Quality Circle concept among its employees. The growth of this concept can be gauged by the fact that as on date, we have over 700 active quality circles. These quality circles have carved out a niche for themselves at various National and International level competitions and have returned with handsome prizes.

The bank is a socially responsive and active corporate citizen and it has undertaken several initiatives for training of Artisans in production and marketing activities, Training in Self-employment of rural women and youth, drinking water schemes in rural areas etc.,
**Technology Thrust:** The bank has also been adopted a progressive approach towards technology adaptation. The bank is the way of preparing IT security Policy. The bank also offers Anywhere and ATM banking facility to the customers.

**Performance Highlights & Working Results :: 2001-02**

- Gross profit increased from Rs. 1131 crore for 2000-01 to Rs. 1656 crore in 2001-02, registering a healthy 46.4% growth.
- Net profit shot up to Rs.741 from Rs. 285 crore, posting an all-time high growth of 160%.
- Profitability, as measured by Return on Assets, increased from 0.43% to 1.02%.
- Business per employee rose from Rs. 1.91 crore to Rs.2.15 crore. Profit per employee moved up from Rs.0.63 lakh to Rs.1.64 lakh.
- Capital adequacy ratio went up by two percentage points to 11.88% as compared to 9.84% as at March 2001.
- Gross NPA declined from Rs.2243 crore to Rs.2155 crore, bringing down the Gross NPA ratio from 7.80% to 6.22% during the year. Net NPA came down from Rs.1345 crore to Rs.1288 crore, reducing the Net NPA ratio from 4.84% to 3.89%.
- Global Business of the Bank rose from Rs.86902 crore to Rs.97157 crore registering a growth rate of 12%.
- Global deposits of the Bank rose to Rs.64030 crore compared to Rs.59070 crore as at March 2001.
- Advances (net) increased to Rs.33127 crore as at March 2002 vis-a-vis Rs.27832 crore as at March 2001, registering a growth rate of 19%.
- Disbursals under retail lending stood at Rs.1700 crore, taking outstanding retail loans to Rs.3075 crore.
- Priority sector advances, at Rs. 10536 crore, formed 41% of net credit as against die stipulated norm of 40%.
- Under Kisan Credit Card Scheme 2.96 lakh cards were issued as against the target of 2.75 lakh, taking the total number of cards issued to 7.4 lakh, with a credit coverage of Rs.1633 crore.
- Foreign business turnover aggregated to Rs.59333 crore.
- Number of computerised branches rose to 1564 from 996, covering 65% of branch network and 81% of the Bank's business.
- ATM strength rose to 103 from 31.
• Bank's subsidiaries/sponsored entities recorded improved performance during the year.
• Number of branches under ISO 9001 certification went up to 122 from 14.

The comparative performance analysis of the bank for the previous three financial years is as below:

<table>
<thead>
<tr>
<th>Details</th>
<th>1999-2000</th>
<th>2000-01</th>
<th>2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branches</td>
<td>2397</td>
<td>'2405</td>
<td>2409</td>
</tr>
<tr>
<td>Deposits</td>
<td>48001</td>
<td>59070</td>
<td>64030</td>
</tr>
<tr>
<td>Advances (Net)</td>
<td>23547</td>
<td>27832</td>
<td>33127</td>
</tr>
<tr>
<td>Total Number of staff</td>
<td>55363</td>
<td>48257</td>
<td>47796</td>
</tr>
<tr>
<td>Net profit</td>
<td>236</td>
<td>285</td>
<td>741</td>
</tr>
</tbody>
</table>

**Future Plans**

- Total projected business of the bank for the year 2002-03 is Rs. 1,12,000 Crore comprising of Rs. 73500 Crore deposit and advances of Rs. 38500 Crore.

*ATM strength to be raised to 250 and "Anywhere banking Facility" to be extended to 300 branches by March 2003.

- Plans to launch debit card, Internet and Mobile Banking facilities
- VSAT strength to be increased to 50 and 650 branches at select centers to be connected by 2002-03.

### 4.3.4 State Bank of Hyderabad

State Bank of Hyderabad was constituted as Hyderabad State Bank on 8.8.1941 under Hyderabad State Bank Act, 1941. The Bank started with the unique distinction of being the central bank of the erstwhile State of Hyderabad, covering present-day Telangana region of Andhra Pradesh, Hyderabad-Karnataka of Karnataka and Marathwada of Maharashtra, to manage its currency - Osmania Sikka and public debt apart from the functions of commercial banking. The first branch of the Bank was opened at Gunfoundry, Hyderabad on 5th April, 1942.

In 1953, the Bank took over the assets and liabilities of the Hyderabad Mercantile Bank Ltd. In the same year, the Bank started conducting Government and Treasury business as agent of Reserve Bank of India. In 1956, the Bank was taken over by Reserve Bank of India as its first subsidiary and its name was changed from Hyderabad State Bank to State Bank of Hyderabad. The Bank became a
subsidiary of the State Bank of India on the 1st October 1959 and is now the largest Associate Bank of State Bank of India.

**ORGANISATION:** The Bank is managed by a Board of Directors. Chairman, State Bank of India, is the ex-officio chairman of the Board which comprises experts in various fields, e.g., agriculture, business/industry, management, etc. and the representatives of Workmen/Officers Associations besides nominees of Government of India, Reserve Bank of India and State Bank of India. The Chief Executive Officer, Managing Director is appointed by the State Bank of India in consultation with the Bank's Board and with approval of the Reserve Bank of India. The management team consists of the Managing Director, Chief General Manager and five General Managers. There are separate senior functionaries to look after various functional and developmental activities.

The organisational set up is decentralised with seven Zonal Offices at Hyderabad, Secunderabad, Warangal, Vizag, Gulbarga, Aurangabad and Mumbai headed by Deputy General Managers. 25 Regional Offices attached to the zones act as controlling offices for branches.

**Performance Highlights as on 31st March 2002**

<table>
<thead>
<tr>
<th>OPERATING PROFIT</th>
<th>Rs. 600.05 Cr.</th>
<th>RETURN ON ASSETS</th>
<th>% 1.02</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET PROFIT</td>
<td>Rs. 226.49 Cr.</td>
<td>RETURN ON EQUITY</td>
<td>% 25.73</td>
</tr>
<tr>
<td>NET NPAs</td>
<td>% 4.97</td>
<td>CAPITAL ADEQUACY</td>
<td>% 14.03</td>
</tr>
<tr>
<td>BUSINESS TURN OVER</td>
<td>Rs. 26318 Cr.</td>
<td>EARNING PER SHARE</td>
<td>Rs. 1313</td>
</tr>
<tr>
<td>CAPITAL FUNDS</td>
<td>Rs. 1278.46 Cr.</td>
<td>BOOK VALUE PER SHARE</td>
<td>Rs. 5788</td>
</tr>
</tbody>
</table>

**Technology Implementation:** The bank technology orientation is in consonance with the other members of the State Bank Group, which have been steadily and aggressively moving towards technology adaptation and providing of techno-banking services such as ATMs, Internet banking facility etc., to the customers.

**4.3.5 State Bank of Bikaner and Jaipur**

State Bank of Bikaner and Jaipur, a professionally managed Public Sector Bank with a track record of uninterrupted profitability and dividend payment (except one year) since its inception in 1963, came into existence after amalgamation of the erstwhile State Bank of Jaipur with State Bank of Bikaner, as a subsidiary of State Bank of India.

The Bank took over the business of 'the Govind Bank Pvt. Ltd.' on 25th April, 1966. Bank's main area of operation is Rajasthan with presence in almost all-important banking centres in the country.
Out of total 6 zones of the Bank, 2 zones viz Delhi and Mumbai are located outside Rajasthan. The other 4 zones are Bikaner, Jaipur, Jodhpur and Udaipur. The Bank, through these 6 Zonal offices and its 802 branches including 8 service branches (139 outside Rajasthan in 18 states) caters to all banking needs of the people. The Bank, a member of premier State Bank Group, extends its reach to almost every part of the Globe, through agency arrangements with its correspondent banks.

The Bank commands nearly 30% business of all scheduled commercial bank's business in Rajasthan. Over the years, the Bank expanded rapidly. Bank's business crossed Rs.10000 crore mark during 1997-98. Bank's maiden public issue of Rs. 73.44 crores was oversubscribed by 3.83 times in Dec. 97 and the Bank was awarded autonomy by the Govt. of India in the same financial year. The total business of the Bank has crossed 17,500 crore Rupees as on 31-03-2002.

Thrust Areas: The Bank is giving thrust on fee-based income and relatively safe high yielding advances like Trade advances, Personal segment advances and Agricultural advances. The Bank provides Demat Services and Trusteeship for debenture holders to increase its fee-based income. The Bank is planning to introduce Cash Management Services, for the benefit of corporate customers.

The Bank is giving high priority for adoption of modern technology to provide efficient and prompt customer service. The Bank has 287 computerised branches covering more than 73% of its business. The Bank has installed 25 ATMs and proposes to start 75 more ATMs by march 2003. The Bank has prepared an action plan to Network various departments at Head Office and Zonal offices and connect important branches in Delhi, Mumbai and Jaipur through VSATs.

4.3.6 Punjab National Bank
The bank was established in 1895 at Lahore, undivided India, Punjab National Bank (PNB) has the distinction of being the first bank to have been started solely with Indian capital. From its modest beginning, the bank has grown in size and stature to become a front-line banking institution in India at present.

The bank has its presence in virtually in all the important centres of the country and offers a wide variety of banking services, which include corporate and personal banking, industrial finance, agricultural finance, financing of trade and international banking. The clients of the bank include, multinational companies, Indian conglomerates, medium and small industrial units, exporters and
non-resident Indians. The large presence and vast resource base have helped the bank to build strong links with trade and industry. At the same time, the bank has been conscious of its social responsibilities by financing agriculture and allied activities and small-scale industries (SSI). Considering the importance of small-scale industries bank has established 16 specialised branches to finance exclusively such industries. The Bank is a member of the SWIFT and 75 branches of the bank are connected through its computer-based terminal at Bombay. The Bank also maintain accounts in 13 currencies. With its state-of-art dealing rooms and well-trained dealers, the bank offers efficient forex dealing operations in India.

Keeping with its tradition of excellence in customer service PNB has adopted a quality movement "Alliance with Quality". Under this as many as 364 offices of the bank have been awarded the coveted ISO 9002 certification. The bank is committed to maintaining the highest standards of service and will be covering more offices under this quality movement.

At the end of March 2002, the bank had 3857 branches and 411 extension counters spread throughout the country, the largest amongst the nationalised banks. Besides, the bank has set up 2 Large Corporate Branches (LCBs), 4 Mid Corporate Branches (MCBs), 14 SSI financing branches, ll International Banking Branches, 2 hi-tech agricultural finance branches and one each for industrial finance and non-residents. The achievements and select highlights of the bank at the end of the last fiscal year are as under:

• Achieved a Net Profit of Rs.562.39 crore at the end of March 2002 as compared to Rs.463.64 crore at the end of March 2001 registering a growth of 21.3%. and thus registering a growth of 56%.
• Gross Profit of the bank improved to Rs.1474 crore including Rs. 438 crore from treasury operations, at the end of March 2002 compared to Rs. 945 crore in the previous year, registering a growth of 56%.
• The Bank's Capital and Reserves increased to Rs. 3216 crore as on 31.3.2002 as against Rs.2669 crore on 31.3.2001. Bank's Capital to Risk Asset Ratio (CRAR) improved to 10.70% at the end of March 2002 from 10.24% at the end of March 2001.
• Total Business increased from Rs.84160 crore in March 2001 to Rs. 98492 crore in March 2002, registering a growth of 17 percent.
• Total deposits of the Bank amounted to Rs.64, 1131 core in March 2001 registering a growth of 14.2%. The low cost
deposits comprising savings and current deposits formed 44.3% of total deposits at the end of March 2002.

- Total Advances increased by 22.6% from Rs.28,029 crore at the end of March 2001 to Rs. 34,369 crore at the end of March 2002. Disbursals under the retail lending increased to Rs. 3,074 crore at the end of March 2002 from 1,655 crore in previous year, a growth of 86%. 'PNB Privilege Card' was also launched as a pre-approved personal loan. Education Loan Scheme was fine tuned and credit assistance of Rs. 135.31 crore to 7542 students was provided during the year for pursuing study in India and abroad.

*Priority Sector (PS) Credit at Rs.15,179 crore formed 45.5 percent of Net Credit, surpassing the national goal of 40 per cent.*

- The bank established 'PNB Centenary Rural Development Trust'. The Trust runs a training centre for providing training for self employment to rural youth at Village Dhudike(Moga,Punjab) and has also established a 'Soil Testing Centre' and 'Artificial Insemination Centre' for the benefit of farmers at Village Matki Jharoli (Sharanpur,UP)

- Ratio of net NPAs to net advances declined to 5.32 percent from 6.69 percent at the end of March 2001.

- The bank provided export credit to the tune of Rs.3,013 crore during the year 2001-02.

- Total income during the year rose to Rs. 7626 crore from Rs. 6642 crore in March 2001 registering a growth of 14.8%.

- Total Expenses at Rs. 6154 crore have registered a growth of 8.02% during the year.

- Staff productivity measured in terms of business per employee rose to Rs. 1.68 crore from Rest. 1.42 core at the end of March 2001.

- PNB came out with an IPO in the end of March 2002 and raised Rs.164.49 core. The issue received overwhelming response from the investors and was oversubscribed 4.23 times.

- In its endeavour to become a universal bank, the bank introduced the Gold Import Scheme in the beginning of September 2000, which has received an encouraging response.

- The bank launched the PNB International Credit Card, which is co-branded with Hongkong and Shanghai Banking Corporation (HSBC). The cards are being issued under VISA/Master Card franchise with Gold and Classic variants.

**IT Strategy.** Recognizing that technology is emerging as a key-driver of business, the bank has been gradually increasing its investments in information technology. As part of its IT strategy, the bank has been focusing on computerization of operations and provision of technology based banking solutions. At the end of March 2002, the bank has effected computerization in 2395 branches. This has enabled it to capture more than 79% of its
business through computerization. Towards providing alternate channels of service delivery, the bank has installed 165 ATM facilities, while Telebanking services and Remote Access facilities are provided in 115 offices and 44 offices respectively. PNB was the first bank in the country to provide Electronic Data Interchange (EDI) through which payment of customs duty and receipt of duty drawback is facilitated through electronic media. To facilitate faster collection of instruments, a Cash Management Sendee is provided in 82 centres for retail customers and 44 centres for corporate clients. As a medium term strategy, the bank is implementing Centralised Banking Solutions (CBS) by establishing connectivity between 1500-2000 branches. This will enable the bank to offer "Any time, Any where" banking. The bank will be entering Internet banking once the CBS is implemented. PNB is the first bank to implement the Bilingual Total Automation and the system was implemented in 18 branches during the year.

4.3.7 Bank of Maharastra
The bank commenced its operations in the year 1936 and its deposits base crossed 10 million mark in 1944. The bank was nationalized in the year 1961 and it had opened its 200th branch in 1970, while the deposits had crossed 1 billion mark in 1981. The bank has celebrated its Diamond jubilee in 1996.

IT Efforts: The bank in its efforts for total computerisation Bank has:

- Computerised 502 branches
- Installed ATMs at 38 locations
- Introduced telebanking at more than 89 centres.

Bank of Maharashtra has an ambitious target of providing computerized services at its branches. The Bank has an ambitious outlay of over Rs.1 billion for computerization of branches while entering the new millennium.

Future Plans: The bank has progressed by leaps and bounds in the Information Technology sector. Reflection of the same is also clearly evident in its future plans. For the year 2002-2003 the Bank has planned:

- To use its Information Technology Training Institute for creating an army of IT savvy personnel. (Information Technology Training Institute already established in Pune and fully functional since 22.05.2000)
• To establish inter-branch connectivity at selected centers like Pune, Mumbai, Delhi, Kolkatta, Chennai, Bangalore and Hyderabad. In second phase, inter-city connectivity will be established.
• To extend Tele-Banking in total 100 branches in Mumbai, Delhi, Kolkatta, Chennai, Bangalore, Hyderabad, Aurangabad and Nagpur and Pune.
• To establish "Touch Screen" query terminals at 88 branches in various cities.
• The bank has already initiated steps for implementation of the SFMS initially at 3 cities i.e. Mumbai, Pune and Hyderabad. The SFMS will provide messaging solution for inter-bank and intra-bank transactions across the country on the lines of SWIFT.
• 262 additional ATMs would to be installed all over India taking the total to 300.
• The implementation of the Rural Branch Mechanization Project will commence in the year 2002-2003 after which the comprehensive data relating to bank's business will be captured on the computers. This will help the Bank to take informed decisions including effective assets liability management.
• To ensure 25% growth in business so as to achieve the dream of "doubling the business within three years".
• To increase it's Net Profit, more particularly non-interest income as of March 2003.
• To attack hard core Non Performing Assets with systematic approach for, bringing down the gross level of NPAs.
• 25 branches will be opened at strategic business centers.
• To increase the customer base by more than 14%.

Performance Highlights (2001-02):
• Net profit for the year 2001-2002 showed a rise of 221.77% and reached a level of Rs.1454.15 million, as against 451.94 million of the previous year. Operating profit of 4150.40 million showed a growth of 72.95%.
• Deposits reached a level of Rs. 191306.33 million registering a rise of 12.37%.
• Net credit reached a level of Rs. 82551.22 million showing a rise of 23.72%.
• Per employee business as on 31.03.2002 is registered at Rs. 19.14 million.
• 100% of its investments marked to market as on 31.03.2000.
• Export credit outstanding as on 31.03.2002 at Rs.5374.10 million.
• A wide network of 1222 branches all over India.
• 502 computerised branches.
• Seven days working at its 28 strategic branches.
• Telebanking at 89 branches and query terminal at 29 branches

4.3.8 Central Bank Of India

Established in 1911, Central Bank of India was the first Indian commercial bank, which was wholly owned and managed by Indians. During the past 90 years of history the Bank has weathered many storms and faced many challenges. The Bank Successfully transformed every threat into business opportunity and excelled over its peers in the Banking industry. A number of innovative and unique banking activities have been launched by Central Bank of India and a brief mention of some of its pioneering services are as under:

• 1921: Introduction to the Home Savings Safe Deposit Scheme to build saving/thrift habits in all sections of the society.
• 1924: An Exclusive Ladies Department to cater to the Bank's women clientele.
• 1926: Safe Deposit Locker facility and Rupee Travellers' Cheques.
• 1929: Setting up of the Executor and Trustee Department.
• 1932: Deposit Insurance Benefit Scheme.
• 1962: Recurring Deposit Scheme.

Subsequently, even after the nationalization of the Bank in the year 1969, Central Bank continued to introduce a number of innovative banking services as under:

• 1976: The Merchant Banking Cell was established.
* 1980: Centralcard, the credit card of the Bank was introduced.
* 1986: 'Platinum Jubilee Money Back Deposit Scheme' was launched.
* 1989: The housing subsidiary Cent Bank Home Finance Ltd. was started with its headquarters at Bhopal in Madhya Pradesh.
* 1994: Quick Cheque Collection Service (QCC) & Express Service was set up to enable speedy collection of outstation cheques.

Among the Public Sector Banks, Central Bank of India can be truly described as an All India Bank, due to distribution of its large network in 27 out of 28 States as also in 4 out of 7 Union Territories in India. Central Bank of India holds a very prominent place among the Public Sector Banks on account of its network of 3114 branches and 281 extension counters at various centres throughout the length and breadth of the country.

Details and Performance Highlights (2001-02)
• Net Profit up by 251% from Rs.46.46 crores as on March 2001 to Rs.163.30 crores as on March 2002.
• Total Business increased to above Rs.70000 crores registering growth of 13.38%.
• Net NPA as a percentage to Net Advances declined to 7.98% as compared to 9.72% in the previous year.
• Business Per Employee increased by 35% from Rs. 110.38 lakhs as on March 2001 to Rs.148.77 lakhs as on March 2002.
• 78% of the Bank’s business brought under computerization through 1221 computerized branches

4.3.9 Dena Bank

The bank’s mission is to be identified and recognized as a dynamic, modern bank with enduring age-old values. It aims to be a bank that provides exemplary customer services backed by professional competence and the latest technology.

Dena Bank was founded on 26th May, 1938 by the family of Devkaran Nanjee under the name Devkaran Nanjee Banking Company Ltd. It became a Public Ltd. Company in December 1939 and later the name was changed to Dena Bank Ltd. In July 1969 Dena Bank Ltd.

Bank’s Motto

To be identified and recognised
- as a dynamic, modern bank with enduring age old values.
- as a bank that provides exemplary customer service backed by professional competence, latest technology and systems"

Some of the milestone developments are:

- One of the few Banks to receive the World Bank loan for technological upgradation and training.
- Introduced Tele banking facility of selected metropolitan centers
- Dena Bank has been the first bank to introduce
- Minor Savings Scheme
- Credit card in rural India known as "DENA KRISHI SAKH PATRA"(DKSP)
- Drive-in ATM counter of Juhu, Mumbai
- Smart card at selected branches in Mumbai
*/*/ Customer rating system for rating the Bank Services
Performance Highlights in 2001 - 02

- The Bank's total business has crossed Rs. 23600 crores
- The Bank's investment portfolio has grown by 12.15%
- Operating expenses have been reduced substantially by Rs. 119.50 crores
- Over 79% of the Bank's business has been brought under the umbrella of computerization
- Dependance on high cost deposits was further reduced by 39.36 %
  - Cost of deposits has been reduced by 51 basis points
  - Gross advances has grown by 3.03 %
- Non interest income has increased by 77.30 %
- Growth in NPA was contained at 3.51%
- Ratio of net NPA to Net Advances was reduced from 18.37 % to 16.24 %
- Share of priority sector advances has further gone up by 44.05 %
- Per branch business has increased from Rs. 18.36 crores to Rs. 20.82 crores
- Per employee business has further increased to Rs. 2.21 crores

IT Initiatives of the Bank

The bank has undertaken several I.T initiatives to improve the services. Over 79% of the Bank's business has been brought under computerization with 82 branches computerized during the current year(2002-03). As of now, around 175 branches offer Multi Branch Banking services and 8 branches are providing Cash Management Services. Nearly 95% of the bank's Metro / Urban branches have been computerized.

4.3.10 Vijaya Bank

For over 69 years, the bank has been endeavoring to provide you efficient and friendly banking services - tuning into your needs, and constantly performing to your satisfaction.

Vijaya Bank has performed creditably during the year 2001-02. The year has been the most profitable year for the Bank since its inception in 1931. The highlights of the Bank's performance are given below:

Financial Highlights (2001-02)
- Net Profit crossed the Rs.100 Crore mark and amounted to Rs.130.90 Crore for the year 2001-02, as against Rs.70.73 Crore in 2000-01, recording 85.1% increase
• Gross Profit [profit before Provisions & Contingencies] amounted to Rs.252.51 Crore as compared to Rs. 178.48 Crore in 2000-01, recording 41.5% increase
• Return on Assets improved to 0.86% from 0.53%.
• Return on Net worth improved to 21.98% from 13.44%.
• Earning per share improved to Rs.3.65 from Rs.2.48.
• Total Income increased to Rs.1727.33 Crore, from Rs.1512.45 Crore recording 14.2% increase. Non-interest income recorded 20.8% growth.
• Operating Expenses declined to Rs.421.63 Crore, from Rs.438.13 Crore mainly due to decline in staff cost to Rs.305.92 Crore from Rs.330.42 Crore.
• Total deposits increase to Rs.14681 Crore, from Rs.12632 Crore recording 16.2% increase, as against 9% in 2000-01.
  • Average aggregate deposits recorded an increase of 17.9%, as against 13.7% in 2000-01.
  • Growth rates at 16.2% and 17.9% were higher than the corresponding growth rates of 14.3% and 17.6% recorded by Scheduled Commercial Banks in 2001-02.

Organizational Restructuring
• Head Office set-up was restructured by merging / closing certain departments.
• Regional Offices were restructured by merging 9 Regional Offices thereby reducing the number of Regional Offices to 14 from 23.
• Branch network was rationalized by merging 16 branches with nearby branches.

IT Initiatives
• The coverage of computerized branches in total business improved to 76.7% from 72.6%
• Single Window concept is introduced at 167 fully computerized branches
• 347 branches / offices have been connected through I-Net.

Human Resources Performance
• Staff strength reduced to 11,827 from 13,471
• Staff productivity [average business per employee] improved to Rs.1.69 Crore, from Rs.1.23 Crore, a rise of 37.4%.

Action Plans for 2002-03
• To increase the total business to Rs.25000 Crore, compared to Rs.21000 Crore in March, 2002.
• To disburse over Rs.1000 Crore under different retail lending schemes
• To computerize 110 branches and to enhance the business coverage through computerization to 82%; to install 50 ATMs
• To implement Core Banking and Internet Banking at select branches.
• To commence Depository Services and to provide Bancassurance Services at select branches.

4.3.11 Allahabad Bank

- Oldest Public Sector Bank in India having branches all over India and serving the customers for the last 136 years.
- Offers wide ranging attractive Deposit Schemes to the Non-Resident Indians.
- Tradition of trust towards its customers and customer-oriented employees renders efficient services.

Details of Financial Performance

<table>
<thead>
<tr>
<th>Highlights</th>
<th>March, 2002</th>
<th>March, 2001</th>
<th>March, 2000</th>
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<tbody>
<tr>
<td><strong>Deposits</strong></td>
<td>22665.94</td>
<td>20106.02</td>
<td>17642.10</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>2249.77</td>
<td>2044.35</td>
<td>1850.00</td>
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<tr>
<td><strong>Operating Profit</strong></td>
<td>407.98</td>
<td>266.00</td>
<td>252.51</td>
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<tr>
<td><strong>Provisions</strong></td>
<td>327.77</td>
<td>226.09</td>
<td>183.18</td>
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<tr>
<td><strong>Net Profit</strong></td>
<td>80.21</td>
<td>39.91</td>
<td>69.93</td>
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<tr>
<td><strong>Spread</strong></td>
<td>730.47</td>
<td>684.79</td>
<td>564.22</td>
</tr>
<tr>
<td>Average growth over previous year</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>a. Deposits</td>
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<td>0.12</td>
<td>0.16</td>
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<tr>
<td>b. Advances</td>
<td>0.12</td>
<td>0.22</td>
<td>0.17</td>
</tr>
<tr>
<td>c. Investments</td>
<td>0.18</td>
<td>0.04</td>
<td>0.17</td>
</tr>
</tbody>
</table>
**IT Initiatives**

The bank has already been providing ATM services to its customers and is planning to undertake a major restructuring exercise after receipt of IT Consultancy report and recommendations from its consultant.

### 4.3.12 Oriental Bank of Commerce

The bank was established in Lahore on 19th February 1943 and made a modest beginning under its Founding Father, Late Rai Bahadur Lala Sohan Lai, the first Chairman of the Bank. Within four years of coming into existence, the Bank had to face the holocaust of partition. The business figures for the last five years are as under:

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<tbody>
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<td>Total Income</td>
<td>135493</td>
<td>159649</td>
<td>204641</td>
<td>267943</td>
<td>302645</td>
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<td>Total expenditure</td>
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<td>138649</td>
<td>181629</td>
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<td>Net Profit for the year</td>
<td>18025</td>
<td>21000</td>
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</thead>
<tbody>
<tr>
<td>Deposits</td>
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<td>1680488</td>
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<tr>
<td>Advances</td>
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<td>Total Assets</td>
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<td>No. of branches</td>
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<td>899</td>
<td>915</td>
<td>932</td>
</tr>
<tr>
<td>No. of employees</td>
<td>13580</td>
<td>14238</td>
<td>14447</td>
<td>14398</td>
<td>13588</td>
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</tbody>
</table>

The customers of the Bank are given the best of attention and this is why they have stayed on and have till today found reminiscences of their dealings with OBC. Because OBC seeks customer satisfaction as foremost, the National Institute of Bank Management (NIBM), Pune in an evaluation study on customer service in OBC, rated the Bank as "Customer Friendly" Bank.

### Projects - A Handful of Success

The Bank has launched several projects aimed people's participation in the planning process at grass root level essentially to tackle the maladies of poverty. The various Grameen projects/Initiatives are:

- Implementing a GRAMEEN PROJECT in Dehradun District (UP) and Hanumangarh District (Raiasdian), formulated on the pattern of the Bangladesh Grameen Bank.
• The Bank is engaged in providing training to rural folk in using locally available raw material to produce pickles, jams etc.

Performance Highlight and Achievements (As on March 31, 2002)

• Amongst the strongest banks in India Capital & Reserves of the Bank stood at Rs. 1549 crores - Placing OBC in one among the strongest Public Sector banks in India.
• The bank has High Capital Adequacy Ratio of 11.81% as on 31st March 2001 as against a norm of 9% prescribed by Reserve Bank of India.
• The Bank has consistently made profits for over two decades. For the year, 2000-01, the operating profit of the Bank was Rs.534.10 Crores - one of the best among the public sector banks.
  - National Institute of Bank Management, Pune, in an evaluation study on customer service in OBC, rated the Bank as a "Customer Friendly Bank". Reserve Bank of India, on the basis of the NIBM findings, rated customer service in Oriental Bank as "Good".
  - The maximum Spread over Prime Lending Rate fixed by OBC at 3.5% is among the lowest in Banking Industry.
  - The Bank has achieved Rs.24680 crores in Deposits and the total working stood at over Rs.35700 crores joining the big league in the Banking Industry.
  - 'P1+' for Certificate of Deposits Programme. 'FAAA' for Fixed Deposit Programme accorded by CRISIL - a prominent Credit Rating Agency.
  - The productivity per employee stood at Rs.2.63 crore, one of the highest among the Public Sector Banks.
• Non-performing assets at 3.60% are one of the lowest in the banking industry

4.3.13 Indian Overseas Bank
Shri M.Ct.M. Chidambaram Chettyar, a forerunner in the areas of Banking, Insurance and Industry established the Indian Overseas Bank on February 10, 1937. By the year 1947, IOB had increased their domestic and international coverage, with 38 branches in India and 7 branches overseas. The Deposits and Advances at that period were Rs.6.64 Crores and Rs.3.23 Crores respectively.

Post-nationalization Period (1969-92)
  - During this period IOB made considerable progress, with the opening of more branches, domestically and internationally.
• The United Asian Bank Berhad in which IOB held 16.67% of the paid up capital, was setup in 1973 as a result of the Banking law in Malaysia, which prohibited foreign government banks from operating in the country
• To facilitate the take over of IOB's branch at Bangkok in Thailand, the Bharat Overseas Bank Ltd was created in India in 1973 with 30% equity participation from IOB
• IOB expanded its global operations by opening a Foreign Currency Banking Unit in the free trade zone in Colombo and a branch in Seoul
• Apart from sponsoring 3 Regional Rural Banks - Puri Gramya Bank, Pandyan Grama Bank, Dhenkanal Gramya Bank, IOB also created a department entirely dedicated to the computerization of the Bank

*\* With the main objective of independently developing software packages and for the purpose of training their staff in this field, IOB setup the Computer Policy and Planning Department (CPPD).

Technology Upgradation
IOB has always striven to keep pace and stay updated with the latest in technology. As of March 2001, IOB has...

• Computerized 798 branches accounting for 56% of their branches, 424 partially and 374 branches entirely
• 30 Automated Teller machines (ATM) are in-operation
• 10 centres linked under Any Branch Banking (ABB) covering 184 branches
• A STAR service that was initiated in December 1999 with the objective of ensuring the speedy processing of outstation cheques. At present IOB has 14 STARs and one controlling center for this service
• In September 1999, IOB had the distinction of being the first Bank in the industry to be awarded with ISO 9001 Certification. Det Norske Veritas (DNV), Netherlands in recognition of IOB's Computer Policy and Planning Department, presents the certificate. It includes the Design, Development, Implementation and Maintenance of software developed independently by IOB, acquisition and supply of hardware and execution of turnkey projects.
• In another move towards total computerization, the Central Office is now connected with all Regional Offices using IOBNET, which was developed almost entirely inhouse
• The Bank has finalised an e-commerce strategy and has developed the necessary internet banking modules in-house
Financial Performance
Global deposits of Rs.27,414 crore and global gross advances of Rs.13,096 crore. The net profit after provisions and contingencies amounted to Rs.115.93 crore against Rs.40.34 crore in 1999-2000.

4.4 Private Sector Study

4.4.1 The Global Trust Bank
A team of professionals established the bank led by Shri Ramesh Gelli, the former Chairman of Vysya Bank. It was started with the mission "To be a Modern and a Model Bank" and its vision is:
- Build the Business and the Institution
- Create Shareholder Value
- Grow Profitably
- Develop a Complete Financial Services Organization
- Foster a Caring and Sensitive Organization

Technology Driven Focus: Technology is a key differentiator between a successful bank and another. Therefore technology driven products, technology supported convenience and technology based access is the focus of Global Trust Bank.

Software development and IT enabling of critical areas such as Asset Liability Management, Fixed Asset Reporting and Management System are few of the ongoing initiatives. The bank has in-house capabilities to develop Software comparable to any professional IT services provider.

This emphasis on technology has led the Bank's concerted forays into Internet banking in addition to Automated Teller Machines and Phone Banking. With ibank@gtb, the Internet banking capability, customers can bank from home just by clicking away while the ATMs bring in the convenience of round the clock banking. The Bank's telecommunication network is one of the best deployed in the country. Today a customer can access Global Trust Bank from anywhere in the world, anytime.

Technology Focus of GTB: The bank has been focusing on IT to achieve its goal of becoming a 'modern and model bank'. It believes that the key differentiator between a successful bank and any other bank is the stress each lays on technology. Therefore it began to focus on technology driven products along with technology-supported convenience and access. Its President, P. C. Narayan,
says that "There is a belief across the entire organization, right from the Chairman and board of directors down to the junior-most employee, that good technology is a pre-requisite for banks of the future. This belief is reflected in all spheres and as a part of its plans to consolidate its operations by focusing on growing retail assets as strategic business units, enhance its exposure in the area of micro credit besides upgrading its technology infrastructure, it has undertaken to increase the number of ATMs.

It believes that Internet will soon evolve as a significant delivery channel and have therefore established a strong presence in this space through in Internet Banking and Bill Payment facilities. Using the ibank@gtb, customers can bank from home at the click of a button. The Internet Banking infrastructure, located in the data centre, is fully secured using Firewalls from Check Point and other security features such as 128 bit encryption, digital certificates etc. The bank did not make investments in this sector on the basis of pay back. It foresaw the Net becoming a significant part of emerging delivery channels and therefore decided to leverage it to increase customer satisfaction."

To build it's IT infrastructure, GTB uses hardware from Compaq Computer with application software from Infosys Technologies, Bangalore. Microsoft Web servers and related operating systems.

According to Shri Narayan, "The benefits of IT are all pervading in the organization". It is reflected in the fact that all transactions are processed in real time i.e. customer accounts are debited in real time no matter from where in the country the transaction originates, be it at a branch, an ATM or the Internet. Furthermore, IT has facilitated a very efficient and effective banking operation thereby resulting in a very high level of customer service, which is available 24 X 7,365 days in a year.

To date, the bank has invested somewhere around Rest. 40 crore on developing its IT infrastructure, with Rs.150 lakh of that being spent on its Net banking initiatives. Banking on these technology upgrades, and it plans to consolidate and increase the number of branches in the country. A large number of Techno - Banking Products offered by the bank and some of them are:

- E-Payments: The Internet Banking facility of Global Trust Bank, ibank@gtb offers a payment facility called ipay@gtb onsite or a payment facility linked with any other merchant's website serving as a payment gateway. The bank offers this facility to any payment-related agency such as Online Shopping Malls, Stock/Securities Trading Agency or a Utility Service Provider.
• **DEMAT Services:** The advent of automated trading brought with it several associated benefits such as transparency in trading and equal opportunity for market players all over the country; the problems related to settlement of trades such as high instances of bad deliveries and long settlement cycles have continued. As an answer to the myriad settlement problems, National Securities Depository Ltd. (NSDL) was inaugurated in November 1996 as the first depository in the country. The introduction of scrip less holding and transaction of securities provides various benefits to investors viz.,

- Elimination of bad deliveries such as signature mismatches, invalid transfer deeds, etc.
- Elimination of all risks associated with physical certificates, such as loss, theft, mutilation, etc.
- Advantage The Global Trust to the customer include, Operations fully done on the plank of technology, Operating from multiple locations in the country.

**4.4.2. The ING Vysya Bank**

Vysya Bank was incorporated in the year 1930. Bangalore has a pride of place for having the first branch inception in the year 1934. With successive years of patronage and constantly setting new standards in banking, Vysya Bank has many credits to its account. Given below are milestones, reflecting the upward growth of this institution:

- **Operations of the Bank:** The bank has 11 regional offices, which are controlling 484 branches spread across the length and breadth of the country. The total business, comprising Deposits and Advances, increased to Rs. 12457 crore from Rs.11362 crore during the year ended March 31, 2001 registering an increase of 9.64%. The deposits of the Bank recorded a growth of 9.66% and were at Rs. 8141 crore. The focus on increasing the low cost deposits continued to yield favorable results with increase in savings bank. The Bank's advances increased from Rs. 3938 crore to Rs. 4316 crore as on 31st March, 2001, recording a growth of 9.6%. The average advances during the year increased from Rs. 3103 crore to Rs. 3759 crore registering a significant growth of 21.1%.

The ongoing restructuring and reorganization of the Bank's business by setting up Strategic Business Units lays considerable emphasis on enhancing the assets portfolio. In keeping with this, the sales and marketing functions have been organized under five Strategic Business Units viz., Corporate, Commercial, Retail, Rural Credit and Treasury. A separate Department looks after credit risk functions while Loan Review Department undertakes post sanction
review and monitoring. The strategy of leveraging its customer base and brand image to distribute third party financial products yielded favorable results which was evidenced by sales of mutual fund units to the extent of Rs. 150 crore during the year.

- **HR Matters:** The industrial relations were cordial and peaceful throughout the year. Core competence development programmes in areas like Credit and Marketing apart from Modular Training Programmes for the staff at various Branches /Regions was conducted.

- **The IT Banking Initiatives ‘Self Bank’:** The Bank has integrated its ‘Self Bank’ ATMs at Bangalore, Hyderabad and Chennai through a centrally located ATM switch network established at Bangalore. This enables die Bank to offer inter-city/intra-city ATM services to the customers. The number of ATMs increased from 5 to 8 during the year under review. The ATM network is across the country would be hooked on to this scalable network.

- **Branch Computerization:** As on March 31, 2001, the number of Totally Computerized Branches and Partially Computerized Branches went upto 79 and 251 from 76 and 215 respectively. During the year 2000-01, the Bank launched ‘VysyAMulya’ Project, envisaging an investment of about Rs. 60 Crore spread over two years and involving setting up of a Data Centre and networking of branches for an on line real-time Centralized Processing through Sanchez’s Core Banking solution — ‘PROFILE Anywhere to offer AAA (Anytime, Anywhere and Anyhow) Banking.’ The Data Center of VysyAMulya Project at ITPL, Bangalore, is fully operational at Eight branches spread across Bangalore, Hyderabad, Chennai and Mumbai which are hooked till date to the new Centralised Core Banking Solution platform. The Bank expects to roll out 16 branches per month shortly and achieve the set target of 225 outlets comprising 131 Branches, 74 Extension Counters, 8 Regional Collection Centres, 11 Regional Offices and Corporate Office.

- **Change Management:** The Bank, realizing the need to provide architecture for gradual change, with the customer as the focus and improved operational efficiency as the objective, has identified the key areas, which require further toning up viz., Policies, Practices and Systems apart from Human Resources that exist within the organization. As a part of the ongoing process of restructuring including establishment of Strategic Business Units, an Integrated Change Management approach has been adopted as a means to reach the customer with greater care and attention. Towards this direction, a competency profiling process was undertaken with the help of M/s. Eicher Consultancy Services and initially, 699 Officers of the Bank were subjected to this process. Further, systematic and structured training programmes are being offered for the staff for assimilating the new technology and work culture in moving towards centralized on-line processing system.
• Subsidiaries/Other Operations: The bank has two subsidiaries of the Bank viz., The Vysya Bank Leasing Limited and Vysya Bank Housing Finance Limited. The Bank along with ING Group, a world renowned conglomerate in banking and insurance and second largest in the world in insurance business, promoted a joint venture company called 'ING Vysya Life Insurance Company Private Limited' for undertaking life insurance business throughout India.

Technology Products:

^ **VysSwift**: Cutting distance, electronically, VysSwift Collection Service, is a dynamic facility, providing quick, efficient, assured fiscal support across the country. A service that uses high-end technology, for companies, dealing in high volumes of out station cheques. The service is available from over 275 locations in the country. It provides Customized pooling data flow of funds, as per Company's need Funds can be transferred to any Vysya Bank location in the country with "Same day" access.

^ **Electronic Clearing Services (Credit Clearing)**: The bank will sponsor payments of dividend, interest through ECS in Mumbai, New Delhi, Calcutta, Chennai, Bangalore, Hyderabad, Ahmedabad & Poona and in other centres, when covered by the services. The companies, that have periodical/large volume payments to fixed group of investors/beneficiaries, will find ECS (credit clearing) can derive benefit from this service.

### 4.4.3 Jammu and Kashmir Bank

The J&K Bank Ltd. incorporated on October 1st, 1938 commenced business on July 4th, 1939. From a small beginning the bank has grown to become a giant with a network of 441 branches spread over the length and breadth of the country. A significant contributing factor for this fast growth is the solid founding principles, which are dedicated to the cause of transforming the Bank not only as a financial heart but also the social heart of the community.

Technology Upgradation: The bank has been swift in responding to the need for technology adaptation in meeting its commitment to the customers and offers the best of services and a wide range of products. The bank is investing in a big way in information technology; Installation of ATMs at important centres; introduction of EFT and E-Mail services. The number of computerised branches of the bank has risen to 246 as on March 2001, which accounts for 80 per cent of total bank business. The tele-banking facilities are available at 23 branches with such services being extended to 65 branches in the near future. The Anywhere banking facility available at 23 branches
shall be raised to 65 soon. The Bank is in the process of connecting its branches through VSAT and lease lines from the existing 23 to 85. The number of ATMs which is most convenient system of extending 24 hour banking facility is 23. ATMs at six locations are having IST Switch connectivity. Once the Data centre is completed the bank would be the first to introduce the Internet Banking in the J&K State. A new concept of customer facility Touch Screen kiosks shall be installed at 65 branches of the bank.

The landmark achievements of the bank in some important fields of operation since its inception to March 1999 are detailed below:

- **Deposits:** The bank performed commendably during the year by registering the growth rate of 26.40% against the national average of 16.1%.
- **Credit Dispensation:** During the last two years the advances registered an emphatic growth and were recorded at Rs.4763 Crores as on 31.03.2001.
- **Investments:** The total investments in Govt. and other approved securities, bonds debentures were to the tune of Rs.792 Crores as on 31.03.1995. During the last few years bank's investments portfolio grew at amazing pace as investments of the bank stood at Rs.5425 Crores.
- **Profitability:** The Bank recorded a net profit of Rs.168 crore for the financial year 2000-01 registering an increase of 39.44% over the last year figure of Rs.120.17 crores. The Bank's total income at Rs.1157.28 crores for 2000-01 recorded a growth of 16.93% over the previous year figure of Rs.989.72 crores.
- **IT Implementation:** The IT application to the banking operations to offer value added services/products to the customers received major fillip with the introduction of IST Switch at Delhi which has networked ATMs of the bank installed at various centres. As a consequence the ATM Card Holders are able to access any ATM of the bank with the same card. To further add value to the bank's ATM card the bank has entered also agreement with the Master Card International- the leader in debt card arena to launch Maestro Deposit Access Programme in collaboration with them. With this the bank's ATM Card Holders will be able to purchase goods and services at all Maestro acceptance locations in India and Overseas and will also be able to withdraw cash globally through the MasterCard Maestro/Cirrus network of 2100 ATMs in the country and 6.75 lakh ATMs worldwide.
- **Total Business:** Total business of the bank for the year touched an all time high of Rs. 19335 crores registering a growth of 21% over the last year figure of Rs.15930 crores. The Deposit portfolio of the bank has increased by 16% to Rs. 12911.11 crores as on March
2002 from Rs. 11,168 crores of March 2001, against national average growth of 14%. Despite sluggish credit growth of 12.8% at national level the aggregate Advances of the bank have recorded an impressive growth of 35% to Rs. 6423.89 crores as on March 2002 from Rs.4763 crores of March end 2001. Area of the Technology application in the Bank's operations continued to remain the thrust Bank's policy and today 50% of our branches are fully computerized constituting more than 80% of the Bank's business. The bank has started various technology driven services like Tele/Banking, Anywhere Banking, and networking of ATMs at several branches/locations. The networking of computerized branches, which is presently in progress, will further enable the Bank to make available these services at other computerized branches soon. The centralized data centers of the bank shall also be in position during the current year. With its accomplishment the data warehousing, data mining will become possible which would facilitate the Internet banking service.

Development of human resources to cope up with the rapidly changing banking scenario has been the focus of HRD policy. As the quality of human resources indicates the ability of the bank to deliver value to its customers, foremost attention is being given to development of skill, and knowledge of personnel of the bank. The bank lays prime emphasis on integrating HRM strategies with business strategies. HRM strategies of the bank include managing change, creating commitment, achieving flexibility and improving teamwork. To achieve excellence in this critical area, 2103 staff members (1363 officers, 717 clerks, 23 subordinates) were trained at Bank's Staff Training Colleges Srinagar/Jammu and other Institutes of repute within and outside the country in banking, economic and I.T. related fields.

The bank's performance during the last few years, transformed the bank, which was very little known to develop a strong brand image on the banking map of the country. To take the growth further and also consolidate die bank its position the bank has drawn up a road map in the shape of Vision 2005 with forecasted business turnover of over Rs.40, 800/-crores by the year 2004-05, with Deposits and Advances of Rs.27, 200 crores and Rs.13, 600 crores respectively. The bank also has plans to achieve a sustained growth rate of 40% in profits so as to achieve a net profit of over Rs.550 crores for the financial year ended March 2005. The net worth of the Bank is aimed to increase to over Rs.2, 200 crores by the end of the said period. The Bank will lay emphasis on consolidation with selective expansion at centres offering high business potential.
The Bank has planned to computerize all its branches by the end of the plan period and achieve 100% automation and on-line banking operations. The Technology application shall remain the thrust area so as to enable the Bank to offer world class banking facilities to its customers.

4.4.4 HDFC Bank

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an ’in principle’ approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI’s liberalization of the Indian Banking Industry.

HDFC Bank's mission is to be a World Class Indian Bank. The Bank's aim is to build a sound customer franchise across distinct businesses so as to be the preferred provider of banking services in the niche segments that the bank operates in and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank aims to ensure the highest level of ethical standards, professional integrity and regulatory compliance. HDFC Bank's business philosophy is based on four core values: Operational Excellence, Customer Focus, Product Leadership and People. The Bank signed a strategic business collaboration agreement with Chase Manhattan Bank in February 1999.

Miles Stones

Times Bank Amalgamation

In a milestone transaction in the Indian banking industry, Times Bank Limited (another new private sector bank promoted by Bennett, Coleman & Co./Times Group) was merged with HDFC Bank Ltd., effective February 26, 2000. The amalgamation added significant value to HDFC Bank in terms of increased branch network, expanded geographic reach, enhanced customer base, skilled manpower and the opportunity to cross-sell and leverage alternative delivery channels.

HDFC Bank is headquartered in Mumbai. The Bank at present has an enviable network of over 201 branches spread over 102 cities all across the country. All branches are linked on an online real-time basis. Customers in 39 locations are also serviced through Telephone Banking. The Bank's expansion plans take into account the need to have a presence in all major industrial and commercial centres where its corporate customers are located as well as the need to build a strong retail customer base.
Technology
HDFC Bank operates in a highly automated environment in terms of information technology and communication systems. All the bank's branches have connectivity, which enables the bank to offer speedy funds transfer facilities to its customers. Multi-branch access is also provided to retail customers through the branch network and Automated Teller Machines (ATMs).

The Bank also has a network of almost over 615-networked ATMs across these cities. Moreover, all domestic and international Visa/MasterCard, Visa Electron/Maestro, Plus/Cirrus and American Express Credit/Charge cardholders can access HDFC BANK's ATM network. It is the only bank in India, which provides access to all the 3 major International Card Networks on its ATM network.

The Bank has made substantial efforts and investments in acquiring the best technology available internationally, to build the infrastructure for a world-class bank. In terms of software the Corporate Banking business is supported by Microbanker, while the Retail Banking business by Finware, both from i-flex Solutions Ltd. (formerly Citicorp Information Technology India Ltd.). The systems are open, scaleable and web-enabled.

Business Profile
HDFC Bank caters to a wide range of banking services covering both commercial and investment banking on the wholesale side and transactional / branch banking on the retail side. The bank has three key business areas: -

a) Wholesale Banking
The Bank's target market is primarily large, blue-chip manufacturing companies in the Indian corporate sector and to a small extent, emerging mid-sized corporates. For these corporates, the Bank provides a wide range of banking services, including working capital finance, trade services, transactional services, cash management, etc.

b) Retail Banking
The objective of the Retail Bank is to provide a full range of financial products and services, giving the customer a one-stop window for all his banking requirements. The products are backed by world-class service and delivered to the customers through various delivery channels including the branch network, as well as alternative delivery channels like ATMs, Phone Banking, NetBanking and Mobile Banking.
c) Treasury Operations
Within this business, the bank has three main product areas - Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities.

d) Rating/Awards and Accolades
HDFC Bank was selected as the "Best Bank - India 1999" and "Best Domestic Bank - India 2000", "Best Bank - India 2001" by Euromoney, and "Best Domestic Commercial Bank - India 1999" and "Best Domestic Commercial Bank - India 2000", "Best Domestic Commercial Bank - India 2001" by Finance Asia. In the October 2000 issue, Forbes Global selected HDFC Bank amongst the top 20 in the Forbes listing of the world's best small companies. Closer home, HDFC Bank was selected for The Economic Times Award — Corporate Excellence for Emerging Company of the Year 2000-01 and as Business India's Best Bank for the year 2000.

e) Product Range
Savings, Fixed Deposits, Current and Demat Accounts

f) Savings Account
Apart from the usual facilities, you get a free ATM Card, Interbranch banking, NetBanking, BillPay, PhoneBanking, Debit Card and MobileBanking, among others.

4.4.5 The Federal Bank
The Federal Bank Ltd is a regional banking giant with strong national presence and global reach. From its humble beginning as Travancore Federal Bank Ltd, Federal Bank has grown to become India's largest private sector bank and is now one of the largest scheduled commercial bank in Kerala.

All the actions are ultimately aimed towards building bonds of relationship, eventually leading to customer delight. The bank strongly believes that service without an element of human touch is incomplete and strives to offer personalised services to our clientele.

Statistics
The bank's Clientele base is about two million, has 6393 employees and has branch network of 406 branches.
Snippets

• One of the Largest among private sector banks.
• Strong patronage of NRI Community, NRI deposits constitute 28% of total deposits as on M01
• Track record of uninterrupted DW payment (except in 1964)
  ♦ Service is an organizational commitment at Federal.

Financial Performance & Growth Rates

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<tbody>
<tr>
<td>Assets</td>
<td>-5.8</td>
<td>16.01</td>
<td>15.01</td>
</tr>
<tr>
<td>Deposits</td>
<td>-4.7</td>
<td>18.60</td>
<td>15.65</td>
</tr>
<tr>
<td>Advances</td>
<td>-4.5</td>
<td>20.28</td>
<td>6.90</td>
</tr>
<tr>
<td>Investments</td>
<td>2.5</td>
<td>13.86</td>
<td>23.73</td>
</tr>
<tr>
<td>Total Income</td>
<td>4.3</td>
<td>2.98</td>
<td>20.92</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>54.2</td>
<td>31.37</td>
<td>16.58</td>
</tr>
<tr>
<td>Net Income</td>
<td>55.7</td>
<td>15.80</td>
<td>37.17</td>
</tr>
<tr>
<td>Net Profit</td>
<td>17.56</td>
<td>31.47</td>
<td>34.43</td>
</tr>
<tr>
<td>Other Income</td>
<td>17.1</td>
<td>-5.44</td>
<td>76.18</td>
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IT Initiatives at Federal Bank

a) Fed bank's IT Plans and Achievements
The Bank has adopted information technology as a strategic tool for achieving competitive edge and has started implementing its ambitious 3-year IT Strategic Plan 2003. The Bank automated 80% of its business with the help of its strong in-house IT infrastructure.

The FedSoft software, developed in-house for branch automation, is based on state of the art technology and using the workflow automation concepts. It runs on any RDBMS and has GUI's (graphical user interface), making it elegant and user-friendly. In addition to the usual transaction processing and backoffice functions. The bank also offers Mobile Banking and Networked ATMs to its customers.
### Productivity Parameters

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<tr>
<td>Business/Employee (Mn.)</td>
<td>16.1</td>
<td>19</td>
<td>21.9</td>
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<tr>
<td>Profit/Employee (Rs.000)</td>
<td>72</td>
<td>97</td>
<td>131</td>
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<tr>
<td>Business/Branch (Mn.)</td>
<td>258.6</td>
<td>304.61</td>
<td>341.13</td>
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<tr>
<td>Profit/Branch (Mn.)</td>
<td>1.1</td>
<td>1.48</td>
<td>1.99</td>
</tr>
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</table>

The selection of samples was made in such a way as to ensure equitability in terms of representation of banks, which have features of technology advancement and also those, which have just begun their tryst with their destiny in the journey of technological upgradation.