CHAPTER - EIGHT
ROLE OF PUNJAB NATIONAL BANK IN INDIAN ECONOMY

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. During its existence of over- hundred years, Punjab National Bank has faced many a trials of strength including the trauma of partition of India in 1947 at the time of independence. However, due to its inherent strengths and resilience, the bank not only withstood such adversities but also established itself still firmly on the Indian sub continent. The bank was nationalized in July 1969 along with 13 other banks. The bank's strength lies in its corporate belief of growth with stability.

With its presence in virtually in all the important centres of the country, Punjab National Bank offers a wide variety of banking services which include Corporate and Personal Banking, Industrial Finance, Agricultural Finance, Financing of Trade and International Banking. Among the clients of the bank are 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, the bank has established 16 specialized branches to finance exclusively such industries.

With its long tradition of sound banking and in-depth knowledge of Indian economy, the bank has been able to help its clients in their projects. Punjab National Bank is ranked 416 among the biggest banks in the world by Bankers Almanac (July, 2002) London.

Strong correspondent banking relationship, which Punjab National Bank maintains with 200 leading International banks all over the world, enhances its capabilities to handle transactions worldwide. Besides, bank has Rupee Drawing Arrangements with exchange companies in the GULF. Bank is a member of the SWIFT and 85 branches of the bank are connected through its computer-based terminal at Bombay. With its state-of-art dealing rooms and well-trained dealers, the bank offers efficient forex dealing operations in India.

The Bank has been focusing on expanding its operations outside India and has identified some of the emerging economies, which offer large business potential. Bank has set up a representative office at Almaty, Kazakhstan w.e.f. 23rd October 1998.
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 convert ISO 9002 Certification. The Bank is committed to maintaining the highest standards of service and will be covering more offices under this quality movement.

Punjab National Bank as a bank is one of the most leading banks at present. The bank is creating so many activities regarding public sector day by day. It is sure that no one can neglect the role of Punjab National Bank in Indian economy in present time. So far wide approach the role of bank can highlight with the help of following strong heads: --

(i) Credit to Agriculture
(ii) PNB Farmer's Welfare Trust
(iii) International Operations
(iv) Industrial Rehabilitation
(v) Corporate Debt Restructuring
(vi) Market Risk
(vii) Operational Risk
(viii) Internal Control
(ix) Right To Information Act
(x) Information Technology
(xi) Employees Welfare
(xii) New Business Incentives
   (a) Insurance Business
   (b) Mutual Fund Business
Credit to Agriculture: -- Apart from financing traditional agriculture activities, the bank diversified its lending by targeting activities like horticulture, medicinal & aromatic plants, organic farming, fisheries etc. Due to such concerted efforts agricultural lending increased by Rs.2926 crore or 25.1 percent to reach Rs.14587 crore. Share of agricultural credit in net bank credit stood at 19.09 percent, above the national goal of 18 percent. Under Kisan Credit Card Scheme, the bank issued 2,96,197 Krishi Cards, taking the number of cumulative cards issued since inception to 18.01 lacs.

As per the ‘farm credit package’ announced by Government of India on June 18, 2007, the flow of credit to agriculture had to be doubled in three years and banks were to achieve yearly growth of 30 percent over previous year’s credit disbursement. In this regard, the bank disbursed Rs. 9856 crore (against RBI target of Rs. 9690 crore) under Special Agricultural Credit Plan as compared to Rs.7452 crore disbursed in the last year, thereby registering a growth of 32.3 percent and thus achieving 101.7 percent of the target.
Apart from meeting credit requirements of the farming community through various lending schemes, the bank is also disseminating useful information to the rural community by organizing Kisan Goshthies and formation of Farmer’s clubs. Kisan Goshthies not only create awareness about the bank’s schemes but also help in work towards improving land productivity and efficiency of water use. Further, an exclusive website ‘www. Pnbkrishi. Com’ has been launched for the benefit of farmers. The website contains information about cultivation practices, technical aspects of food grains. Cash crops, medicinal/ aromatic plants, vegetables, fruits, etc., daily mandi rates, marketing facilities and detail of various agricultural information centers in the country. This information is being updated everyday. An MoU has also been signed with “Small Farmer’s Agri Business Consortium (SFAC)” to develop agri business projects.

The bank launched following ambitious and innovative credit products for farmers:

- Credit linked back- ended subsidy scheme for development/strengthening of agricultural marketing infrastructure, grading and standardization.
- Venture Capital Fund Scheme for Dairy/ Poultry sector.
- Scheme for providing credit for projects for developing and strengthening of infrastructure facilities for production and distribution of seeds.
- Scheme for financing development of bamboo nursery and also bamboo plantation.
• Scheme for financing Jatropha plantation.

**PNB Farmer’s Welfare Trust:** -- PNB Farmer’s Welfare Trust was established in the year 2000 for the welfare of farmers, women and youth. The Chairman and Managing Director of the bank is the Chairman of the Trust, with other eminent persons as Trustee. Under the aegis of the Trust, the first PNB Farmer’s Training Center (FTC) was established at village Sacha Khera (Haryana) on 16.11.2007. Five more such FTCs have been made operational at Vidisha (M.P.), Neemrana (Rajasthan), Shamshernagar (Sirhind, Punjab), Saifai (U.P.) and Labhandi (Chhattisgarh). Construction work of 7th FTC at Mehraj (Punjab) is likely to be completed in the first quarter of 2006-07. Land has been acquired for 8th FTC at Jhalawar (Rajisthan) and for 9th FTC at Pillaiyarpatti (Tamil Nadu). Few other proposals are also under consideration.

The six operational FTCs trained 47,361 persons including 7053 women by the end of March 2006. Training is being imparted free of cost by the FTCs. Besides, each FTC has adopted one village for developing it as a Model village at a cost of Rs.5lacs.

**International Operations:** -- In its endeavor to expand international operations, the bank decided to upgrade the representative office at London (UK) and Almaty (Kazakhstan) into subsidiaries and open offices at Singapore (Offshore Banking Unit), Hong Kong (Branch) and Canada (Subsidiary). Necessary permission in this regard has already been received from Reserve Bank of India and steps have
been initiated for opening these offices. In addition, bank is having a branch at Kabul (Afghanistan), besides representative offices at Shanghai (China) and Dubai (UAE). An offshore Banking Unit (OBU) at SEEPZ, Mumbai has already been set up to cater to units in Special Economic Zones (SEZs) and SEZ Developers.

The bank has a joint venture with Everest Bank Ltd. (EBL) Nepal, with 20 percent equity participation, which is being managed by officials deputed from the bank under a technical service agreement. With PNB’s management, EBL has become one of the leading banks in Nepal.

In order to facilitate foreign trade of the country, the bank has a network of 145 branches at different centers, which are authorized for handling foreign exchange business of exporter/importer clients. In addition, bank is having 9 Position Maintaining Offices, which maintain Nostro accounts of the bank in various currencies to facilitate export/import transactions with different banks all over the world. With a view to providing prompt and efficient services, bank has set up 11 specialized International Banking Branches (IBBs) at important centers of the country for the benefit of exporter/importer clients.

Export turnover of the bank stood at Rs.22108crore while import turnover was Rs.21848crore. Total Export-Import turnover of the bank increased to Rs.43956crore during the review period. Export
credit outstanding has increased to Rs.5203 crore from Rs.4321 crore registering a growth of 20 percent.

Under precious metal business initiated in September 2000, the bank achieved gold import turnover of Rs.1535 crore and silver import business of Rs.279 crore.

For providing facilities for encashment of foreign currency notes/ traveller cheques to foreign tourists/ NRIs and to provide exchange facilities to resident individuals, bank is setting up Exchange Bureaus at important centers. Such bureaus have already started functioning at New Delhi, Jaipur, Udaipur, Chennai, Bangalore, Rishikesh, Shimla, Manali & Mysore. Besides, over 150 branches all over India are also providing these services.

All branches, which are undertaking foreign exchange transactions, have been provided SWIFT (Society for World-wide Inter-bank Financial Telecommunications) connectivity for quick and secure transmission of financial messages to different banks all over the world. In addition, the bank has established relationships with over 500 correspondent/-approved banks all over the world to facilitate foreign exchange transactions.

The bank has entered into Rupee Drawing Arrangements (RDAs) with 18 Exchange Houses in Middle East countries and Singapore to facilitate remittances from NRIs to their families in India. The bank has also made arrangements with Western Union Through
M/S Weizmann Forex Ltd. for Online Money Transfer Services and 1000 branches all over the country are handling these remittance transactions. Internet based remittance service is also being provided through Times Online Money Ltd. Mumbai and Buy India online. Com Inc. USA.

**Industrial Rehabilitation:** -- The bank continued its efforts not only to deal with existing sick units but also to prevent sickness in other units by initiating corrective measures to resolve their problems. Techno-economic viability studies were conducted in newly identified cases and rehabilitation/restructuring packages were considered in case of units found potentially viable. The bank has been assigned the role of Operating Agency by BIFR in a number of accounts.

**Corporate Debt Restructuring:** -- Corporate Debt Restructuring (CDR) system introduced by RBI become operational from October 2001. Corporate with fund based and non-fund based outstanding of Rs.20 crore and above with account categorized in standard/sub-standard/doubtful categories, are eligible for restructuring under CDR system. Out of 60 cases referred to CDR by various FIs/banks so far, our bank has an exposure in 22 cases. Of these 22 cases restructuring has been approved in 15 cases with aggregate exposure of Rs.767 crore while 2 cases have been rejected and one case has been closed. Restructuring is under different stages of processing in remaining 4 cases.
A CDR Cell has been created within Industrial Rehabilitation Department for effective implementation of CDR packages. The bank is a member of the Core Group and has actively contributed to the formulation of the CDR policy and procedures. The bank has benefited from the mechanism by way of improved recoveries as also improvement in risk rating and assets classification of the accounts.

Market Risk: -- Assets liability management system of the bank provides for a comprehensive and dynamic framework for measuring and monitoring market risks viz., interest rate risk and liquidity risk.

The interest rate risk is managed through Gap Analysis and Duration Analysis. Tolerance limits have been fixed for impact on Net Interest Income (NII) due to adverse change in interest rates, while liquidity risk is managed primarily through the Gap Analysis for maturity mismatch based on residual maturity in different time buckets. Models based on behavioral studied have been adopted for assets and liabilities of non-maturity nature for Gap Analysis, which are being back tested and validated regularly. Net gaps and cumulative gaps under different buckets are managed through prudential limits fixed therein. Liquidity profile of the bank is also assessed through various liquidity ratios and management of the same is done within the prudential limits fixed thereon. Stress tests are conducted regularly to draw the contingency funding plan under different liquidity scenarios.
The bank has a Middle Office, which provides critical inputs to ALCO for controlling and managing market risks. Migration of ratings is tracked regularly to assess the credit risk in the investment portfolio. The bank follows the Standardized Approach stipulated by RBI, for calculation of capital charges for market risk. The bank has in place various limits for fresh investments, industry exposures, cut loss limits etc. for risk management. During the year, bank made operational "Model for Credit Risk Rating of Banks" which was developed in- house for calculating the overall exposure that can be taken on individual counter parties.

Operational Risk: -- The bank is ready to migrate to " Basic Indicator Approach" on parallel and on full-fledged. However, the bank intends to adopt "Advanced Measurement Approach (AMA)" for the management of Operational Risk in due course, subject to RBI's approval and is making simultaneous preparations to adopt "The Standardized Approach (TSA)" as an intermediary approach. Several steps have been initiated to fulfill the qualifying criteria viz., establishing the Operational Risk Management Framework, Tracking Operational Risk Internal Loss Data and mapping of all our activities/ income to eight business lines as prescribed in new capital accord.

In order to migrate to AMA, the bank has started collecting data on operational risk losses as well as "Near- Miss Events"(risk event wise as well as business line- wise). Root cause analysis is being done and based on the historical loss data; Key Risk Indicators have been identified for monitoring by the concerned business lines. Risk
Based Internal Audit (RBIA) reports are leveraged for better monitoring and control of risk indicators. The bank has also established broad framework for “Loss Distribution Approach” under AMA.

**Internal Control:** -- The bank continued to emphasize on strengthening and improving internal supervision and control. Efforts were taken to ensure strict compliance of dissection/ guidelines issued by regulatory bodies.

During the year, 803 branches were under concurrent audit covering 68.82 percent of advance, 60.26 percent of deposits and 63.44 percent of bank’s total business. Regular inspection was conducted in 3194 branches and the number of ‘Good/ Very Good’ rated branches increased from 2362 to 2394.

The Score Based Rating System has been replaced by Risk Based International Audit (RBIA). Under RBIA, branches are rated under five risk categories viz. Low, Medium, High, Very High and Extremely High.

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Risk Based Internal Audit (RBIA) was started in 2003 in exceptionally large branches/ Very Large branches on pilot basis.
The bank has now completely switched over to RBIA, RBIA policy and performance for conducting Risk Based Internal Audit were developed in-house. To keep continuous watch on movement of risk in the offices/branches, a system of site risk assessment has been introduced besides risk assessment through on-site audit. The bank has also proposed to undertake geographical audit and segment audit under the system. The Risk profile of the bank is prepared annually with reference date of 31st March, which is being updated on quarterly basis and placed before the Board and RBI.

In compliance with RBI guidelines, bank has duly approved IT audit policy. IS Audit was conducted in 730 computerized branches.

Revenue Audit is conducted of branches every year in order to arrest leakage of revenue. Revenue Audit was conducted in 3984 branches.

In accordance with RBI guidelines, the bank introduced in-house Management Audit System so as to improve the administrative efficiency of the bank. Management Audit of 18 Zonal offices, 30 Head office Divisions, 6 Training Establishments, 11 Zonal Audit offices and 2 subsidiaries of the bank was conducted.

Decentralization of Inter Branch Reconciliation (IBR) of entries at various levels was undertaken so that the reconciliation work is done faster. Resultantly, the bank was enabling to complete the weekly Inter Branch Reconciliation work within 38 days against the
permissible time of six months, for a particular week, as stipulated by RBI.

**Right To Information Act:** -- "The Right to information Act 2005" came into force and has been made fully operational in the bank with effect from 12.10.2005. All the branches of the bank have been authorized to receive application from the citizens of India seeking information under the act. While the relevant information as per the Act has been put on the website of the bank, the bank has designated Assistant Central Public Information Officers at all regions and Central Public Information Officers in all Zones and Head Office for proper implementation of the Act and all applications seeking information have been dealt with well within the prescribed time frame.

**Information Technology:** -- Considering that technology is the key of driver of business development, the bank continued to undertake various initiatives on technology front. Keeping with the vision of positioning the bank as a technology driven organization, efforts were made to use technology to provide better customer service at minimum cost.

In recognition of its efforts in the area of information technology, the bank won the following awards: --

- PC Quest Users' Choice Award for Best IT Implementation.
- Symantec Visionary Award (Information Security Impact).
• IBA's Runner up award for Outstanding Achiever of the year (Individual).
• CTO of the year Award (Business Innovator) by M/s Jasubhai Digital Media.

Core Banking Solution (CBS) at the end of March 2006 covered 2108 Service Outlets (SOLs) across 543 centres, covering 77 percent of the business. The 2000th SOL on CBS was inaugurated by Shri P. Chidambaram, Hon'ble Finance Minister, Govt. of India. As many as 161 lakh customers of the bank have now the facility of "anytime and anywhere" banking and a host of value-added services.

A robust and reliable wide area network has been set up for connecting branches to Data Centre. The bank has set up a Network Operation Centre for centralized monitoring of Enterprise Wide Area Network, which was inaugurated by Hon’ble Finance Minister. An uptime in excess of 99.75 percent has been achieved for the wide area network. Real Time Gross Settlement System (RTGS) is operational at 1690 branches for providing inter bank Funds Transfer Facility. Structured Financial Messaging System (SFMS) has been implemented in 1218 branches for intra bank funds transfer.

In order to provide cost effective alternate channel of banking, the bank has installed 690 ATMs. The bank has entered ATM sharing arrangement under 'MITR' with five other banks. Oriental Bank of commerce, Indian Bank, Karur Vysya Bank, UCO Bank and Ind. Bank. Further, the bank has bilateral sharing of ATMs with State
Bank of India along with a membership for ATM sharing with National Financial Switch (NFS) under IDBRT. This has enabled access to nearly 13,000 ATMs spread all over the country to the customers. “Maestro” branded Debit Card of the bank is accepted at all ATMs having Maestro/ Cirrus logo. This bank has issued 16.6 lakh ATM/debit Cards.

The bank has also launched Internet Banking Services for retail as well as corporate customers and there is around one lakh user of this service. As a part of value addition to Internet Banking Service, facilities like utility bill payment, booking of railway tickets, shopping over Internet etc. have been introduced.

The bank has decided to set up Enterprise Wide Data Warehouse (EDW) for better decision support system and Management Information System (MIS). The system shall bring further qualitative improvement in operation of the bank and customer service.

An extensive IT Governance framework has been put up in place to ensure that technology is leveraged optimally so that the bank is able to reap benefits commensurate with the investments made in technology. Various committees have been formed at appropriate level to look after the overall deployment of technology and its implementation and to suggest corrective measures. Regular reviews/audits are undertaken to ensure that IT risks are managed effectively.
A web-based system ‘Online Monitoring and Tracking of Credit Proposals’ has been developed for better monitoring, supervision, tracking and reporting of credit proposals in the bank.

**Employees Welfare:** -- Further, as part of employee welfare measure, the bank has proposed to introduce an innovative health insurance scheme for all existing employees of the bank. Under this scheme, the bank would extend a total of Rs.50,000 (per employee) as an insurance cover towards medical expenses, after the retirement of the employee on attaining the age of superannuating. The premium of this insurance cover would be borne out of PNB Staff Welfare Fund. A contributory hospitalization scheme for serving workman employees of the bank has also been approved. Two new Holiday Homes were established at Chennai and Patni top in Jammu.

Industrial relations of the bank continued to remain cordial and harmonious. Regular meetings were held with the employee’s representatives with regard to various issues.

**New Business Incentives:** --

**Insurance Business:** -- After surrendering corporate agency arrangement with New India Assurance Co. the bank’s newly formed joint venture, Insurance broking company i.e. PNB Principal Insurance Advisory Co.(P) Ltd. commenced its activities. The company is being managed by highly qualified professionals who have expertise in designing products suiting to the requirements of corporate clients as well as general public and it collected a premium
of Rs. 79.71 crore from over 3.801 lac policies through branch network of PNB and Vijaya Bank across the country. The Company has earned brokerage of Rs. 9.51 crore. The Company has recently designed PNB- Met Life product for PNB customers.

**Mutual Fund Business:** -- The distribution of the Mutual fund products of “Principal PNB AMC Pvt. Ltd.” (AMC) undertaken by the bank last year, is being done through 22 zones as against 10 zones last year. The potential branches of these zones have been designated to provide one stop shop facility to the investors. The bank has created a term of more than 200 AMFI qualified marketing officials to advise/ market mutual fund products to the investors. The bank has earned fee-based income of Rs. 2.50 crore from the mutual fund product distribution during the financial year.

**Credit Card Business:** -- Presently, the bank is offering co-branded PNB- HSBC International Credit Card, for which the marketing operations are looked after by the bank while back office operations are taken care of by HSBC. The bank is in the process of launching its own credit card in the market.

**Merchant Banking:** -- The bank was associated with 8 issues as 'Bankers to issue' and handled 35 payment assignments of dividend warrants/ interest warrants/ refund orders. The bank is also acting as Debenture Trustee in respect of 38 assignments of various corporates. As category- 1 Merchant Banker, registered with SEBI,
the bank has set up a team to handle assignments to act as lead manager to public issues.

**Cash Management Services:** -- Cash Management Services (CMS) are made available under 2 modules, i.e. fast collection of outstation cheques facility for retail customers and CMS for corporate customers. The scheme is now available at 450 centers spread all over the major cities of the country as against 150. The bank collected 17.13lacs instruments amounting to Rs.14277crore and earned an income of Rs.17.80crore.

**Electronic Clearing Services:** -- Presently, the bank is providing ECS (Cr/Dr) facility at 11 centers i.e. Agra, Allahabad, Aurangabad, Jalandhar, Kolhapur, Lucknow, Ludhiana, Mysore, Udaipur, Varanasi and Erode against only 2 centres i.e. Lucknow and Ludhiana.

At Jaipur, the recovery of Bank Loan Installments (EMI) through ECS (Debit) has been initiated. This facility would be started in other zones as well, so as to reduce transaction cost.

**Customer Services:** -- Technological innovations have increased customer expectations in terms of efficiency, convenience and reliability. Recognizing this, the bank has accelerated the pace of technology adoption to provide best quality service to its customers and build strong and lasting customer relationships. The bank is already providing alternative delivery channels like ATMs, Tele banking, Internet banking, etc. The bank has set up ‘May I help You
Counter’ in the branches where staff strength is 25 and above. The bank’s Customer Care Center with Toll free telephone line (1800 180 2222) and 0124-2340000 is working round the clock.

The bank has a well-defined grievance redressal mechanism and the efforts are made to resolve all the complaints within the stipulated time. The Customer Service Committee of the Board and Standing Committee on Customer Service ensure that handling of complaints is efficient and in line with the performance requirements of the bank.

Community Services: As a responsible corporate citizen, the social initiatives of the bank are focused on building the capacity of the poor. The bank supported various societies, charitable institutions and organizations working for the benefit of downtrodden and weaker sections of the society, tribal, orphans, underprivileged, spastics, handicapped, mentally retarded children, wounded soldiers, women in shelter homes, etc. through donations to the tune of Rs.2.34 crore. The bank also contributed for fighting diseases like diabetes, tuberculosis, AIDS, leprosy etc. Donations were also extended for purchase of water coolers, ambulances and building infrastructure facilities at hospitals/schools.

Further, the bank participated in setting up a Rural Development and Self Employment Training Institute (RUDSETI) in District. Solan (HP) as trustee of “Trust for Skill and Entrepreneurship Development”. The objectives is to train and impart
short duration training to PMRY applicants, SHGs and beneficiaries of other government sponsored schemes and equip them to become self-supporting.

The bank organized 564 community based programmes throughout the country which included 97 free camps for medical, eye and general check-up camps, 16 camps for distribution of artificial limbs, 273 tree plantation camps and 35 blood donation camps. The bank is also maintaining 47 Library-cum Reading Rooms in rural areas in Punjab, Madhya Pradesh, Rajasthan, Uttar Pradesh and Delhi.

**Threats:** -- With technology making deeper in-roads and development of alternative channels, the bank faces the threat of erosion in its franchise value. In particular, financial services can be provided over Internet, which renders the branch network vulnerable. However, as the international experience has shown clicks need bricks. Nevertheless, operating in a multi-channel environment is a challenge to the bank in so far as the customer could choose to operate through any of the channels and the bank will have to provide consistent and quality services in all the channels. Providing the best customer experience will hold the key for future. Since technological advancements will continue, the bank will have to optimize on its technological resources and gain commensurate returns from the investments thereof. Choosing technology in the future therefore will have to be based strictly on cost vis-a-vis benefits.
Risk And Concerns: -- Deregulation and liberalization have resulted in opening up new opportunities. But such opportunities are beset with risks as well. In the emerging financial landscape, which is characterized by increasing economic volatility, managing risks will be paramount. The bank being in the financial intermediation business. Therefore faces a verity of risks. While risk is positively linked to returns, the bank has to clearly envisage its risk appetite and take only such risks, as can be managed effectively.

Increasing use of information technology calls for understanding, identifying and mitigating the risks involved. Business Continuity and Disaster Recovery Plans have to be robust and comprehensive covering major vulnerabilities and provide for emergency responses. These need to be periodically reviewed and reliability should be ensured through independent audits at regular intervals.
### Performance Highlight Of Punjab National Bank

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**Source:** Balance sheets of Punjab National Bank.
### Offices Of Punjab National Bank

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<td><strong>Total</strong></td>
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<td>4510</td>
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**Source:** Balance sheets of Punjab National Bank.
## Priority Sector Credit

(Rs. Crore)

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<td>(b) Small Scale Sector</td>
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<td>(c) Others</td>
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</tr>
</tbody>
</table>

**Source:** Balance sheets of Punjab National Bank.
## Selected Ratios

*(In Percent)*

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Assets Ratio (CAR)</td>
<td>13.10</td>
<td>14.78</td>
<td>11.95</td>
<td>12.29</td>
<td>12.96</td>
</tr>
<tr>
<td>Business Per Employee (BPE)</td>
<td>228</td>
<td>277</td>
<td>331</td>
<td>407</td>
<td>505</td>
</tr>
<tr>
<td>Return On Assets</td>
<td>1.16</td>
<td>1.17</td>
<td>1.09</td>
<td>1.03</td>
<td>1.15</td>
</tr>
<tr>
<td>Net NPA On Net Advance</td>
<td>.98</td>
<td>.20</td>
<td>.29</td>
<td>.76</td>
<td>.64</td>
</tr>
<tr>
<td>PS Credit On Net Credit</td>
<td>49.38</td>
<td>46.34</td>
<td>44.22</td>
<td>41.89</td>
<td>44.11</td>
</tr>
</tbody>
</table>

*Source: Balance sheets of Punjab National Bank.*
## Staff Strength Of Punjab National Bank

<table>
<thead>
<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers</td>
<td>16887</td>
<td>28.7</td>
<td>17645</td>
<td>30.3</td>
<td>18477</td>
<td>31.8</td>
<td>18853</td>
<td>32.9</td>
<td>19141</td>
<td>34.17</td>
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<tr>
<td>Clerks</td>
<td>32361</td>
<td>55</td>
<td>29696</td>
<td>50.9</td>
<td>28688</td>
<td>49.4</td>
<td>27508</td>
<td>48</td>
<td>26620</td>
<td>47.51</td>
</tr>
<tr>
<td>Sub-Staff</td>
<td>9591</td>
<td>16.3</td>
<td>10988</td>
<td>18.8</td>
<td>10882</td>
<td>18.8</td>
<td>10955</td>
<td>19.1</td>
<td>10264</td>
<td>18.32</td>
</tr>
<tr>
<td>Total</td>
<td>58839</td>
<td>100</td>
<td>58329</td>
<td>100</td>
<td>58047</td>
<td>100</td>
<td>57316</td>
<td>100</td>
<td>56025</td>
<td>100</td>
</tr>
</tbody>
</table>

### Source: Balance sheets of Punjab National Bank.