

Financial & Operational Performance Analysis of M&A Between Punjab National Bank Ltd. And Nedungadi Bank Ltd.

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Abstract

The Government of India, the owner of private sector banks, has expressed its concern for strengthening these banks through selective M&A in Indian Banking sector. Consolidation of the banking sector, it is presumed, is required to improve financial & operational efficiency and to facilitate the emergence of globally competitive Indian banks. Indian Private sector Banking will have to explore inorganic growth options in order to 'Significant' challenges emanating from large sized foreign banks to be known for their deep pockets, advanced technology and skilled personnel. M&A activities in Indian Private Banking Sector have started greatly after 2003 when the heat of competition mounted and the Basel II norms were implemented. Basel II norm, which requires banks to maintain a minimum of 9% Capital Adequacy Ratio (CAR), forced the banking sector to look for consolidation of smaller and weaker banks with larger banks. Indian banks also started hunting for M & A. This equation is specifically applicable to M&A in Indian Private Sector Banking. The key principle behind buying a bank is to create shareholder value over and above that of the sum of the two merged bank it results in financial and operational synergy for acquiring bank. In this paper highlighting the financial and operational performance of Nedungadi Bank Ltd.& Punjab National Bank Ltd. that is acquiring bank in Indian Private Sector Banking.

1.1. Introduction

Banking industry became one of the fastest growing service sectors after the first phase economic reforms. "The Narasimhan Committee Report in August 1991 highlighted the need for the financial sector and Banking sector reforms". The report comes with a road map for banking sector reforms particularly in the area of operational flexibility and functional autonomy that enhance banking sector in efficiency, productivity and profitability. The banking sector reforms initiated in the year 1993 with deregulation of banking sector in India. The Government of India, the owner of public sector banks, has expressed its concern for strengthening these banks through selective M&A in Indian Banking sector. Consolidation of the banking sector, it is presumed, is required to improve operational efficiency and to facilitate the emergence of globally competitive banks. It is universally acknowledged that the key drivers of the banking sector in the future will be competition, consolidation and convergence. Here the emphasis is on competition, consolidation and convergence for the development of banking sector in India. The banking sector in India is robust and its standards are broadly in conformity with the international standards. The efficiency and stability to the best global standards a two tracks and gradualist approach will adopt. The consolidation of domestic banking sector in both public and private sector and gradual

enhancement of the presence of foreign banks in a synchronized manner. The Foreign Institutional Investor and foreign banks are allowed set up their banks in India. Indian banking sector to explore inorganic growth options in order to face 'significant' challenges emanating from large -sized foreign banks to known for their deep pockets, advanced technology and skilled personnel. The emphasis on cross-country evidence to indicate that inorganic growth is one of the best ways to compete with foreign banks. The banking sector is growing as the economy is growing need for scale and size. The merger of State Bank of Saurashtra with State bank of India is a good example of such consolidation process in the Indian Banking Sector. The same thing may also take place in some of the other private sectors banks in India. The Indian banking sector and M&A as a means for inorganic growth are increasingly being used in the world to overcome to undertake restructuring of leading business enterprises. Liquidity has been traditional strength of the Indian Banking system. Banks are required to keep a stipulated proportion of their total demand and time deposit in the form of liquid asset which affect their liquidity position. RBI has made it mandatory for all the Indian banks to maintain SLR&CRR, which create a sound banking systems in India, and it is strength of the Indian Banking system. They identified competition from foreign banks, which will create intense competition for Indian Banks. In India, there is high level of fragmentation, especially among cooperative banks, as compared to some of the advanced economies in the world. Lack of product differentiation, low penetration and no competition at international level are the major weakness of Indian Banking system. On the other hand, Indian new generation private sector banks and foreign banks are technologically more advanced in terms of management information system and delivery mechanism. In Indian banks, all have implemented Basel norms II and other cost cutting majors will lead to cost efficiency and profitability. Alignment of technology, assimilation of systems and process, customer dissatisfaction, integration of people, marginalization of small customers and rise of monopolistic structure lead to threats of Indian Banking sector. Consolidation will positively amplify the Indian banking sector prospects in the domestic as well as international market place. On the other hand Mr. Pranab Mukherjee (2009), Former Finance Minister, Government of India said that the "Government not forcing public Sector banks on consolidation", but if the public sector banks are taking initiative should come from the management and the government is ready to help such types of consolidation in the Indian Public sector banking.

1.1.1. Introduction about Nedungadi Bank Ltd.

Nedungadi Bank was established in 1899 at Calicut in Kerala. It was the first private sector commercial bank to be set up in South India. The bank was incorporated in 1913. In 1964 it acquired the Cochin National Bank in Trichur, and then the year after it took over selected assets and liabilities of the Coimbatore National Bank. Besides it established 174 branches, including branches at all major metropolitan cities such as New Delhi, Calcutta, Chennai, Mumbai and Ahmadabad.

1.1.2. Introduction to Punjab National Bank Ltd.

Punjab National Bank is a state-owned commercial bank located in New Delhi. It is one of the Big Four Banks of India. They are recognized as the Bank offering highest levels of customer satisfaction in Delhi and Chennai. The Bank has the largest domestic network of 4997 offices including 46 extension counters among Nationalized Banks. All their branches offer Core Centralized Banking Solution (CBS) along with a variety of financial products catering to different market segments. They have international presence in 9 countries. In the year 1940, the Bank absorbed Bhagwan Das Bank, a scheduled bank located in Delhi circle. In the year 1951, they acquired the 39 branches of Bharat Bank and in the year 1961, they acquired Universal Bank of India. Punjab National Bank was nationalized in July 1969 along with 13 other banks

with other banks in India. It has opened specialized branches that include 6 Micro Finance branches, 59 SME branches, 11 International Banking Branches, 17 Asset Recovery Management Branches, 13 Mid Corporate Branches, 11 Large Corporate Branches, 73 Retail Asset Branches, 11 Agriculture Finance Branches, 3 high-tech agriculture branches, 1 Capital Market Services Branch and 1 International Service Branch. The Bank received permission from RBI for setting up a representative office in Sydney, Australia. Besides, they are in the process of entering into Canada. The company has an objective to increase the customer base to 150 million by the year 2013.

1.2. Significance of the Study

This study set out with the aim of assessing the importance “Financial & Operational Performance Analysis of M&A Between Nedungadi Bank Ltd. and Punjab National Bank Ltd.” An in-depth analysis of financial and operational parameters of M&A in Nedungadi Bank Ltd. and Punjab National Bank Ltd. have been studied. M&A in Indian Private Sector Banking have often been viewed as consolidation process, where a strong bank takes over a weak bank. It is basically financial integration, economic growth and financial stability. This in turn enables them to improve M&A in the Indian Private Sector banking leads to interbank competitions and these intend to give the beneficial effects to spread the banking sector as a whole, fostering closer convergence towards better, more efficient banking practices, deepened integration and greater breadth, depth and liquidity of the current financial markets. This study aims at understanding the financial and operational parameters for mergers and acquisitions and also sees the impact of financial and operational synergy analysis and its impact on merged and acquiring unit. Hence an attempt has been made in this research paper and so the researcher felt that there is a need for an in-depth analysis to find out the synergy and the impact of the merger and acquisition in Indian Private Sector Banking during post liberalization era.

1.3. Statement of the Problem

After globalization in Indian economy there are several M&A took place in private corporate sector and got successes in their business opportunities, technology up gradation and also increased their sales volume with help of verity product lines on the same line M&A took place in Indian Banking sector also. Most of the Indian Banks seem to be engaged in some kind of corporate restructuring through M&A. But not working at satisfactory level as expected after mergers and acquisitions. The Government of India and Reserve Bank of India has appointed two committees on financial sector reforms particularly banking sector in India. The Narasimham committee Reports (1992) he has suggested that the broad pattern of the banking system in India with 3 to 4 large banks which could become international in character banks and 8 to 10 national banks with network of branches throughout the country engaged in universal banking business with other local banks whose operations would be generally confined to a specific area and Regional Rural banks whose operations would be confined to the rural area. Hence researcher has decided to study the mergers and acquisitions of Nedungadi Bank Ltd. and HDFC Bank Ltd to assess the financial and operational performance analysis with objectives has under.

1.4. Objectives of the study

1. To analyze pre & post financial synergy of Mergers & Acquisitions of Nedungadi Bank Ltd. and Punjab National Bank Ltd. with regards to liquidity, profitability & asset quality.
2. To analyze pre & post operational synergy of Mergers & Acquisitions of Nedungadi Bank Ltd. and Punjab National Bank Ltd. with regards to lending and borrowing and Interest incomes.

1.5. Hypotheses of the Study

The article plans to construct the following null hypotheses with the aim of testing them.

1. There is no significant difference between pre and post merger

financial performance of Punjab National Bank Ltd. after acquiring Nedungadi Bank Ltd.

2. There is no significant difference between pre and post merger operational performance of Punjab National Bank Ltd. after acquiring Nedungadi Bank Ltd.

1.6. Research Methodology

The proposed study is based on the secondary data. The said secondary data has been collected from the publications / portals of reputed organizations like SEBI, RBI, ICAI, ICSI, ministries / departments of the Government of India, like the Ministry of Finance, Department of Commerce Affairs, various parts of company law journals of Financial Economics and financial periodicals. The said secondary data has been used to analyze the data which are related the objectives of the research in the light of the real world situation. The researcher intends to follow judgmental sampling (Non probability) for the present study. So far 83 material M&A have taken place in Indian Banking sector from 1961 to August 2010. The study covers 1 M&A which have taken place between 1991 to August 2010. The present study plans to take around 0.042 per cent sample from the population that is 1 mergers and acquisitions where the impact for each of the first three pre and post merger impact can be analysed.

The data analysis is a very important step in the entire research process. The researcher would collect all secondary data information regarding M&A's in Nedungadi Bank Ltd. and Punjab National Bank Ltd. involved in the research and edits the data. Only financial and operational information and details which are important to lead towards the objectives would be picked up. Pre and Post merger studies must separate the impact of the merger and acquired unit from the many forces that influence the performance of the merged unit. The use of statistical tools would help the researchers in the analysis of the data and interpretation of the results. There are two prominent types of studies for assessing the impact of M&A's on the merged and acquiring banks. The same prominent factor may be sub divided into financial and operational performance studies.

- In this research financial and operational performance are taken as key indicators to measure the performance of the merged unit.
- Further before and after the merger impact for each of the first three pre and post merger years is used to identify the merger impact through ratio analysis.
- Further same data can be applied to the t-test, factor analysis along with construction of hypotheses and other suitable statistical tools will be used depending upon the processing requirement of data collected.

1.7. Data Analysis & Interpretation

To achieve the objectives delineated in the research paper for the investigation was conducted in phases. The first part of this research paper on financial parameters and next as a operational parameters.

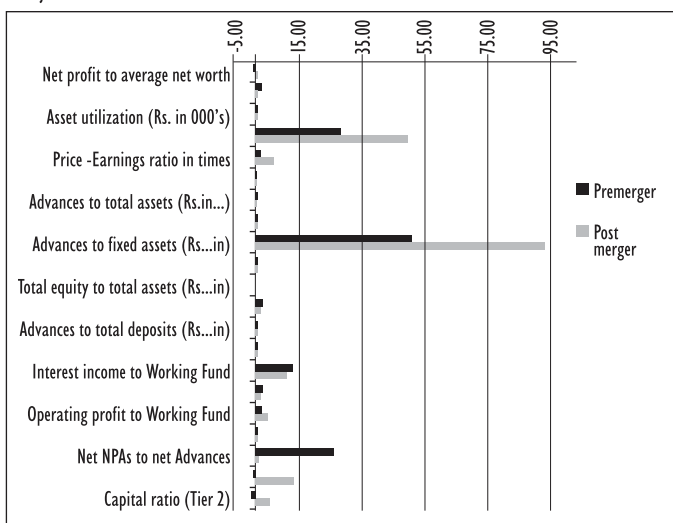
1.7.1. Financial performance analysis of Nedungadi Bank Ltd. and Punjab National Bank Ltd.

Table 1.01: Financial Analysis of t-statistical Analysis for Nedungadi Bank Ltd. and Punjab National Bank Ltd.

SI	Parameters	Pre merger	Post merger	mean difference	SD	t-value	P-value	Remarks
01	Net Profit to average net worth (Rs in 000's)	-0.745	0.209	0.954	0.675	-2.519	0.241	In-Significant
02	Operating profit to average net worth (Rs in 000's)	2.397	0.046	2.351	1.662	0.028	0.982	In-Significant
03	Asset utilization (Rs in 000's)	0.117	0.083	0.034	0.024	3.481	0.178	In-Significant

04	Earnings per share in Rupees	26.793	46.790	19.997	14.140	0.481	0.715	In-Significant
05	Price-Earnings ratio in times	2.492	8.559	6.068	4.291	-0.834	0.558	In-Significant
06	Liquid assets to deposits (Rs in 000's)	0.516	0.576	0.060	0.042	10.818	0.059	Significant
07	Advances to total assets (Rs in 000's)	0.688	0.485	0.203	0.144	3.371	0.184	In-Significant
08	Return on Assets ratio (Rs in 000's)	-0.036	0.016	0.052	0.037	-2.392	0.252	In-Significant
09	Advances to fixed Assets (Rs in 000's)	50.406	93.754	43.348	30.652	0.230	0.856	In-Significant
10	Govt. Securities to Total investment (Rs in 000's)	1.132	1.206	0.074	0.0522	0.290	0.031	In-Significant
11	Total equity to total assets (Rs in 000's)	0.061	0.089	0.028	0.020	1.631	0.350	In-Significant
12	Total deposits to Advances ratio (Rs in 000's)	2.939	2.587	0.352	0.2491	0.390	0.061	Significant
13	Advances to total deposits (Rs in 000's)	0.767	0.873	0.106	0.075	8.833	0.072	Significant
14	Total Investments to Total Assets (Rs in 000's)	0.557	0.548	0.009	0.0078	3.628	0.008	In-Significant
15	Interest income to Working Fund	13.795	11.220	2.575	1.821	6.162	0.102	In-Significant
16	Non interest income to Working Fund	3.010	2.140	0.870	0.615	3.479	0.178	In-Significant
17	Operating profit to Working Fund	1.635	3.845	2.210	1.563	-0.368	0.776	In-Significant
18	Total interest Income to Average assets (Rs in 000's)	0.120	0.172	0.052	0.037	1.817	0.320	In-Significant
19	Net NPAs to net Advances	26.168	0.735	25.433	17.983	0.041	0.974	In-Significant
20	Capital ratio (Tier 1)	-1.015	12.970	13.985	9.889	-1.517	0.371	In-Significant
21	Capital ratio (Tier 2)	-2.060	6.945	9.005	6.367	-1.738	0.332	In-Significant

Graph No 1.01 : Financial analysis of Nedungadi Bank Ltd. and Punjab National Bank Ltd.



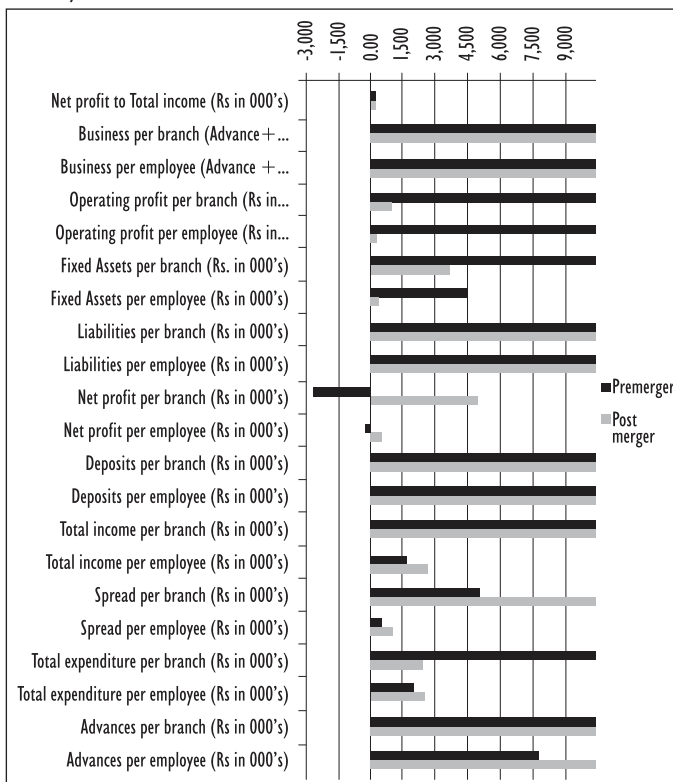
From the above Table 1.01 & Graph No 1.01 an insignificant improvement is indicated in 18 ratios as compared to significant in only 3 ratios as respectively at significance level of 0.05 during the post-merger period over the pre-merger years. The Liquid assets to deposits, Total deposits to Advances ratio and Advances to total deposits are significant which indicates a positive impact on merged entity.

1.7.2. Operational performance analysis of Nedungadi Bank Ltd. and Punjab National Bank Ltd.

Table 1.02: Operational Analysis of t-statistical Analysis for Nedungadi Bank Ltd. and Punjab National Bank Ltd.

SI	Parameters	Pre merger	Post merger	mean difference	SD	t-value	P-value	Remarks
01	Net profit to Total income (Rs in 000's)	-0.35	0.193	0.54	0.38-	2.33	0.26	In-Significant
02	Business per branch (Advance + Deposit) (Rs in 000's)	285117.25	312915.98	221265.01	598033.24	-0.13	0.92	In-Significant
03	Business per employee (Advance + Deposit) (Rs in 000's)	22664.96	42243.62	19578.67	13844.21	0.22	0.86	In-Significant
04	Operating profit per branch (Rs in 000's)	10353.15	1019.62	9333.53	6599.80	0.15	0.90	In-Significant
05	Operating profit per employee (Rs in 000's)	1036.23	71.89	964.34	681.89	0.11	0.93	In-Significant
06	Fixed Assets per branch (Rs in 000's)	65679.87	3513.25	62166.62	43958.44	0.08	0.95	In-Significant
07	Fixed Assets per employee (Rs in 000's)	4525.92	247.95	4277.97	3024.98	0.08	0.95	In-Significant
08	Liabilities per branch (Rs in 000's)	210988.44	453470.87	242482.43	171460.97	-0.18	0.88	In-Significant
09	Liabilities per employee (Rs in 000's)	16742.33	32030.31	15287.97	10810.23	0.13	0.91	In-Significant
10	Net profit per branch (Rs in 000's)	-2652.67	4797.44	7450.10	5268.02	-1.92	0.31	In-Significant
11	Net profit per employee (Rs in 000's)	-120.80	338.74	459.53	324.94	-1.79	0.32	In-Significant
12	Deposits per branch (Rs in 000's)	188158.90	376986.09	188827.19	133520.99	-0.01	1.00	In-Significant
13	Deposit per employee (Rs in 000's)	14979.78	26623.77	11643.99	8233.55	0.41	0.75	In-Significant
14	Total income per branch (Rs in 000's)	22542.05	37129.15	14587.09	10314.63	0.77	0.58	In-Significant
15	Total income per employee (Rs in 000's)	1708.85	2620.17	911.31	644.40	1.24	0.43	In-Significant
16	Spread per branch (Rs in 000's)	5158.40	14919.93	9761.54	6902.45	-0.67	0.63	In-Significant
17	Spread per employee (Rs in 000's)	367.06	1053.46	686.40	485.36	-0.66	0.63	In-Significant
18	Total expenditure per branch (Rs in 000's)	23325.80	2281.10	21044.71	14880.85	0.15	0.90	In-Significant
19	Total expenditure per employee (Rs in 000's)	1920.64	2281.10	360.46	254.88	6.12	0.10	In-Significant
20	Advances per branch (Rs in 000's)	96962.72	15619.85	81342.87	57518.09	0.27	0.83	In-Significant
21	Advances per employee (Rs in 000's)	7685.60	15619.85	7934.26	5610.37	-0.04	0.97	In-Significant

Graph No 1.02: Operational analysis of Nedungadi Bank Ltd. and Punjab National Bank Ltd.



From the above Table 1.02 & Graph No 1.02 an insignificant improvement in 21 ratios the significance level at 0.05 during the post-merger period over the pre-merger years has been noticed.

1.8. One tail t-Test: Paired one Sample for Means with 5% level of significant

HO: There is no significant difference between pre and post merger financial performance of Nedungadi Bank Ltd. and Punjab National Bank Ltd.

HI: There is a significant difference between pre and post merger financial performance of Nedungadi Bank Ltd. and Punjab National Bank Ltd.

Table No 4.39: Hypothesis Testing of Financial performance of Nedungadi Bank Ltd. and Punjab National Bank Ltd.

Particulars	Pre merger	Post merger
Mean	6.17	9.23
Variance	168.66	481.75
Observations	21	21
Pearson Correlation	0.87	
Hypothesized Mean Difference	0.05	
Df	20	
t Stat	-1.15	
P(T<=t) one-tail	0.13	
t Critical one-tail	1.72	

Since the significance value of t-test one tail is more than 0.13, H_0 is accepted. It is inferred that there is no significant difference between pre and post merger financial performance of Punjab National Bank Ltd. within the variables with 20 degrees of freedom at 95% significance level.

1.9. Test: Paired one Sample for Means with 5% level of significant

Ho: There is no significant difference between pre and post merger operational performance of Nedungadi Bank Ltd. and Punjab National Bank Ltd.

HI: There is a significant difference between pre and post merger operational performance of Nedungadi Bank Ltd. and Punjab National Bank Ltd.

Table No1.03: Hypothesis testing of operational performance of Nedungadi Bank Ltd and Punjab National Bank Ltd.

Particulars	Pre merger	Post merger
Mean	46530.67	77661.98
Variance	6587951777	29220121707
Observations	21	21
Pearson Correlation	0.958474085	
Hypothesized Mean Difference	0.05	
Df	20	
t Stat	-1.49	
P(T<=t) one-tail	0.08	
t Critical one-tail	1.72	

Since the significance value of t-test one tail is more than 0.08, H_0 is accepted. It is inferred that there is no significant difference between pre and post merger operational performance of Punjab National Bank Ltd within the variables with 20 degrees of freedom at 95% significance level.

1.10. Findings, Conclusions and Suggestions

The study was conducted to evaluate the impact of M&A activity on the financial and operational performance of the Indian private sector banking particularly Nedungadi Bank Ltd. & Punjab National Bank Ltd. on the basis of the results. Along with discovery of these factors and study of their impact, there are a few broad conclusions that can be drawn from the present study. Merger and Acquisition is the useful tool for growth and expansion in the Indian banking sector. It is helpful for survival of weak banks by merging into larger bank.

The main focus on Indian banking sector to explore inorganic growth options in order to face 'significant' challenges emanating from large sized foreign banks to known for their deep pockets, advanced technology and skilled personnel. The emphasis on cross-country evidence to indicate that inorganic growth is one of the best ways to compete with foreign banks. RBI and government of India is discussing about there is a pleasant growth of Gross Domestic Product (GDP) of 8.5 -9 per cent. Indian banks should make use of the same; it leads to credit growth as well as for the requirement of BASEL II, a global standard that prescribed standards for the capital adequacy and risk management. The banks profit margins is less than 5 per cent says AdityaPuri(2007) the banks should maintain bear cost on Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and other requirements, for every deposit banks takes, banks have to reserve 7.5 per cent as CRR, for which banks are no interest, on the other hand banks have to keep SLR at 25 per cent on that banks earn less interest. If the country's GDP grows at 8-9 per cent, credit could grow at 3 times the GDP growth rate in the country. On the other hand alignment of technology, assimilation of systems and process, customer dissatisfaction, integration of people, Marginalization of small customers and rise of monopolistic structure lead to threats of Indian Banking sector. Consolidation will positively amplify the HDFC Bank Ltd after acquiring Nedungadi Bank Ltd. this will help the Indian banking sector prospects in the domestic as well as international market place.

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APPENDIX

Nedungadi Bank Ltd. and Punjab National Bank Ltd. Financial performance

A. Profitability Parameters

Table No 1.01: Net Profit to average net worth (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank					
Pre merger				Pre merger				Post merger					
Year	Profit	Average networth	Ratio	Year	Profit	Average networth	Ratio	Year	Profit	Average networth	Ratio		
2001	-667640.00	382850.50	-1.744	2001	4636434.00	24708953.50	0.188	2004	11086904.00	45223999.00	0.2452		
2002	-654879.00	603541.00	-1.085	2002	5623891.00	29426971.00	0.191	2005	14101201.00	64865531.00	0.2174		
2003	-1363234.00	604586.00	-2.255	2003	8422002.00	36245921.50	0.232	2006	14354653.00	87688298.00	0.1637		
		Average	-1.695			Average	0.204			Average	0.209		
				Average of Pre merger				0.745	Average of Post Merger				.209

Table No 1.02: Operating profit to average net worth (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank					
Pre merger				Pre merger				Post merger					
Year	Operating Profit	Average networth	Ratio	Year	Operating Profit	Average networth	Ratio	Year	Operating Profit	Average networth	Ratio		
2001	2739676.00	382850.50	.0716	2200	945000.00	24708953.50	0.0382	2004	3121000.00	45223999.00	0.07		
2002	2241075.00	603541.00	.0371	2002	1474000.00	29426971.00	0.0501	2005	2404000.00	64865531.00	0.04		
2003	2031386.00	604586.00	.0336	2003	2317000.00	36245921.50	0.0639	2006	2875000.00	87688298.00	0.03		
		Average	.04743			Average	0.051			Average	0.046		
				Average of Pre merger				.02397	Average of Post Merger				0.046

Table No 1.03: Asset utilization (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank					
Pre merger				Pre merger				Post merger					
Year	Revenue	Total Asset	Ratio	Year	Revenue	Total Asset	Ratio	Year	Revenue	Total Asset	Ratio		
2001	2061726.00	9008938.00	0.108	2001	66418999.00	635192219.00	0.105	2004	96465749.00	1023317419.00	0.094		
2002	2253818.00	5770880.00	0.131	2002	76255872.00	729146647.00	0.105	2005	101355293.00	262412809.00	0.080		
2003	1326249.00	4956231.00	0.151	2003	87353190.00	862218046.00	0.101	2006	108153147.00	452673864.00	0.074		
		Average	0.130			Average	0.103			Average	0.083		
				Average of Pre merger				0.116	Average of Post Merger				0.083

Table No 1.04: Earnings per share in Rupees

Nedungadi Bank Ltd		Punjab National Bank		Punjab National Bank			
Pre merger		Pre merger		Post merger			
Year	Ratio	Year	Ratio	Year	Ratio		
2001	No	2001	21.80	2004	41.79		
2002	No	2002	26.50	2005	52.93		
2003	No	2003	32.08	2006	45.65		
Average	NA	Average	26.79	Average	46.79		
		Average of Premerger		26.79	Average of Post Merger		46.79

Table No 1.05: Price-Earnings ratio in times

Nedungadi Bank Ltd		Punjab National Bank		Punjab National Bank	
Pre merger		Pre merger		Post merger	
Year	Ratio	Year	Ratio	Year	Ratio
2001	No	2001	NA	2004	7.14
2002	No	2002	2.04	2005	8.50
2003	No	2003	2.94	2006	10.04
		Average	2.49	Average	8.56
Average of Premerger		2.49	Average of Post Merger		8.56

B. Liquidity ratios

Table No 1.05: Liquid assets to deposits (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Liquid Asset	Deposit	Ratio	Year	Liquid Asset	Deposit	Ratio	Year	Liquid Asset	Deposit	Ratio
2001	8996149	17493734	0.514	2001	311976276	561311302	0.556	2004	509460025	879163958	0.579
2002	6612511	14380551	0.460	2002	346054994	641234752	0.540	2005	617618255	1031668869	0.599
2003	6420705	13561516	0.473	2003	421072352	758134973	0.555	2006	658469990	1196849168	0.550
		Average	0.483			Average	0.550			Average	0.576
Average of Pre merger				0.516	Average of Post Merger				0.576		

Table No 1.06: Advances to total assets (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Advance	Total Asset	Ratio	Year	Advance	Total Asset	Ratio	Year	Advance	Total Asset	Ratio
2001	8485543	19008938	0.446	2001	280431630	635192219	0.441	2004	472247197	1023317419	0.461
2002	7698796	15770880	0.488	2002	343694161	729146647	0.471	2005	604127514	1262412809	0.479
2003	6542552	14956231	0.437	2003	402281209	862218046	0.467	2006	746273712	1452673864	0.514
		Average	0.686			Average	0.690			Average	0.485
Average of Pre merger				0.688	Average of Post Merger				0.485		

C. Financial ratios

Table No 1.07: Return on Assets ratio (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	PAT	Total Asset	Ratio	Year	PAT	Total Asset	Ratio	Year	PAT	Total Asset	Ratio
2001	-667640	19008938	-0.0351	2001	4636434	635192219	0.0073	2004	11086904	1023317419	0.0108
2002	-654879	15770880	-0.0415	2002	5623891	729146647	0.0077	2005	14101201	1262412809	0.0112
2003	-1363234	14956231	-0.0911	2003	8422002	862218046	0.0098	2006	14354653	1452673864	0.0099
		Average	-0.084			Average	0.012			Average	0.016
Average of Pre merger				-0.048	Average of Post Merger				0.016		

Table No 1.08: Advances to fixed Assets (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Advance	Total Asset	Ratio	Year	Advance	Total Asset	Ratio	Year	Advance	Total Asset	Ratio
2001	8485543	308994	27.462	2001	280431630	7239197	38.738	2004	472247197	8998435	52.481
2002	7698796	311232	24.737	2002	343694161	7956236	43.198	2005	604127514	9652295	62.589
2003	6542552	297131	22.019	2003	402281209	8847021	45.471	2006	746273712	10302266	72.438
		Average	37.109			Average	63.703			Average	93.754
Average of Pre merger				50.406	Average of Post Merger				93.754		

Table No 1.09: Govt. Securities to Total investment (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank					
Pre merger				Pre merger				Post merger					
Year	Government Securities	Total investment	Ratio	Year	Government Securities	Total investment	Ratio	Year	Government Securities	Total investment	Ratio		
2001	5756146	7054974	0.816	2001	184372737	251284176	0.734	2004	330687522	421254883	0.785		
2002	4064539	5279426	0.770	2002	193042511	282071742	0.684	2005	411902675	506728264	0.813		
2003	4030169	5165397	0.780	2003	253377466	340300487	0.745	2006	334192652	410553065	0.814		
		Average	1.183			Average	1.081			Average	1.206		
				Average of Pre merger				1.132	Average of Post Merger				1.206

Table No 1.10: Total equity to total assets (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank					
Pre merger				Pre merger				Post merger					
Year	Total Equity	Total Asset	Ratio	Year	Total Equity	Total Asset	Ratio	Year	Total Equity	Total Asset	Ratio		
2001	602251	19008938	0.032	2001	26692027	635192219	0.042	2004	50118070	1023317419	0.049		
2002	604831	15770880	0.038	2002	32161915	729146647	0.044	2005	81612992	1262412809	0.065		
2003	604341	14956231	0.040	2003	40329928	862218046	0.047	2006	93763604	1452673864	0.065		
		Average	0.055			Average	0.066			Average	0.089		
				Average of Pre merger				0.0605	Average of Post Merger				0.089

Table No 1.11: Total deposits to Advances ratio (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank					
Pre merger				Pre merger				Post merger					
Year	Deposit	Advance	Ratio	Year	Deposit	Advance	Ratio	Year	Deposit	Advance	Ratio		
2001	17496734	8485543	2.062	2001	561311302	280431630	2.002	2004	879163958	472247197	1.862		
2002	14380551	7698796	1.868	2002	641234752	343694161	1.866	2005	1031668869	604127514	1.708		
2003	13561516	6542552	2.073	2003	758134973	402281209	1.885	2006	1196849168	746273712	1.604		
		Average	3.001			Average	2.876			Average	2.587		
				Average of Pre merger				2.938	Average of Post Merger				2.587

Table No 1.12: Advances to total deposits (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank					
Pre merger				Pre merger				Post merger					
Year	Deposit	Advance	Ratio	Year	Deposit	Advance	Ratio	Year	Deposit	Advance	Ratio		
2001	8485543	17496734	0.485	2001	280431630	561311302	0.500	2004	472247197	879163958	0.537		
2002	7698796	14380551	0.535	2002	343694161	641234752	0.536	2005	604127514	1031668869	0.586		
2003	6542552	13561516	0.482	2003	402281209	758134973	0.531	2006	746273712	1196849168	0.624		
		Average	0.751			Average	0.783			Average	0.873		
				Average of Pre merger				0.767	Average of Post Merger				0.873

Table No 1.13: Total Investments to Total Assets (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank					
Pre merger				Pre merger				Post merger					
Year	Total Instalment	Total Asset	Ratio	Year	Total Instalment	Total Asset	Ratio	Year	Total Instalment	Total Asset	Ratio		
2001	7054974	19008938	0.371	2001	251284176	635192219	0.396	2004	421254883	1023317419	0.412		
2002	5279426	15770880	0.335	2002	282071742	729146647	0.387	2005	506728264	1262412809	0.401		
2003	5165397	14956231	0.345	2003	340300487	862218046	0.395	2006	410553065	1452673864	0.283		
		Average	0.526			Average	0.589			Average	0.548		
				Average of Pre merger				0.557	Average of Post Merger				0.548

D. Assets Quality

Table No I.14: Interest income to Working Fund

Nedungadi Bank Ltd		Punjab National Bank		Punjab National Bank	
Pre merger		Pre merger		Post merger	
Year	Ratio	Year	Ratio	Year	Ratio
2001	9.800	2001	9.840	2004	8.120
2002	9.090	2002	9.500	2005	7.040
2003	7.680	2003	9.270	2006	7.280
Average	13.285	Average	14.305	Average	11.220
Average of Premerger		13.795		Average of Post Merger	
				11.22	

Table No I.15: Noninterest income to Working Fund

Nedungadi Bank Ltd		Punjab National Bank		Punjab National Bank	
Pre merger		Pre merger		Post merger	
Year	Ratio	Year	Ratio	Year	Ratio
2001	1.600	2001	1.310	2004	1.950
2002	4.100	2002	1.400	2005	1.390
2003	2.080	2003	1.550	2006	0.940
Average	3.890	Average	2.130	Average	2.140
Average of Premerger		3.01		Average of Post Merger	
				2.140	

Table No I.16: Operating profit to Working Fund

Nedungadi Bank Ltd		Punjab National Bank		Punjab National Bank	
Pre merger		Pre merger		Post merger	
Year	Ratio	Year	Ratio	Year	Ratio
2001	0.040	2001	1.590	2004	3.260
2002	2.030	2002	2.110	2005	2.250
2003	-2.100	2003	2.870	2006	2.180
Average	-0.015	Average	3.285	Average	3.845
Average of Premerger		1.65		Average of Post Merger	
				3.845	

Table No I.07: Total interest Income to Average assets (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Total Interest Income	Average Asset	Ratio	Year	Total Instalment	Total Asset	Ratio	Year	Total Instalment	Total Asset	Ratio
2001	2061726	NA	NA	2001	66418999	588168433	0.113	2004	96465749	942767732.5	0.102
2002	2253818	17389936.5	0.130	2002	76255872	682169433	0.112	2005	101355293	1142865114	0.089
2003	1326249	86332155.5	0.015	2003	87353190	795682346.5	0.110	2006	108153147	703843336.5	0.154
		Average	0.072			Average	0.167			Average	0.172
Average of Pre merger				0.1195				Average of Post Merger			
								0.172			

Table No I.18: Net NPAs to net Advances

Nedungadi Bank Ltd		Punjab National Bank		Punjab National Bank	
Pre merger		Pre merger		Post merger	
Year	Ratio	Year	Ratio	Year	Ratio
2001	21.040	2001	6.740	2004	0.980
2002	31.050	2002	5.320	2005	0.200
2003	36.660	2003	3.860	2006	0.290
Average	44.375	Average	7.960	Average	0.735
Average of Premerger		26.168		Average of Post Merger	
				0.735	

Table No 1.19:Capital ratio (Tier 1)

Nedungadi Bank Ltd		Punjab National Bank		Punjab National Bank	
Pre merger		Pre merger		Post merger	
Year	Ratio	Year	Ratio	Year	Ratio
2001	-1.930	2001	NA	2004	7.010
2002	-1.990	2002	6.340	2005	8.870
2003	-13.590	2003	7.110	2006	10.060
Average	-8.755	Average	6.725	Average	12.970
Average of Premerger		-1.015		Average of Post Merger	

Table No 1.20:Capital ratio (Tier 2)

Nedungadi Bank Ltd		Punjab National Bank		Punjab National Bank	
Pre merger		Pre merger		Post merger	
Year	Ratio	Year	Ratio	Year	Ratio
2001	-1.930	2001	NA	2004	6.090
2002	-1.990	2002	4.360	2005	5.910
2003	-13.590	2003	4.910	2006	1.890
Average	-8.755	Average	4.635	Average	6.945
Average of Premerger		2.06		Average of Post Merger	

Operational performance Business Parameters

Table No 1.21: Net profit to Total income (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Profit	Total Income	Ratio	Year	Profit	Total Income	Ratio	Year	Profit	Total Income	Ratio
2001	-667640	2061726	-0.324	2001	4636434	66418999	0.070	2004	11086904	96465749	0.115
2002	-654879	2253818	-0.291	2002	5623891	76255872	0.074	2005	14101201	101355293	0.139
2003	-1363234	1326249	-1.028	2003	8422002	87353190	0.096	2006	14354653	108153147	0.133
		Average	-0.821			Average	0.120			Average	0.193
Average of Pre merger				-0.351				Average of Post Merger			

Table No 1.22:Business per branch (Advance + Deposit) (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Advance & Diposit	Branch	Ratio	Year	Advance & Diposit	Branch	Ratio	Year	Advance & Diposit	Branch	Ratio
2001	25979277	172	151042.31	2001	841742932	3879	216999.98	2004	1351411155	4100	329612.48
2002	22079347	173	127626.28	2002	984928913	3932	250490.57	2005	1635796383	4117	397327.27
2003	20104068	179	112313.2	2003	1160416182	4115	281996.64	2006	1943122880	4142	469126.72
		Average	195490.910			Average	374743.596			Average	598033.236
Average of Pre merger				285117.25				Average of Post Merger			

Table No 1.23: Business per employee (Advance + Deposit) (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Advance & Diposit	Branch	Ratio	Year	Advance & Diposit	Branch	Ratio	Year	Advance & Diposit	Branch	Ratio
2001	25979277	1782	14578.72	2001	841742932	58309	14435.90	2004	1351411155	58839	22967.95
2002	22079347	1761	12537.96	2002	984928913	57859	17022.92	2005	1635796383	58329	28044.31
2003	20104068	1620	12409.92	2003	1160416182	58981	19674.41	2006	1943122880	58047	33474.99
		Average	19763.30			Average	25566.61			Average	42243.62
Average of Pre merger				22664.955				Average of Post Merger			

Table No I.24: Operating profit per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Opening Profit	Branch	Ratio	Year	Opening Profit	Branch	Ratio	Year	Opening Profit	Branch	Ratio								
2001	2739676	172	15928.35	2001	945000	3879	243.62	2004	3121000	4100	761.22								
2002	2241075	173	12954.19	2002	1474000	3932	374.87	2005	2404000	4117	583.92								
2003	2031386	179	11348.53	2003	2317000	4115	563.06	2006	2875000	4142	694.11								
		Average	20115.53			Average	590.78			Average	1019.62								
				Average of Pre merger				10353.15				Average of Post Merger				1019.62			

Table No I.25: Operating profit per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Opening Profit	Employee	Ratio	Year	Opening Profit	Employee	Ratio	Year	Opening Profit	Employee	Ratio								
2001	2739676	1782	1537.42	2001	945000	58309	16.21	2004	3121000	58839	53.04								
2002	2241075	1761	1272.61	2002	1474000	57859	25.48	2005	2404000	58329	41.21								
2003	2031386	1620	1253.94	2003	2317000	58981	39.28	2006	2875000	58047	49.53								
		Average	2031.99			Average	40.48			Average	71.89								
				Average of Pre merger				1036.23				Average of Post Merger				71.89			

Table No I.26: Fixed Assets per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Fixed Asset	Branch	Ratio	Year	Fixed Asset	Branch	Ratio	Year	Fixed Asset	Branch	Ratio								
2001	308994	172	1796.48	2001	280431630	3879	72294.83	2004	8998435	4100	2194.74								
2002	311232	173	1799.03	2002	343694161	3932	87409.50	2005	9652295	4117	2344.50								
2003	297131	179	1659.95	2003	402281209	4115	97759.71	2006	10302266	4142	2487.27								
		Average	2627.73			Average	128732.02			Average	3513.25								
				Average of Pre merger				65679.875				Average of Post Merger				3513.25			

Table No I.27: Fixed Assets per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Fixed Asset	Branch	Ratio	Year	Fixed Asset	Branch	Ratio	Year	Fixed Asset	Branch	Ratio								
2001	308994	1782	173.40	2001	280431630	58309	4809.41	2004	8998435	58839	152.93								
2002	311232	1761	176.74	2002	343694161	57859	5940.20	2005	9652295	58329	165.48								
2003	297131	1620	183.41	2003	402281209	58981	6820.52	2006	10302266	58047	177.48								
		Average	266.77			Average	8785.06			Average	247.95								
				Average of Pre merger				4525.915				Average of Post Merger				247.95			

Table No I.28: Liabilities per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Liabilities	Branch	Ratio	Year	Liabilities	Branch	Ratio	Year	Liabilities	Branch	Ratio								
2001	19008938	172	110517.08	2001	635192219	3879	163751.54	2004	1023317419	4100	249589.61								
2002	15770880	173	91161.16	2002	729146647	3932	185439.13	2005	1262412809	4117	306634.15								
2003	14956231	179	83554.36	2003	862218046	4115	209530.51	2006	1452673864	4142	350717.98								
		Average	142616.30			Average	279360.59			Average	453470.87								
				Average of Pre merger				210988.444				Average of Post Merger				453470.87			

Table No 1.29: Liabilities per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Liabilities	Branch	Ratio	Year	Liabilities	Branch	Ratio	Year	Liabilities	Branch	Ratio								
2001	19008938	1782	10667.19	2001	635192219	58309	10893.55	2004	1023317419	58839	17391.82								
2002	15770880	1761	8955.64	2002	729146647	57859	12602.13	2005	1262412809	58329	21642.97								
2003	14956231	1620	9232.24	2003	862218046	58981	14618.57	2006	1452673864	58047	25025.82								
		Average	14427.54			Average	19057.13			Average	32030.31								
				Average of Pre merger				16742.335				Average of Post Merger				32030.31			

Table No 1.30: Net profit per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Net Profit	Branch	Ratio	Year	Net Profit	Branch	Ratio	Year	Net Profit	Branch	Ratio								
2001	-667640	172	-3881.63	2001	4636434	3879	1195.27	2004	11086904	4100	2704.12								
2002	-654879	173	-3785.43	2002	5623891	3932	1430.29	2005	14101201	4117	3425.12								
2003	-1363234	179	-7615.83	2003	8422002	4115	2046.66	2006	14354653	4142	3465.63								
		Average	-7641.44			Average	2336.11			Average	4797.44								
				Average of Pre merger				-2652.665				Average of Post Merger				4797.44			

Table No 1.31: Net profit per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Net Profit	Branch	Ratio	Year	Net Profit	Branch	Ratio	Year	Net Profit	Branch	Ratio								
2001	-667640	1782	-374.66	2001	4636434	58309	79.51	2004	11086904	58839	188.43								
2002	12743	1761	7.24	2002	5623891	57859	97.20	2005	14101201	58329	241.75								
2003	-705137	1620	-435.27	2003	8422002	58981	142.79	2006	14354653	58047	247.29								
		Average	-401.35			Average	159.75			Average	338.74								
				Average of Pre merger				-120.80				Average of Post Merger				338.74			

Table No 1.32: Deposits per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Net Profit	Branch	Ratio	Year	Net Profit	Branch	Ratio	Year	Net Profit	Branch	Ratio								
2001	17496734	172	101725.20	2001	561311302	3879	144705.16	2004	879163958	4100	214430.23								
2002	14380551	173	83124.57	2002	641234752	3932	163081.07	2005	1031668869	4117	250587.53								
2003	13561516	179	75762.66	2003	758134973	4115	184236.93	2006	1196849168	4142	288954.41								
		Average	130306.21			Average	246011.58			Average	376986.09								
				Average of Pre merger				188158.896				Average of Post Merger				376986.09			

Table No 1.33: Deposit per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Deposit	Employee	Ratio	Year	Deposit	Employee	Ratio	Year	Deposit	Employee	Ratio								
2001	17496734	1782	9818.59	2001	561311302	58309	9626.50	2004	879163958	58839	14941.86								
2002	14380551	1761	8166.13	2002	641234752	57859	11082.71	2005	1031668869	58329	17687.07								
2003	13561516	1620	8371.31	2003	758134973	58981	12853.88	2006	1196849168	58047	20618.62								
		Average	13178.01			Average	16781.55			Average	26623.77								
				Average of Pre merger				14979.78				Average of Post Merger				26623.77			

Table No 1.34: Total income per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Total Income	Branch	Ratio	Year	Total Income	Branch	Ratio	Year	Total Income	Branch	Ratio
2001	2061726	172	11986.78	2001	66418999	3879	17122.71	2004	96465749	4100	23528.23
2002	2253818	173	13027.85	2002	76255872	3932	19393.66	2005	101355293	4117	24618.73
2003	1326249	179	7409.21	2003	87353190	4115	21227.99	2006	108153147	4142	26111.33
		Average	16211.92			Average	28872.18			Average	37129.15
				Average of Pre merger				Average of Post Merger			
								22542.05			
								37129.15			

Table No 1.35: Total income per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Total Income	Branch	Ratio	Year	Total Income	Branch	Ratio	Year	Total Income	Branch	Ratio
2001	2061726	1782	1156.97	2001	66418999	58309	1139.09	2004	96465749	58839	1639.49
2002	2253818	1761	1279.85	2002	76255872	57859	1147.95	2005	101355293	58329	1737.65
2003	1326249	1620	818.67	2003	87353190	58981	1292.89	2006	108153147	58047	1863.20
		Average	1627.75			Average	1789.96			Average	2620.17
				Average of Pre merger				Average of Post Merger			
								1708.855			
								2620.17			

Table No 1.36: Spread per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Interest earned	Interest expanded	Ratio	Year	Interest earned	Interest expanded	Ratio	Year	Interest earned	Interest expanded	Ratio
2001	1772265	1574582	1149.32	2001	58634775	38250481	5255.04	2004	77796974	41549927	8840.74
2002	1553385	1453365	578.15	2002	66478714	43525818	5837.46	2005	84598508	44531094	9732.19
2003	1043076	1003233	222.59	2003	74850064	43612928	7591.04	2006	95841519	49173859	11266.94
		Average	975.03			Average	9341.77			Average	14919.93
				Average of Pre merger				Average of Post Merger			
								14919.93			

Table No 1.37: Spread per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Interest earned	Interest expanded	Ratio	Year	Interest earned	Interest expanded	Ratio	Year	Interest earned	Interest expanded	Ratio
2001	1772265	1574582	110.93	2001	58634775	38250481	349.59	2004	77796974	41549927	616.04
2002	1553385	1453365	56.80	2002	66478714	43525818	396.70	2005	84598508	44531094	686.92
2003	1043076	1003233	24.59	2003	74850064	43612928	529.61	2006	95841519	49173859	803.96
		Average	96.16			Average	637.95			Average	1053.46
				Average of Pre merger				Average of Post Merger			
								367.058			
								1053.46			

Table No 1.38: Total expenditure per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank			
Pre merger				Pre merger				Post merger			
Year	Total Expenditure	Branch	Ratio	Year	Total Expenditure	Branch	Ratio	Year	Total Expenditure	Branch	Ratio
2001	2739676	172	15928.35	2001	61782565	3879	15927.45	2004	85378845	58839	1451.06
2002	2241075	173	12954.19	2002	70631981	3932	17963.37	2005	87254092	58329	1495.90
2003	2031386	179	11348.53	2003	78931188	4115	19181.33	2006	93760038	58047	1615.24
		Average	20115.53			Average	26536.08			Average	2281.10
				Average of Pre merger				Average of Post Merger			
								23325.804			
								2281.10			

Table No 1.39: Total expenditure per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Total Expenditure	Employee	Ratio	Year	Total Expenditure	Employee	Ratio	Year	Total Expenditure	Employee	Ratio								
2001	2739676	1782	1537.42	2001	61782565	58309	1059.57	2004	85378845	58839	1451.06								
2002	2241075	1761	1272.61	2002	70631981	57859	1220.76	2005	87254092	58329	1495.90								
2003	2031386	1620	1253.94	2003	78931188	58981	1338.25	2006	93760038	58047	1615.24								
		Average	2031.99			Average	1809.29			Average	2281.10								
				Average of Pre merger				1920.638				Average of Post Merger				2281.10			

Table No 1.40: Advances per branch (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Advance	Branch	Ratio	Year	Advance	Branch	Ratio	Year	Advance	Branch	Ratio								
2001	8485543	172	49334.55	2001	280431630	3879	72294.83	2004	472247197	58839	8026.09								
2002	7698796	173	44501.71	2002	343694161	3932	87409.50	2005	604127514	58329	10357.24								
2003	6542552	179	36550.57	2003	402281209	4115	97759.71	2006	746273712	58047	12856.37								
		Average	65193.42			Average	128732.02			Average	15619.85								
				Average of Pre merger				96962.718				Average of Post Merger				15619.85			

Table No 1.41: Advances per employee (Rs in 000's)

Nedungadi Bank Ltd				Punjab National Bank				Punjab National Bank											
Pre merger				Pre merger				Post merger											
Year	Advance	Employee	Ratio	Year	Advance	Branch	Ratio	Year	Advance	Employee	Ratio								
2001	8485543	1782	4761.81	2001	280431630	58309	4809.41	2004	472247197	58839	8026.09								
2002	7698796	1761	4371.83	2002	343694161	57859	5940.20	2005	604127514	58329	10357.24								
2003	6542552	1620	4038.61	2003	402281209	58981	6820.52	2006	746273712	58047	12856.37								
		Average	6586.13			Average	8785.06			Average	15619.85								
				Average of Pre merger				7685.595				Average of Post Merger				15619.85			