

# Banking on success

Having successfully opened a subsidiary in the UK in 2007, Punjab National Bank has gone on to establish five branches, despite the economic downturn



 **punjab national bank**  
(International) Limited

## FAST FACTS

**Company:** Punjab National Bank

**Country:** India

**Industry:** Financial services

**Website:** [www.pnbint.com](http://www.pnbint.com)

Punjab National Bank (PNB) has been operating in India since 1895 and is today the second largest bank in India, serving over 56 million customers through a network of over 5,000 branches across the country. The bank provides 'Anywhere - Anytime' service, and customers enjoy a full range of internet banking facilities.

In recent years, like many other major Indian corporates, PNB has chosen to expand its overseas presence, to make the most of opportunities around the world. In 2003, the bank opened a representative office in the UK.

"There is a strong diaspora of Indians in the UK, so it was a natural place for us to target, to further our plans for growth," says Sukhdev Raj Sharma, Managing Director of Punjab National Bank (International) Ltd. "Also, the bilateral trade between India and the UK is strong and continues to grow, and we wanted to be a part of this.

London being the hub of the financial world, it was important for

us to position ourselves amongst the developed markets by having a base in this global financial centre."

## Banking licence

According to UK banking regulations, the representative office of a foreign bank is limited to helping existing UK clients, and is not allowed to conduct banking business in its own right. This factor was an important step towards PNB opening a wholly owned subsidiary.

In order to network with others in the UK finance sector, PNB attended events organised by UK Trade & Investment. This gave the bank an introduction to the UK banking industry, and allowed it to meet with consultants and experts who could advise on different matters. UK Trade & Investment in New Delhi also put the bank in touch with Think London for further, specific information about the capital.

Think London went on to help PNB to engage consultants to advise on applications for the licences that

would allow the bank to undertake banking activities in the UK.

"UK Trade & Investment's practical advice and proactive assistance helped us in our initial stages of set up, with invaluable introductions to the regional development agency, Think London and other regulatory authorities," says Mr Sharma. "It really helped to have local contacts to guide us and smooth the path. We were authorised by the Financial Services Authority on 13 April 2007. The next month, we opened our first two UK branches, one in Central London and another in Southall."

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## Growing strong

PNB had an excellent response to its first two UK branches, both from the local Indian community and Indian corporates doing business in the UK. Having started out with 13 members of staff, six of which were transferred from India, the bank set out to identify opportunities to open further branches around the UK.

Focusing on centres with a sizable Indian population, in January 2009 PNB opened a branch in Leicester, followed by Birmingham in April that year, Ilford in April 2010 and plans for Wembley and Wolverhampton later this year. Today, the bank employs over 50 people in the UK and has a growing customer base of UK nationals and corporates.

“Despite the economic downturn that has affected banks and businesses around the world in recent years, we have been growing,” says Mr Sharma. “From our small base, we saw 88 per cent growth in 2009-10, and continue to explore new opportunities. One of the key measures we took to ensure our success was to understand the UK market, before jumping in to the new venture. We assessed our own strengths in terms of financing, the products we offer and our manpower resources. With this approach, we hope to continue to grow our UK business. UK Trade & Investment has been supportive of our further expansion through its regular follow-up and aftercare visits, and we are grateful for this support.”

## Setting up your company in the UK

Deciding where to locate your international business is one of the biggest decisions you'll make and can be daunting.

UK Trade & Investment helps businesses coming to the UK with every aspect of setting up their new operations.

As the UK Government's inward investment agency, it's our job to know the UK's strengths and where investment opportunities exist.

This means we can help your company to do all the research you need to make an informed decision, and then get up and running as quickly as possible.

UK Trade & Investment can help you to:

- Do your research
- Build key contacts
- Choose your location
- Set up your new office
- Grow your business internationally

For further information please visit [www.ukti.gov.uk](http://www.ukti.gov.uk)

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## The UK and India

India is the UK's 18th largest export market and its second largest export market in the developing world after China.

India's economy is one of the fastest growing in the world, with a rapidly expanding consumer class. The UK has strong ties with India, and UK companies are well positioned to take advantage of this growing export and investment market.

Liberalisation of the economy continues, with trade barriers largely removed, and the role of the private sector is gradually increasing, including in areas that have been dominated by the public sector in the past.

For further information about business opportunities in India, please go to [www.ukti.gov.uk](http://www.ukti.gov.uk)

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