

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2138  
ANSWERED ON:12.12.2008  
OPERATIONAL COST OF BANKS  
Suman Shri Ramji Lal

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to decrease the operational cost of nationalized banks by increasing their efficiency; and
- (b) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Increasing efficiency and decreasing operational cost are issues deliberated upon by the management of the banks. However, to motivate, guide and encourage the PSBs in improving their performance, the Government has put in place a mechanism to monitor their overall performance on the basis of the `Statement of Intent on Annual Goals(SOI)` submitted by them on various performance parameters including advances, priority sector advances, NPAs, profit, cost to income ratio, etc.