

CHAPTER 5

ANALYSIS OF RESULTS

Performance of Public Sector Banks

For the purpose of comparative performance of the public sector and private sector banks, we have selected 14 public sector banks and 9 private sector banks depending upon the availability of information and convenience. For evaluating the performance of these banks, we have selected 10 parameters of performance.

Eight of these 10 parameters are expressed as following ratios : priority sector advances to total advances; secured advances to total advances; returns to total assets; return on equity; net NPA to net advances; interest income to total assets; wage bill to total income and burden to total assets. This ratio varies between zeros to 100 percent. The other two parameters of performances are profit per employee; and business per employee which measure productivity of banks.

Priority Sector Advances to Total Advances Ratio: Some area or field depending on its economic condition or government interest are prioritized and are called priority sectors i.e. industry, agriculture. These may further be sub divided a particular industry or crop. Banks are directed by the state bank of the country that loan must be given on reduced interest rate with discount to promote these fields. Since priority sector is earmarked by the government keeping in view the overall requirement of development of the Indian economy. The financial institutions like bank have given to the required advances to the priority sector. Whether the priority sector has received the requisite importance in terms of advances, the priority sector advances to the total advance in used to measure the extent of performance of a bank. This ratio implies that higher the value of the ratio, higher the efficiency of bank. The bank wise estimate of ratio of priority sector advances to total advances for a period of 12years from 2000 to2011 is shown in table 5.1.

This table shows that different public sector bank have performed differently over the sample period. The group of SBI & Its Associates Banks, State Bank of Mysore

shows highest negative growth rate with about 1.29 percent per annum and it is followed by state bank of Patiala with about 1.19 percent negative rate of growth. The ratio of state bank of Mysore lies between a minimum of about 31.85 percent in 2008 and a maximum of 71.12 percent in 2009. The ratio of state bank of Patiala varies between a minimum of about 31.06 percent in 2008 and a maximum of about 77.04 percent in 2009. There are only two banks; State Bank of India and State Bank of Travancore among the list of SBI & Its Associate Banks which have registered positive growth rates of 0.90 percent and 2.12 percent per annum respectively over the sample period.

The group of Nationalized Bank; the Allahabad Bank shows highest negative value 2.07 percent per annum and the ratio of Allahabad bank lies between a minimum of about 32.86 percent in 2011 and a maximum of about 43.40 percent in 2005. Dena Bank and Punjab National Bank have recorded equal negative growth rate of about 1 percent per annum. For Dena bank the ratio varies between a minimum of about 32.92 percent in 2010 and a maximum of about 41.01 percent in 2006. Similarly, the ratio of Punjab National Bank lies between a minimum of about 31.81 percent in 2009 and a maximum of about 46.79 percent in 2005. The Indian Bank shows highest positive growth rate of about 3.15 percent per annum and the ratio of Indian Bank varies between a minimum of about 46.36 percent in 2006. The Bank of Baroda shows lowest positive growth rate with about of 0.30 percent per annum and the ratio of Baroda Bank lies between a minimum of about 22.80 percent in 2002 and a maximum of about 29.26 percent in 2006.

The inter-bank year wise performance in respect of this ratio is not uniform and there are variations from one bank to another and year to year. This has been depicted by the values of coefficients of variance and their growth rate presented in the last row of the table. The table shows that the inter-bank variability ranges from a minimum of 11 percent of the mean in 2011 to maximum 19 percent in 2001. A negative growth rate of 4.52 percent per annum over the sample period shows that the inter-bank variation of performance of public sector banks shows a strong tendency of convergence. Therefore, the Central Government of any country gives this sector priority in obtaining loans from banks at a low rate of interest.

Table-5.1**Bank-wise and Year-wise ratio of Priority sector Advances to Total Advances of Selected Public sector Banks (2000-2011)**

Year	In Percent														
	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	Syndicate Bank	Coefficient of Variation
2000	26.38	41.50	35.63	39.09	36.92	33.23	39.33	38.32	27.02	26.13	40.11	24.86	36.87	25.66	0.19
2001	26.55	39.60	34.74	36.39	37.03	31.50	42.36	35.73	24.29	23.88	39.12	23.85	38.73	29.05	0.20
2002	26.15	40.59	34.41	35.40	36.45	33.40	41.91	34.06	22.80	23.97	37.60	29.75	39.11	27.55	0.19
2003	25.49	43.16	32.54	36.46	40.98	33.00	42.68	39.90	25.96	26.16	37.54	33.00	39.86	30.92	0.17
2004	27.04	43.86	39.51	36.52	39.39	37.22	41.93	33.19	27.88	28.26	40.54	38.20	43.91	32.57	0.16
2005	28.59	45.10	39.69	40.45	44.04	38.36	43.40	39.44	28.26	28.34	38.97	42.93	46.79	36.27	0.16
2006	30.58	41.30	41.68	42.45	37.87	41.10	41.91	37.26	29.26	31.50	41.01	46.36	45.68	36.99	0.14
2007	30.24	41.03	38.99	36.31	34.58	39.92	39.39	43.49	28.76	29.87	39.54	43.10	37.81	32.81	0.13
2008	28.61	40.99	32.78	31.85	31.60	41.73	36.94	36.98	27.62	28.41	34.36	37.64	38.67	32.13	0.14
2009	26.48	38.80	31.97	71.12	77.40	67.57	34.75	36.23	26.57	26.27	33.98	35.48	31.81	32.37	0.13
2010	26.99	33.85	33.93	30.55	38.47	36.64	33.91	35.52	26.35	25.48	32.92	34.84	35.70	34.38	0.13
2011	30.61	36.55	36.17	34.52	37.55	37.47	32.86	33.00	24.01	25.76	33.80	34.29	32.48	30.13	0.12
CAGR(%)	0.90	-0.89	-0.19	-1.29	-1.19	2.12	-2.07	-0.89	0.30	0.60	-1.59	3.15	-1.39	1.00	-4.52

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

Secured Advances to Total Advances Ratio: Secure advances means which is refundable on interest rate. Secure advances guarantees that all transaction that runs through us is safe and secure. The secured advances to total advances ratio shows advances secured by tangible assets advances covered by bank or govt. to total advances of the bank. This ratio implies that higher the value of the ratio, higher the efficiency of the bank

The bank wise estimate of ratio of secured advances to total advances for a period of 12 year from 2000 to 2011 are recorded in table 5.2 . The table also contains the growth rates for each year of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficient of variation for each year has been observed in table 5.2. This table find that different public sector have performed different over the sample period. The highest negative value show lower position of the bank. The group of SBI & Its Associates Banks, State Bank of Bikaner & Jaipur show highest negative growth with about 1.62 percent and it's followed by State Bank of Mysore with about -0.82 percent per annum rate of growth. The ratio of state bank of Bikaner & Jaipur lies between a minimum of 79.20 percent in 2010 and a maximum of 96.20 percent in 2000. Similarly, State Bank of Mysore ratio lies between a minimum of 86.43 percent in 2008 and a maximum of about 94.75 percent in 2000. There are only two bank; State Bank of Hyderabad and State Bank of Patiala have shown positive growth rate of 0.68 and 0.55 percent per annum.

The group of nationalized bank, the Bank of Baroda reveals highest negative growth with about 2.08 percent per annum and its followed by Punjab National Bank with about -1.13 percent per annum rate of growth. The ratio of bank of Baroda lies between a minimum of about 73.74 percent in 2008 and a maximum of about 95.29 percent in 2000. Similarly, the ratio of Punjab National Bank varies between a minimum of about 83.18 percent in 2008 to a maximum of about 97.33 percent in 2000. The Allahabad Bank shows lowest negative value with about -0.21 percent per annum ratio of growth and the ratio of Allahabad Bank varies between a minimum of about 81.20 in 2009 and a maximum of about 98.59 percent in 2000. There is only one bank, Indian Bank among the list of nationalized banks considered here which

have registered positive growth rate of 0.48 percent per annum over the sample period.

The inter-bank year wise performance in respect of secured advances to total advances is not uniform and there are variations from one bank to another and year to year. This has been depicted by the values of coefficients of variance and their growth rate presented in the last row of the table. The table shows that the inter-bank variability ranges from a minimum of 5 percent of the mean in 2006 to maximum 18 percent in 2004. A positive growth rate of 9.87 percent per annum over the sample period shows that the inter-bank variation of performance of public sector banks shows a strong tendency of divergence.

Table-5.2
Bank-Wise and Year-wise ratio of Secured Advances to Total Advances of Selected Public Banks (2000-2011)

Years	In Percent														
	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allabhad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Panjab National Bank	Syndicate Bank	Coefficient of Variation
2001	87.21	95.62	94.96	94.48	92.28	86.45	81.58	90.18	90.10	84.90	97.32	87.87	95.94	75.65	0.07
2002	86.78	93.42	42.43	93.56	89.48	82.36	84.34	86.42	88.84	81.43	96.27	86.19	96.29	66.95	0.17
2003	86.46	91.69	88.65	95.62	89.27	87.00	88.66	87.89	87.39	78.35	92.50	87.45	92.91	77.00	0.06
2004	83.15	90.03	86.94	94.74	87.28	86.67	86.03	91.19	87.93	81.93	53.40	41.98	89.97	73.98	0.19
2005	77.06	87.39	78.54	91.90	83.56	83.26	87.59	88.03	84.81	80.30	52.41	50.34	84.92	74.61	0.16
2006	76.76	88.23	80.12	86.09	84.83	85.98	88.40	83.76	80.61	82.47	82.03	81.85	85.09	73.16	0.05
2007	75.61	86.01	79.70	88.40	90.31	87.12	91.54	80.46	77.53	82.58	78.67	86.66	85.38	71.21	0.07
2008	73.06	82.64	82.92	86.43	91.42	84.57	83.10	79.10	73.74	76.93	78.06	85.37	83.18	71.68	0.07
2009	79.01	80.02	81.70	89.08	93.04	80.29	81.20	79.34	76.59	77.33	81.87	88.15	86.12	68.70	0.07
2010	78.50	79.20	85.81	87.80	96.73	79.82	82.82	88.54	75.60	78.05	79.67	86.12	89.38	74.72	0.07
2011	79.78	85.71	88.44	89.97	97.29	81.53	86.67	84.08	78.53	76.37	81.59	84.03	87.61	73.93	0.07
CAGR(%)	-1.57	-1.62	0.68	-0.82	0.55	-0.78	-0.21	-0.88	-2.08	-0.87	-1.43	0.48	-1.13	-1.02	9.87

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

Return on Asset Ratio: The return on assets shows the proportion of net income to total assets of bank. This ratio also acts as productivity indicator. The higher the ratio, the better is utilization of assets.

The bank wise estimate of ratio of return on assets for a period of 12 years from 2000 to 2011 is recorded in table 5.3. The table also contains the growth rate for each of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been marked in the table 5.3. This table observed that different public sector banks have performed differently over the sample period.

The group of SBI & Its Associates Banks, the State Bank of Mysore finds highest growth rate with about 7.58 percent per annum and is followed by the State Bank of Travancore with about 6.61 percent rate of growth. The ratio of State Bank of Mysore lies between a minimum of about 0.27 in 2001 and a maximum of about 1.28 percent in 2004. Similarly, the ratio of State Bank of Travancore varies between a minimum of 0 percent in 2003 and a maximum of about 1.30 percent in 2009. There are only two banks; State Bank of Bikaner & Jaipur and State Bank of Patiala among the list of SBI & Its Associates Banks which have registered negative growth rates of -1.39 percent and 4.99 percent per annum over the sample period.

The group of Nationalized Bank, the ratio of Bank of India varies between a minimum of about 0.31 percent in 2000 and a maximum of about 1.49 percent in 2009 and the ratio has increased at the rate of 6.82 percent per annum. The ratio of Indian Bank shows highest growth rate with about 21.20 percent per annum. The ratio of Indian Bank varies between a minimum of 0 percent in 2000 and 2001 and a maximum of about 1.67 percent in 2010. Similarly, the ratio of Dena bank lies between a minimum of about 0 percent in 2001 and a maximum of about 1.11 percent in 2004. There is only one bank; syndicate bank among the list of nationalized banks which have registered negative growth rates of 3.51 percent per annum respectively over the sample period.

Table-5.3
Bank-wise and Year-wise ratio of Return on Assets of Selected Public Sector Banks(2000-2011)

Year	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	In Percent	
														Syndicate Bank	Coefficient of Variation
2000	0.75	1.06	0.82	0.58	1.13	0.53	0.35	0.76	0.85	0.31	0.38	0.00	0.75	0.89	0.48
2001	0.50	0.80	0.82	0.27	1.12	0.67	0.18	0.59	0.45	0.44	0.00	0.00	0.73	0.91	0.63
2002	0.70	1.06	1.02	0.64	1.34	0.73	0.32	0.97	0.81	0.78	0.06	0.13	0.77	0.98	0.49
2003	0.86	1.13	1.15	1.02	1.51	0.00	0.59	1.63	1.05	1.16	0.57	0.65	0.98	1.31	0.43
2004	0.94	1.49	1.25	1.28	1.60	1.02	1.34	1.72	1.20	1.25	1.11	1.21	1.08	1.67	0.19
2005	0.99	0.88	0.72	1.25	0.91	0.86	1.20	1.59	0.75	0.38	0.22	1.08	1.12	0.82	0.38
2006	0.89	0.58	1.13	1.23	0.73	0.86	1.42	1.38	0.79	0.68	0.29	1.16	1.09	0.91	0.34
2007	0.84	0.89	1.14	1.10	0.77	0.86	1.26	1.31	0.72	0.88	0.71	1.46	1.03	0.91	0.23
2008	1.01	0.87	1.00	1.08	0.83	0.89	1.32	1.16	0.89	1.25	1.06	1.64	1.15	0.88	0.21
2009	1.04	0.92	0.91	0.91	0.83	1.30	0.90	1.09	1.09	1.49	1.02	1.62	1.39	0.81	0.23
2010	0.88	0.93	1.03	1.06	0.79	1.26	1.16	1.39	1.21	0.70	1.01	1.67	1.44	0.62	0.27
2011	0.71	0.96	1.22	1.03	0.88	1.12	1.11	1.36	1.33	0.79	1.00	1.53	1.34	0.76	0.24
CAGR(%)	2.70	-1.39	1.80	7.58	-4.99	6.61	15.29	4.37	4.86	6.82	17.27	21.20	6.23	-3.51	-7.78

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

The inter-bank year wise performance in respect of return on asset ratio is not uniform and there are variations from one bank to another and year to year. This has been depicted by the values of coefficients of variance and their growth rate presented in the last row of the table. The table noticed that the inter-bank variability ranges from a minimum of 19percent of the mean in 2004 to maximum 63percent in 2001. A negative growth rate of 7.78 percent per annum over the sample period shows that the inter-bank variation of performance of public sector banks shows a strong tendency of convergence.

Return on Equity Ratio: The return on equity ratio shows the percentage of net income to total capital of bank. The higher the ratio the more efficiently a bank is using its capital and free reserves.

The bank wise estimate of ratio of return on equity for a period of 12years from 2000to 2011 is found in table 5.4. The table also contain the growth rate for each of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been noticed in the table 5.4.This table marked that different public sector bank have performed different over the sample period. The group of SBI & Its Associates Banks, the State Bank of Patiala shows highest negative value 2.86 percent per annum rate of growth and its followed by State Bank of India with about -1.39 percent rate of growth. The ratio of State Bank of Patiala lies between a minimum of about 15.21 percent in 2005 and a maximum of about 27.39 percent in 2004. Similarly, the ratio of State Bank of India lies between a minimum of about 12.53 percent in 2001 and a maximum of about 19.67 percent in 2004. The State Bank of Hyderabad shows lowest negative value 0.74 percent per annum rate of growth and the ratio of State Bank of Hyderabad varies between a minimum of about 15.03 percent in 2005 and a maximum of about 26.99 percent in 2004. There are only two bank; State Bank of Mysore and State Bank of Travancore among the list of SBI & Its Associates Banks which have registered positive growth rates of 0.62 percent per annum and 2.61 percent per annum respectively over the sample period.

The group of Nationalized Bank, the ratio of Bank of Baroda lies between a minimum of about 8.33 percent in 2001 to a maximum of about 23.50 percent in 2011 and the ratio has increased at the rate of growth 4.02 percent per annum. The ratio of Dena Bank also shows better position with about 16.78 percent per annum rate of growth and the ratio of Dena Bank lies between a minimum of about -33.11 percent in 2001 and a maximum of about 21.82 percent in 2008. The Indian Bank shows highest growth rate with about 29.82 percent per annum and the ratio of Indian Bank lies between a minimum of about -14.74 percent in 2000 and a maximum of about 24 percent in 2007. There are only one bank; Syndicate Bank among the list of Nationalized Bank which have registered have negative growth rate of 2.61 percent per annum respectively over the sample period.

The inter-bank year wise performance in respect of return on equity ratio is not uniform and there are variations from one bank to another and year to year. This has been depicted by the values of coefficients of variance and their growth rate presented in the last row of the table. The table shows that the inter-bank variability ranges from a minimum of 18.6 percent of the mean in 2010 to maximum 151.8 percent in 2001. A negative growth rate of 151.8 percent per annum over the sample period shows that the inter-bank variation of performance of public sector banks shows a strong tendency of convergence.

Table-5.4
Bank-wise and Year-wise ratio of Return on Equity of Selected Public Sector Banks (2000-2011)

Year	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	InPercent	Coefficient of Variation
														Syndicate Bank	
2000	18.20	25.55	22.94	18.41	18.71	16.31	7.97	22.45	16.40	7.03	8.26	-14.74	19.42	24.69	0.69
2001	12.53	18.61	21.77	8.97	18.82	20.56	4.42	18.10	8.33	9.69	-33.11	-9.47	18.67	20.73	1.52
2002	16.95	24.17	25.74	20.49	22.48	21.50	8.45	24.66	15.20	18.40	1.29	0.94	18.59	19.06	0.47
2003	19.15	24.56	26.80	29.63	25.22	25.00	15.43	40.31	18.81	26.65	11.56	4.05	22.72	23.02	0.38
2004	19.67	29.39	26.99	34.83	27.39	29.68	34.04	36.10	20.32	26.71	19.89	17.61	24.52	24.92	0.22
2005	19.43	16.81	15.03	30.82	15.21	24.05	27.93	31.62	12.58	8.03	5.65	7.12	21.41	19.64	0.46
2006	17.04	10.73	22.01	25.62	14.17	21.02	23.67	20.52	12.28	14.85	5.98	11.97	16.41	21.32	0.33
2007	15.41	19.99	21.72	24.00	15.52	22.26	18.49	17.78	12.45	20.65	14.22	24.00	15.55	22.18	0.20
2008	16.75	18.71	21.28	25.31	15.92	23.28	20.10	17.97	14.58	24.38	21.82	22.41	18.01	21.42	0.16
2009	17.05	21.46	20.87	18.47	18.20	30.64	13.88	18.94	18.65	24.97	21.29	20.26	22.92	19.63	0.19
2010	14.80	20.39	22.02	18.06	16.01	26.88	19.14	25.96	21.86	12.56	21.43	20.18	24.12	15.29	0.21
2011	12.62	20.91	24.35	15.77	16.65	23.09	18.65	23.24	23.50	15.79	19.55	19.27	22.60	16.53	0.19
CAGR(%)	-1.39	-1.79	-0.74	0.62	-2.86	2.61	9.26	-1.67	4.02	14.56	16.78	29.98	0.92	-2.61	-14.02

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

Net NPA to Net Advance Ratio: Nonperforming assets are those which were not recovered from the customers with in the specified time as per contract made. .This ratio is calculated by dividing net NPA by net advances. The more NPA is the lower performance of the bank. This ratio implies that lower the value of the ratio, higher the efficiency of the bank.

The bank wise estimate of ratio of net NPA ratio for a period of 12years from 2000to 2011 is marked in table5.5. The table also contain the growth rate for each of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been noticed in the table 5.5.This table show that different public sector banks performed different over the sample period. The higher negative value shows lower position of the bank and the lower negative value show better position of the bank. The ratio of State Bank of Hyderabad shows very high negative value i.e.25.48 per annum and the ratio of State Bank of Hyderabad lies between a minimum of 0.16 percent in2008 and a maximum of 7.82 percent in 2001. The state bank of Patiala shows some better position to compare State Bank of Hyderabad and the ratio of the State Bank of Patiala varies between a minimum of and a maximum of 6.09 percent in2000. The State Bank of India shows a very low negative value i.e. 13.58 percent per annum to compare all groups of SBI and Its Associates Banks and the ratio of State Bank of India varies between a minimum of 1.56 percent in 2007and a maximum of 6.41 percent in 2000.

The group of Nationalized Bank, Indian Bank show very high negative value i.e. 32.35 percent per annum and the ratio of Indian Bank lies between a minimum of 0.18 percent in 2009 and a maximum of 10.06 percent in 2001. The Allahabad Bank and Dena Bank have marked equal growth rate of about -26 percent per annum and the ratio of Allahabad Bank lies between a minimum of 0.66 percent in 2010 and a maximum of 12.24 percent in 2000. The ratio of Dena Bank varies between a minimum of 0.94 percent in 2008 and a maximum of 18.37 percent in 2001. The Syndicate Bank show a very low negative growth rate i.e. 15.82 percent per annum and the ratio of syndicate bank lies between a minimum of 0.77 percent in 2009 and a maximum of 4.63 percent in 2002.

Table-5.5
Bank-wise and Year-wise ratio of Net NPA to Net Advances of Selected Public Sector Banks(2000-2011)

Year	In Percent														
	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	Syndicate Bank	Coefficient of Variation
2000	6.41	10.14	7.30	8.12	6.09	8.58	12.24	3.47	5.94	7.55	13.47	6.80	8.52	3.17	0.37
2001	6.03	7.83	7.82	7.65	4.92	7.75	11.25	2.95	6.77	6.72	18.37	10.06	6.69	4.05	0.48
2002	5.63	5.72	4.97	7.36	2.94	5.72	10.57	2.45	5.06	6.02	16.31	8.28	5.32	4.63	0.54
2003	4.50	4.13	3.25	5.19	1.49	3.00	7.08	1.79	3.72	5.59	11.83	6.15	3.86	4.29	0.55
2004	3.48	1.24	0.65	2.96	0.00	1.39	2.37	0.93	2.99	4.50	9.40	2.71	0.98	2.58	0.90
2005	2.65	1.61	0.61	0.92	1.23	1.81	1.28	0.28	1.45	2.27	5.23	1.35	0.20	1.59	0.78
2006	1.88	1.18	0.36	0.74	0.99	1.47	0.84	0.24	0.87	1.49	3.04	0.79	0.29	0.86	0.68
2007	1.56	1.09	0.22	0.45	0.83	1.08	1.07	0.17	0.60	0.74	1.99	0.35	0.76	0.76	0.61
2008	1.78	0.83	0.16	0.43	0.60	0.94	0.80	0.15	0.47	0.52	0.94	0.24	0.64	0.97	0.63
2009	1.76	0.85	0.38	0.50	0.60	0.58	0.72	0.18	0.31	0.44	1.09	0.18	0.17	0.77	0.70
2010	1.72	0.78	0.55	1.02	1.04	0.91	0.66	0.17	0.34	1.31	1.21	0.23	0.53	1.07	0.54
2011	1.63	0.83	0.87	1.38	1.21	0.98	0.79	0.38	0.35	0.91	1.22	0.53	0.85	0.97	0.39
CAGR(%)	-13.58	-21.73	-25.48	-23.00	-16.09	-20.59	-26.53	-25.95	-27.83	-22.79	-26.41	-32.35	-24.84	-15.82	0.98

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

The inter- bank year wise performance in respect of this ratio is not uniform and there are variation from one bank to another year to year. This table recorded that the inter range variability range from a minimum of 39.2 percent of the mean in 2011 to maximum of 90 percent in 2004. A positive growth rate of 0.98 per annum over the sample period. This shows that the inter- bank of variation of performance of public sector banks shows a strong tendency of divergence.

Interest Income to Total Assets Ratio: Interest earned is the main component of total income of a bank. Interest includes interest on deposit, discount on advance and interest from balance with RBI. The higher ratio show good position of bank in the market. This ratio is calculated by interest earned to total assets of the bank.

The bank wise estimate of ratio of interest income to total assets for a period of 12years from 2000 to 2011 is exhibited in table 5.6. The table also contain the growth rate for each of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been observed in the table 5.6. This table shows that the different public sector banks have performed different over the sample period

The ratio of the state bank of India varies from minimum of 7.04 percent in 2010 and maximum 9.17 percent in 2000 and the ratio has decreased at rate of - 2.37 percent per annum. The State Bank of Hyderabad and State Bank of Mysore are also followed them and they show also negative growth rate i.e. 2.22 per cent and 2.15 per cent per annum and the ratio of State Bank of Mysore varies between a minimum of 7.50 per cent in 2006 and maximum of 10.55 percent in 2000. The ratio of the State Bank of Hyderabad lies between a minimum of 7.09 percent in 2005 and a maximum of 10.33 percent in 2000. The state bank of Travancore finds very low negative growth rate i.e. 1.48 percent per annum the ratio of State Bank of Travancore various between a minimum of 7.57 percent in 2006 and a maximum 9.93 percent in 2000.

The Nationalized Bank also exhibited a very high negative growth rate except one, the Bank of Baroda shows a very high negative growth rate i.e. 3.01 percent per annum and ratio of Bank of Baroda lies between minimum of 6.61 percent in 2009 and a maximum 9.44 percent in 2001. The Allahabad Bank and the Andhra Bank

shown equal growth rate of about 2 percent per annum and the ratio of Allahabad Bank lies between minimum of 7.63 percent in 2001 and a maximum 9.94 percent in 2000. The ratio of Andhra bank varies between a minimum of 8.03 percent in 2009 and maximum of 10.53 percent in 2000. The Punjab Nation Bank shows a very low negative growth rate i.e. -0.25 percent per annum and the ratio of Punjab National Bank lies between a minimum of 7.06 percent in 2006 and a maximum 15.14 percent in 2007.

The inter- bank year wise performance in respect of this ratio is not uniform and there are variation from one bank to another year to year. This table show that the inter variability range from a minimum of 4.4 percent of the mean in 2006 to maximum of 13.16percent in 2002. A negative growth rate of -11.22 per annum over the sample period. This shows that the inter- bank of variation of performance of public sector banks shows a strong tendency of convergence.

Table-5.6
Bank-wise and Year-wise ratio of Interest Income to Total Assets of Selected Public Sector Banks(2000-2011)

Year	In Percent														Coefficient of Variation
	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	Syndicate Bank	
2000	9.17	9.83	10.33	10.55	10.11	9.93	9.94	10.53	9.42	8.61	10.02	8.44	10.26	9.94	0.67
2001	9.01	9.62	10.01	10.34	10.09	9.77	9.90	10.36	9.44	9.20	9.88	8.37	9.97	10.08	0.06
2002	8.98	9.23	9.48	9.83	9.50	9.39	9.71	9.82	8.87	8.67	9.30	8.06	9.75	9.61	1.32
2003	8.59	8.56	8.57	9.56	9.13	8.00	9.73	9.62	8.28	8.10	9.09	7.71	9.41	8.69	0.07
2004	7.77	8.22	7.80	8.42	7.84	8.09	8.51	8.62	7.61	7.18	8.20	7.16	8.25	7.56	0.06
2005	7.47	7.98	7.09	7.71	7.31	7.60	7.98	7.61	7.16	6.71	7.47	6.92	7.40	7.57	0.05
2006	7.54	7.72	7.28	7.50	6.77	7.57	7.50	7.29	6.78	6.78	6.96	7.35	7.06	7.16	0.04
2007	7.45	8.08	7.78	7.82	7.15	8.11	7.94	7.52	7.18	7.23	7.31	8.26	7.50	8.03	0.05
2008	7.60	8.07	7.96	8.33	8.09	8.39	8.20	8.08	7.32	7.71	7.64	8.23	15.14	10.56	0.23
2009	7.57	8.71	8.25	8.83	9.02	8.83	8.16	8.60	7.42	8.09	7.92	8.83	13.15	10.01	0.16
2010	7.04	7.91	7.67	8.29	8.20	8.05	7.63	8.03	6.61	7.14	7.56	8.32	7.88	7.46	0.07
2011	7.15	8.19	8.05	8.37	8.23	8.02	8.07	8.32	6.87	6.95	7.84	8.39	8.00	7.75	0.07
CAGR(%)	-2.37	-1.58	-2.22	-2.15	-1.88	-1.48	-2.41	-2.46	-3.01	-1.84	-2.59	0.47	-0.25	-1.41	-11.22

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

Wage bill Wage Bill to Total Income Ratio: The total amount of money that a company or organization pays to its employee. This ratio is calculated by payment and provision for employees to total income. This ratio implies that lower the value of the ratio, higher the efficiency of the bank.

The bank wise estimate of ratio of Wage bill to total income for a period of 12 years from 2000 to 2011 is exhibited in table 5.7. The table also contains the growth rate for each of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been recorded in the table 5.7. This table shows that different public sector banks have performed differently over the sample period. The higher negative values show the lower performance of the bank and the lower negative values show the better position of the bank. The state bank of Mysore shows the very high negative growth rate i.e., - 7.73 percent per annum and the ratio of state bank of Mysore lies between a minimum of 10.32 percent in 2009 and a maximum of 25.84 percent in 2001. The state bank of Bikaner and Jaipur and State Bank of Patiala found equal negative growth rate 4 percent per annum the ratio of state bank of Bikaner and Jaipur lies between a minimum of 12.75 percent in 2009 and a maximum of 20.02 percent in 2001.

The Nationalized Banks also show very negative growth rates. The Syndicate Bank shows very high negative growth rate 8.77 percent per annum and the ratio of Syndicate Bank lies between a minimum of 10.01 percent in 2009 and a maximum of 28.68 percent in 2001. The bank of India and Dena bank find some better performance i.e., -4.54 percent and -4.35 percent per annum. The ratio of Indian Bank lies between a minimum of 11.2 percent in 2010 and a maximum 21.67 percent in 2001 and the ratio of Dena Bank varies between a minimum of 11.12 percent in 2010 a maximum 22.68 percent in 2001. The Bank of Baroda shows very low negative growth rate i.e., 2.72 percent per annum the ratio of Baroda bank lies between a minimum 11.81 percent in 2011 and a maximum 17.85 percent in 2005 and 2006.

Table-5.7
Bank-Wise and Year-wise ratio of Wage Bill to Total Income of Selected Public Sector Banks(2000-2011)

Year	In Percent														
	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	Syndicate Bank	Coefficient of Variation
2000	17.38	19.87	14.34	23.14	15.82	16.36	17.46	15.59	15.29	18.09	16.29	22.70	20.12	24.39	0.17
2001	20.02	21.79	16.22	25.84	19.01	18.35	20.81	16.29	17.73	21.67	22.68	24.55	21.97	28.68	0.17
2002	15.16	17.43	12.40	20.05	14.01	14.55	18.53	13.36	15.20	16.19	15.65	20.14	17.26	25.83	0.21
2003	15.45	17.98	12.13	18.65	12.44	14.00	16.59	14.18	15.34	14.87	16.57	18.84	16.90	25.21	0.20
2004	16.94	17.46	11.69	18.97	11.16	14.33	16.35	14.09	15.92	15.45	14.09	25.27	17.15	22.57	0.23
2005	17.47	18.68	14.46	21.28	11.82	13.97	14.16	17.82	17.85	17.58	17.44	18.54	20.93	22.24	0.17
2006	18.71	18.68	14.46	21.28	11.82	13.97	14.16	17.82	17.85	17.58	17.44	18.54	20.93	22.24	3.31
2007	17.53	16.63	12.46	14.93	11.41	13.43	11.80	14.59	15.83	15.02	15.30	17.51	18.70	13.43	0.15
2008	13.51	12.68	9.24	11.57	17.84	10.73	9.67	10.53	13.73	11.45	11.76	15.56	15.14	10.56	0.20
2009	12.75	10.50	8.52	10.32	6.90	10.39	10.27	10.16	13.16	9.99	12.07	12.46	13.15	10.01	0.17
2010	14.84	11.01	8.40	10.50	7.53	12.54	10.23	11.23	12.05	11.20	11.12	13.43	12.47	11.93	0.17
2011	14.89	15.21	11.76	12.09	12.18	12.05	12.58	12.02	11.81	14.25	12.36	12.64	14.58	14.34	0.10
CAGR(%)	-0.51	-4.94	-4.07	-7.73	-4.87	-3.66	-6.03	-3.27	-2.72	-4.54	-4.35	-5.86	-3.71	-8.77	-2.18

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

The inter- bank year wise performance in respect of this ratio is not uniform and there are variation from one bank to another year to year. This table found that the inter range variability range from a minimum of 16.7 percent of the mean in 2009 to maximum of 330.6 percent in 2006. A negative growth rate of 2.18 per annum over the sample period. This shows that the inter- bank of variation of performance of public sector banks shows a strong tendency convergence.

Burden to Total Assets Ratio: Burden is defined as total non- interest expense less total non- interest income. This ratio is calculated $(\text{operating expense} - \text{other income}) / \text{interest income}$. A bank with low burden ratio is better off. An increasing trend would show lack of burden bearing capacity.

The bank wise estimate of ratio of burden to total assets for a period of 12 years from 2000 to 2011 is marked in table 5.8. The table also contain the growth rate for each of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been noticed in the table 5.8. The table shows that the different public sector banks have performed different over the sample period. The higher negative value shows lower performance of the bank and the lower performance of shows better position of the bank. The group of SBI & Its Associates Banks, State Bank of India recorded very high negative growth rate 15.6 percent per annum and it's followed by State Bank of Hyderabad with about -13.93 percent rate of growth. The ratio of State Bank of Hyderabad lies between a minimum of -0.61 percent and a maximum of 0.91 percent in 2006. The ratio of State Bank of India varies from a minimum of 0.9 percent in 2006 and a maximum of 10.19 percent in 2002. The State Bank of Travancore shows lowest negative growth rate i.e. 2.07 percent per annum and the ratio of State Bank of Travancore lies between a minimum of -0.08 percent in 2004 and a maximum of 1.23 percent in 2001.

The group of Nationalized Bank, Allahabad Bank noticed very high negative growth rate 17.13 percent per annum and its followed by Syndicate Bank with about - 11.4 percent per annum. The range of Allahabad bank lies between a minimum of 0.09 percent in 2010 and a maximum of 1.99 percent in 2001 and the ratio of

Table-5.8
Bank-wise and Year-wise ratio of Burden to Total Assets of Selected Public Sector Banks (2000-2011)

Year	In Percent														Coefficient of Variation
	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	Syndicate Bank	
2000	1.13	1.30	0.76	1.56	1.08	0.85	1.50	0.92	1.19	1.11	1.26	1.58	1.59	2.22	0.29
2001	1.48	1.43	0.96	1.99	1.54	1.23	1.99	1.34	1.48	1.53	2.19	1.70	1.86	2.87	0.28
2002	10.19	7.34	2.59	0.81	0.58	0.67	1.38	0.74	0.85	0.66	0.58	0.79	1.20	2.51	1.32
2003	7.08	7.69	-0.49	0.31	0.26	0.00	1.49	-0.01	0.53	0.01	0.38	0.70	1.01	1.79	1.74
2004	0.42	0.18	-0.61	0.23	-0.75	-0.08	0.67	-0.08	0.11	-0.05	-0.56	0.84	0.53	0.92	4.16
2005	0.68	0.64	0.76	0.61	0.42	0.36	0.73	25.00	0.75	0.86	1.04	0.83	1.15	1.41	2.57
2006	0.90	2.01	0.91	0.97	0.73	0.93	1.10	1.27	1.21	0.90	0.48	1.35	1.29	1.54	0.34
2007	1.14	1.26	0.78	1.05	0.72	1.21	1.06	1.10	1.07	0.82	0.76	0.99	1.48	1.02	0.21
2008	0.61	0.73	0.22	0.65	0.21	0.61	0.26	0.54	0.61	0.33	0.49	0.62	0.85	0.62	0.38
2009	0.35	0.48	0.24	0.50	0.25	0.48	0.29	0.54	0.40	0.02	0.78	0.49	0.58	0.72	0.46
2010	0.53	0.61	0.17	0.70	0.31	0.79	0.09	0.48	0.40	0.42	0.49	0.45	0.42	0.64	0.41
2011	0.63	1.08	0.54	0.95	0.73	0.80	0.71	0.81	0.57	0.78	0.84	0.67	0.82	1.10	0.21
CAGR(%)	-15.55	-11.04	-13.93	-3.25	-8.22	-2.07	-17.13	-7.10	-5.81	-6.87	-5.29	-8.17	-7.86	-11.40	-8.75

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

Syndicate Bank lies between a minimum of 0.62 percent in 2008 and a maximum of 2.87 percent in 2001. The Bank of India exhibited some better performance i.e. -6.87 percent per annum and the ratio of Bank of India lies between a minimum of -0.05 percent in 2004 and a maximum of 1.53 percent in 2001. The Dena Bank finds very low negative growth rate 5.29 percent per annum and the ratio of Dena Bank lies between a minimum of -0.56 percent in 2004 and a maximum of about 2.19 percent in 2001.

The inter- bank year wise performance in respect of this year is not uniform and there are variation from one bank to another bank and year to year this has been depicted by the value of coefficient of variance and their growth rate presented in the last row of the table. These table shows that inter- bank variability ranges from a minimum of 21.4 percent of the mean in 2011 to maximum of 416 percent in 2004. A negative growth rate of -8.75 percent per annum over the sample period. The show that the inter- bank variation of performance of public sector bank show a strong tendency of convergence.

Business per employee Ratio: This ratio is indicating the average business generate per person employed. Business per employee ratio is calculated by net business to no of employee. The average business per employee is an improved measure of efficiency because the total business combines both deposits and advance.

The bank wise estimate of ratio of business per employee for a period of 12years from 2000to2011 is marked in table 5.9. The table also contain the growth rate for each of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been noticed in the table 5.9.This table shows that different public sector bank have performed different over the sample period. The group of SBI & Its Associates Banks, State Bank of India shows lowest growth rate with about 17.09percent per annum and the value of State Bank of India lies between a minimum of 111.20 percent in 2000 and a maximum of 704.65 percent in 2011. The State Bank of Bikaner & Jaipur and State Bank of Patiala have reported equal growth rate with about 22 percent per annum. The value of State Bank of Bikaner & Jaipur varies between a minimum of 86.47 percent in 2000 and a maximum of 751 percent in

Table-5.9
Bank-Wise and Year-wise amount of Business Per Employee of Selected Public Banks(2000-2011)

Years	In Lakhs														Coefficient of Variation
	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	Syndicate Bank	
2000	111.20	86.47	126.00	81.61	123.62	121.65	105.00	111.71	142.82	135.65	145.00	110.00	106.48	111.36	0.16
2001	226.20	105.19	165.00	112.15	143.45	157.32	129.00	153.62	166.11	184.26	207.00	136.00	141.95	133.68	0.22
2002	145.64	129.42	166.04	124.96	194.31	178.78	153.00	195.96	222.76	218.74	221.00	156.00	167.76	155.12	0.19
2003	191.00	145.64	226.20	146.49	246.37	217.00	183.00	226.71	237.67	242.97	242.00	174.00	195.36	179.52	0.17
2004	210.56	169.82	265.86	162.81	305.24	271.78	215.00	277.35	252.51	266.72	274.00	189.00	228.22	240.31	0.18
2005	243.03	220.29	339.74	203.54	361.15	346.25	282.00	346.25	310.37	320.00	313.00	246.87	267.87	280.22	0.17
2006	299.23	276.85	414.34	290.00	493.01	381.19	336.00	426.75	396.00	381.00	364.00	295.00	330.92	348.64	0.17
2007	357.00	368.09	473.67	398.00	599.54	506.13	456.00	536.06	555.00	498.00	458.00	364.00	407.41	489.17	0.16
2008	456.00	445.45	599.08	495.00	759.82	558.65	604.00	626.53	710.00	652.00	559.00	488.00	504.52	586.02	0.16
2009	556.00	555.39	839.82	602.00	910.24	657.75	706.00	728.29	914.00	833.00	714.00	617.00	654.92	750.65	0.17
2010	636.00	628.00	755.62	672.00	895.21	696.00	845.00	939.00	981.00	1011.00	827.00	761.00	807.95	746.84	0.15
2011	704.65	751.00	1037.68	795.00	956.00	888.00	1063.00	1165.00	1333.00	1284.00	1077.00	930.00	1017.80	875.44	0.19
CAGR(%)	17.09	22.56	21.22	23.89	22.42	19.54	23.97	22.70	22.69	21.79	18.52	21.58	21.92	22.42	-0.99

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

2011. The State Bank of Mysore finds highest growth rate with about of 81.61 percent in 2000 and a maximum of 795 percent in 2011.

The group of nationalized bank, Allahabad Bank shows highest growth rate with about 23.97 percent per annum. The value of Allahabad bank lies between a minimum of 105 percent in 2000 and a maximum of 1063 percent in 2011. Aandhar Bank, Bank of Baroda and Punjab National Bank have reported equal growth rate with about 22 percent per annum. For Andhra Bank , the value varies between a minimum of 111.17 percent in 2000 and a maximum of 1165 percent in 2011. Similarly, the Bank of Baroda value lies between a minimum of about 142.82 percent in 2000 and a maximum of 1333 percent in 2011. The range of Panjab National Bank lies between a minimum of about 106.48 percent in 2000 and a maximum of about 1017.80 percent in 2011. The Dena bank shows lowest growth rate with about 18.52percent per annum and the value of Dena Bank lies between a minimum of 145 percent in 2000 and a maximum of 1077 percent in 2011.

The inter-bank year wise performance in respect of this value is not uniform and there are variations from one bank to another and year to year. This has been depicted by the values of coefficients of variance and their growth rate presented in the last row of the table. The table shows that the inter-bank variability ranges from a minimum of 15.4 percent of the mean in 2010 to maximum 22 percent in 2001. A negative growth rate of 0.99 percent per annum over the sample period shows that the inter-bank variation of performance of public sector banks shows a strong tendency of convergence.

Profit per employee Ratio: This ratio indicates the average profit generated per person employed. This ratio is calculated by net income to total number of employees. This ratio implies that higher the value of the ratio, higher the efficiency of the bank.

The bank wise estimate of ratio of return on equity for a period of 12years from 2000to 2011 is noticed in table 5.10. The table also contain the growth rate for each of the 14 public sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been observed in the table 5.10.This table show that different public sector banks have performed different over the sample

Table-5.10
Bank-wise and Year-wise amount of Profit Per Employees of Selected Public Sector Banks(2000-2011)

Year	State Bank of India	State Bank of Bikaner	State Bank of Hyderabad	State Bank of Mysore	State Bank of Patiala	State Bank of Travncore	Allahabad Bank	Andhra Bank	Bank of Baroda	Bank of India	Dena Bank	Indian Bank	Punjab National Bank	In Lakhs	
														Syndicate Bank	Coefficient of Variation
2000	0.87	1.69	0.87	1.42	0.99	0.54	0.31	0.82	1.07	0.33	0.45	0.00	0.63	0.66	0.59
2001	0.70	1.96	1.13	0.26	1.23	0.85	0.19	0.95	0.59	0.57	0.00	0.00	0.80	0.81	0.74
2002	1.16	1.31	1.68	0.67	1.97	1.06	0.40	1.58	1.40	1.16	0.11	0.15	0.97	0.89	0.54
2003	1.00	1.63	2.25	1.19	2.76	1.00	0.87	3.10	1.92	1.97	1.08	0.85	1.43	1.30	0.45
2004	1.77	5.52	2.87	1.82	3.69	2.16	2.46	3.54	2.43	2.35	2.23	1.85	1.88	1.62	1.40
2005	2.08	5.98	1.91	2.16	2.48	2.21	2.86	3.97	1.71	0.80	0.60	1.87	2.42	1.53	0.57
2006	2.17	1.20	3.26	2.22	2.66	2.34	3.69	3.69	2.13	1.66	0.72	2.36	2.48	2.05	0.36
2007	2.37	2.57	3.92	2.60	3.24	2.96	3.97	4.14	2.73	2.71	1.99	3.64	2.68	2.76	0.22
2008	3.73	2.73	4.35	3.28	3.70	3.40	4.85	4.30	3.94	4.95	3.61	4.91	3.66	3.18	0.18
2009	4.74	3.55	4.87	3.48	4.68	5.36	3.75	4.58	6.05	7.49	4.28	6.26	5.64	3.64	0.24
2010	4.46	4.00	5.58	4.41	4.45	6.00	5.76	7.00	8.00	4.39	4.86	7.92	7.31	3.18	0.28
2011	3.85	5.00	7.89	5.00	5.20	8.00	6.70	9.00	11.00	6.20	6.15	8.88	8.35	3.99	0.31
CAGR(%)	19.76	9.34	19.46	22.06	13.88	25.82	37.71	20.68	24.86	27.38	34.31	45.35	26.11	18.41	-1.13

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

period. Higher profit value indicates higher efficiency of the bank. The group of SBI & its associate. Banks, State Bank of Travancore shows maximum growth rate 25.82 percent per annum and its followed by the State Bank of Mysore with about 22.06 percent per annum rate of growth. The value of State Bank of Travancore varies from a minimum of 0.54 percent in 2008 and a maximum of about 8 percent in 2011 and the value of State Bank of Mysore lies between a minimum of 0.26 percent in 2001 and a maximum of 5 percent in 2001. State Bank of India and State Bank of Hyderabad have exhibited equal growth rates of about 19 percent per annum. For State Bank of India the values lie between a minimum of 0.70 percent in 2001 and a maximum of 4.74 percent in 2009. Similarly, the State Bank of Hyderabad varies between a minimum of 0.87 percent in 2000 and a maximum of 7.89 percent in 2011. The State Bank of Bikaner & Jaipur show lowest growth rate of with about 9.34 percent and the value of State Bank of Bikaner & Jaipur lies between a minimum of 1.20 percent in 2006 and maximum of 5 percent in 2011.

The group of Nationalized Bank, Indian Bank noticed maximum growth rate 45.35 percent per annum and its followed by Allahabad Bank with about 37.71 percent per annum rate of growth. The value of Indian Bank lies between a minimum of 0 in 2000 and 2001 or a maximum of 8.88 percent in 2011. Similarly, the value of Allahabad Bank lies between a minimum of 0.19 percent in 2001 and a maximum of 8 percent in 2011. The Syndicate Bank shows lowest growth rate with 18.41 percent per annum. The value of Syndicate Bank lies between a minimum of 0.66 percent in 2000 and a maximum of 3.99 percent in 2011. The Bank of India shows some better position compare to Syndicate Bank with about 27.38 percent per annum rate of growth. The value of India Bank lies between a minimum of 0.33 percent in 2000 and a maximum of 7.49 percent in 2009. The entire bank recorded positive growth rate.

The inter-bank year wise performance in respect of this value is not uniform and there are variations from one bank to another and year to year. This has been depicted by the values of coefficients of variance and their growth rate presented in the last row of the table. The table shows that the inter-bank variability ranges from a minimum of 17.6 percent of the mean in 2008 to maximum 139.8 percent in 2001. A negative growth rate of 1.13 percent per annum over the sample period shows that the inter-bank variation of performance of public sector banks shows a strong tendency of convergence.

Performance of Private Sector Banks

Priority Sector Advances to Total Advances Ratio: Some area of field in a country depending on its economic condition or government interest are prioritized and are called priority sectors i.e. industry, agriculture. These may further be sub divided a particular industry or crop. Banks are directed by the state bank of the country that loan must be given on reduced interest rate with discount to promote these fields. Since priority sector is earmarked by the government keeping in view the overall requirement of development of the Indian economy. The financial institutions like bank have given to the required advances to the priority sector. Whether the priority sector has received the requisite importance in terms of advances, the priority sector advances to the total advance in used to measure the extent of performance of a bank. This ratio implies that higher the value of the ratio, higher the efficiency of the bank and lower the value lower efficiency of the bank. The bank wise estimate of ratio of priority sector advance to total advance for a period of 12years from 2000to2011 is observed in table 5.11. The table also contain the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been recorded in the table.

This table shows that the different private sector banks have performed different over the sample period. The ratio for the Federal Bank varies from a minimum of 31.32 per cent in 2004 to a maximum of 37.26 per cent in 2007 and the ratio has increased at the rate of 1.02 per cent per annum. HDFC and ICICI bank have recorded fastest and equal growth rates of about 11per cent per annum followed by Jammu and Kashmir bank with about 5 per cent rate of growth. For HDFC bank the ratio varies between a minimum of about 11 per cent in 2002 and maximum of 35 per cent in 2010. Similarly, the ICICI bank ratio lies between a minimum of about 4 per cent in 2002 and a maximum of about 38.4 per cent per annum in 2009. The range of Jammu and Kashmir bank lies between a minimum of about 19 per cent in 2003 and a maximum of about 39 per cent in 2011. There are only two banks; Karnataka bank and Lakshmi Vilas Bank among the list of private sector banks considered here which have registered negative growth rate of .09 per cent and 1.6 per cent per annum respectively over the sample period.

The inter-bank wise performance in respect of this ratio is not uniform and there are variations from one bank to another and year to year. This has been depicted by the value of coefficient of variance and there growth rate presented in the last row of the table. The table show that the inter- bank variability range from a minimum of 12 per cent of the mean in 2009 to maximum of 47.7 per cent in 2002. A negative growth rate of 9.7 per cent per annum over the sample period shows that the inter-bank variation of performance of private sector bank shows strong tendency of convergence.

Table-5.11
Bank-wise and Year-wise ratio of Priority sector Advances to Total Advances of Selected Private Sector Banks(2000-2011)

Years	In Percent									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	35.43	23.09	37.37	17.42	13.60	42.55	30.20	31.97	44.00	0.35
2001	32.24	24.76	33.71	14.40	16.85	40.14	28.15	29.74	42.12	0.32
2002	31.92	20.50	34.96	10.75	4.22	38.12	22.61	28.43	39.68	0.48
2003	31.40	18.80	38.49	12.10	16.77	34.64	23.92	27.79	40.81	0.37
2004	31.32	21.17	40.92	14.08	23.40	37.55	22.42	30.75	45.14	0.35
2005	32.15	34.30	33.31	21.97	21.98	41.01	31.25	31.87	47.38	0.25
2006	34.30	19.53	35.58	30.99	29.20	26.53	32.52	35.59	46.06	0.23
2007	37.26	19.24	32.02	37.67	28.22	38.06	34.20	37.04	46.76	0.22
2008	36.51	25.81	36.59	27.47	26.48	39.28	41.03	34.24	44.54	0.19
2009	37.80	35.10	37.02	30.12	38.42	31.07	29.58	34.00	41.97	0.12
2010	36.55	37.44	36.39	35.09	29.79	34.13	25.59	31.23	43.48	0.15
2011	33.13	39.23	35.96	34.24	24.68	35.71	26.74	30.25	42.79	0.17
CAGR(%)	1.02	5.03	-0.09	11.07	11.16	-1.59	1.29	0.97	0.31	-9.70

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

Secured Advances to Total Advances Ratio: Secured advance mean which is refundable on interest rate. Secure advance guarantees that all transaction that run through us are safe and secure The secure advance to total advance ratio show advance secured by tangible assets advance covered by bank or govt. to total advance of the bank. The higher the ratio, higher the efficiency of the bank.

The bank wise estimate of ratio of secure advances to total advances for a period of 12 year from 2000 to 2011 are exhibited in table 5.12. The table also contains the growth rates for each year of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficient of variation for each year has been reported in table 5.2.

The table also noticed that the different private sector bank have performed different over a sample period. The ratio of the Jamu & Kashmir Bank varies from a minimum of 48.13percent in 2010 to a maximum of 93.18percent in 2002 and the ratio has been decreased at the rate of -2.72 per cent per annum. Karnataka bank and Tamild Mercantile Bank have shown some better growth rate i.e. -0.25 and -0.23 per annum followed by Lakshmi Vilas Bank with about -0.14 per cent rate of growth. For Karnataka Bank the ratio varies between a minimum of about 84.69 per cent in 2005 and maximum 97.01 per cent in 2000.

Similarly, the Tamild Mercantile Bank ratio lies between a minimum about 89.08 per cent in 2005 and a maximum of about 97.7 per cent in 2000. Lakshmi Vilas Bank ratio lies between a minimum of about 85.14 per cent in 2011 and a maximum of about 94.04 per cent in 2001. There are only two bank; Ratnakar Bank and South Indian Bank among the list of private sector bank considered here which have registered positive growth rate of 1.33 and 0.22 per cent per annum respectively over the sample period. The inter-bank year wise performance in respect of this ratio is not uniform and there are variations from one bank to another and year to year. This has been depicted by the value of coefficients of variance and their growth rate presented in the last row of the table. The table reveals that the inter-bank variability range from a minimum of 3.9 per cent of the mean in 2002 to maximum of 133.4percent in 2000.

Table-5.12**Bank-wise and Year-wise ratio of Secured Advances to Total Advances of Selected Private Sector Banks (2000-2011)**

Year	In Percent									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	96.82	93.81	97.01	93.90	79.41	90.44	89.40	89.38	97.70	1.33
2001	92.40	92.76	96.42	85.27	76.74	94.04	91.23	89.95	95.80	0.07
2002	94.00	92.54	89.95	91.54	97.02	86.63	90.84	87.31	95.90	0.04
2003	92.00	90.30	91.62	85.79	97.16	89.93	86.10	82.81	95.11	0.05
2004	88.87	92.01	91.08	86.75	92.46	90.71	35.49	85.96	95.19	0.22
2005	90.21	88.44	84.69	76.60	86.28	91.75	44.41	89.82	89.08	0.18
2006	86.71	87.84	88.30	69.16	83.01	91.05	83.95	88.31	93.93	0.08
2007	92.09	86.01	92.57	71.08	79.77	93.66	88.39	90.53	92.73	0.09
2008	88.95	86.61	91.38	70.03	32.36	91.63	88.64	85.94	94.93	0.24
2009	82.88	90.65	90.88	76.82	38.49	90.95	91.32	88.32	93.41	0.21
2010	78.78	48.13	92.79	73.26	74.92	91.39	94.23	91.81	92.26	0.19
2011	78.80	82.27	92.53	75.15	78.88	85.14	88.95	89.63	96.82	0.08
CAGR(%)	-1.62	-2.72	-0.25	-2.33	-4.35	-0.14	1.33	0.22	-0.23	-1.88

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

A negative growth rate of 1.88 per cent per annum over the sample period. This shows that the inter-bank variation of performance of private sector bank shows a tendency of convergence.

Return on Asset Ratio: The return on assets shows the proportion of net income to total assets of bank. This ratio also acts as productivity indicator. The higher the ratio, the better is utilization of assets.

The bank wise estimate of ratio of return on assets for a period of 12 years from 2000 to 2011 is observed in table 5.13. The table also contains the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been reported in the table 5.13. The table shows that the different private sector banks have performed differently over the sample period. The ratio for the HDFC Bank varies from a minimum of 1.28 per cent in 2009 to a maximum of 20.61 per cent in 2004 and the ratio has decreased at the rate of -5.01 per cent per annum. Karnataka Bank, Ratnakar Bank and Jamu & Kashmir Bank have also shown negative growth rates. For Karnataka Bank the ratio varies between a minimum of about 0.67 per cent in 2010 and a maximum of 1.37 per cent in 2008.

Similarly, the Ratnakar Bank ratio lies between a minimum of about -11.7 per cent in 2005 and a maximum of about 1.96 per cent in 2009. The Federal Bank, ICICI Bank, South Indian Bank and Tamil Mercantile Bank has recorded positive growth rates. The ICICI Bank ratio lies between a minimum of about 0.67 per cent in 2002 and a maximum of about 1.59 per cent in 2005. Similarly, the South Indian Bank ratio varies between a minimum of about 0.09 per cent in 2005 and a maximum of 0.53 per cent in 2002 and a maximum of 1.25 per cent in 2003. Federal Bank has shown the highest growth rate. The ratio of Federal Bank lies between a minimum of 0.53 per cent in 2002 and a maximum of 23.14 per cent in 2004.

The inter-bank year wise performance in respect of this ratio is not uniform and there are variations from one bank to another bank and year to year. This has been depicted by the value of coefficient of variance and their growth rates presented in the last row of the table.

Table-5.13
Bank-wise and Year-wise ratio of Return on Assets of Selected Private Sector Banks(2000-2011)

Year	In Percent									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	0.62	1.13	1.10	1.84	0.87	1.30	0.83	0.58	1.32	0.37
2001	0.69	1.32	0.73	1.62	0.82	1.02	0.77	0.89	1.37	0.32
2002	0.53	1.77	1.26	1.48	0.67	1.06	1.16	1.07	1.29	0.33
2003	0.86	2.01	1.29	1.52	1.13	1.07	1.42	1.25	1.35	0.25
2004	23.14	1.92	1.34	20.61	1.31	1.19	1.12	1.00	1.59	1.53
2005	13.13	0.47	1.27	18.45	1.59	0.08	-1.17	0.09	1.47	1.76
2006	1.28	0.67	1.28	1.38	1.30	0.53	0.07	0.53	1.67	0.55
2007	1.38	0.96	1.15	1.33	1.09	0.33	0.31	0.76	1.57	0.45
2008	1.34	1.09	1.37	1.32	1.12	0.41	1.31	1.01	1.58	0.28
2009	1.48	1.09	1.25	1.28	0.98	0.71	1.96	1.09	1.51	0.29
2010	1.15	1.20	0.67	1.53	1.13	0.33	1.05	1.07	1.54	0.36
2011	1.34	1.22	0.72	1.58	1.35	0.91	0.53	1.05	1.74	0.34
CAGR(%)	4.16	-2.82	-1.95	-5.01	3.41	-7.93	-1.77	2.90	2.14	-1.82

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

The table shows that inter variability range from a minimum of 24.6 per cent of the mean in 2003 and to maximum of 5.48 per cent in 2006. A negative growth rate of 1.82 per cent per annum over the sample period. The sample period shows that the inter-bank variation of performance of private sector bank shows a tendency of convergence.

Return on Equity Ratio: The return on equity ratio shows the percentage of net income to total capital of bank. The higher the ratio the more efficiently a bank is using its capital and free reserves.

The bank wise estimate of ratio of return on equity for a period of 12years from 2000to 2011 is observed in table5.14. The table also contain the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been exhibited in the table 5.4. This table shows that the different private sector banks have performed different over the sample period. The ratio for the Jamu& Kashmir Bank varies from a minimum of 7.06 per cent in 2005 to a maximum of 31.75 per cent in 2002 and the ratio has decreased at the rate of growth -5.46 per cent per annum.

Federal Bank and South Indian bank have marked equal growth rates of about 1.74 per cent per annum followed by Tamilind Mercantile Bank with about -1.08 per cent rate of growth. For Federal Bank the ratio lies between a minimum of 14.94 per cent in 2006 and a maximum of 20.03 per cent in 2001. There are only two banks; HDFC Bank and Lakshmi Vilas Bank among the list of private sector banks considered here which have registered positive growth rate of 0.12percent and 2.83 per cent per annum respectively over the sample period. The inter-bank year wise performance in respect of this ratio is not uniform and there are variations from one bank to another and year to year. This has been depicted by the value of variance and their growth rate presented in the last row of the table. The table shows that the inter-bank variability range from a minimum of 20.07 per cent of the mean in 2003 to maximum of 202 per cent in 2005. A positive growth rate of 1.73per cent per annum over the sample period shows that the inter-bank variation of performance of private sector bank shows a tendency of divergence.

Table-5.14
Bank-wise and Year-wise ratio of Return on Equity of Selected Private Sector Banks (2000-2011)

Year	In Percent									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	13.55	25.13	20.31	19.14	14.45	0.68	17.63	14.78	19.69	0.44
2001	15.70	27.50	13.72	22.99	13.09	20.22	15.75	20.47	20.03	0.25
2002	18.98	31.75	23.02	20.81	6.53	19.68	22.29	25.31	18.19	0.32
2003	21.47	31.00	21.48	18.48	17.38	19.17	25.84	24.29	17.50	0.21
2004	5.92	28.66	20.78	3.93	20.93	19.61	17.87	23.56	18.47	0.45
2005	4.58	7.06	17.56	3.32	18.86	1.46	-19.14	2.05	15.90	2.02
2006	22.82	10.21	16.85	17.74	14.33	8.63	1.19	9.29	16.65	0.49
2007	21.27	14.42	15.07	19.46	13.17	5.12	2.38	15.26	14.94	0.45
2008	13.56	16.79	18.47	17.74	11.63	6.21	6.51	16.09	15.67	0.34
2009	12.13	16.72	18.10	17.17	7.77	11.54	9.19	15.80	16.24	0.27
2010	10.30	18.19	9.83	16.30	7.96	5.14	5.50	16.76	17.27	0.44
2011	11.98	18.96	9.60	16.74	9.66	12.40	1.71	17.56	19.96	0.44
CAGR(%)	-1.77	-5.46	-5.00	0.12	-3.89	2.83	-17.85	-1.74	-1.08	1.73

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

Net NPA to Net Advance Ratio: Non- performing assets are those which were not recovered from the customers with in the specified time as per contract made. .This ratio is calculated by dividing net NPA by net advances. The lower the ratio show more efficiency of a bank.

The bank wise estimate of ratio of net NPA ratio for a period of 12years from 2000to 2011 is reported in table 5.15. The table also contain the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been noticed in the table 5.15. The table shows that the different private sector banks have performed different over the sample period.

This table reveals that the different private sector banks have performed different over the sample period. The more NPA the lower performance of the bank and the low NPA is the better performance of the bank. The entire banks have recorded negative value. The Federal Bank and South Indian Bank show very negative growth rate i.e. 30.50 and30.22 per annum and the ratio of Federal bank lies a minimum of 0.23 per cent in2008 and a maximum of 11.66 per cent in 2002. Similarly, the ratio of South Indian Bank varies from a minimum of 0.29 per cent in 2010 and a maximum of 15.85per cent in 2001. Karnataka and Jamu & Kashmir Bank growth rate is -17.61percent and -17.99 per cent per annum. It shows some better situation comparing to Federal and South Indian Bank. The range of Karnataka bank lies a minimum of 0.98 per cent in 2008 and 2009 and a maximum of 7.36 per cent in 2003. HDFC bank and ICICI bank show very low negative value i.e. 4.23 per cent per annum and 6.68 per cent per annum and the ratio of HDFC bank varies from a minimum of 0.16percent in 2004and a maximum of 0.77 per cent in 2000. The range of ICICI bank lies between a minimum of 0.72 per cent in 2006 and a maximum of 5.48 per cent in 2002.

The inter-bank year wise performance in respect of this ratio is not uniform and there are variation from one bank to another bank and year to year. This has been depicted by the value of coefficient of variance and their growth rate presented in the last row of the table. This table shows that the inter variability range from a minimum of16.8

Table-5.15
Bank-wise and Year-wise ratio of Net NPA to Net Advances of Selected Private Sector Banks(2000-2011)

Years	In Percent									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	8.56	3.22	5.73	0.77	1.53	5.38	8.70	8.67	5.77	0.56
2001	10.08	2.45	6.93	0.45	2.19	6.47	7.58	15.85	5.99	0.72
2002	11.66	1.88	5.90	0.50	5.48	9.13	8.60	6.64	6.66	0.55
2003	4.95	1.58	7.36	0.37	5.21	7.15	7.42	5.98	8.70	0.52
2004	2.89	1.48	4.98	0.16	2.21	5.40	5.58	4.55	5.00	0.55
2005	2.21	1.41	2.29	0.24	1.65	4.98	5.54	3.81	2.95	0.17
2006	0.95	0.92	1.18	0.44	0.72	1.89	2.61	1.86	2.17	0.52
2007	0.44	1.13	1.22	0.43	1.02	1.58	1.92	0.98	0.98	0.44
2008	0.23	1.07	0.98	0.47	1.55	1.55	0.99	0.33	0.38	0.61
2009	0.30	1.38	0.98	0.63	2.09	1.24	0.68	1.13	0.00	0.48
2010	0.48	0.28	1.31	0.31	2.12	4.11	0.97	0.39	0.24	1.13
2011	0.60	0.20	1.62	0.19	1.11	0.90	0.36	0.29	0.27	0.81
CAGR(%)	-30.50	-17.61	-17.90	-4.23	-6.68	-16.05	-25.79	-30.22	-29.89	2.97

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

per cent of the mean in 2005 to a maximum of 112.7 per cent in 2010. A positive growth rate of 2.97 per cent per annum over the sample period shows that the inter-bank variation of performance of private sector banks shows a tendency of divergence.

Interest Income to Total Assets Ratio: Interest earned is the main component of total income of a bank. Interest includes interest on deposit, discount on advance and interest from balance with RBI. The higher ratio show good position of bank in the market. This ratio is calculated by interest earned to total assets of the bank.

The bank wise estimates of ratio of interest income to total assets for a period of 12years from 2000to2011 are observed in table 5.16. The table also contain the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been recorded in the table 5.16. This table shows that the different private sector banks have performed different over the sample period. The high negative value shows the lower performance of the bank. The Ratnakar bank growth rate is very high negative value and the ratio lies between a minimum of 7.12 per cent in 2011 and a maximum of 11.06 per cent in 2000 and 2001.

The Federal and Karnataka bank have marked equal growth rate-2.48 per cent per annum. The ratio of Federal bank lies between a minimum of 7.46 per cent in 2005 and a maximum of 2005 and a maximum of 10.89 per cent in 2000. The Lakshmi Vilas Bank noticed very low negative value i.e. 1.28 per cent per annum. The ratio of Lakshmi Vilas Bank lies between a minimum of 7.18 per cent in 2006 and a maximum of 10.62 per cent in 2000. There are only two banks; HDFC and ICICI bank among the list of private sector banks considered here which have registered here positive growth rate of 0.24 per cent and 0.47 per cent in 2002 and the range of Karnataka bank varies from a minimum of 7.27 per cent per annum respectively over the sample period. The inter- bank year wise performance in respect of this ratio is not uniform and there are variation from one bank to another and year to year. This has been depicted by the value of coefficient of variance and their growth rate present in the last row of the table.

Table-5.16
Bank-wise and Year-wise ratio of Interest Income to Total Assets of Selected Private sector Banks (2000-2011)

Years	In Percent									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	11.25	9.79	10.89	8.50	8.95	10.62	11.06	11.69	11.29	0.11
2001	11.19	9.25	10.53	9.24	7.81	10.20	11.06	11.19	11.14	0.12
2002	10.99	9.87	10.29	8.69	3.47	9.94	10.03	10.46	10.89	0.25
2003	9.95	9.06	9.53	7.49	8.87	8.96	9.12	9.24	10.48	0.09
2004	8.73	8.01	8.55	7.01	7.67	8.15	8.38	8.06	10.96	0.13
2005	7.46	6.78	7.27	6.60	6.43	7.57	7.78	7.57	9.58	0.12
2006	7.67	6.71	7.41	7.16	6.83	7.18	7.60	7.50	9.36	0.10
2007	7.95	6.89	8.06	8.36	7.72	7.99	7.48	7.98	9.67	0.09
2008	8.73	7.93	8.78	9.01	8.27	8.20	8.19	8.40	9.54	0.06
2009	9.29	8.48	9.09	10.32	7.98	8.86	8.66	9.00	9.87	0.08
2010	8.90	7.62	7.92	7.97	6.92	9.68	7.60	8.43	9.01	0.10
2011	8.52	7.98	8.08	7.97	6.75	8.95	7.12	8.38	9.23	0.10
CAGR(%)	-2.48	-2.13	-2.51	0.24	0.47	-1.28	-3.49	-2.69	-1.97	-4.54

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

This table shows that inter-bank variability range from a minimum of 44.4 per cent of the mean in 2007 to maximum of 112.7 per cent in 2010. A positive growth rate of 2.97 per annum over the sample period shows that the inter-bank variations of performance of private sector bank show a short tendency of divergence.

Wage Bill to Total Income Ratio: The total amount of money that a company or organization pays to its employee. This ratio is calculated by payment and provision for employees to total income. This ratio implies that lower the value of the ratio, higher the efficiency of the bank.

The bank wise estimate of ratio of Wage bill to total income for a period of 12years from 2000to 2011 is recorded in table 5.17. The table also contain the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been marked in the table 5.17. This table shows that the different private sector banks have performed different over the sample period.

The different private sector banks have performed different over the sample period. The High negative value shows the lower position of the bank. The Lakshmi Vilas Bank show very high negative growth i.e. 7.96 per cent per annum and its followed by the Indian Bank with about -7.73per cent per annum rate of growth. The ratio of Lakshmi Vilas Bank lies a minimum of 9.13 per cent in 2010 and a maximum of 16.72 per cent in 2006. The range of South Indian Bank varies from a minimum of 10.21 per cent in 2008 and a maximum of 15.83 per cent in 2000. The Jamu & Kashmir Bank and Karnataka Bank have exhibited equal negative growth 5 per cent per annum. The range of Jamu & Kashmir bank lies from a minimum of 8.28 per cent in in2001 and a maximum of 12.84 per cent in 2011and the ratio of Karnataka bank lies between a minimum of 8.39 per cent in2009 and a maximum of 11.58 per cent in 2000. The ICICI bank shows very low negative growth rate i.e. 1.13 per cent per annum and the ratio of ICICI bank lies between a minimum of 3.1 per cent in 2009 and a maximum of 8.64 per cent in2011. There are only one bank; HDFC bank amongthe list of private sector bank considered here which show positive growth rate of 1.1 per cent per annum over the sample period.

Table-5.17
Bank-wise and Year-wise ratio of Wage Bill to Total Income of Selected Private Sector Banks(2000-2011)

Years	In Percent									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	11.65	9.08	11.58	6.03	3.47	13.65	17.13	15.83	11.20	0.40
2001	10.62	8.28	9.66	5.40	3.54	12.32	13.90	13.91	9.99	0.37
2002	9.58	8.95	9.04	5.36	5.40	11.19	15.22	11.19	10.25	0.32
2003	10.36	9.24	8.49	6.09	3.22	12.11	13.22	11.26	10.44	0.33
2004	11.96	9.24	8.41	6.74	4.57	12.41	15.94	14.28	10.66	0.33
2005	13.24	10.96	11.80	7.39	5.75	14.02	18.76	14.61	12.57	0.32
2006	13.81	10.59	9.80	8.69	5.85	16.72	18.96	16.72	12.16	2.70
2007	12.38	10.69	9.02	9.24	5.59	11.83	26.24	12.34	12.35	0.47
2008	9.32	8.43	10.07	10.50	5.25	10.71	14.76	10.21	11.37	0.25
2009	8.29	8.62	8.39	11.41	3.10	10.26	13.53	11.57	11.17	0.31
2010	8.71	10.55	8.78	11.36	5.80	9.13	14.54	10.56	11.15	0.24
2011	10.52	12.84	12.96	11.69	8.64	9.68	34.78	10.97	12.50	0.58
CAGR(%)	-6.81	-5.50	-5.19	1.10	-1.13	-7.96	-4.14	-7.73	-4.85	0.70

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

The inter- bank year wise performance in respect of this ratio is not uniform and there are variation from one bank to another and year to year. This has been depicted by the value of coefficient of variance and their growth rate presented in the last row of the table.

This table shows that inter-bank variability range from a minimum of 25 per cent of the mean in 2008 to maximum of 270.2 per cent in 2006 A positive growth rate of 0.70 per annum over the sample period shows that the inter-bank variations of performance of private sector bank shows a short tendency of divergence.

Burden to Total Assets Ratio: Burden is defined as total non- interest expense less total non- interest income. This ratio is calculated $(\text{operating expense} - \text{other income}) / \text{interest income}$. A bank with low burden ratio is better off. An increasing trend would show lack of burden bearing capacity.

The bank wise estimate of ratio of burden to total assets for a period of 12years from 2000to 2011 is recorded in table 5.18. The table also contain the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been observed in the table 5.18. This table shows that the different private sector banks have performed different over the sample period.

The ratio for the ICICI bank varies from a minimum of 0.44 per cent in 2010 and a maximum of 0.72 per cent in 2001 and the ratio has decreased the rate of growth -5.64 per cent per annum. The Jamu& Kashmir bank and South Indian bank have noticed equal negative growth rate 1.50 per cent per annum and the ratio of South Indian bank lies between a minimum of -0.57 per cent in 2002 and 2003 and a maximum of 0.95 per cent in 2000. Similarly, the ratio of Jamu& Kashmir bank varies from a range of between a minimum of -0.17 per cent in 2002 and 2003 and a maximum of 0.85 per cent in 2011. The Tamlind Mercantile bank finds very low negative value i.e. 0.16 per cent per annum and the ratio of Tamlind Mercantile bank varies from of a minimum of -0.74 per cent in 2011 and a maximum of 1.06 per cent in 2005.

Table-5.18**Bank-wise and Year-wise ratio of Burden to Total Assets of Selected Private Sector Banks (2000-2011)**

Years	In Percent									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	0.57	0.62	0.63	0.58	0.43	0.21	1.51	0.95	0.57	0.55
2001	0.61	0.72	0.26	0.91	0.72	0.26	1.44	0.88	0.55	0.51
2002	-0.31	-0.17	-1.53	0.43	0.08	-0.57	-0.85	-0.30	0.58	-2.21
2003	-0.11	-0.17	-1.16	0.44	-1.09	-0.39	-0.04	-0.57	0.74	-2.41
2004	-0.11	-0.04	-1.17	0.91	-0.43	-0.22	1.08	-0.49	0.93	14.98
2005	0.64	1.05	-0.21	0.93	-0.08	1.32	2.05	0.90	1.06	0.81
2006	0.79	0.92	0.27	0.91	0.39	1.46	1.84	1.51	0.88	0.52
2007	0.52	0.77	0.41	1.10	0.26	1.05	2.59	0.95	0.98	0.71
2008	0.26	0.52	0.38	1.30	0.18	0.55	1.60	0.69	0.47	0.72
2009	0.16	0.64	-0.03	1.42	-0.14	0.60	1.11	0.88	0.69	0.88
2010	0.35	0.40	0.03	0.96	-0.44	0.88	1.34	0.69	0.47	1.02
2011	0.67	0.85	0.88	1.13	-0.01	0.77	2.86	0.91	-0.74	1.18
CAGR(%)	-5.38	-1.56	-6.12	8.05	-5.64	11.43	2.47	-1.52	-0.16	1.82

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

There are only two banks; Lakshmi Vlias bank and Ratnakar bank among the list of private sector banks considered here which have registered here positive growth rate of 11.43 and 2.47 per cent per annum over the sample period.

The inter-bank year wise performance in respect of this ratio is not uniform and there are variations from one bank to another and year to year. This has been depicted by the value of coefficient of variance and their growth rate presented in the last row of the table.

The table shows that inter-bank variability ranges from a minimum of -241.5 per cent of the mean in 2003 to a maximum of 1498.4 per cent in 2004. A positive growth rate of 1.82 per annum over the sample period shows that the inter-bank variations of performance of private sector bank shows a short tendency of divergence.

Business per employee ratio: This ratio is indicating the average business generated per person employed. Business per employee ratio is calculated by net business to number of employees. The average business per employee is an improved measure of efficiency because the total business combines both deposits and advances.

The bank wise estimate of ratio of business per employee for a period of 12 years from 2000 to 2011 is exhibited in table 5.19. The table also contains the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been reported in the table 5.19. The table shows that the different private sector banks have performed differently over the sample period. The value of Tamild Mercantile bank varies from a minimum of 180.28 lakhs in 2000 to a maximum of 959.18 lakhs in 2011 and the value has increased at the rate of growth 16.22 per cent per annum. Ratnakar bank and Federal bank recorded the fastest growth rate about 36.93 per cent per annum and followed by Karnataka Bank with about 14.83 per cent rate of growth. For Ratnakar bank the value lies between a minimum of 1.27 lakhs in 2002 and a maximum of 43.5 lakhs in 2011. Similarly, Federal bank varies between a minimum of 161 lakhs in 2000 and a maximum of 923 lakhs in 2011. Karnataka Bank value lies between a minimum of 177.68 lakhs in 2000 and a maximum of 771 lakhs in 2011.

Table-5.19
Bank-wise and Year-wise amount of Business Per Employee of selected Private Sector Banks(2000-2011)

Years	In Lakhs									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karnataka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamlind Mercantile Bank	
2000	161.00	175.00	177.68	942.00	594.99	158.00	114.75	129.00	180.28	0.97
2001	190.00	212.00	210.28	643.00	815.22	192.00	145.87	171.00	214.94	0.78
2002	199.24	264.00	247.24	778.00	486.49	288.00	1.27	218.00	245.45	0.72
2003	270.00	287.00	275.32	865.00	112.00	212.00	1.81	265.00	270.83	0.84
2004	327.00	345.00	320.23	866.00	1010.00	276.00	198.36	306.00	292.43	0.66
2005	366.00	435.00	380.90	806.00	880.00	296.00	220.75	352.00	316.97	0.51
2006	431.00	516.00	478.29	758.00	905.00	371.00	250.92	422.00	358.29	0.41
2007	544.00	585.00	523.86	607.00	1027.00	430.00	254.41	462.00	451.23	0.39
2008	665.00	596.00	589.00	506.00	1008.00	453.00	310.00	600.43	541.99	0.32
2009	750.00	500.00	649.00	446.00	1154.00	510.00	373.00	645.14	679.25	0.36
2010	813.00	731.00	727.00	590.00	765.00	560.00	391.00	771.00	870.16	0.22
2011	923.00	856.00	771.00	653.00	735.00	719.00	435.00	918.00	959.18	0.21
CAGR(%)	18.18	14.40	14.83	-4.28	6.82	13.27	36.93	18.36	16.22	-12.89

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

There is only one bank i.e. HDFC bank among the list of private sector bank considered here which has registered negative growth rate of 4.28 per cent per annum over the sample period.

The inter –bank year wise performance in respect of this value is not uniform and there are variation from one bank to another and year to year. This has been depicted by the value of coefficient of variance and their growth rate presented in the last row of the table. This table reveals that inter-bank variability range from a minimum of 2.13 per cent of the mean in 2011 to maximum of 97.2 per cent in 2000. A negative growth rate of 12.89 per annum over the sample period shows that the inter-bank variations of performance of private sector bank show a short tendency of convergence.

Profit per employee ratio: This ratio indicates the average profit generated per person employed. This ratio is calculated by net income to total number of employees. This ratio implies that higher the value of the ratio, higher the efficiency of the bank.

The bank wise estimate ratio of profit per employee for a period of 12years from 2000to2011 is observed in table 5.20. The table also contain the growth rate for each of the 9 private sector banks. To know the inter-bank variation of this ratio, coefficients of variation for each year have been recorded in the table 5.20. The table shows that the different private sector banks have performed different over the sample period. The value of the Jamu& Kashmir bank varies from a minimum of 2 lacks in 2005 and a maximum of 8 lack in 2011and the value has increased at the rate of 9.32 per cent per annum. Federal and South Indian bank shows fastest growth rates i.e. 25.97 per cent and 18.13 per cent and followed by Tamhind Mercantile Bank withabout 15.36 per cent rate of growth. For Federal Bank the value lies between a minimum of 0.72 lacks in 2002 and a maximum of 7.26 lack in 2011. Similarly, South Indian Bank value lies between a minimum of 0.72 lacks in 2002 and a maximum of 7.26lack in 2011. The range of Tamhind Mercantile Bank lies between a minimum of 1.89 lack in 2000 and a maximum of 9.91 lack in 2011. There is one bank i.e. HDFC Bank among the list of private sector banks considered here which have registered negative growth rate of 5.96 per cent per annum over the sample period. The inter-bank year wise performance in respect of this value is not uniform and there are variations from one bank to another and year to year.

Table-5.20
Bank-wise and Year-wise amount of Profit Per Employees of Selected Private Sector Banks (2000-2011)

Years	In Lakhs									Coefficient of Variation
	Federal Bank	Jamu& Kashmir Bank	Karna taka Bank	HDFC Bank	ICICI Bank	Lakshmi Vilas Bank	Ratnakar Bank	South Indian Bank	Tamhind Mercantile Bank	
2000	0.72	1.91	1.43	10.00	7.83	1.37	0.64	0.64	1.89	1.18
2001	0.97	2.58	1.11	8.61	10.45	1.38	0.75	1.11	2.29	1.12
2002	0.78	4.00	2.20	9.75	5.33	4.41	1.27	1.68	2.48	0.78
2003	1.69	5.00	2.55	10.09	11.00	1.56	1.81	2.04	2.58	0.87
2004	2.14	6.00	3.10	9.39	12.00	2.11	1.58	2.39	3.69	0.78
2005	1.39	2.00	3.35	8.80	11.00	0.17	-1.73	0.24	3.60	1.30
2006	3.54	3.00	4.05	7.39	10.00	1.20	0.11	1.37	4.41	0.80
2007	4.43	4.00	3.97	6.13	9.00	0.91	0.54	2.69	4.76	0.64
2008	5.43	5.00	5.00	4.97	10.00	1.22	3.00	3.59	5.31	0.49
2009	6.90	5.00	5.00	4.18	11.00	2.07	5.00	4.31	6.43	0.45
2010	6.01	7.00	3.00	5.98	9.00	1.13	3.00	5.00	8.14	0.48
2011	7.26	8.00	4.00	7.37	10.00	3.85	1.00	5.00	9.91	0.48
CAGR(%)	25.97	9.32	11.17	-5.96	1.76	0.86	8.74	18.13	15.36	-8.49

Source: RBI, Statistical tables relating to banks in India.

CAGR indicates Compound Annual Growth Rate

This has been depicted by the value of coefficient of variance and their growth rate presented in the last row of the table.

The table shows that the inter-bank variability ranges from a minimum of 44.5 per cent of the mean in 2009 to a maximum of 11.81 per cent in 2000. A negative growth rate of 84.9 per cent per annum over the sample period shows that the inter-bank variations of performance of private sector bank shows a strong tendency of convergence.

Performance of Public and Private Banks on the Basis Composite Performance Index¹

In the preceding section, the performance of 9 private sector banks was discussed in terms of 10 parameters out of these 10 performance parameter 8 were in the form of ratio's and hence varies between in zero & one. Since each bank has performed differently in respect of different parameter, it is difficult to have a holistic view of the performance of banks unless the different parameters are aggregated into a composite performance index (CPI). For this reason, the eight ratio's performance parameter was aggregated into a composite performance index for each of the private and public sector banks. The composite performance index for private and public sector banks for along with their ranks the years 2000, 2006 and 2011 are shown in the table 5.21 and 5.22.

The table 5.21 shows that the performance of public sector banks is not uniform and differs across bank and across time. The value of CPI varies between a minimum of 0.123 Indian banks and a maximum of 0.201 for state bank of Bikaner in the year 2000. In the year 2006, the value varies from a minimum of 0.153 for Dena bank to a maximum of 0.184 for state bank of Mysore. while in the year 2011 the value of CPI range from a minimum of 0.144 for bank of India to a maximum of 0.167 for state bank of Bikaner is the best performance and the worst performance in

¹Since the values of three parameters namely, burden to total assets, wage bill to total income, net npa to net advances signify higher the value lower the performance, these ratios have been subtracted from unity to make them consistent with the rest of five (priority sector advances to total advances, secured advances to total advances, return on assets, return on equity, interest income to total assets) ratio which signify that higher the value higher the performance and lower the value lower the performance. This has been done for preparation of composite performance index based on the eight parameters.

the Indian bank, the worst performance in the year 2000. In the year 2006, state bank of Mysore and Bank of Baroda have been the best and worst performances respectively while in the year 2011, state bank of Bikaner has been star performer followed by state bank of Mysore in the second place and the worst performance have been displayed bank of India. From the above discussion it can be concluded that on the basis of CPI as a measure of performance the public sector bank have shown variation across banks and time.

As far the performance of private sector banks are concerned, the value of CPI varies between a minimum of 0.118 for ICICI and a maximum of 0.180 for Mercantile bank in the year 2006, best performance has been shown again by again Mercantile bank and lowest rank in occupied by 0.110 by HDFC. Mercantile bank continuous to hold the 1st position of best performance with CPI equal to 0.168, while ICICI shows worst performance thus, the largest private sector banks HDFC and ICICI have been worst performers in the year 2006 and 2012 respectively. While Mercantile bank shows lowest performance consistently in the year 2000, 2006, and 2011. The broad conclusion is that there are variation in the performance across banks over time and their in a decline in performance of public as well as private banks with the passage of time.

Table-5.21
Composite Performance Index and Ranking of Public Sector Banks

Sr. No.	Banks	2000		2006		2011	
		CPI	Ranks	CPI	Ranks	CPI	Ranks
1	State Bank of India	0.165	11	0.158	10	0.148	13
2	State Bank of Bikaner	0.201	1	0.164	9	0.167	1
3	State Bank of Hyderabad	0.180	4	0.168	7	0.166	2
4	State Bank of Mysore	0.191	2	0.184	1	0.156	10
5	State Bank of Patiala	0.177	6	0.153	12	0.161	6
6	State Bank of Travncore	0.172	10	0.169	5	0.165	3
7	Allahabad Bank	0.173	9	0.174	3	0.157	9
8	Andhra Bank	0.178	5	0.169	6	0.161	5
9	Bank of Baroda	0.162	12	0.149	14	0.148	12
10	Bank of India	0.151	13	0.155	11	0.144	14
11	Dena Bank	0.176	8	0.153	13	0.158	8
12	Indian Bank	0.123	14	0.167	8	0.159	7
13	Punjab National Bank	0.187	3	0.174	2	0.164	4
14	Syndicate Bank	0.176	7	0.172	4	0.150	11

CPI composite performance index

Table - 5.22
Composite Performance Index and Raking of Private Sector Banks

Sr. No.	Banks	2000		2006		2011	
		CPI	Ranks	CPI	Ranks	CPI	Ranks
1	Federal Bank	0.16	5	0.165	2	0.145	8
2	Jamu& Kashmir Bank	0.156	6	0.128	8	0.162	2
3	Karnataka Bank	0.174	3	0.153	4	0.151	6
4	HDFC	0.134	8	0.11	9	0.152	4
5	ICICI	0.118	9	0.136	7	0.128	9
6	Lakshmi Vilas Bank	0.153	7	0.144	5	0.149	7
7	Ratnakar Bank	0.175	2	0.143	6	0.154	3
8	South Indian Bank	0.171	4	0.154	3	0.151	5
9	Tamlind Mercantile Bank	0.18	1	0.172	1	0.168	1

CPI Composite Performance Index

Comparison between Public and Private Sector Banks

We saw in the earlier sections of this chapter the private sector banks exhibit different levels of performance across parameters' of performances. On the basis of a common aggregative or composite performance index (CPI) also there are variations across banks -be it public sector or private sector bank. In order to have an idea about the performance of public and private sector banks as separate entities on the basis of their ownership i.e. publicly owned & privately owned, we have taken the average of CPI, profit per employee, and business per employee of as indicator of performance at three points of the time- 2000, 2006, and 2011. The values of three indicators for two group of the banks (public private) are given in the table5. 23.

The table shows that the basis of CPI, the group of public sector banks consist, dominates the performance of group of private sector banks in 2000, 2006, and 2011. In term of profit per employee, however, the private sector banks show better performance (₹ 2.94 Lakhs) in comparison to the private sector banks (₹ 0.76 Lakhs) in the year 2000, while in 2006 also the private sector banks profit per employee was (₹ 3.90 Lakhs) in comparison to (₹ 2.33 Lakhs) by public sector banks in 2006. However, in the year 2011 the public sector banks earned profits (₹ 6.80 Lakhs) per employee in comparison to (₹ 6.27 Lakhs) per employee by private sector banks.

Similarly, in term of business per employee, the private sector performed better with (₹ 292.52 Lakhs) per employee than the public sector with (₹ 115.16 Lakhs) per employee in the year 2000. In the year 2006, also the private sector earned profit of the order of (₹ 498.94 Lakhs) per employee which is more than (₹ 359.50 Lakhs) by the public sector banks with a business of (₹ 991.26 Lakhs) per employee achieved better performance as compared to the private sector bank banks with a business of (₹ 774.35 Lakhs) per employee.

Table : 5. 23
Comparison Between Public & Private Sector Banks

	A.V.	2000		A.V.	2006		
	Composite Performance Index	Profit per Employee	Business per Employee	Composite Performance Index	Profit per Employee	Business per Employee	Co Perf
Public Sector Banks	0.17	0.76	115.61	0.17	2.33	359.50	
Private Sector Banks	0.16	2.94	292.52	0.15	3.90	498.94	

Note: A.v. is Average