

Analysis of revenue, costs and profit: a study on consistency in performance of select public sector banks in India

¹Dr. Jegadeeshwaran M, ² Basuvaraj M

¹ Assistant Professor, School of Commerce Bharathiar University Coimbatore, Tamil Nadu, India.

² Research Scholar, School of Commerce Bharathiar University Coimbatore, Tamil Nadu, India.

Abstract

The public sector banks in India have dominated the financial system in mobilization of deposits and utilizing them for loans, advances and investments. This study analyzes the operating dimensions i.e. revenue, costs and profits of the ten public sector banks namely State Bank of India (SBI), Allahabad bank (ANB), Andhra Bank (ANB), Bank of Baroda (BOB), Bank of India (BOI), Canara Bank (CB), Corporation Bank (CORP), Indian Overseas Bank (IOB), Punjab National Bank (PNB), Syndicate Bank (SB) for the period from 2005- 2006 to 2014-2015. The present study is also to analyze the consistency in performance of the select banks with regard to their key operating dimensions and to award an overall rank matrix based on the growth rate of all banks secured for each operating dimensions. The consistency in performance is assessed with the help of overall rank matrix. The study concludes that bank of India, bank of baroda, Andhra banks has emerged as the most consistent overall performer in respect of all operating dimensions whereas State bank of India, India overseas bank and canara bank has exhibited the inconsistency in its overall performance during the study period.

Keywords: Consistency, Inconsistency, Operating Dimensions, Interest income, Other Incomes, Interest Expenses, Manpower cost, selling and Administrative Expenses, over all Rank Matrix

1. Introduction

Indian financial system plays a significant role in socio-economic development in the country through its various financial intermediaries. Among them, the banks-public and private sectors are the frontrunners in the Indian financial system as they mobilize deposits and lend them to borrowers i.e. from a common man to a billionaire. These commercial activities evolve income generation, incurring expenses and profit making. Hence, there is a need for the banks to carry on their activities feasibly and consistently. Public sectors banks have dominated the banking industry in India. On the other hand, the private sector banks pose a cut throat competition in the market. Generally, all banks strive to generate higher income by incurring lesser expenses at the same time. However, they need to maintain a consistency in performance with regard to their banking operations to ensure perpetuity for their long-term survival and their ability to override the crisis. Moreover, the banks with inconsistent performance invite problems.

1.1 Statement of the problem

Theoretically, the economic cycle influences all business activities including banking business. The financial risk as well as the business risk assumes different intensities at each stage of business cycle that would affect the funds and incomes of the banks. The abrupt decline in business and income may affect banks badly causing difficulties in refunding the deposits, paying interest on deposits on their maturities and paying dividend to shareholders. There is a need to test empirically whether or not the banks can sustain themselves during the adverse recessionary phases. It is accompanied through measuring the consistency in their performance in key result areas. The present study is conducted on the premise that

a bank with consistent performance in operating dimensions can have a perpetual life amidst the critical times such as the recent financial downturn and vice versa. It is, therefore, imperative that a bank should earn steady incomes and incur few expenses and generate adequate profits. Hence this study deals tends to analyze the consistency level of public sector banks on the basis of revenue, costs and profit.

2. Objective of the study

- To analyze the trends in revenue, costs and profit of public sector banks and their consistency in performance.
- To classify the selected banks as higher performer/low performer and consistent performer in each chosen items of revenue, cost and profit.

2.1 Methodology

Source of data

The study is based on secondary data. The secondary data are collected from the websites of the respective banks and money control website. The data are presented in the form of tables and analyzed with the help of mean, standard deviation, coefficient of variation and compound annual growth rate.

2.2 Sampling design

Ten selected public sector banks in India such as State Bank of India (SBI), Allahabad bank (ANB), Andhra Bank (ANB), Bank of Baroda (BOB), Bank of India (BOI), Canara Bank (CB), Corporation Bank (CORP), Indian Overseas Bank (IOB), Punjab National Bank (PNB), Syndicate Bank (SB) were taken for the study on the basis of market capitalization. The study period covers from 2005-2006 to 2014-2015.

2.3 Tools for Analysis

The data were analyzed using statistical tools like mean, standard deviation, coefficient of variation (CV), compound annual growth rate (CAGR) and overall rank matrix.

2.4 Approaches to the study of consistency in performance

The inquiry into the consistency of performance is conducted at the three phases. In the first phase, the mean, SD, CV and CAGR values (from Table 1 to 10). A higher mean value in incomes and a lower mean value in expenses are construed as a positive performance of bank (s) and vice versa. Further, the performance has to stand the test of consistency. In this regard, CV values are used. The low CV value not only indicates the consistency in bank’s performance but also their ability to withstand unfavorable economic condition.

Accordingly, the selected banks are ranked on the basis of the criteria of consistency i.e. banks with high CAGR values earning better ranks and vice versa. The selected banks are, thus, ranked for each variable from one to ten based on their CAGR values. The top ranking banks demonstrate a greater consistency in performance with regard to a particular income, expense or profit dimension. In the second phase, a table of variable wise – rank matrix is constructed with the help of the CV values in order to identify the selected banks as a top performer; low performer and consistent performer in each selected variable (table X1). In the third stage, the final performance ratings are awarded to the selected banks on the basis of their aggregate mean scores of ranks. For this purpose, an overall rank matrix is prepared (table X1).

2.5 Analysis and interpretation

Table 1: Interest Income of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	35794.39	3737.24	2674.37	7100.00	7028.70	8711.51	2626.47	4406.28	9584.15	4050.42
2007	39491.03	4883.86	3315.33	9212.64	9180.33	11364.56	3430.16	5832.07	11537.48	6040.07
2008	48950.31	6279.67	4289.87	11813.48	12355.22	14200.74	4516.55	7968.25	14265.02	7906.31
2009	63788.43	7364.73	5374.62	15091.58	16347.36	17119.05	6067.35	9641.40	19326.16	9579.64
2010	70993.92	8369.20	6372.87	16698.34	17877.99	18751.96	7294.60	10245.77	21466.91	10047.18
2011	81394.36	11014.69	8291.28	21885.92	21751.72	22940.07	9135.25	12101.47	26.986.48	11450.86
2012	106521.45	15523.28	11338.73	29673.72	28480.67	30850.62	13017.78	17889.11	36428.03	15268.35
2013	119657.10	17435.69	12909.69	35196.65	31908.93	34077.94	15334.08	20676.72	41893.33	17120.69
2014	136350.80	18746.68	14297.32	38939.71	37910.10	39547.61	17958.57	22683.73	43223.25	18620.33
2015	152397.07	19716.12	16368.60	42963.56	43429.91	43750.04	19566.44	23938.33	46315.36	21615.16
Total	855338.86	113071.16	85232.68	228575.60	226270.93	241314.1	98947.25	135383.13	244039.69	121699.01
Mean	85533.886	11307.116	8523.268	22857.56	22627.093	24131.41	9894.725	13538.313	27115.521	12169.901
S D	41219.800	6050.617	4897.872	12983.950	12378.908	12227.229	6177.350	7176.988	14751.864	5757.53
CV	48.191	53.512	57.465	56.804	54.708	50.669	62.431	53.012	54.404	47.310
CAGR	0.1559	0.1809	0.1986	0.1972	0.1998	0.1751	0.2224	0.1844	0.1706	0.1823
Ranks	10	7	3	4	2	8	1	5	9	6

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 1 reveals the interest income of selected public sector banks in India. State bank of India has the highest Interest income with mean value of 85533.886 followed by Punjab National bank with mean value of 27115.521. It can be inferred that the bank is conducting their business, deposits, loans and advances and investments on a higher scale with the competitive interest rates. On the other hand, the performance of Andhra bank has the lowest Interest income with mean value of 8523.268. Either their volume of business would be low or

the rate of interest/ return would be uncompetitive or both. In order, to increase interest income higher, Andhra bank should increase deposits, loans and advances and investments. Interest income is found to be consistent in state bank of India followed by canara bank. The compound annual growth rate of Interest income is the highest in the Corporation bank by 0.2224 followed by bank of India by 0.1998. State bank of India shows the lowest annual growth rate.

Table 2: Other Income of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	7388.69	606.69	458.07	1191.69	1184.38	1377.51	498.04	728.21	1478.23	591.58
2007	7446.76	481.95	522.46	1381.79	1562.95	1511.80	524.67	862.76	1343.64	651.10
2008	9398.43	964.76	661.65	2051.04	2116.93	2308.31	569.70	1075.46	1997.56	939.67
2009	12691.35	1255.57	765.38	2757.66	3051.86	2427.10	1015.81	1713.07	2919.69	908.20
2010	14968.15	1515.90	964.62	2806.36	2616.64	3000.82	1088.85	1196.59	3565.31	1167.46
2011	14930.42	1370.41	896.96	2809.19	2641.77	2811.46	1255.88	1225.10	3612.58	915.21
2012	14351.45	1298.68	859.93	3422.33	3321.17	2927.60	1492.62	1681.04	4202.60	1075.88
2013	16034.84	1476.91	1047.42	3630.62	3766.04	3153.01	1607.94	1972.91	4215.92	1174.36
2014	18552.92	2165.75	1332.84	4462.74	4291.84	3932.76	1647.72	2169.34	4576.71	1324.88
2015	22575.89	1996.01	1449.84	4402.00	4232.70	4550.25	1482.46	2138.60	5890.73	2109.59
Total	138338.90	13132.63	8959.17	28915.42	28786.28	28000.62	11183.69	14763.08	33802.97	10857.93
Mean	13833.89	1313.263	895.917	2891.542	2878.628	2800.062	1118.369	1476.308	3380.297	1085.793
S D	4825.943	535.341	321.421	1129.669	1061.992	977.049	454.746	527.218	1456.261	426.241
CV	34.885	40.764	35.876	39.068	36.892	34.894	40.661	35.712	43.081	39.256
CAGR	0.1182	0.1265	0.1221	0.1396	0.1358	0.1269	0.1152	0.1137	0.1483	0.1356
Ranks	8	6	7	2	3	5	9	10	1	4

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 2 observed the other incomes of select public sector banks in India from 2005-2006 to 2014-2015. State bank of India has the highest other income with mean value of 13833.89 followed by Punjab National bank with value of 3380.297. It can be inferred from this performance that the bank is rendering other services to their customers on a large scale. On the other hand, Andhra bank has the lowest other

income with mean value of 895.917. Neither their other services would be numerous nor would they have had a wider customer base. Other income is found to be consistent in state bank of India followed by canara bank. The compound annual growth rate of other income is the highest in the Punjab national bank by 0.1483 followed by bank of India by 0.1396. Indian overseas bank shows the lowest annual growth rate.

Table 3: Total Income of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	43,183.62	4,373.93	3,132.44	8,291.69	8,213.08	10,089.02	3,124.51	5,134.49	11,062.38	4,642.00
2007	46,937.79	5,365.81	3,837.79	10,594.43	10,743.28	12,876.36	3,954.83	6,694.83	12,881.12	6,691.17
2008	58,348.74	7,244.43	4,951.52	13,864.52	14,472.15	16,509.05	5,086.25	9,043.71	16,262.58	8,845.98
2009	76,479.78	8,620.30	6,140.00	17,849.24	19,399.22	19,546.15	7,083.16	11,354.47	22,245.85	10,487.84
2010	85,962.07	9,885.10	7,337.49	19,504.70	20,494.63	21,752.78	8,383.45	11,442.36	25,032.22	11,214.64
2011	96,324.78	12,385.10	9,188.24	24,695.11	24,393.49	25,751.53	10,391.13	13,326.57	30,599.06	12,365.98
2012	120,872.90	16,821.96	12,198.66	33,096.05	31,801.84	33,778.22	14,510.40	19,570.15	40,630.63	16,344.23
2013	135,691.94	18,912.60	13,957.11	38,827.27	35,674.97	37,230.95	16,942.02	22,649.63	46,109.25	18,295.05
2014	154,903.72	20,912.43	15,630.16	43,402.45	42,201.94	43,480.37	19,606.29	24,853.07	47,799.96	19,945.21
2015	174,972.96	21,712.13	17,868.44	47,365.56	47,662.61	48,300.29	21,038.90	26,076.93	52,206.09	23,724.75
Total	993,678.30	126,233.79	94,241.85	257,491.02	255,057.21	269,314.72	110,120.94	150,146.21	304,829.14	132,556.85
Mean	99,367.83	12,623.38	9,424.19	25,749.10	25,505.72	26,931.47	11,012.09	15,014.62	30,482.91	13,255.69
S D	45805.46	6512.68	5207.46	14071.67	13396.05	13148.91	6596.85	7671.82	15295.99	6134.04
CV	46.097	51.592	55.256	54.649	52.522	48.824	59.905	51.096	50.179	46.275
CAGR	0.1502	0.1738	0.1902	0.1904	0.1922	0.1695	0.2101	0.1765	0.1679	0.1772
Ranks	10	7	4	3	2	8	1	6	9	5

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 3 exhibits the total income of selected public sector banks in India. State bank of India has the highest total income with mean value of 99,367.83 followed by Punjab National bank with value of 30,482.91. It can be inferred that the bank is conducting their business as well as rendering other services to their customers on a higher scale at competitive rates.

Andhra bank has the lowest other income with mean value of 9,424.19. other income is found to be consistent in state bank of India followed by syndicate bank. The compound annual growth rate of other income is the highest in the corporation bank by 0.2101 followed by bank of India by 0.1922. State bank India shows the lowest annual growth rate.

Table 4: Interest Cost of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	20,159.29	2,189.80	1,505.39	3,875.09	4,396.72	5,130.01	1,399.66	2,339.10	4,917.39	2,169.55
2007	23,436.82	3,133.12	1,897.79	5,426.56	5,739.86	7,337.73	2,052.37	3,271.27	6,022.91	3,890.02
2008	31,929.08	4,498.88	2,870.00	7,901.67	8,125.95	10,662.94	3,073.24	5,288.79	8,730.86	5,833.56
2009	42,915.29	5,206.06	3,747.71	9,968.17	10,848.45	12,401.25	4,376.37	6,771.81	12,295.30	6,977.60
2010	47,322.48	5,718.72	4,178.13	10,758.86	12,122.04	13,071.43	5,084.35	7,077.91	12,944.02	7,307.37
2011	48,867.96	6,992.22	5,070.31	13,083.66	13,941.03	15,240.74	6,195.51	7,893.44	15,179.14	7,068.10
2012	63,230.37	10,360.63	7,579.41	19,356.71	20,167.23	23,161.31	9,870.89	12,872.94	23,013.59	10,183.32
2013	75,325.80	12,569.28	9,152.67	23,881.39	22,884.93	26,198.94	11,908.23	15,424.78	27,036.82	11,666.63
2014	87,068.63	13,435.36	10,559.98	26,974.36	27,079.57	30,603.17	14,174.88	17,106.92	27,077.28	13,080.50
2015	97,381.82	13,538.24	11,830.57	29,776.32	32,086.24	34,086.37	15,486.10	18,554.38	29,759.79	16,094.87
Total	537,637.54	77,642.31	58,391.96	151,002.79	157,392.02	177,893.89	73,621.60	96,601.34	166,977.10	84,271.52
Mean	53,763.75	7,764.23	5,839.20	15,100.28	15,739.20	17,789.39	7,362.16	9,660.13	16,697.71	8,427.15
S D	26405.33	4344.08	3697.55	9263.21	9388.74	10041.21	5131.35	5866.77	9292.27	4290.79
CV	49.114	55.950	63.323	61.345	59.652	56.445	69.699	60.732	55.650	50.916
CAGR	0.1706	0.1998	0.2290	0.2262	0.2199	0.2085	0.2717	0.2301	0.1973	0.2219
Ranks	10	7	4	3	2	8	1	6	9	5

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 4 shows the interest cost of select private sector banks in India from 2005-2006 to 2014-2015. State bank of India has the highest interest cost with mean value of 53,763.75 followed by Canara bank with mean value of 17,789.39. Either their deposits and borrowings would be huge or they would have offered higher interest on their deposits and borrowings. It can be inferred that the bank is tapping cost effective deposits and

borrowings that have led to the lower interest cost. Interest cost is found to be consistent in state bank of India followed by syndicate bank. The compound annual growth rate of interest cost is the highest in the corporation bank by 0.2717 followed by Indian overseas bank by 0.2301. State bank India shows the lowest annual growth rate.

Table 5: Manpower Cost of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	8,123.04	681.10	492.89	1,523.79	1,328.13	1,515.30	363.53	893.57	2,114.97	1,037.22
2007	7,932.58	620.72	548.80	1,644.06	1,614.00	1,609.29	378.31	931.07	2,352.45	894.47
2008	7,785.87	689.88	509.39	1,803.76	1,657.01	1,661.28	427.87	949.68	2,461.54	928.91
2009	9,747.31	873.94	624.06	2,348.13	1,937.41	1,877.15	467.97	1,271.84	2,924.38	1,045.16
2010	12,754.65	1,011.38	824.08	2,350.88	2,296.07	2,193.70	631.70	1,734.75	3,121.14	1,337.76
2011	15,211.62	1,557.62	1,104.22	13,083.66	3,475.44	2,954.84	894.94	1,741.14	4,461.10	1,773.31
2012	16,974.04	1,834.49	1,149.93	19,356.71	3,069.31	2,973.09	913.23	2,082.98	4,723.48	1,891.50
2013	18,380.90	1,985.94	1,286.98	23,881.39	3,130.52	3,253.56	990.31	2,248.35	5,674.72	2,179.21
2014	22,504.28	2,245.04	1,382.85	26,974.36	3,991.15	3,672.38	1,190.24	2,362.61	6,510.45	2,228.62
2015	23,537.07	2,307.20	1,697.96	29,776.32	4,985.82	4,274.26	1,182.22	2,649.54	7,336.91	2,229.44
Total	142,951.36	13,807.31	9,621.16	122,743.06	27,484.86	25,984.85	7,440.32	16,865.53	41,681.14	15,545.60
Mean	14,295.14	1,380.73	962.12	12,274.31	2,748.49	2,598.49	744.03	1,686.55	4,168.11	1,554.56
S D	5976.961	678.763	422.793	11752.841	1187.225	964.494	328.377	647.818	1863.670	563.981
CV	41.811	49.160	43.944	95.752	43.196	37.118	44.135	38.411	44.713	36.279
CAGR	0.1123	0.1298	0.1317	0.3462	0.1414	0.1093	0.1252	0.1148	0.1325	0.0795
Ranks	8	5	4	1	2	9	6	7	3	10

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 5 reveals the manpower cost of selected public sector banks in India. State bank of India has the highest manpower cost with mean value of 14,295.14 followed by Bank of Baroda with mean value of 12,274.31. These banks should reduce number of manpower requirements and increase their efficiency. Corporation bank has the lowest manpower cost

with mean value of 744.03. Manpower cost is found to be consistent in syndicate bank followed by canara bank. The compound annual growth rate of manpower cost is the highest in the Bank of Baroda by 0.3462 followed by Canara bank by 0.1414. Syndicate shows the lowest annual growth rate.

Table 6: Selling and Administration Expenses of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	9,765.47	758.44	517.35	1,731.62	1,690.06	1,955.47	934.02	1,063.15	2,404.06	853.30
2007	10,424.69	814.29	797.57	2,303.06	2,169.52	2,360.35	1,043.83	1,422.94	2,770.88	1,107.22
2008	11,224.69	1,027.78	935.23	2,491.56	2,606.65	2,449.85	920.70	1,527.80	2,851.17	1,132.38
2009	13,932.81	1,715.38	1,033.42	3,075.23	3,536.64	3,021.69	1,382.49	1,884.09	3,744.22	1,439.24
2010	15,786.23	1,885.98	1,187.43	3,105.77	4,234.16	3,311.09	1,528.80	1,810.98	4,838.88	1,668.01
2011	23,884.37	2,345.76	1,639.20	4,209.94	4,347.76	3,378.71	1,818.15	2,514.45	6,269.47	2,405.66
2012	27,954.03	2,686.56	2,030.75	5,470.24	5,720.95	4,204.22	2,140.46	3,453.04	7,717.10	2,889.98
2013	26,740.65	3,099.34	2,144.70	6,714.88	6,726.29	4,716.65	2,512.19	4,282.68	8,331.53	2,344.12
2014	33,105.70	3,978.20	3,161.77	7,402.26	8,174.08	6,538.16	3,566.21	4,640.49	10,517.26	2,806.50
2015	39,836.01	5,146.42	3,581.51	9,589.05	8,596.21	6,809.98	3,663.51	5,178.34	11,677.58	3,690.94
Total	212,654.65	23,458.15	17,028.93	46,093.61	47,802.32	38,746.17	19,510.36	27,777.96	61,122.15	20,337.35
Mean	21,265.47	2,345.82	1,702.89	4,609.36	4,780.23	3,874.62	1,951.04	2,777.80	6,112.22	2,033.74
S D	10546.241	1429.973	1027.002	2595.537	2446.612	1693.961	1018.182	1494.204	3344.674	934.689
CV	49.593	60.958	60.309	56.310	51.182	43.719	52.187	53.791	54.721	45.959
CAGR	0.1510	0.2110	0.2135	0.1867	0.1766	0.1329	0.1464	0.1715	0.1712	0.1577
Ranks	8	2	1	3	4	10	9	5	6	7

Source: Compiled from Websites of Respective Banks and Money Control Website

Tables 6 examine the selling and administration expenses of selected public sector banks in India. State bank of India has the highest selling and administration expenses with mean value of 21,265.47 followed by Punjab national bank with mean value of 6,112.22. These banks should reduce advertising expenses and can promote using social medias. Andhra bank has the lowest selling and administration

expenses with mean value of 1,702.89. Selling and administration expense is found to be consistent in Canara bank followed by syndicate bank. The compound annual growth rate of selling and administration expenses is the highest in the Andhra bank by 0.2135 followed by Allahabad bank by 0.2110. Canara shows the lowest annual growth rate.

Table 7: Total Cost of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	38,776.93	3,667.81	2,580.43	7,241.63	7,511.64	8,745.81	2,753.48	4,351.16	9,623.07	4,105.50
2007	42,396.48	4,615.68	3,299.89	9,567.96	9,620.11	11,455.55	3,533.89	5,686.40	11,341.04	5,975.11
2008	51,619.62	6,269.69	4,375.95	12,428.99	12,462.74	14,944.04	4,481.35	7,841.37	14,213.80	7,997.90
2009	67,358.55	7,851.70	5,486.95	15,622.03	16,391.87	17,473.73	6,281.79	10,028.68	19,154.96	9,575.02
2010	76,796.02	8,678.78	6,291.64	16,446.37	18,753.56	18,731.35	7,310.78	10,735.40	21,126.87	10,401.31
2011	88,954.45	10,961.99	7,921.17	20,453.42	21,904.79	21,725.65	8,977.86	12,254.03	26,165.56	11,318.03
2012	109,165.61	14,955.18	10,853.99	28,089.10	29,124.32	30,495.51	13,004.37	18,520.02	35,746.43	15,030.84
2013	121,586.96	17,727.40	12,667.97	34,346.56	32,925.63	34,358.84	15,507.35	22,082.40	41,361.57	16,290.62
2014	144,012.55	19,740.42	15,194.57	38,861.37	39,472.67	41,042.18	19,044.57	24,251.34	44,457.38	18,233.75
2015	161,871.39	21,091.22	17,230.01	43,967.11	45,953.69	45,597.67	20,454.65	26,531.26	49,144.51	22,201.82
Total	902,538.56	115,559.87	85,902.57	227,024.54	234,121.02	244,570.33	101,350.09	142,282.06	272,335.19	121,129.90
Mean	90,253.86	11,555.99	8,590.26	22,702.45	23,412.10	24,457.03	10,135.01	14,228.21	27,233.52	12,112.99
S D	42815.223	6396.488	5134.229	12863.914	13018.754	12701.230	6473.525	8006.800	14471.163	5714.943
CV	47.439	55.352	59.768	56.663	55.607	51.933	63.873	56.274	53.137	47.180
CAGR	0.1536	0.1912	0.2091	0.1976	0.1986	0.1795	0.2221	0.1982	0.1771	0.1839
Ranks	10	6	2	5	3	8	1	4	9	7

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 7 shows the total cost of selected public sector banks in India. State bank of India has the highest total cost with mean value of 90,253.86 followed by Punjab national bank with mean value of 27,233.52. Andhra bank has the lowest total cost with mean value of 8,590.26. Total cost is found to be

consistent in Syndicate bank followed by state bank of India. The compound annual growth rate of total cost is the highest in the corporation bank by 0.2221 followed by Andhra bank by 0.2091. State bank India shows the lowest annual growth rate.

Table 8: Net Profit of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	4,406.67	706.13	552.02	1,050.07	701.44	1,343.22	371.04	783.34	1,439.31	536.49
2007	4,541.31	750.14	537.90	1,026.46	1,123.17	1,420.81	420.94	1,008.43	1,540.08	716.06
2008	6,729.12	974.74	575.57	1,435.52	2,009.40	1,565.01	604.91	1,202.34	2,048.76	848.07
2009	9,121.23	768.6	653.05	2,227.20	3,007.35	2,072.42	801.37	1,325.79	3,090.88	912.82
2010	9,166.05	1,206.33	1,045.85	3,058.33	1,741.07	3,021.43	1,072.68	706.96	3,905.36	813.32
2011	7,370.35	1,423.11	1,267.07	4,241.68	2,488.71	4,025.89	1,413.27	1,072.54	4,433.50	1,047.95
2012	11,707.29	1,866.79	1,344.67	5,006.96	2,677.52	3,282.71	1,506.04	1,050.13	4,884.20	1,313.39
2013	14,104.98	1,185.21	1,289.13	4,480.72	2,749.35	2,872.10	1,434.67	567.23	4,747.67	2,004.42
2014	10,891.17	1,172.02	435.58	4,541.08	2,729.27	2,438.19	561.72	601.74	3,342.58	1,711.46
2015	13,101.57	620.90	638.44	3,398.44	1,708.92	2,702.62	584.26	454.33	3,061.58	1,522.93
Total	91,139.74	10,673.97	8,339.28	30,466.46	20,936.20	24,744.40	8,770.90	8,772.83	32,493.92	11,426.91
Mean	9,113.97	1,067.40	833.93	3,046.65	2,093.62	2,474.44	877.09	877.28	3,249.39	1,142.69
S D	3374.632	385.585	359.638	1528.231	769.219	878.729	442.393	294.543	1267.482	476.841
CV	37.027	36.124	43.126	50.161	36.741	35.512	50.439	33.575	39.007	41.730
CAGR	0.1151	-0.0128	0.0147	0.1246	0.0931	0.0724	0.0465	-0.0530	0.0784	0.1100
Ranks	2	9	8	1	4	6	7	10	5	3

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 8 exhibits the net profit of selected public sector banks in India from 2005-2006 to 2014-2015. State bank of India has the highest net profit with mean value of 9,113.97 followed by Punjab national bank with mean value of 3,249.39. Andhra bank has the lowest net profit with mean value of 833.93. Net profit is one of the most closely followed numbers in finance. Shareholders look at net profit margin closely because it shows how good a company is at converting revenue into profits

available for shareholders. In order to federal bank should reduce their non-operating expenses and increase their sales. Net profit is found to be consistent in Canara bank followed by Allahabad bank. The compound annual growth rate of net profit is the highest in the bank of Baroda by 0.1246 followed by State bank of India by 0.1151. Indian overseas bank shows the lowest annual growth rate.

Table 9: Earnings per Share of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	83.73	15.81	11.38	28.83	14.39	32.76	25.87	14.38	45.65	10.28
2007	86.29	16.79	11.09	28.18	23.04	34.65	29.35	18.51	48.84	13.72
2008	106.56	21.82	11.87	39.41	38.26	38.17	42.17	22.07	64.98	16.25
2009	143.67	17.21	13.46	61.14	57.26	50.55	55.87	24.34	98.03	17.49
2010	144.37	27.01	21.56	83.96	33.15	73.69	74.78	12.98	123.86	15.58
2011	116.07	29.88	22.64	108.33	45.54	90.88	95.41	17.33	139.94	18.28
2012	174.46	37.33	24.03	121.79	46.66	74.10	101.67	13.18	144.00	21.82
2013	206.20	23.70	23.04	106.37	46.14	64.83	93.82	6.14	134.31	33.3
2014	145.88	21.52	7.39	105.75	42.45	52.86	33.53	4.87	92.32	27.4
2015	17.55	10.87	10.59	15.37	25.37	56.87	6.97	3.68	16.51	23.00
Total	1224.78	221.94	157.05	699.13	372.26	569.36	559.44	137.48	908.44	197.12
Mean	122.478	22.194	15.705	69.913	37.226	56.936	55.944	13.748	90.844	19.712
S D	53.023	7.726	6.329	39.986	13.112	19.092	33.566	7.121	45.056	6.831
CV	43.292	34.813	40.301	57.193	35.221	33.532	59.999	51.794	49.597	34.652
CAGR	-0.1447	-0.0368	-0.0072	-0.0610	0.0583	0.0567	-0.1229	-0.1274	-0.0967	0.0839
Ranks	10	5	4	6	2	3	8	9	7	1

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 9 reveals the earning per share of selected public sector banks in India. State bank of India has the highest earning per share with mean value of 122.478 followed by Punjab national bank with mean value of 90.844. Indian overseas bank has the lowest earning per share with mean value of 13.748. Earnings

per share are found to be consistent in Canara bank followed by Syndicate bank. The compound annual growth rate of earning per share is the highest in the syndicate bank by 0.0839 followed by Bank of India by 0.0583. State bank of India shows the lowest annual growth rate.

Table 10: Book Value of Share of Select public Sector Banks in India (Rs in crore)

Year	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
2006	525.25	81.45	59.67	215.35	99.03	171.19	235.28	56.08	287.79	50.53
2007	594.69	100.22	65.08	237.46	117.89	197.83	262.51	71.08	321.65	61.02
2008	776.48	117.47	67.00	303.18	168.06	202.33	294.79	87.05	341.98	774.05
2009	912.73	111.45	75.20	352.37	224.39	244.87	341.36	109.06	416.74	88.03
2010	1038.76	131.73	90.93	414.71	243.75	305.83	402.60	116.54	514.77	100.06
2011	1023.40	160.5	116.02	537.45	292.26	405.00	481.85	131.96	632.48	116.12
2012	1251.05	192.92	133.66	668.34	343.79	465.57	558.70	-1282.29	777.39	133.50
2013	1445.60	209.92	150.85	758.91	401.38	515.68	625.56	-1096.60	884.03	158.91
2014	1584.34	201.04	148.19	838.02	465.37	522.96	601.95	116.21	952.50	174.48
2015	172.04	206.41	166.94	180.13	472.42	556.68	125.16	112.80	203.24	183.37
Total	9324.34	1513.11	1073.54	4505.92	2828.34	3587.94	3929.76	-1578.11	5332.57	1840.07
Mean	932.43	151.311	107.354	450.592	282.834	358.794	392.976	-157.811	533.257	184.007
S D	433.615	48.726	40.648	237.276	135.903	151.154	169.686	545.960	265.142	212.193
CV	46.504	32.203	37.863	52.659	48.050	42.128	43.180	-345.958	49.721	115.318
CAGR	-0.1056	0.0974	0.1084	-0.0177	0.1691	0.1252	-0.0612	0.0724	-0.0342	0.1376
Ranks	10	5	4	7	1	3	9	6	8	2

Source: Compiled from Websites of Respective Banks and Money Control Website

Table 10 examines the book value of share of selected public sector banks in India from 2005-2006 to 2014-2015. State bank of India has the highest book value of share with mean value of 932.434 followed by Punjab national bank with mean value of 533.257. Indian overseas bank has the lowest book value of share with mean value of -157.811. So, in order to increase the

book value they have to increase their retained earnings. Book value of share is found to be consistent in Allahabad bank followed by Andhra bank. The compound annual growth rate of book value of share is the highest in the bank of India by 0.1691 followed by syndicate bank by 0.1376. State bank of India shows the lowest annual growth rate.

Table 11: Over all rank matrix

Variable	SBI	ALB	ANB	BOB	BOI	CAN	CORP	IOB	PNB	SB
1	10	7	3	4	2	8	1	5	9	6
2	8	6	7	2	3	5	9	10	1	4
3	10	7	4	3	2	8	1	6	9	5
4	10	7	4	3	2	8	1	6	9	5
5	8	5	4	1	2	9	6	7	3	10
6	8	2	1	3	4	10	9	5	6	7
7	10	6	2	5	3	8	1	4	9	7
8	2	9	8	1	4	6	7	10	5	3
9	10	5	4	6	2	3	8	9	7	1
10	10	5	4	7	1	3	9	6	8	2
Sum	86	59	41	35	25	68	52	68	66	50
Mean	8.6	5.9	4.1	3.5	2.5	6.8	5.2	6.8	6.6	5
Over all Rank	9	6	3	2	1	8	5	8	7	4

Each bank is rated against each selected variable of revenue, cost and profit on the basis of their consistency in performance. The banks with high CAGR score in the selected variables have earned the highest performance rating (ranks) and vice versa. In furtherance of our inquiry into the consistency in performance, an overall rank matrix is constructed to accord the final performance ratings to the selected banks on the basis of their aggregate mean scores of ranks obtained in each variable. The lower the number of rank earned, the better is the overall ranking and vice versa. The details are presented in above table.

Table 11 reveals that bank of India has secured the position of top most performers in overall analysis for its consistency in operating dimensions identified for this study. On the other hand, State Bank of India has demonstrated a low in overall performance. In terms of consistency in overall performance, the selected banks have been ranked in the order from one to 10 as follows: 1.Bank of India, 2.Bank of Baroda, 3.Andhra Bank, 4. Syndicate Bank, 5. Corporation Bank, 6.Allagabad Bank, 7. Punjab National Bank, 8.Canara Bank & Indian Overseas Bank and 9.State Bank of India.

Findings

Table 12

S. No	Operating Dimension(variables)	Classification	Banks
1	Interest Income	High Performer	State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Bank of India.
		Low Performer	Andhra Bank, Corporation Bank, Syndicate Bank, Allahabad Bank, Indian Overseas Bank.
		Consistency Performer	State bank of India, syndicate bank and Canara bank
2	Other Income	High Performer	State Bank of India, Punjab National Bank, Bank of Baroda, Bank of India, Canara Bank.
		Low Performer	Andhra Bank, Syndicate Bank, Corporation Bank, Allahabad Bank, Indian overseas bank.
		Consistency Performer	State Bank of India, Canara Bank, Indian Overseas Bank.
3	Total Income	High Performer	State Bank of India, Punjab National Bank, Canara Bank. Bank of Baroda, Bank of India.
		Low Performer	Andhra Bank, Syndicate Bank, Allahabad Bank, Corporation Bank, Indian Overseas Bank.
		Consistency Performer	State Bank India, Syndicate Bank, Canara Bank
4	Interest Cost	High Performer	State bank of India, Canara bank, Punjab national bank, bank of India, bank of Baroda.
		Low Performer	Andhra bank, corporation bank, Allahabad bank, Indian overseas bank, syndicate bank.
		Consistency Performer	State bank of India, syndicate bank, Allahabad bank
5	Manpower Cost	High Performer	State Bank of India, Bank of Baroda, Punjab National Bank, Bank of India, Canara Bank.
		Low Performer	Corporation Bank, Andhra Bank, Allahabad bank, Syndicate Bank, Indian Overseas Bank.
		Consistency Performer	Syndicate Bank, Canara Bank, Indian Overseas Bank.
6	Selling and Administrative	High Performer	State Bank India, Punjab National Bank, Bank of India, Bank of Baroda, Canara Bank.

	Expenses	Low Performer	Andhra Bank, Corporation Bank, Syndicate Bank, Allahabad Bank, Indian Overseas Bank.
		Consistency Performer	Canara Bank, Syndicate Bank, State Bank of India.
7	Total Cost	High performer	State Bank of India, Punjab National Bank, Canara Bank, Bank of India, Bank of Baroda.
		Low Performer	Andhra Bank, Corporation bank, Allahabad bank, Syndicate Bank
		Consistency Performer	Indian Overseas Bank. Syndicate Bank, State Bank of India, Canara Bank.
8	Net Profit	High Performer	State Bank of India, Punjab National Bank, Bank of Baroda, Canara Bank, Bank of India.
		Low Performer	Indian Overseas Bank, Andhra Bank, Corporation Bank, Allahabad Bank, Syndicate Bank.
		Consistency Performer	Canara Bank, Allahabad Bank, Bank of India.
9	Earnings Per Share	High Performer	State Bank of India, Punjab National Bank, Bank of Baroda, Canara Bank, Corporation Bank.
		Low Performer	Indian Overseas Bank, Andhra Bank, Syndicate Bank, Allahabad Bank, Bank of India.
		Consistency Performer	Canara Bank, Syndicate Bank, Allahabad Bank.
10	Book Value of Share	High Performer	State Bank of India, Punjab National Bank, Bank of Baroda, Corporation Bank, Canara Bank.
		Low Performer	Indian Overseas Bank, Andhra Bank, Allahabad Bank, Syndicate Bank, Bank of India.
		Consistency Performer	Allahabad Bank, Andhra Bank, Canara Bank.

3. Suggestions

1. The preceding discussion says that interest income of Andhra bank, corporation bank, syndicate bank, Allahabad Bank; Indian overseas bank was low comparing with other banks so to make their interest income higher. Deposits, loans & advances and investments should be increased.
2. The manpower cost is one of the major expenses in banks. The state bank of India, bank of Baroda, Punjab national bank, bank of India and Canara bank has got more manpower cost. In case of reducing manpower allowances, perquisites, training and development expenses, recreation, medical expenses, family and other non-monetary benefit for their employees, the bank can reduce the manpower cost to certain level.
3. As the selling and administrative cost of State bank India, Punjab national bank, bank of India, bank of Baroda, Canara bank was very high, the banks can focus on reducing the advertising, rent of hired premises, electricity charges, depreciation and maintenance of fixed assets to keep the selling and administrative cost at minimum level.
4. Due to low net profit, Indian overseas bank, Andhra bank, corporation bank, syndicate bank have got inconsistency in its performance. By managing their utmost focus on revenues and special concern for costs. These banks can increase its net profit to the maximum.
5. Indian Overseas Bank, Andhra Bank, Syndicate Bank, Allahabad Bank, Bank of India have to improve its EPS otherwise; it will reduce the market price of the bank’s share and there by adversely affect the banks performance. So, it should improve its net profit to increase the value of shares.

4. Conclusion

During the course of business, the selected banks have demonstrated inconsistency in their performance in the selected operating dimensions. The banks need to exhibit a consistency in performance and its perpetual sustenance. The

depositors can be ensured with safety in their deposits and investments respectively by dealing with those banks that have demonstrated a consistency in their performance.

5. References

1. Chidanbaram RM, Alamelu K. Profitability in Bank, a Matter of Survival The banker, 1994, 1-3.
2. D’Souza E. How well Public sector have banks done? A Note, Economic and Political Weekly, 2002, 867-870.
3. Gunjan MS. Efficiency of Indian Public sector Banks: An application of DEA approach The IUP Journal of Applied Finance. 2009; 15(11):52-64.
4. Kohli H, Chawla AS. Profitability Trends in Commercial Banks – A study of Selected Commercial Banks, Indian Management Studies Journal. 2006; 10:51-70.
5. Mathur KBL. Public sector Banks in India Should be Privatized”, Economic and Political Weekly, 2002, 2245-2256.
6. Parasuraman. Economic value added: Its computation and Impact on select Banking companies, The ICFAI Journal of Applied Finance. 2000; 6(4):14-30.
7. Rajakumar PK. The Earning Performance of Private Sector Banks during 2005-06, The Journal of Accounting and Finance. 2007, 21(2).
8. Sanjay J Bhayani. Performance of the new Indian Private Sector Banks: A comparative study, Banking Review 2006, 55-59.