

## **FINANCIAL SOUNDNESS OF OLD PRIVATE SECTOR BANKS (OPBs) IN INDIA WITH A FOCUS ON KERALA-BASED OPBs (KOPBs): A RELOOK**

**MANOJ P K**

Faculty Member (Finance / Econometrics), Department of Applied Economics,  
Cochin University Science and Technology, Kochi, Kerala, India

### **ABSTRACT**

Kerala state in the union of India has got an enviable track record of private sector banking in the entire country, even from the late nineteenth century. However, in the more recent history relating to the late twentieth century, there has been gradual decline in the number of private banks in Kerala because of bank failures, mergers and acquisitions. As against 8 such private banks as of 1985, the number has halved to just 4 in 2007, and this number may fall down further as some of these existing banks have already become takeover targets of stronger banks in the country. The intense competition in the banking industry in the ongoing era of financial sector deregulation initiated in the early 1990s, has put added pressure on the very survival of the old private sector banks (OPBs) in India. This competitive scenario in the reforms era has given another dimension to the declining prominence of Kerala-based OPBs (or, KOPBs, in short) in Indian private banking. In fact, since 2004 itself two KOPBs have succumbed to such competitive pressures.

A study by the present author in 2010 based on data up to FY 2009 data is sought to be relooked here using data up to FY 2013, in view of the drastic changes in the Indian banking in the recent past when two more OPBs have vanished from the scene because of their lack of competitiveness. In fact, the OPB rated lowest in the 2010 study had vanished in 2010 itself. Accordingly, this paper seeks to study the latest status of the financial soundness of OPBs in India and to benchmark the KOPBs with the 'Best in Class' at the national level as well as with the industry average. As in the 2010 study by the author, the rating model 'CAMEL' is used for this study too. It is noted that the position of KOPBs has deteriorated as of FY 2013 vis-à-vis FY 2009, while the 'Best in Class' position though maintained by the earlier OPB has to be shared with another OPB.

**KEYWORDS:** Operational Efficiency, Financial Soundness, CAMEL Model

### **INTRODUCTION**

Kerala has got an enviable history of banking. This southernmost state in India had a very conducive climate for banking development since historical times. Of the five banking firms in the whole of India in the nineteenth century, one was in Kerala viz. Nedungadi Bank established in 1899, in Calicut (Kozhikode). Private banking used to occupy a very significant place in the financial system of Kerala. The two prominent categories of indigenous bankers in Kerala were Private money-lenders and Hundi<sup>EN-1</sup> merchants. The activities of these indigenous bankers were mostly concentrated in regions like Thrissur and Thiruvalla. One significant feature of Kerala's financial system is the prominence of a large number of 'Chit' ('Kuri')<sup>EN-2</sup> companies since historic times. This traditional mode of financing represents the earliest form of crude banking, and even at present these companies exist in Kerala in a significant manner. The emergence of organized

forms of banking activities in the state was because of the growing demand for money and credit for productive activities which could not be met by the traditional financing means.

The Nedungadi Bank started by Appu Nedungadi in 1899, but registered only in 1910 is the first bank in Kerala. The first registered bank in Kerala was the Travancore Permanent Funds. Travancore Bank Ltd. based at Thiruvalla, however, was the earliest bank established in the Travancore Cochin area. Afterwards many enterprising people came forward to establish banking firms. By the time the new Companies Regulation of 1917 was passed six banks were in existence, and after the passing of the above Regulation many banks were registered under it. Total number of banks functioning in the Travancore state increased from just 5 in 1917-'18 to as high as 274 by 1932-'33 which was the highest ever in the history of the state. The number of banks in 1929-'30 was as high as 258. This constituted nearly one-fifth of the total number of banks existing in the whole of the erstwhile British India. Table 1 shows the number of banks working in the erstwhile Travancore and Cochin states during the period 1916-'17 to 1954-'55.

Kerala had an excellent banking infrastructure right from historical times, and regarding the banking network in Kerala, the observation by The Travancore–Cochin Banking Inquiry Commission in 1955 was as follows: “The average number of people per banking office at present work out to 15,891 which is incidentally the smallest figure as compared to any other state in India, while for India as a whole the corresponding figure is 87,765. The Travancore – Cochin state thus stands foremost in regard to the number of banking offices with PEPSU as the second, having one banking office for an average of 45,970 persons. This will be more pronounced if it is seen in juxtaposition to the similar figures in respect of the foreign countries as for example in the UK, the average number of people per banking office works out to 4600, in the US 7600 and in Japan 15900 which almost approximates to the figure in respect of the Travancore–Cochin state.” Another peculiarity of Kerala banking was that banks were not concentrated in the cities and larger towns alone. Rather, they were spread out into the rural interiors of the state also. The business profile of the Kerala-based banks, particularly during the early days was not limited to the traditional banking activities of credit and deposits. The ‘Chit’ (‘Kuri’) business constituted a considerable share of their business portfolio. As many as 166 banks were undertaking this business during the 1930s. Yet another peculiarity of Kerala-based private banks of early days was their small size while number was very large, compared with national figures. In the Travancore–Cochin state, the total paid up capital of commercial banks in 1928-'29 was about Rs. 42.5 lakhs averaging Rs. 0.22 lakhs per bank which in turn was, roughly one-eighth of a commercial bank in British India in the corresponding period.

### **BANK FAILURES, MERGERS AND CONSOLIDATIONS: CURRENT STATUS OF KOPBS**

There were 482 banks failures in India during the period 1939-'45. Of this, 185 were in Travancore–Cochin area in Kerala; 132 being in Travancore area and the rest 53 in Cochin area. Private banking in Kerala had witnessed several devastating changes in 1960s also. This was mainly as a consequence of the fall of The Palai Central Bank which was one of the most prominent private banks in Kerala at that time. This made survival of small banks very difficult. Accordingly, some of the small banks were merged with stronger ones like Federal Bank, South Indian Bank and State Bank group <sup>EN-3</sup> banks. In 1985, Cochin Bank was merged with State Bank of India. In 1988, Parur Central Bank was acquired by Bank of India. In 2002, Nedungadi Bank was taken over by Punjab National Bank. Further, in August 2007, Lord Krishna Bank was acquired by Centurion Bank of Punjab Ltd. As a result of the liquidations, amalgamations, mergers etc. as above, the total number of Kerala-based Old Private sector Banks (KOPBs) has finally shrunk to 4 by 2007, and the latest position

of KOPBs (as of March 2014) is shown in Table 2. Still, it may be noted that of the total 13 Old Private sector Banks in the whole of India as of March 2014, as high as four OPBs are of Kerala-origin, i.e. KOPBs.

## **PREVIOUS RESEARCH AND RESEARCH GAP**

Amandeep (1983) [1] has studied the various factors which affect the profitability of commercial banks in India with the help of multiple regression analysis. Tools like, trend analysis, ratio analysis are also used along with multiple regression analysis. Angadi and Devraj (1983) [2] have studied the factors determining the profitability and productivity of public sector banks (PSBs) in India and have observed that though PSBs have discharged their social responsibilities, their limitations in respect of effective mobilization of funds at lower costs, attracting retail banking business, augmenting earnings from other sources, effective cash and portfolio management etc. have resulted in their lower productivity and profitability. Chakrabarthy, (1986) [5] has made an empirical study of the relative performance of different groups of banks (public, private and foreign) based on three basic parameters viz. (i) profit, (ii) earnings, and (iii) expenses. The author has computed Herfindahl's index to measure the inequality in the sharing of profits, earnings and expenses by each group of banks. The author has suggested that scheduled commercial banks should take up some exercise to evaluate the relative performance of each of their offices for more effective profit planning. Arora, S. and Kaur, S (2008)[3] have studied the internal determinants of diversification moves by banks taking two dependent variables, (i) net interest margin, (ii) non-interest margin. It has been noted that the explanatory variables viz. (i) risk, (ii) technological change, (iii) cost of production and (iv) regulatory cost have got significant influence on the variations in the structure of income of the banks.

In the above context, it was felt that studies on financial soundness of private sector banks in India in the 'Reforms era'<sup>EN-4</sup> were very scarce, those focusing on Kerala-based private banks were virtually nil. Accordingly, the present author had made a study of financial soundness of 13 Old Private sector Banks (OPBs)<sup>EN-5</sup> (Annexure – I) in India with a focus on the Kerala-based OPBs (or, KOPBs), the data used being those for 10 years from FY 2000 to FY 2009. (Manoj P K, 2010)[9]. The poor performance of three out of the total four KOPBs [i.e. all KOPBs, except Federal Bank (FB)] was revealed in the study (Annexure–II). FB the best performer among KOPBs was, however, included only in the second category of good OPBs as the top-most player. Since the above study by the present author, many studies followed using the same or similar methodology. These studies include the following: (i) Kumar, Mishra A. et al. (2012) [8] who have studied soundness of Indian commercial banks for a 11-years' period (FY 2001 to FY 2011) using CAMEL model, the banks included being 12 major banks in the public and private sector, all private sector banks included being new generation banks; (ii) Aravind, Maddali & Nagamani, Pallutla (2013) [4] who have done financial analysis of State Bank of India, for the period FY 2000 to FY 2012; (iii) Chadha, Pankaj., and Chawla, Vanitha. (2013) [6] who have studied the performance of Housing Finance Companies (HFCs) in India (not commercial banks) using the CAMEL model as used by the present author and (iv) Erari, Anita. et.al (2013) [7] who have analyzed the financial performance of PT. Bank Papua in Indonesia.

In spite of many studies on commercial banks in India, those focusing on OPBs in India are still very rare. The only exception is the author's own study (Manoj P K, 2010)[9]. Though a few studies have succeeded the author's study as above, particularly the four studies pointed out in the last paragraph, none of these still focus on OPBs leave alone KOPBs. It is in the above context that a focused study on OPBs with a focus on KOPBs (as done in 2010) assumes significance. Hence this study seeks to bridge this research gap by making a detailed study on OPBs with a focus on

KOPBs, with a view to critically assess the current (i.e. as of FY 2013) relative position of KOPBs vis-à-vis the earlier position as revealed in the 2010 study (i.e. as of FY 2009). This study uses 10 years' data till FY 2013.

## **ANALYTICAL SIGNIFICANCE AND RELEVANCE OF THE STUDY**

Financial soundness and operational efficiency are of cardinal significance for financial intermediaries like banks for their survival and growth. This fact has become all the more important in the ongoing era of financial sector deregulation in India initiated in 1991. In spite of the enviable history of private banking in Kerala from historical times, there has been a constantly dwindling trend in the number of Kerala-based banks during the last few decades. Since 2004 itself 2 KOPBs have vanished, making the total number of KOPBs just 4 as against 8 in 1985. Two OPBs which were included in the 2010 study have since vanished, i.e. BOR in FY 2011 and SBC in FY 2012 (Annexure-III). In view of the very scarce number of studies relating to performance of OPBs in general and KOPBs in specific, this study relooks the performance of OPBs with a focus on KOPBs; as a critical review of the author's own research study of 2010.

## **RESEARCH QUESTIONS**

- How do the KOPBs compare with the OPBs in general, and also among themselves?
- Whether the competitive position of KOPBs has changed significantly since FY 2009?
- What could be the suitable strategies for enhanced competitiveness and operational efficiency of KOPBs given their relative position at the national level?

## **OBJECTIVES OF THE STUDY**

- To make a comparative analysis of the financial soundness of Old Private sector Banks (OPBs) in India for the ten years' period (FY 2004 to 2013) using 'CAMEL' model;
- To benchmark the relative position of Kerala-based OPBs (KOPBs) in respect of financial soundness with other OPBs in India;
- To draw broad conclusions regarding the relative financial position of individual KOPBs and accordingly to suggest appropriate strategies for their enhanced competitiveness.

## **HYPOTHESES OF THE STUDY**

- The financial soundness of KOPBs measured in terms of CAMEL scores is significantly lower than that of the 'Best in the Class' score among the OPBs.
- The financial soundness of KOPBs is significantly lower than the average of OPBs.

## **RESEARCH METHOD: 'CAMEL' MODEL FOR MEASURING FINANCIAL SOUNDNESS OF BANKS**

The 'CAMELS' approach was developed by bank regulators in the US as a means of measurement of the financial condition of a financial institution. Accordingly, the 'Uniform Financial Institutions Rating System' was established by the Federal Financial Institutions Examination Council in the US. Here, the acronym 'CAMELS' stands for, Capital Adequacy (C), Asset Quality (A), Management (M), Earnings (E), Liquidity (L) and Sensitivity to Market Risk

(losses arising from changes in market prices) (S). In India too initiatives in the direction of assessment of financial stability of banks have been in place since the early 1990s. In 1994 the RBI established the Board of Financial Supervision (BFS). In 1995, RBI set up a working group under the chairmanship of S. Padmanabhan, which in turn recommended the 'CAMELS' model on the lines of the international model. Comparing the international 'CAMELS' model with the one prescribed by the RBI, it may be noted that the parameter 'S' as per the international model stands for sensitivity to market risk whereas the 'CAMELS' prescribed by the RBI uses 'S' to mean 'Systems and Control' which in turn is used in the broader sense to account for the internal controls as well as systems and procedures. Thus, the RBI's approach is to consider the 'Operational Risk' under its 'S' whereas the US model seeks to consider the 'Market Risk'. The other 5 parameters (C, A, M, E, and L) are the same in both the cases. The parameter 'S' being not relevant is excluded here, as in the 2010 study. The model thus becomes 'CAMEL' model.

### **PERFORMANCE OF OPBS IN INDIA: A 'CAMEL' APPROACH**

As noted above, for this study 'CAMEL' model is used, not 'CAMELS'. The different ratios chosen for capturing the various parameters of the 'CAMEL' model are shown in Table 3.

#### **Capital Adequacy**

The capital adequacy reflects the overall financial position of the bank. It also indicates the ability of the bank's management in meeting the need for additional capital. Higher capital adequacy ensures better resilience to systemic shocks and hence enhanced financial stability. The international banking regulators, BCBS (Basel Committee for Banking Supervision) have stipulated a minimum Capital Adequacy Ratio (CAR) of 8 percent. In India, the minimum CAR is stipulated as 9 percent by the Reserve Bank of India. As discussed in detail in Chapter IV, two ratios are chosen to assess the capital adequacy parameter under 'CAMEL' framework, viz. (i) Capital Adequacy Ratio, and (ii) Capital Adequacy Ratio–Tier I.

Table 4 shows the CAR of all OPBs in India over the ten years' period under study (FY 2004 to FY 2013). It is noted that the highest average CAR has been that of Ratnakar Bank Ltd. (RKB) which is having an average CAR of 29.60 percent, and is followed by Tamilnadu Mercantile Bank (TMB) with an average CAR of 16.77 per cent. Among the KPOBs, the best is Federal Bank Which is in the third position with a CAR of 15.91 percent. The poorest performer (thirteenth position) is a KPOB viz. Catholic Syrian Bank (CSB) with a CAR of 11.23 percent. From Table 5 it is noted that pattern followed in respect of CAR (Tier I) is quite similar to that in respect of CAR; the OPBs in the first, second and last positions being RKB (28.58 percent) in the first position, TMB (15.5 percent) in the second position and CSB (7.91 percent) in the last (thirteenth) position.

#### **Asset Quality**

Asset quality is the parameter that primarily looks into the share of non-performing assets (NPAs) in the total advances of banks. The lower the share of NPAs, the better the quality. Other relevant considerations in this regard are (i) the ratio of priority sector advances to total advances – this measure being in tune with the governmental policies of directed credit and (ii) the ratio of secured advances to total advances – the measure that captures the risk involved in credit dispensation.

Table 6 shows the ratios of priority sector advances as a percentage of total advances. The highest position goes to Nainital Bank (NTB) (52.25 percent) and is followed by Tamil Nadu Mercantile Bank (TMB) (43.84 percent). Among the KPOBs, FB is the best with eighth position (33.74 percent). The lowest ratio is that of Jammu & Kashmir Bank (JKB) (27.86 percent). From Table 7, it is noted that City Union Bank (CUB) which has got the highest share of secured advances as a percentage of total advances (96.59 percent) has obtained the first position in this regard and is closely followed by TMB (94.28 percent). The last position goes to a KOPB viz. Federal Bank (FB) with an average ratio of 84.79 percent. Among the KPOBs, Catholic Syrian Bank (CSB) has got the highest rank (fourth) with an average ratio of 94.07 percent.

Table 8 shows the ratios of net non-performing advances (NPAs) to total advances in respect of the 13 OPBs in India. It is noted that Nainital Bank (NB) comes first with the lowest average net NPA of just 0.00 percent and secondly comes Karur Vysya (KVB) with 0.645 percent. The worst position is that of Lakshmi Vilas Bank (LVB) with 2.58 percent. Among KOPBs, Federal Bank (FB) is the best and is at the fourth position with 0.96 percent.

### Management

Management is the parameter that seeks to assess the efficiency of the management as per the 'CAMEL' framework. Four parameters are used here to assess this efficiency.

Table 9 shows the values of Business per Employee (Rs. Crore) in respect of the 13 OPBs under study. It is noted that the KOPB viz. Federal Bank (FB) comes first with the highest value Rs. 6.89 Crores. It is closely followed by another KOPB viz. South Indian Bank (SIB) with Rs. 6.76 Crores. The worst performer is Ratnakar Bank (RKB) with (Rs. 3.78 Crores). Table 10 shows Profit per Employee (Rs. Lakhs) of all the 13 OPBs under study. It is noted that Tamil Nadu Mercantile Bank (TMB) comes first with an average profit per employee of Rs. 7.11 lakhs and is followed by another Tamilnadu-based OPB viz. Karur Vysya Bank (KVB) with Rs. 6.47 lakhs. Among KOPBs, FB is at the top with an average value of Rs. 5.51 lakhs and is in the fifth position among all OPBs. The worst performer (thirteenth rank) is a KPOB viz. Dhanalakshmi Bank (DB) with an average value of just Rs. 0.591 lakhs. Table 11 shows the Return on Equity (ROE) of the 13 OPBs under study. It is noted that City Union Bank (CUM) with an average ROE of 22.83 percent comes first and is closely followed by Karur Vysya Bank (KVB) with 19.44 percent. The worst performer, (ie. thirteenth rank) is Ratnakar Bank (RKB) with 3.78 percent. Among the KPOBs, Federal Bank (FB) comes first (sixth position among OPBs, with an average ratio of 15.66 percent) and is followed by South Indian Bank (SIB) with 15.58 percent which ranks seventh among all OPBs under study. Table 12 shows the Return on Advances ratios of the 13 OPBs under study. It is observed that Tamilnadu Mercantile Bank (TMB) with an ratio of 13.38 percent and is followed by City Union Bank (CUB) with an average ratio of 11.85 percent. The worst performer (viz. thirteenth position) in this regard is that of ING Vysya Bank (IVB) with an average ratio of 6.698 percent. Among the KPOBs Catholic Syrian Bank (CSB) with an average ratio of 10.996 percent comes first with the fourth rank among all OPBs under study.

### Earnings

Earnings of banks has got special significance in the emerging scenario as the same is growingly being determined by their non-core activities like investments, treasury operations, corporate advisory services and so on.

Table 13 shows the ratio of Interest Income to Total Assets of the 13 OPBs under study. Tamilnadu Mercantile Bank (TMB) with an average ratio of 9.88 percent comes first while ING Vysya Bank (IVB) with an average ratio of 7.55 percent comes in the last position (thirteenth). Among the KPOBs, Catholic Syrian Bank (CSB) comes at the top with

8.71 percent average score and is in the fifth position among all OPBs. Table 14 shows the Net Interest Margin to Total Assets of all the 13 OPBs under study. It is noted that Nainital Bank (NTB) with an average score 3.78 percent comes first. NTB is followed by Ratnakar Bank (RKB) with an average score of 3.51 percent. The last position (thirteenth) goes to ING Vysya Bank (IVB) with an average score of 2.30 percent. Among the KPOBs Federal Bank (FB) comes first with 3.29 percent average score and is ranked fourth among all the OPBs. Table 15 shows the ratios of Non-Interest Income to Total Assets of the 13 OPBs under study. It is observed that ING Vysya Bank (IVB) with an average ratio of 1.62 percent comes in the first position, while Karnataka Bank (KKB) with an average ratio of 1.45 percent comes second. The last (thirteenth) position goes to Nainital Bank (NTB) with an average ratio of 0.72 percent. Among KOPBs, Federal Bank comes first (fifth position among the OPBs) with an average score of 1.308 percent.

Table 16 shows the ratios of Intermediation Cost to Total Assets of the 13 OPBs under study. It is noted that Jammu & Kashmir Bank (JKB) with the lowest average ratio of 1.43 percent comes in the first position, while Catholic Syrian Bank, a KPOB, with the highest average cost of 2.82 percent comes in the last (thirteenth) position. Among KPOBs, Federal Bank (FB) comes first with an average score of 1.79 percent comes first and is ranked fourth among the 13 OPBs under study. Table 17 shows the Burden to Total Assets ratios of the 13 OPBs under study. It is noted that Karnataka Bank (KKB) with the least average ratio of 0.19 percent comes first while City Union Bank (CUB) with an average score of 0.38 percent comes second. The last (thirteenth position) position goes to Ratnakar Bank (RKB) with a score of 1.685 percent. Among the KPOBs Federal Bank (FB) comes first with an average ratio of 0.486 percent and is ranked third among all the 13 OPBs under study. Table 18 shows the ratios of Operating Profit to Total Assets of the 13 OPBs under study. It is noted that Tamilnadu Mercantile Bank (TMB) with the highest average ratio of 3.06 percent comes first, while the KOPB viz. Federal Bank (FB) comes second with an average ratio of 2.81 percent. The lowest average ratio of 0.959 corresponds to Dhanalakshmi Bank (DB) and hence it comes in the last (thirteenth) position. Table 19 shows the Return on Assets (ROA) of the 13 OPBs under study. It is noted that Karur Vysya Bank (KVB) with the highest average ratio of 1.66 percent comes first while the KOPB viz. Dhanalakshmi Bank (DB) with the lowest average ratio of 0.26 percent comes last (thirteenth position). Among the KPOBs, FB comes first with an average ratio of 1.22 percent and is ranked fifth among the OPBs.

### **Liquidity**

Liquidity is one of the vital parameters that assess the operational performance of banks as it indicates their ability to pay their short-term liabilities, like those towards deposit holders.

Table 20 shows the Cash Deposit ratio of the 13 OPBs under study. It is noticed that Ratnakar Bank (RKB) with the highest average ratio of 10 percent comes first, while the KOPB viz. South Indian Bank (SIB) with the lowest average ratio of 4.77 percent comes last (thirteenth position). Among the KPOBs Dhanalakshmi Bank (DB) with a ratio of 7.51 percent is the first and is ranked second among the OPBs. Table 21 shows the Credit Deposit ratio of the 13 OPBs under study. It is noted that ING Vysya Bank (IVB) with the highest average ratio of 74.1 percent comes first, while Nainital Bank (NTB) with the lowest average ratio of 50.94 percent comes last (thirteenth position). Among the KPOBs, Federal Bank (FB) with 69.5 percent comes first and is ranked fourth among the 13 OPBs under study.

### **Performance Analysis of OPBs Using 'CAMEL' Approach: Group Rankings**

In this section, an attempt is made to find the rankings of the 15 individual OPBs based on their average

performance under the five different parameters. Thus, rankings under, (i) Capital Adequacy, (ii) Asset Quality, (iii) Management, (iv) Earnings and (v) Liquidity are found by averaging the scores under the respective parameters under each of the five groups as above.

Table 22 shows the group rankings of the OPBs under the Capital Adequacy group. It is noted that Ratnakar Bank (RKB) comes first in this regard while Tamilnadu Mercantile Bank (TMB) comes second. The KOPB viz. Catholic Syrian Bank (CSB) comes last. Table 23 shows the group rankings of the OPBs under the Asset Quality group. It is observed that Nainital Bank (NTB) ranks first in this group while Tamilnadu Mercantile Bank (TMB) comes second. The last (thirteenth) position goes to Ratnakar Bank (RKB). Table 24 shows the group rankings of the OPBs under the group 'Management'. It is observed that Tamilnadu Mercantile Bank (TMB) comes first and is followed by City Union Bank (CUB) in the second place while two OPBs Ratnakar Bank (RKB) and Dhanalakshmi Bank (DB) come in the last rank. Table 25 shows the group rankings of the OPBs under the group 'Earnings'. It is observed that City Union Bank (CUB) comes in the first position, followed by Tamilnadu Mercantile Bank (TMB) in the second position. The last position (thirteenth) goes to Dhanalakshmi Bank (DB). Table 26 shows the group rankings of the OPBs under the Liquidity group. It is noted that ING Vysya Bank (IVB) comes in the first position and Ratnakar Bank (RKB) in the second position. Nainital Bank (NTB) comes in the last (thirteenth) position.

#### **Performance Analysis of OPBs Using 'CAMEL' Approach: Overall Rankings**

In this section, all the group rankings as arrived at in the foregoing paragraphs have been assimilated and are averaged to get the final scores and hence the final rankings (viz. 'CAMEL' rankings). Accordingly, Table 27 shows the computation of overall rankings from the individual group rankings viz. (i) Capital Adequacy, (ii) Asset Quality, (iii) Management, (iv) Earnings and (v) Liquidity are found by averaging the scores under the respective parameters under each of the five groups as above.

From Table 28, it is observed that among the thirteen OPBs in India under study, Tamilnadu Mercantile Bank (TMB) and City Union Bank (CUB), two Tamilnadu-based OPBs share the first position as their overall 'CAMEL' rankings are at the same level viz. 3.2 each. Another Tamilnadu-based OPB viz. Karur Vysya Bank (KVB) comes in the second position. Further analysis shows that these three OPBs in the first and second ranks respectively constitute the 'Excellent' category of OPBs in India. Table 29 shows the computations and Table 29 enumerates the OPBs in the four broad categories (Excellent, Good, Fair and Poor).

From Table 27, it may be further noted that the KOPB viz. Federal Bank (FB) gets the fourth rank (in fact, third position, as two banks share the first rank) with a CAMEL rank of 5.6 and is followed by Nainital Bank (NTB) with a CAMEL rank of 6.2. These two OPBs (which include the highest rated KOPB viz. FB also) constitute the two 'Good' category OPBs – the group being headed by the KOPB viz. FB.

From Table 27, it is further observed that five OPBs constitute the 'Fair' category OPBs. These five OPBs are (i) Jammu & Kashmir Bank (JKB), (ii) Karnataka Bank (KKB) and (iii) Lakshmi Vilas Bank (LVB), (iv) ING Vysya Bank (IVB) and (v) Ratnakar Bank (RKB). Of these five OPBs, the first three OPBs viz. JKB, KKB and LVB have the same CAMEL rank of 7.8 each, while IVB follows with a rank of 8 and in turn is followed by RKB.

Lastly, from Table 27, it may also be noted that three OPBs constitute the 'Poor' category of OPBs comprising banks with the least impressive performance. It is observed that all these OPBs are KOPBs viz. South Indian Bank

(rank 8.8), Catholic Syrian Bank (rank 9.9) and lastly Dhanalakshmi Bank (rank 11). Noticeably, all KOPBs except FB are in the 'Poor' category and none of the other OPBs falls in this lowest category.

### Relative Status of OPBs Individually and the Position of KOPBs among OPBs

In this section, an attempt is made to benchmark the OPBs so as to get a better picture regarding their relative groupings among themselves, and also to closely look at the position of KOPBs within the group of all OPBs. As already noted the OPBs are classified into four categories, based on the range of their respective 'CAMEL' ranks. The computation of the cut-off scores for these four categories are shown in Table 28. This is based on the Mean and Standard Deviation (SD) values of the CAMEL ranks of the OPBs. It is noted that none of the KPOBs are in the 'Excellent' group. The best KOPB viz. FB is only in the 'Good' group, but as the top member in this group. All the other three KOPBs are in 'Poor' group only as already noted.

## TESTING OF HYPOTHESES

### Hypothesis-1

*The financial soundness of KOPBs measured in terms of CAMEL scores is significantly lower than that of the 'Best in the Class' score among the OPBs.*

The first hypothesis as mentioned above is sought to be tested here. The 'Best in Class' here refers to Tamil Nadu Mercantile Bank (TMB) and City Union Bank (CUB) – the OPBs with the best CAMEL score (viz. 3.2 each). This score is compared with those of the four KOPBs using t-test<sup>EN-6</sup> procedure (Table 30) to test the hypothesis given above. From Table 30 it is noted that the calculated values of t in respect of all the four KOPBs are higher than the critical (table) value (at 5% LOS). Hence, the financial soundness of all KPOBs is significantly lower than that of the Benchmark ('Best in Class' viz. TMB or CUB). Or, financial stability of TMB or CUB is significantly superior to that of all the four KOPBs. Thus, the first hypothesis stands accepted.

### Hypothesis-2

*The financial soundness of KOPBs is significantly lower than the average of OPBs.*

The second hypothesis as mentioned above is sought to be tested here. The average score refers to the average of all 13 OPBs under study (viz. 7.00). The average score of OPBs as above and individual scores of the four KOPBs are compared using the t-Test<sup>EN-7</sup> procedure (Table 31) to test the hypothesis given above. From Table 31 it is noted that the calculated values of t in respect of all the KOPBs except FB (viz. CSB, DB and SIB) are higher than the critical (table) value (at 5% LOS). Hence, the financial soundness of these three KPOBs (viz. CSB, DB, and SIB) is significantly lower than the average of all the 13 OPBs. Or, in other words, the financial soundness of FB alone is comparable to (or, not significantly different from) the average of OPBs. Thus, FB is only an exception. Thus, the second hypothesis stands accepted.

## CONCLUDING REMARKS AND STRATEGIES FOR ENHANCED COMPETITIVENESS OF KOPBs

In view of the foregoing discussions, it is clear that all the four KOPBs (CSB, DB, FB and SIB) are lagging behind the 'Best in Class', i.e. the best OPB in CAMEL scores – viz. TMB or CUB – in financial soundness. Besides, as of FY 2013, only one KOPB viz. Federal Bank (FB) has got financial soundness that is comparable with even the national average of all the thirteen 13 OPBs in India. This indicates that the other three

KOPBs (CSB, DB and SIB) have to struggle hard for their survival and growth. Moreover, these KOPBs alone are falling in the 'Poor' category among all the 13 OPBs in India. In short, the position of KOPBs has declined as of FY 2013 vis-à-vis the FY 2009 level; except for FB. For instance, SIB has fallen from 'Fair' category (FY 2009) to 'Good' category (FY 2013). Similarly, the position of DB has worsened and it now ranks poorest among the 'Poor' category thus replacing CSB. The strategies for KOPBs in general, and individually for each of them are given in Table 32. It is worth pointing out here that the OPB in India with the lowest financial soundness as revealed by this study (viz. BOR or Bank of Rajasthan) has since been taken over by a stronger bank (viz. ICICI) in 2010, thus underscoring the need and relevance of the study, and also the utmost urgency with which remedial measures are adopted by the respective players to enhance their competitiveness.

## REFERENCES

1. Amandeep, (1983), *Profits and Profitability in Commercial Banks*, Deep and Deep Publications Pvt. Ltd., Rajouri Gardens, New Delhi – 110 027.
2. Angadi and Devraj, (1983), "Profitability and Productivity of Banks in India", *Economic and Political Weekly*, Vol. 18 (Nov. 26).
3. Arora, S and Kaur, S (2008), "Diversification by Banks in India: What are the Internal Determinants?", *The Indian Banker*, Vol. III, No.7, July 2008, pp. 37-41.
4. Aravind, Maddali. & Nagamani, Pallutla. (2013), "Financial Analysis of State Bank of India during 2000-'12", *Asian Journal of Research in Business Economics and Management* (ISSN: 2249-7307), Vol. 3. No. 10, Oct. 2013, pp. 170-184.
5. Chakrabarty, T. K. (1986), 'Profitability of Banks: An empirical attempt for identification of variable of income and expenditure of scheduled commercial banks for Profit Planning,' *Proceedings of the Bank Economists Conference 1986*, pp 3.17 to 3.61.
6. Chadha, Pankaj., & Chawla, Vanitha. (2013), "Performance Analysis & Benchmarking of Selected Listed Housing Finance Companies in India – A CAMEL Approach", *International Journal of Research in Commerce & Management*, (ISSN: 0976-2183), Vol. 4, Issue 4, April 2013, pp.23-30.
7. Erari, Anita., Salim, Ubud., Irdus, M Syafie., & Djumahir (2013), "Financial Performance Analysis of PT. Bank Papua: Application of CAEL, Z-Score and Bankometer", *IOSR Journal of Business and Management* (IOSR-JBM) (ISSN: 2278-487X), Vol. 7, Issue 5, Jan-Feb. 2013, pp.08-16.
8. Kumar, Mishra, A., Harsha, G, S., Anand, Shivi., & Dhruva, Neil, R. (2012), "Analyzing Soundness of Indian Banking: A CAMEL Approach", *Research Journal of Management Sciences International Science Congress Association*, (ISSN:2319-1171), Vol. 1 (3), Oct. 2012, pp.09-14.
9. Manoj P K (2010), "Financial Soundness of Old Private sector Banks (OPBs) in India and Benchmarking the Kerala Based OPBs: A 'CAMEL' Approach", *American Journal of Scientific Research (AJSR)*, Issue 11, Sept., pp. 132-149.
10. Reserve Bank of India (RBI), *Trend and Progress of Banking in India*, for FY 2003-'04 to FY 2012-'13.

11. Official Websites of the Bank of International Settlements, [www.bis.org](http://www.bis.org)
12. Official Website of the Reserve Bank of India, [www.rbi.org.in](http://www.rbi.org.in)
13. Hundi: A traditional financial product prevalent in Kerala, It was popular among merchants.
14. Chit (or, Kuri): The Chit (or, Kuri) business is run by a person or an institution, called the foreman of the Chit. A Chit (Kuri) is a contract between the foreman and subscribers (say, 50 members) using which money is pooled in by the subscribers, who would accordingly receive large sums at low interest rates whenever their turn comes (like, through bidding or otherwise).
15. State Bank Group: This includes State Bank of India– the largest commercial bank in India (public sector) and its 7 associate (subsidiary) banks. Thus, there are 8 banks in this group.
16. Reforms era: This refers to the ongoing era of financial sector deregulation in India that has commenced in 1991, wherein there has been far reaching changes in the financial sector.
17. Old Private sector Banks (OPBs): These are private sector banks which have been operating in India even before the commencement of the financial sector reforms in 1991. Their technological base, mandatory social obligations (like, priority sector lending) etc. are similar to that of public sector banks (ie. Government owned) in India. For this study all the 13 OPBs operating during the study period (FY 2004-2013) are chosen, viz. Catholic Syrian Bank (CSB), Dhanalakshmi Bank (DB), Federal Bank (FB), South Indian Bank (SIB), Bank of Rajasthan (BOR), City Union Bank (CUB), Jammu & Kashmir Bank (JKB), Karnataka Bank (KKB), Karur Vysya Bank (KVB), Lakshmi Vilas Bank (LVB), Nainital Bank (NTB), Ratnakar Bank (RKB), SBI Commercial & International Bank (SBC), Tamilnadu Mercantile Bank (TMB) and ING Vysya Bank (IVB).
18.  $t = (x - \mu) / [S/(n-1)^{(1/2)}]$  where S is the SD, x is the sample mean,  $\mu$  is the population mean and n is the number of observations. The value so calculated is compared with the critical (table) value. Here, the  $\mu$  is taken as the Benchmark ('Best in Class') value, ie. 3.2 (TMB or CUB).
19.  $t = (x - \mu) / [S/(n-1)^{(1/2)}]$ , with standard notations as already noted above. But,  $\mu$  value is taken as the average value for all OPBs (Benchmark) viz. 7.00

## APPENDICES

**Table 1: Number of Banks Functioning in Travancore and Cochin States**

Number of Banks at the End of the Year	Travancore State	Cochin State
1916-'17	6	NA
1920-'21	43	NA
1928-'29	195	64
1929-'30	258	NA
1932-'33	274	NA
1936-'37	241	155
1954-'55	85	68

[Source: Menon, K Ramunni (1956) 'Report of the Travancore-Cochin Banking Inquiry Commission, Para 65; Travancore-Cochin Banking Enquiry Commission (1955)]

**Table 2: Kerala-Based Old Private Sector Banks (KOPBs) (As of FY March 2014)**

S. No.	Name of the Bank (Short form in Brackets)	Year of Promotion	Class of Bank
01.	The Catholic Syrian Bank Ltd. (CSB)	1918	A
02.	The Dhanalakshmi Bank Ltd. (DB)	1927	B
03.	The Federal Bank Ltd. (FB)	1931	A
04.	The South Indian Bank Ltd. (SIB)	1929	A

[Source: Compiled from, *Banking Year Book 2014*, Indian Banks Association, Mumbai, India]

**Table 3: 'CAMEL' Model for OPBs – The Ratios Used**

Parameters in 'CAMEL'	Ratios Chosen
Capital Adequacy (C)	(i) Capital Adequacy Ratio (ii) Capital Adequacy Tier I
Asset Quality (A)	(i) Priority Sector Advances to Total Advances (ii) Secured Advances to Total Assets (iii) Net NPA to Net Advances
Management (M)	(i) Business per Employee (ii) Profit per Employee (iii) Return on Equity (iv) Return on Advances
Earnings (E)	(i) Interest Income to Total Assets (ii) Net Interest Margin to Total Assets (iii) Non-Interest Income to Assets (iv) Intermediation Cost to Total Assets (v) Burden to Total Assets (vi) Operating Profit to Total Assets (vii) Return on Assets
Liquidity (L)	(i) Cash Deposit Ratio (ii) Credit Deposit Ratio

[Source: Compiled by the author].

**Table 4: Capital Adequacy Ratio (CAR) of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	11.23	13.56	11.48	11.32	13.36	16.88	13.03	17.11	13.79	18.54	16.65	21.07	11.05
2005	11.35	10.16	11.27	9.89	12.18	15.15	14.16	16.07	11.32	14.85	12.03	19.74	9.09
2006	11.26	9.75	13.75	13.02	12.33	13.52	11.78	14.79	10.79	13.88	10.77	18.33	10.67
2007	9.58	9.77	13.43	11.08	12.58	13.24	11.03	14.51	12.43	12.89	34.34	16.77	10.56
2008	11.21	9.21	22.46	13.80	12.48	12.80	12.17	12.58	12.73	12.32	49.15	15.35	10.20
2009	12.29	15.38	20.22	14.76	12.69	14.48	13.48	14.92	10.29	13.10	42.30	16.10	11.65
2010	10.82	12.99	18.36	15.39	13.46	15.89	12.37	14.49	14.82	15.68	34.07	15.54	14.91
2011	11.22	11.80	16.79	14.01	12.75	13.72	13.33	14.41	13.19	16.35	56.41	15.13	12.94
2012	11.08	9.49	16.64	14.00	12.57	13.36	12.84	14.33	13.10	15.09	23.20	14.69	14.00
2013	12.29	11.06	14.73	13.91	13.98	12.83	13.22	14.41	12.32	14.43	17.11	15.01	13.24
<b>Av.</b>	<b>11.233</b>	<b>11.317</b>	<b>15.913</b>	<b>13.118</b>	<b>12.838</b>	<b>14.187</b>	<b>12.741</b>	<b>14.762</b>	<b>12.478</b>	<b>14.713</b>	<b>29.603</b>	<b>16.773</b>	<b>11.831</b>
<b>Rank</b>	<b>13</b>	<b>12</b>	<b>3</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>9</b>	<b>4</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>11</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 5: Capital Adequacy Ratio - Tier I of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	6.95	8.63	6.26	5.80	10.73	12.98	10.45	15.10	8.49	14.28	13.54	17.36	6.14
2005	7.49	6.12	6.42	5.68	10.05	12.48	12.15	14.36	5.67	11.30	10.06	16.22	5.20
2006	7.03	6.21	9.72	8.38	10.77	13.09	11.38	13.29	6.94	10.97	9.71	17.60	7.14
2007	5.70	6.29	8.94	8.84	10.87	12.60	10.46	14.04	9.93	10.10	33.39	16.12	6.38
2008	7.23	6.56	19.09	12.08	11.15	12.14	10.36	12.11	10.53	11.00	48.29	14.70	6.82
2009	8.81	13.75	18.42	13.22	11.48	13.80	10.60	14.40	8.81	11.85	41.69	15.38	6.89
2010	8.07	8.80	16.92	12.42	12.41	12.79	9.98	12.88	12.01	14.38	33.53	14.86	10.11
2011	9.42	9.41	15.63	11.24	11.84	11.33	11.27	13.07	10.78	15.80	55.93	14.46	9.36

**Table 5: Contd.,**

2012	8.83	7.42	15.86	11.54	11.69	11.12	10.86	13.12	8.86	14.62	22.83	13.98	11.23
2013	9.62	8.05	14.09	12.05	13.27	10.86	10.51	13.10	9.15	13.99	16.82	14.33	10.49
<b>Av.</b>	<b>7.915</b>	<b>8.124</b>	<b>13.135</b>	<b>10.125</b>	<b>11.426</b>	<b>12.319</b>	<b>10.802</b>	<b>13.547</b>	<b>9.117</b>	<b>12.829</b>	<b>28.579</b>	<b>15.501</b>	<b>7.976</b>
<b>Rank</b>	<b>13</b>	<b>11</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>6</b>	<b>8</b>	<b>3</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>12</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013),  
Reserve Bank of India, Central Office, Mumbai]

**Table 6: Priority Sector Advances to Total Advances of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	26.89	27.19	31.32	30.75	38.49	21.17	40.92	37.50	37.55	56.49	22.42	45.14	30.61
2005	31.44	29.93	32.15	31.87	39.86	21.79	33.31	39.03	41.01	55.79	31.25	47.38	31.17
2006	34.08	35.57	34.30	35.59	40.82	19.53	35.58	42.79	36.53	50.29	32.52	46.06	30.31
2007	34.00	38.48	37.26	37.04	40.14	19.24	32.02	37.94	38.06	50.33	34.20	46.76	35.07
2008	39.30	43.23	36.51	34.24	34.12	25.81	36.59	33.71	39.28	54.31	41.03	44.51	34.74
2009	38.34	32.86	37.80	34.00	32.33	35.10	37.02	36.32	31.07	55.55	29.58	41.97	36.74
2010	33.71	25.08	36.55	31.23	36.83	37.44	36.39	33.10	34.13	52.03	25.59	43.48	37.15
2011	34.59	28.30	33.13	30.25	36.96	39.23	35.96	31.58	35.71	48.04	26.74	42.79	34.09
2012	33.78	32.09	32.28	18.76	36.23	30.11	36.53	31.27	34.33	49.52	20.42	42.73	33.06
2013	21.62	28.93	26.07	26.13	37.65	29.20	37.14	34.43	38.03	50.11	20.62	45.42	34.47
<b>Av.</b>	<b>32.775</b>	<b>32.166</b>	<b>33.737</b>	<b>30.986</b>	<b>37.343</b>	<b>27.862</b>	<b>36.146</b>	<b>35.767</b>	<b>36.57</b>	<b>52.246</b>	<b>28.437</b>	<b>44.624</b>	<b>33.741</b>
<b>Rank</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>11</b>	<b>3</b>	<b>13</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>12</b>	<b>2</b>	<b>7</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013),  
Reserve Bank of India, Central Office, Mumbai]

**Table 7: Ratio of Secured Advances to Total Advances of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	95.94	87.16	88.87	85.96	96.75	92.01	91.08	85.67	90.71	96.22	81.84	95.19	90.42
2005	96.65	88.52	90.21	89.82	93.52	88.44	84.69	83.46	91.75	93.62	82.40	89.08	91.29
2006	96.96	92.27	86.71	88.31	95.28	87.84	88.30	87.77	91.05	92.90	83.95	93.93	87.38
2007	97.29	92.92	92.09	90.53	97.53	86.01	92.57	90.96	93.66	94.59	88.39	92.73	85.99
2008	94.04	91.03	88.95	85.94	97.13	86.61	91.38	86.36	91.63	93.69	88.64	94.93	79.76
2009	87.48	86.27	82.88	88.32	96.65	90.65	90.88	92.85	90.95	93.60	91.32	93.41	82.25
2010	88.99	77.26	78.78	91.81	97.26	84.13	92.79	92.53	91.39	94.77	94.23	92.62	85.81
2011	90.78	88.12	78.80	89.63	96.89	82.27	92.53	94.66	85.14	92.10	88.95	96.82	87.10
2012	96.07	89.59	77.19	93.16	96.81	83.56	93.52	94.45	87.36	94.82	89.35	96.73	88.75
2013	96.48	90.23	83.40	92.81	98.06	82.61	95.96	96.21	91.92	94.66	89.90	97.32	93.04
<b>Av.</b>	<b>94.068</b>	<b>88.337</b>	<b>84.788</b>	<b>89.629</b>	<b>96.588</b>	<b>86.413</b>	<b>91.37</b>	<b>90.492</b>	<b>90.556</b>	<b>94.097</b>	<b>87.897</b>	<b>94.276</b>	<b>87.179</b>
<b>Rank</b>	<b>4</b>	<b>9</b>	<b>13</b>	<b>8</b>	<b>1</b>	<b>12</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>3</b>	<b>10</b>	<b>2</b>	<b>11</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013),  
Reserve Bank of India, Central Office, Mumbai]

**Table 8: Net Non-Performing Advances to Total Advances of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	4.65	6.68	2.89	4.55	6.37	1.48	4.98	2.32	5.40	0.00	5.58	5.00	2.60
2005	3.80	3.92	2.21	3.81	3.37	1.41	2.29	1.66	4.98	0.00	5.54	2.95	2.13
2006	2.78	2.82	0.95	1.86	1.95	0.92	1.18	0.81	1.89	0.00	2.61	2.17	0.95
2007	1.98	1.75	0.44	0.98	1.09	1.13	1.22	0.23	1.58	0.00	1.92	0.98	1.05
2008	1.61	0.88	0.23	0.33	0.98	1.07	0.98	0.18	1.55	0.00	0.99	0.38	0.70
2009	2.39	0.88	0.30	1.13	1.08	1.38	0.98	0.25	1.24	0.00	0.68	0.34	1.23
2010	1.58	0.84	0.48	0.39	0.58	0.28	1.31	0.23	4.11	0.00	0.97	0.24	1.20
2011	1.74	0.30	0.60	0.29	0.52	0.20	1.62	0.07	0.90	0.00	0.36	0.27	0.39
2012	1.10	0.66	0.53	0.28	0.44	0.15	2.11	0.33	1.74	0.00	0.02	0.45	0.18
2013	1.12	3.36	0.98	0.78	0.63	0.14	1.51	0.37	2.43	0.00	0.11	0.66	0.03
<b>Av.</b>	<b>2.275</b>	<b>2.209</b>	<b>0.961</b>	<b>1.44</b>	<b>1.701</b>	<b>0.816</b>	<b>1.818</b>	<b>0.645</b>	<b>2.582</b>	<b>0.00</b>	<b>1.878</b>	<b>1.344</b>	<b>1.046</b>
<b>Rank</b>	<b>12</b>	<b>11</b>	<b>4</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>9</b>	<b>2</b>	<b>13</b>	<b>1</b>	<b>10</b>	<b>6</b>	<b>5</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013),  
Reserve Bank of India, Central Office, Mumbai]

**Table 9: Business per Employee (Rs. Crore) of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	1.82	2.49	3.27	3.06	2.87	3.45	3.20	3.30	2.76	1.25	1.98	2.92	3.24
2005	2.20	2.93	3.66	3.52	3.26	4.35	3.81	3.87	2.96	1.62	2.21	3.17	3.95
2006	2.47	3.12	4.31	4.22	3.40	5.16	4.78	4.39	3.71	2.25	2.51	3.58	4.26
2007	2.78	3.61	5.44	4.62	3.50	5.85	5.24	4.89	4.30	2.79	2.54	4.51	4.86
2008	3.17	4.09	6.55	6.00	4.99	5.96	5.89	6.04	4.53	3.66	3.10	5.42	5.47
2009	3.74	5.86	7.50	6.45	5.65	5.00	6.49	6.38	5.10	4.25	3.73	6.79	6.06
2010	4.19	3.69	8.13	7.71	6.51	7.31	7.27	7.89	5.60	5.21	3.91	8.70	6.23
2011	5.37	5.89	9.23	9.18	7.81	8.56	7.71	9.35	7.19	5.85	4.35	9.59	6.74
2012	6.75	5.93	10.11	10.79	8.47	8.86	8.59	9.84	7.87	6.56	6.07	10.69	5.59
2013	7.36	7.29	10.75	12.01	9.38	10.49	9.66	10.14	8.63	7.48	7.39	11.33	6.44
Av.	3.985	4.49	6.895	6.756	5.584	6.499	6.264	6.609	5.265	4.092	3.779	6.67	5.284
Rank	12	10	1	2	7	5	6	4	9	11	13	3	8

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 10: Ratio of Profit per Employee (Rs. Lakhs) of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	1.96	1.32	2.14	2.39	4.09	6.00	3.10	5.65	2.11	1.91	1.58	3.69	1.15
2005	0.37	-1.65	1.39	0.24	3.23	2.00	3.35	3.75	0.17	2.00	-1.73	3.60	-0.73
2006	0.22	0.72	3.54	1.37	3.51	3.00	4.05	4.65	1.20	2.00	0.11	4.41	0.17
2007	0.68	1.18	4.43	2.69	3.84	4.00	3.97	4.87	0.91	3.00	0.54	4.76	1.66
2008	1.34	2.02	5.43	3.59	4.69	5.00	5.00	5.82	1.22	4.00	3.00	5.31	2.68
2009	1.39	4.10	6.90	4.31	4.98	5.00	5.00	5.98	2.07	6.00	5.00	6.43	3.03
2010	0.06	0.71	6.01	5.00	6.00	7.00	3.00	8.05	1.13	6.00	3.00	8.14	3.88
2011	0.45	0.71	7.26	5.00	8.00	8.00	4.00	9.09	3.85	6.00	1.00	9.91	4.53
2012	1	-3.3	9	7	8	9	4	8.8	3.5	8	5	11	4.6
2013	1.2	0.1	9	8	9	11	5	8.2	2.9	7	5	13.9	6.3
Av.	0.867	0.591	5.51	3.959	5.534	6	4.047	6.486	1.906	4.591	2.25	7.115	2.727
Rank	12	13	5	8	4	3	7	2	11	6	10	1	9

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 11: Ratio of Return on Equity of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	33.83	13.74	23.14	23.56	31.03	28.66	20.78	25.35	19.61	19.62	17.87	18.47	8.12
2005	5.28	-17.41	13.13	2.05	20.88	7.06	17.56	14.30	1.46	15.83	-19.14	15.90	-4.8
2006	2.89	7.66	22.82	9.29	21.40	10.21	16.85	16.58	8.63	12.90	1.19	16.65	0.97
2007	8.57	11.46	21.27	15.26	22.03	14.42	15.07	16.54	5.12	14.95	2.38	14.94	8.38
2008	13.68	17.81	13.56	16.09	21.82	16.79	18.47	18.49	6.21	20.07	6.51	15.67	11.9
2009	10.72	19.26	12.13	15.80	19.90	16.72	18.10	18.57	11.54	22.45	9.19	16.24	11.7
2010	0.43	5.39	10.30	16.76	20.55	18.19	9.83	22.63	5.14	20.90	5.50	17.27	12.01
2011	2.60	4.06	11.98	17.56	23.47	18.96	9.60	22.12	12.40	16.24	1.71	19.96	12.86
2012	4.66	-14.70	14.37	19.99	24.91	21.22	9.79	20.81	11.56	17.74	5.90	20.89	13.82
2013	4.94	0.35	13.89	19.41	22.33	23.56	12.76	19.00	9.28	13.31	6.73	24.08	14.24
Av.	8.76	4.762	15.659	15.577	22.832	17.579	14.881	19.439	9.095	17.401	3.784	18.007	8.92
Rank	11	12	6	7	1	4	8	2	9	5	13	3	10

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 12: Ratio of Return on Advances of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	10.24	10.32	10.26	9.17	11.46	9.50	9.73	9.80	9.50	11.43	11.74	11.45	8.83
2005	9.97	9.69	9.35	9.15	10.42	8.42	8.38	8.93	8.58	10.78	10.26	10.46	8.08
2006	9.66	9.62	8.91	9.36	10.72	8.48	8.73	8.91	8.22	10.00	10.16	10.05	8.54
2007	10.20	10.30	9.62	9.72	10.49	8.58	9.38	9.86	9.51	10.25	10.64	10.79	8.64
2008	11.23	11.15	10.81	10.46	12.19	10.44	11.01	10.43	10.14	11.61	10.76	10.79	9.74
2009	11.76	11.03	12.42	11.40	12.87	11.53	12.28	11.50	11.38	12.63	11.17	12.47	11.1
2010	10.24	10.23	11.55	10.98	12.11	10.65	10.58	11.22	12.51	10.95	9.72	11.50	9.70
2011	11.24	9.94	10.76	10.63	12.00	10.68	10.75	10.77	11.60	10.88	8.72	11.33	9.65
2012	12.41	12.07	12.02	12.01	12.98	11.45	12.41	12.16	12.98	12.33	11.51	20.89	10.96
2013	13.01	11.75	11.33	12.10	13.24	11.95	12.27	12.26	12.73	12.60	11.73	24.08	11.74
<b>Av.</b>	<b>10.996</b>	<b>10.61</b>	<b>10.703</b>	<b>10.498</b>	<b>11.848</b>	<b>10.168</b>	<b>10.552</b>	<b>10.584</b>	<b>10.715</b>	<b>11.346</b>	<b>10.641</b>	<b>13.381</b>	<b>9.698</b>
<b>Rank</b>	<b>4</b>	<b>8</b>	<b>6</b>	<b>11</b>	<b>2</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>5</b>	<b>3</b>	<b>7</b>	<b>1</b>	<b>13</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 13: Ratio of Interest Income to Total Assets of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	8.74	8.40	8.73	8.06	9.49	8.01	8.55	9.75	8.15	8.64	8.38	10.96	7.45
2005	8.42	7.55	7.46	7.57	8.69	6.79	7.27	7.88	7.57	7.72	7.78	9.58	6.92
2006	7.93	7.64	7.67	7.50	8.56	6.71	7.41	7.71	7.18	7.77	7.60	9.36	7.60
2007	8.26	7.83	7.95	7.98	8.43	6.89	8.06	8.64	7.99	8.13	7.48	9.67	7.77
2008	8.55	8.35	8.73	8.40	9.38	7.93	8.78	8.62	8.20	8.96	8.19	9.54	7.50
2009	8.56	8.44	9.29	9.00	9.69	8.48	9.09	9.14	8.86	9.30	8.66	9.87	7.80
2010	7.85	7.79	8.90	8.43	9.19	7.62	7.92	9.02	9.68	8.43	7.60	9.01	6.79
2011	8.70	8.11	8.52	8.38	9.32	7.98	8.08	8.84	8.95	8.32	7.12	9.23	7.39
2012	9.83	9.63	9.92	9.79	10.30	8.73	9.12	9.93	10.31	9.43	8.91	10.34	8.97
2013	10.29	9.18	9.37	9.84	10.59	9.30	9.67	10.06	10.41	9.49	8.72	11.23	9.55
<b>Av.</b>	<b>8.713</b>	<b>8.292</b>	<b>8.654</b>	<b>8.495</b>	<b>9.364</b>	<b>7.844</b>	<b>8.395</b>	<b>8.959</b>	<b>8.73</b>	<b>8.619</b>	<b>8.044</b>	<b>9.879</b>	<b>7.774</b>
<b>Rank</b>	<b>5</b>	<b>10</b>	<b>6</b>	<b>8</b>	<b>2</b>	<b>12</b>	<b>9</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>11</b>	<b>1</b>	<b>13</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 14: Ratio of Net Interest Margin to Total Assets of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	2.99	3.05	3.09	2.37	3.31	3.26	2.15	4.47	2.38	4.08	2.86	4.40	1.97
2005	3.34	2.87	3.15	2.74	3.31	2.61	2.74	3.42	2.71	3.89	3.18	4.32	2.49
2006	3.19	3.02	3.20	3.06	3.67	2.61	2.66	3.35	2.35	4.37	3.25	4.20	2.99
2007	3.27	3.07	3.20	3.00	3.53	2.79	2.69	3.46	2.42	4.47	3.49	4.49	3.01
2008	2.91	2.65	3.01	2.45	3.14	2.64	2.58	2.66	2.01	4.02	4.19	3.29	2.22
2009	2.55	2.51	3.69	2.79	2.92	2.84	2.24	2.59	2.07	4.12	3.98	3.37	2.26
2010	1.67	2.05	3.42	2.48	2.79	1.08	2.90	2.65	3.52	3.11	3.02	1.67	2.05
2011	2.83	2.37	3.67	2.71	3.32	2.09	3.06	3.07	3.76	3.58	3.68	2.83	2.37
2012	2.81	1.71	3.49	2.79	3.32	2.15	2.79	2.52	3.88	3.58	3.57	2.81	1.71
2013	2.64	1.94	3.00	2.84	3.51	2.32	2.75	2.32	3.54	2.55	3.91	2.64	1.94
<b>Av.</b>	<b>2.82</b>	<b>2.524</b>	<b>3.292</b>	<b>2.723</b>	<b>3.282</b>	<b>2.439</b>	<b>2.656</b>	<b>3.051</b>	<b>2.864</b>	<b>3.777</b>	<b>3.513</b>	<b>3.402</b>	<b>2.301</b>
<b>Rank</b>	<b>8</b>	<b>11</b>	<b>4</b>	<b>9</b>	<b>5</b>	<b>12</b>	<b>10</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>13</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 15: Ratio of Non-Interest Income to Total Assets of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	2.91	2.56	2.18	2.79	2.28	1.59	2.72	1.12	2.48	1.61	1.53	1.38	2.93
2005	1.06	0.58	1.33	1.09	1.00	0.42	1.91	1.51	0.97	0.99	0.59	1.27	0.86
2006	0.87	0.80	1.16	0.71	1.04	0.44	1.21	1.43	0.78	1.08	0.69	1.33	0.87
2007	0.71	0.94	1.25	0.84	1.14	0.58	1.12	1.19	0.85	0.30	0.44	1.26	1.08
2008	1.07	1.12	1.37	0.93	1.42	0.80	1.34	1.43	1.34	0.40	0.67	1.64	1.87
2009	1.53	1.64	1.45	0.88	1.49	0.70	1.67	1.68	1.44	0.46	0.98	1.37	1.91
2010	1.00	1.33	1.29	0.91	1.38	1.04	1.52	1.27	1.10	0.62	0.70	1.39	1.89
2011	0.85	1.31	1.09	0.67	1.20	0.78	0.99	1.05	1.15	0.37	0.70	1.27	1.80
2012	0.78	0.99	0.95	0.68	1.26	0.60	1.02	1.06	1.07	0.62	1.29	1.27	1.56

**Table 15: Contd.,**

2013	0.74	0.80	1.01	0.74	1.32	0.73	1.02	1.07	1.17	0.73	1.25	1.13	1.43
<b>Av.</b>	<b>1.152</b>	<b>1.207</b>	<b>1.308</b>	<b>1.024</b>	<b>1.353</b>	<b>0.768</b>	<b>1.452</b>	<b>1.281</b>	<b>1.235</b>	<b>0.718</b>	<b>0.884</b>	<b>1.331</b>	<b>1.62</b>
<b>Rank</b>	<b>9</b>	<b>8</b>	<b>5</b>	<b>10</b>	<b>3</b>	<b>12</b>	<b>2</b>	<b>6</b>	<b>7</b>	<b>13</b>	<b>11</b>	<b>4</b>	<b>1</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013),  
Reserve Bank of India, Central Office, Mumbai]

**Table 16: Ratio of Intermediation Cost to Total Assets of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	2.88	2.66	2.07	2.29	1.54	1.54	1.55	2.36	2.26	3.14	2.60	2.32	2.79
2005	2.61	2.73	1.97	2.00	1.87	1.41	1.71	2.28	2.29	2.66	2.64	2.33	2.66
2006	3.26	2.98	1.95	2.23	1.84	1.36	1.49	2.07	2.24	3.09	2.53	2.21	3.23
2007	2.73	2.79	1.78	1.79	1.90	1.35	1.52	1.92	1.90	2.24	3.03	2.24	2.81
2008	2.68	2.58	1.63	1.61	1.73	1.31	1.72	1.69	1.89	1.71	2.27	2.11	2.72
2009	2.87	2.34	1.60	1.75	1.68	1.34	1.64	1.63	2.04	1.73	2.09	2.06	2.69
2010	2.57	2.81	1.64	1.60	1.59	1.44	1.55	1.79	1.98	1.68	2.04	1.86	2.46
2011	3.30	3.08	1.76	1.59	1.66	1.63	1.87	1.72	1.92	1.81	3.55	2.01	2.82
2012	2.73	3.38	1.75	1.69	1.70	1.45	1.67	1.64	1.99	1.99	2.67	1.92	2.58
2013	2.59	2.38	1.79	1.70	1.81	1.50	1.71	1.81	2.00	1.93	2.25	1.90	2.50
<b>Av.</b>	<b>2.822</b>	<b>2.773</b>	<b>1.794</b>	<b>1.825</b>	<b>1.732</b>	<b>1.433</b>	<b>1.643</b>	<b>1.891</b>	<b>2.051</b>	<b>2.198</b>	<b>2.567</b>	<b>2.096</b>	<b>2.726</b>
<b>Rank</b>	<b>13</b>	<b>12</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>11</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013),  
Reserve Bank of India, Central Office, Mumbai]

**Table 17: Ratio of Burden to Total Assets of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	-0.03	0.11	-0.11	-0.49	-0.74	-0.04	-1.17	1.24	-0.22	1.53	1.08	0.93	-0.14
2005	1.55	2.15	0.64	0.90	0.87	0.99	-0.21	0.77	1.32	1.68	2.05	1.06	1.80
2006	2.39	2.18	0.79	1.51	0.80	0.92	0.27	0.64	1.46	2.02	1.84	0.88	2.36
2007	2.02	1.85	0.52	0.95	0.76	0.77	0.41	0.73	1.05	1.94	2.59	0.98	1.73
2008	1.61	1.46	0.26	0.69	0.31	0.52	0.38	0.26	0.55	1.31	1.60	0.47	0.85
2009	1.34	0.70	0.16	0.88	0.19	0.64	-0.03	-0.05	0.60	1.27	1.11	0.69	0.78
2010	1.56	1.48	0.35	0.69	0.21	0.40	0.03	0.52	0.88	1.07	1.34	0.47	0.57
2011	2.45	1.77	0.67	0.91	0.45	0.85	0.88	0.66	0.77	1.45	2.86	0.74	1.02
2012	1.95	2.39	0.80	1.01	0.44	0.84	0.65	0.58	0.92	1.38	1.38	0.64	1.02
2013	1.85	1.58	0.78	0.96	0.49	0.77	0.69	0.73	0.83	1.20	1.00	0.77	1.07
<b>Av.</b>	<b>1.669</b>	<b>1.567</b>	<b>0.486</b>	<b>0.801</b>	<b>0.378</b>	<b>0.666</b>	<b>0.19</b>	<b>0.608</b>	<b>0.816</b>	<b>1.485</b>	<b>1.685</b>	<b>0.763</b>	<b>1.106</b>
<b>Rank</b>	<b>12</b>	<b>11</b>	<b>3</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>8</b>	<b>10</b>	<b>13</b>	<b>6</b>	<b>9</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013),  
Reserve Bank of India, Central Office, Mumbai]

**Table 18: Ratio of Operating Profit to Total Assets of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	3.02	2.94	3.20	2.87	4.05	3.31	3.32	3.23	2.59	2.54	1.79	3.46	2.11
2005	1.80	0.73	2.51	1.84	2.44	1.62	2.95	2.66	1.39	2.22	1.13	3.25	0.69
2006	0.80	0.84	2.41	1.54	2.86	1.69	2.39	2.71	0.89	2.35	1.41	3.32	0.63
2007	1.24	1.23	2.68	2.06	2.77	2.02	2.29	2.73	1.37	2.53	0.90	3.51	1.27
2008	1.31	1.19	2.76	1.76	2.83	2.12	2.20	2.40	1.46	2.71	2.58	2.81	1.37
2009	1.21	1.82	3.53	1.91	2.73	2.20	2.28	2.64	1.47	2.85	2.88	2.68	1.48
2010	0.10	0.56	3.07	1.79	2.46	2.39	1.05	2.38	1.77	2.45	1.76	2.54	1.95
2011	0.38	0.60	3.00	1.80	2.76	2.47	1.21	2.39	2.30	2.32	0.72	2.92	1.74
2012	0.85	-0.68	2.69	1.78	2.59	2.47	1.50	2.20	1.60	2.51	2.20	2.93	1.79
2013	0.79	0.36	2.22	1.88	2.53	2.74	1.63	2.01	1.48	2.34	1.55	3.14	1.95
<b>Av.</b>	<b>1.15</b>	<b>0.959</b>	<b>2.807</b>	<b>1.923</b>	<b>2.802</b>	<b>2.303</b>	<b>2.082</b>	<b>2.535</b>	<b>1.632</b>	<b>2.482</b>	<b>1.692</b>	<b>3.056</b>	<b>1.498</b>
<b>Rank</b>	<b>12</b>	<b>13</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>10</b>	<b>5</b>	<b>9</b>	<b>1</b>	<b>11</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013),  
Reserve Bank of India, Central Office, Mumbai]

**Table 19: Return on Assets of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	1.31	0.71	0.90	1.00	1.86	1.92	1.34	2.43	1.19	1.58	1.12	1.59	0.45
2005	0.24	-0.83	0.62	0.09	1.33	0.47	1.27	1.45	0.08	1.25	-1.17	1.52	-0.25
2006	0.13	0.33	1.28	0.53	1.46	0.67	1.28	1.65	0.53	1.06	0.07	1.67	0.05
2007	0.37	0.52	1.38	0.76	1.57	0.96	1.15	1.53	0.33	1.26	0.31	1.57	0.52
2008	0.64	0.76	1.34	1.01	1.60	1.09	1.37	1.63	0.41	1.51	1.31	1.58	0.74
2009	0.57	1.21	1.48	1.09	1.50	1.09	1.25	1.49	0.71	1.68	1.96	1.51	0.70
2010	0.02	0.35	1.15	1.07	1.52	1.20	0.67	1.76	0.33	1.72	1.05	1.54	0.80
2011	0.14	0.23	1.34	1.05	1.67	1.22	0.72	1.71	0.91	1.56	0.53	1.74	0.89
2012	0.24	-0.73	1.41	1.12	1.71	1.09	0.73	1.56	0.73	1.75	1.38	1.75	1.09
2013	0.25	0.02	1.35	1.17	1.58	1.26	0.89	1.35	0.54	1.30	1.06	2.00	1.26
<b>Av.</b>	<b>0.391</b>	<b>0.257</b>	<b>1.225</b>	<b>0.889</b>	<b>1.58</b>	<b>1.097</b>	<b>1.067</b>	<b>1.656</b>	<b>0.576</b>	<b>1.467</b>	<b>0.762</b>	<b>1.647</b>	<b>0.625</b>
<b>Rank</b>	<b>12</b>	<b>13</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>11</b>	<b>4</b>	<b>9</b>	<b>2</b>	<b>10</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 20: Cash Deposit Ratio of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	4.33	6.66	5.39	4.89	7.13	8.22	4.13	5.53	6.99	6.88	13.61	5.08	5.97
2005	9.05	8.72	4.54	5.10	5.20	7.74	6.35	5.72	7.40	5.49	12.01	6.30	5.30
2006	7.45	6.95	6.79	5.70	6.08	3.99	4.04	6.21	4.61	5.62	13.11	5.41	6.31
2007	9.92	8.12	5.71	5.72	6.74	7.36	5.89	6.37	5.70	5.45	13.90	6.11	6.13
2008	9.53	9.81	9.09	6.42	10.83	11.26	8.71	8.76	6.86	7.14	11.76	8.85	11.06
2009	5.85	7.95	6.88	5.51	7.25	6.98	6.71	6.38	8.04	5.54	7.14	7.46	7.20
2010	8.39	8.63	6.3	6.04	8.45	7.37	7.35	6.22	8.27	6.50	11.38	7.90	9.01
2011	6.73	6.41	6.82	0.15	8.15	6.66	7.10	6.80	8.46	6.84	8.04	6.22	7.23
2012	6.47	7.35	4.95	4.31	4.99	5.22	5.39	5.98	5.74	6.17	5.56	4.07	5.63
2013	5.10	4.55	4.76	3.83	5.01	4.20	4.76	4.21	4.66	4.95	3.49	4.54	4.70
<b>Av.</b>	<b>7.282</b>	<b>7.515</b>	<b>6.123</b>	<b>4.767</b>	<b>6.983</b>	<b>6.9</b>	<b>6.043</b>	<b>6.218</b>	<b>6.673</b>	<b>6.058</b>	<b>10</b>	<b>6.194</b>	<b>6.854</b>
<b>Rank</b>	<b>3</b>	<b>2</b>	<b>10</b>	<b>13</b>	<b>4</b>	<b>5</b>	<b>12</b>	<b>8</b>	<b>7</b>	<b>11</b>	<b>1</b>	<b>9</b>	<b>6</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 21: Credit Deposit Ratio of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
2004	48.9	52.8	57.1	50.7	54.3	49.8	49.6	68.1	61.9	31.0	48.4	48.0	67.3
2005	56.9	60.3	58.1	63.2	65.0	53.2	58.0	69.2	66.3	38.9	54.1	54.4	72.2
2006	62.8	63.0	65.6	66.5	72.5	61.7	58.8	73.3	68.1	53.6	56.2	60.1	76.7
2007	63.4	59.6	69.0	64.7	70.8	67.8	68.1	75.4	72.0	53.7	60.5	67.2	77.7
2008	62.3	58.3	73.0	69.0	70.6	66.0	63.7	75.1	68.7	55.6	53.2	69.5	71.6
2009	58.2	64.3	69.5	65.5	68.8	63.4	58.1	68.9	71.3	52.9	61.3	68.7	67.3
2010	64.01	70.53	74.74	68.76	66.44	61.92	60.83	69.78	69.17	51.38	73.84	71.20	71.55
2011	71.28	72.35	74.28	68.94	71.67	58.63	63.46	72.06	72.60	59.41	93.29	78.00	78.17
2012	72.26	74.19	77.15	74.74	74.28	62.00	65.55	74.58	72.19	55.07	87.19	80.53	81.61
2013	71.72	69.42	76.54	71.88	75.09	61.04	69.91	76.27	74.93	57.88	76.45	80.38	76.84
<b>Av.</b>	<b>63.177</b>	<b>64.479</b>	<b>69.501</b>	<b>66.392</b>	<b>68.948</b>	<b>60.549</b>	<b>61.605</b>	<b>72.269</b>	<b>69.719</b>	<b>50.944</b>	<b>66.447</b>	<b>67.801</b>	<b>74.097</b>
<b>Rank</b>	<b>10</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>5</b>	<b>12</b>	<b>11</b>	<b>2</b>	<b>3</b>	<b>13</b>	<b>7</b>	<b>6</b>	<b>1</b>

[Source: Compiled from, Statistical Tables Relating to Banks in India, (for FY 2004 to 2013), Reserve Bank of India, Central Office, Mumbai]

**Table 22: Group Rankings of OPBs – Capital Adequacy (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
CAR	13	12	3	7	8	6	9	4	10	5	1	2	11
CAR Tier-I	13	11	4	9	7	6	8	3	10	5	1	2	12
<b>Av.</b>	<b>13</b>	<b>11.5</b>	<b>3.5</b>	<b>8</b>	<b>7.5</b>	<b>6</b>	<b>8.5</b>	<b>3.5</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>11.5</b>
<b>Rank</b>	<b>13</b>	<b>11.5</b>	<b>3.5</b>	<b>8</b>	<b>7</b>	<b>6</b>	<b>9</b>	<b>3.5</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>11.5</b>

[Source: Computed from Tables 4 and 5 given above]

**Table 23: Group Rankings of OPBs – Asset Quality (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
Priority	9	10	8	11	3	13	5	6	4	1	12	2	7
Secured	4	9	13	8	1	12	5	7	6	3	10	2	11
NPA	12	11	4	7	8	3	9	2	13	1	10	6	5
Av.	8.333	10.000	8.333	8.667	4.000	9.333	6.333	5.000	7.667	1.667	10.667	3.333	7.667
Rank	8.5	12	8.5	10	3	11	5	4	6.5	1	13	2	6.5

[Source: Computed from Tables 6 to 8 given above]

**Table 24: Group Rankings of OPBs – Management (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
Business/E	12	10	1	2	7	5	6	4	9	11	13	3	8
Prof/E	12	13	5	8	4	3	7	2	11	6	10	1	9
ROE	11	12	6	7	1	4	8	2	9	5	13	3	10
ROA	4	8	6	11	2	12	10	9	5	3	7	1	13
Av.	9.75	10.75	4.5	7	3.5	6	7.75	4.25	8.5	6.25	10.75	2	10
Rank	10	12.5	4	7	2	5	8	3	9	6	12.5	1	11

[Source: Computed from Tables 9 to 12 given above]

**Table 25: Group Rankings of OPBs – Earnings (FY 2004-2013).**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
NII	5	10	6	8	2	12	9	3	4	7	11	1	13
NIM	8.5	12	8.5	10	3	11	5	4	6.5	1	13	2	6.5
NOM	10	12.5	4	7	2	5	8	3	9	6	12.5	1	11
Intermdn	13	12	4	5	3	1	2	6	7	9	10	8	11
Burden	12	11	3	7	2	5	1	4	8	10	13	6	9
Op_Pr	12	13	2	8	3	6	7	4	10	5	9	1	11
ROA	12	13	5	8	3	6	7	1	11	4	9	2	10
Av.	10.357	11.929	4.643	7.571	2.571	6.571	5.571	3.571	7.929	6.000	11.071	3.000	10.214
Rank	11	13	4	8	1	7	5	3	9	6	12	2	10

[Source: Computed from Tables 13 to 19 given above.]

**Table 26: Group Rankings of OPBs – Liquidity (FY 2004-2013).**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
Cs_D	3	2	10	13	4	5	12	8	7	11	1	9	6
Cr_D	10	9	4	8	5	12	11	2	3	13	7	6	1
Av.	6.5	5.5	7	10.5	4.5	8.5	11.5	5	5	12	4	7.5	3.5
Rank	7	6	8	11	3	10	12	4.5	4.5	13	2	9	1

[Source: Computed from Tables 20 and 21 given above]

**Table 27: Overall Rankings ('CAMEL' Rankings) of OPBs (FY 2004-2013)**

Year	CSB	DB	FB	SIB	CUB	JKB	KKB	KVB	LVB	NTB	RKB	TMB	IVB
Cap_Ad	13	11.5	3.5	8	7	6	9	3.5	10	5	1	2	11.5
Asst_Qlt	8.5	12	8.5	10	3	11	5	4	6.5	1	13	2	6.5
Mgmt	10	12.5	4	7	2	5	8	3	9	6	12.5	1	11
Earnings	11	13	4	8	1	7	5	3	9	6	12	2	10
Liquidity	7	6	8	11	3	10	12	4.5	4.5	13	2	9	1
Average	9.9	11	5.6	8.8	3.2	7.8	7.8	3.6	7.8	6.2	8.1	3.2	8
Rank	12	13	4	11	1.5	7	7	3	7	5	10	1.5	9

[Source: Computed from Tables 22 to 27 given above]

**Table 28: Classification of OPBs Based on 'CAMEL' Ratings – the Criteria**

Category	Criterion (based on the range of 'CAMEL' Scores)	Mean = 7.000, SD = 2.497
Excellent	Upto (Mean-0.6745 SD) (First 25%; Top performers)	Upto 5.316
Good	From (Mean-0.6745 SD) upto Mean (25% -50% range; Above Average)	Above 5.316 and upto 7.000
Fair	Above Mean, upto (Mean +0.6745 SD)(50%-75% range; Below Average)	Above 7.000 and upto 8.684
Poor	Above (Mean + 0.6745 SD) (Above 75%) (Poor Performers)	Above 8.684

**Table 29: The Four Groups of OPBs (Based on ‘CAMEL’ Ratings)**

Excellent (Upto 5.316)	Good (From 5.316 to 7.0)	Fair (From 7.000 to 8.684)	Poor (Above 9.45)
1. TMB and CUB (3.2)	(1) FB (5.6)	(1) JKB, KKB, LVB (7.8)	(1) SIB (8.8)
2. KVB (3.6)	(2) NTB (6.2)	(2) IVB (8.0)	(2) CSB (9.9)
		(3) RKB (8.1)	(3) DB (11.0)
Three (3) Best Performers	Two (2) Above Average	Five (5) Below Average	Three (3) Poor Performers

**Table 30: Financial Soundness of KOPBs vs. Best in the Class (TMB)**

Name of the Bank	t – Value (Calculated)	t- Value (Critical) (Table) and Remarks
Catholic Syrian Bank (CSB)	09.295	2.179 (at 5 % LOS and 12 DOF) (No significance, for the four KOPBs)
Dhanalakshmi Bank (DB)	10.821	
Federal Bank (FB)	03.330	
South Indian Bank (SIB)	07.769	

**Table 31: Financial Soundness of KOPBs vs. Average of OPBs**

Name of the Bank	t – Value (Calculated)	t- Value (Critical) (Table)
Catholic Syrian Bank (CSB)	04.023	2.179 (at 5 % LOS and 12 DOF) (* Significant for FB alone)
Dhanalakshmi Bank (DB)	05.549	
Federal Bank (FB)	01.942*	
South Indian Bank (SIB)	02.497	

**Table 32: Broad Strategies for Enhanced Competitiveness of KOPBs**

Federal Bank	South Indian Bank	Dhanalakshmi Bank	Catholic Syrian Bank
1. Liquidity Management is poor – needs improvement 2. Asset quality (NPA Level) is poor–needs improvement.	1. Liquidity Management is poor–needs improvement 2. Asset quality (NPA) is poor–needs improvement.	1. Earnings (Profitability) needs improvement 2. Productivity is very poor – needs improvement 3. CAR needs improvement	1. Needs improvement in all aspects, especially Earnings (Profitability) & Productivity 2. CAR needs improvement.
<b>Kopbs In General:</b> They lag behind the ‘Best in Class’ (viz. TMB or CUB) significantly; none of the KOPBs are in ‘Excellent’ category too. Thus, all have to improve their performance. Moreover, all the three out of the four KOPBs (i.e all except FB) are in ‘Poor’ category – these three alone are there in this group among all the OPBs in India. ‘Poor’ banks are all KOPBs.			
1. CAR of all KOPBs needs improvement, 2. Increased thrust is required on Priority sector advances. 3. Tighter NPA control, Productivity and Profitability improvement measures for all KOPBs, particularly for CSB and DB. 4. Tighter cost control measures are required for all KOPBs, particularly for CSB and DB.			

(Based on the present study of the Author)

## ANNEXURES

### Annexure – I

**Table 33: List of Old Private Sector Banks (OPBs) in India (as of March 2014)**

S.No	Name of the Bank	Abbreviation	Remarks
01	Catholic Syrian Bank	CSB	A Kerala-based OPB (KOPB) registered in the year 1918
02	Dhanalakshmi Bank	DB	A Kerala-based OPB (KOPB) registered in the year 1927
03	South Indian Bank	SIB	A Kerala-based OPB (KOPB) registered in the year 1929
04	Federal Bank	FB	A Kerala-based OPB (KOPB) registered in the year 1931
05	City Union Bank	CUB	One of the best performing OPBs based in Tamil Nadu (1904)
06	Jammu & Kashmir Bank	JKB	A Jammu & Kashmir-based OPB was founded in Kashmir in 1938
07	Karnataka Bank	KKB	A Karnataka-based OPB (Mangalore) founded in the year 1924
08	Karur Vysya Bank	KVB	A Tamil Nadu-based OPB; one of the best performing OPBs (1969)
09	Lakshmi Vilas Bank	LVB	A Tamil Nadu-based OPB founded at Karur in the year 1926.
10	Nainital Bank	NTB	A Uttarakhand-based OPB (1954)–Subsidiary of BOB since 1975
11	Ratnakar Bank	RKB	A Maharashtra-based (Kolhapur) OPB started in the year 1943.
12	Tamilnadu Mercantile Bank	TMB	A Tamil Nadu-based OPB; one of the best performing OPBs (1921)
13	ING-Vysya Bank	IVB	An OPB formed with the acquisition of Vysya Bank by ING (2002)

[Source: Compiled by the Author]

## Annexure – II

Table 34: The Four Groups of OPBs in India as of FY 2009 (Based on CAMEL Ranks)

Excellent (Up to 6.57)	Good (From 6.57 to 8.01)	Fair (From 8.01 to 9.45)	Poor (Above 9.45)
1. TMB (4.88)	(1) FB (6.89)	(1) LVB (8.16)	(1) DB (10.06)
2. KVB (4.91)	(2) NTB (7.11)	(2) RKB (8.23)	(2) IVB (10.39)
3. CUB (5.38)	(3) KKB (7.39)	(3) SBC (8.94)*	(3) CSB (10.67)
4. JKB (6.27)		(4) SIB (9.42)	(4) BOR (11.51)*

[Source: Adapted from Manoj P K, 2010 [9], *American Journal of Scientific Research*, pp.132-149]

Note: \* Both these banks were since merged with or acquired by some other bank. See Annexure–III below.

## Annexure – III

Table 35: Two Old Private Sector Banks (OPBs) in India which Vanished in the Recent Past

S. No	Name of the Bank	Abbreviation	Remarks
01.	Bank of Rajasthan Ltd.	BOR <sup>#</sup>	A Rajasthan-based OPB was acquired by ICICI Bank as per a scheme of amalgamation between BOR and ICICI approved by the RBI dated 12 August 2010. This amalgamation was with effect from 12.08.2010.
02.	SBI Commercial and International Bank Ltd.	SBC <sup>#</sup>	SBC was a subsidiary of SBI. Its merger with its own parent (SBI) was approved by the Government 21.07.2011. The reason was that “the existing business model of SBC and returns generated by it does not justify capital infusion”. (The capital of SBC was Rs.100 Crore, when the minimum required as per the RBI guidelines was Rs.300 Crore).

[Source: Compiled by the Author]

Note: <sup>#</sup> Both these two OPBs were included in the earlier research study by the present author (Manoj P K, 2010) [9].

As both these banks have succumbed to the pressures of competition in due course, as noted above, they are no more in existence. Thus the total number of OPBs in the present study (2014) is only 13 as against 15 in the 2010 study.