



ANALYSIS OF REVENUE, COSTS AND PROFIT: A STUDY ON CONSISTENCY IN PERFORMANCE OF SELECT PRIVATE SECTOR BANKS IN INDIA

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ABSTRACT

The private 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 five private sector banks i.e. Federal bank, ICICI bank, Kotak Mahindra bank, HDFC bank and Axis bank for the period from 2005- 2006 to 2014-2015. The objective of the present study is 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 analysis reveals that Axis bank has emerged as the most consistent overall performer in respect of all operating dimensions whereas ICICI bank has exhibited the inconsistency in its overall performance during the study period. The main limitation of this study is that the stakeholders may or may not consider the consistency in performance of the select private sector banks while dealing with them since these banks do not present the whole Indian banking industry as well as financial system.

KEYWORDS: consistency, inconsistency, operating dimensions, interest income, other incomes, interest expenses, manpower cost, selling and administrative expenses, miscellaneous expenses.

I. 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.



II. REVIEW OF LITERATURE

A number of studies have been conducted on assessing the banks' performance over a period of time. These studies have considered a broad spectrum of variables such as interest income, interest expenditure, non-interest income, non-interest expenditure, operating expenditure, operating profit, gross yield on assets, etc.

Mathur (2002) found that the performance of the public sector banks was not statistically different from the private sector banks. D' Souza (2002) was sceptical about the performance of Public sector banks vis-à-vis private sector banks and foreign banks. Sangmi (2002) recommended the introduction of high-level technology for reducing operating costs and increasing employee productivity. Verghese (2003) has measured the profitability of commercial banks in terms of gross profit, net profit, operating margin, gross yield on assets. A study by Chidanbaram and Alamelu (2003) concluded that the private sector banks have been registering a high rate of growth in deposits, advances and reserves as compared to the public sector banks. Parasuraman (2003) found that 18 out of 28 banks in India were not creating any economic value for the shareholder.

It is evident from the preceding review of literature that these studies have focused on operating dimensions such as costs, revenues and profits of the banks. They are more of trend studies in the respective operating dimension (s). What matters most for the banks' long-term success is not only the size of revenue, cost and profit but the consistency in their earning or incidence as the case may be. A bank with high mean revenue with inconsistency in generation of revenue overtime is not the desired one. Similarly, a bank with lower incidence of cost would not be a good indicator if its performance is not consistent overtime. In this context, the present study is conducted as gap filler as it not only analyzes the trends in operating dimensions of banks but also examines their consistency.

III. 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 banks on the basis of revenue, costs and profit.

IV. OBJECTIVE OF THE STUDY

To analyze the trends in revenue, costs and profit of private sector banks and their consistency in performance.

V. METHODOLOGY

Source of data:-

The study is based on secondary data. The secondary data are collected from the websites of the respective banks and moneycontrol.com. 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.

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.

ranked for each variable from one to five 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).

VI. ANALYSIS AND INTERPRETATION

Table - I
Interest income of select private sector banks in India (Rs.in crore)

YEAR	FDL BANK	ICICI BANK	KTK M BANK	HDFC BANK	AXIS BANK
2005-2006	1,436.53	14,614.19	1,184.48	4,475.32	1078.23
2006-2007	1,801.46	24,002.55	1,982.03	6,646.15	4,461.65
2007-2008	2,515.44	34,094.96	3,648.39	10,117.03	7,005.08
2008-2009	3,315.38	36,250.71	4,366.56	16,314.02	10,829.11
2009-2010	3,673.24	30,153.71	4,601.16	16,232.92	11,639.05
2010-2011	4,052.03	30,081.40	5,973.11	20,043.33	15,154.86
2011-2012	5,581.72	37,994.86	8,470.42	28,193.40	21,994.90
2012-2013	6,246.32	44,884.59	10,837.87	35,861.02	27,201.98
2013-2014	7,005.70	49,479.25	11,985.90	42,555.02	30,735.96
2014-2015	7,487.77	54,964.00	13,318.89	50,666.49	35,727.46
TOTAL	43,115.59	356,520.22	66,368.81	231,104.70	165,828.28
MEAN	4,311.56	35,652.02	6,636.88	23,110.47	16,582.83
S.D	2159.29	12005.65	4273.15	15691.15	11773.41
C.V	50.08	33.67	64.38	67.90	71.00
CAGR	0.18	0.14	0.27	0.27	0.42

Source: compiled from websites of respective banks and money control.com

Table 1 shows the interest income of select private sector banks in India from 2005-2006 to 2014-2015. The ICICI bank has the highest interest income with mean value of Rs.35652.02. 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 Federal Bank has the lowest interest income of Rs.4311.56. 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, federal bank should increase deposits, loans and advances and investments. In terms of consistency in earning interest income, ICICI bank has demonstrated a stable and consistent performance as evidenced by their CV value of 33.67. The compound annual growth rate of interest income is highest in the Axis Bank by 0.42 followed by Kotak Mahindra Bank and HDFC Bank by 0.27. ICICI bank shows lowest annual growth rate 0.1

Table -II
Other incomes of select private sector banks in India (Rs.in crore)

YEAR	FDL BANK	ICICI BANK	KTK M BANK	HDFC BANK	AXIS BANK
2005-2006	233.1	11,197.35	1,800.50	1,245.26	729.63
2006-2007	302.59	17,540.25	2,353.42	1,571.29	986.29
2007-2008	394.99	26,436.88	4,029.13	2,298.00	1,751.02
2008-2009	516.02	28,345.55	2,814.47	3,616.95	2,915.93
2009-2010	532.55	29,053.72	4,714.05	4,037.08	3,964.21
2010-2011	518.33	31,513.30	5,089.85	4,585.05	4,671.45
2011-2012	532.2	28,663.42	4,543.40	5,992.32	5,487.19
2012-2013	664.64	29,319.81	5,112.41	7,132.96	6,832.80
2013-2014	685.18	30,084.61	5,282.39	8,297.50	7,766.25
2014-2015	878.54	35,252.24	8,152.20	9,545.68	8,838.11
TOTAL	5258.14	267407.13	43891.82	48322.09	43942.88
MEAN	525.81	26740.71	4389.18	4832.21	4394.29
S.D	189.14	7079.05	1812.19	2847.15	2842.86
C.V	35.97	26.47	41.29	58.92	64.69
CAGR	0.14	0.12	0.16	0.23	0.28

Source: compiled from websites of respective banks and money control.com

Table 2 observed the other incomes of select private sector banks in India from 2005-2006 to 2014-2015. The ICICI bank has the highest other incomes with mean value of Rs.26740.71. 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, Federal bank has the lowest other incomes of Rs.525.81. Nei

ther their other services would be numerous nor would they have had a wider customer base. In terms of consistency in earning other incomes, ICICI bank has demonstrated a stable and consistent performance as evidenced by their CV value of 26.47. The compound annual growth rate of other income is highest in the Axis bank by 0.28 followed by HDFC bank by 0.23. ICICI bank shows lowest annual growth rate 0.12.

Table - III
Total income of select private sector banks in India (Rs.in crore)

YEAR	FDL BANK	ICICI BANK	KTK M BANK	HDFC BANK	AXIS BANK
2005-2006	1,669.63	25,811.54	2,984.98	5,720.58	1807.86
2006-2007	2,104.05	41,542.80	4,335.45	8,217.44	5,447.94
2007-2008	2,910.43	60,531.84	7,677.52	12,415.03	8,756.10
2008-2009	3,831.40	64,596.26	7,181.03	19,930.97	13,745.04
2009-2010	4,205.79	59,207.43	9,315.21	20,270.00	15,603.26
2010-2011	4,570.36	61,594.70	11,062.96	24,628.38	19,826.31
2011-2012	6,113.92	66,658.28	13,013.82	34,185.72	27,482.09
2012-2013	6,910.96	74,204.40	15,950.28	42,993.98	34,034.78
2013-2014	7,690.88	79,563.86	17,268.29	50,852.52	38,502.21
2014-2015	8,366.31	90,216.24	21,471.09	60,212.17	44,565.57
TOTAL	48,373.73	623,927.35	110,260.63	279,426.79	209,771.16
MEAN	4,837.37	62,392.74	11,026.06	27,942.68	20,977.12
S.D	2338.71	18314.3	5912.43	18528.52	14593.89
C.V	48.35	29.35	53.62	66.31	69.57
CAGR	0.17	0.13	0.22	0.27	0.38

Source: compiled from websites of respective banks and money control.com

From table 3 it is understood the total income of select private sector banks in India from 2005-2006 to 2014-2015. The ICICI bank has the highest total income with mean value of Rs.62392.74. 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. On the other hand, Federal Bank has the lowest total income of Rs.4837.37. Total income is found to be consistent in ICICI bank by CV value of 29.35. The compound annual growth rate of total income is highest in the Axis bank by 0.38. ICICI bank shows lowest annual growth rate 0.1

Table - IV
Interest cost of select private sector banks in India (Rs.in crore)

YEAR	FDL BANK	ICICI BANK	KTK M BANK	HDFC BANK	AXIS BANK
2005-2006	836.67	10,101.48	519.57	1,929.18	855.95
2006-2007	1,084.89	17,675.72	977.06	3,179.30	2,993.18
2007-2008	1,646.82	25,766.98	1,816.48	4,887.37	4,419.84
2008-2009	1,999.24	26,487.25	1,992.39	8,903.37	7,148.92
2009-2010	2,261.77	20,729.19	1,772.86	7,797.60	6,632.63
2010-2011	2,304.49	19,342.57	2,668.24	9,425.15	8,588.61
2011-2012	3,606.67	25,013.25	4,541.96	15,106.12	13,969.18
2012-2013	4,208.94	28,285.41	6,024.49	19,695.45	17,513.39
2013-2014	4,727.76	29,710.61	6,312.12	23,445.45	18,702.97
2014-2015	5,056.33	32,318.15	6,966.10	27,288.46	21,341.26
TOTAL	27733.58	235430.61	33591.27	121657.45	102165.93
MEAN	2773.36	23543.06	3359.13	12165.75	10216.59
S.D	1517.99	6616.23	2385.43	8800.40	7160.15
C.V	54.73	28.10	71.01	72.34	70.08
CAGR	0.20	0.12	0.30	0.30	0.38

Source: compiled from websites of respective banks and money control.com

From table 4 it is seen the interest cost of select private sector banks in India from 2005-2006 to 2014-2015. The Federal bank has the lowest interest cost with mean value of Rs.2773.36. It can be inferred that the bank is tapping cost effective deposits and borrowings that have led to the lower interest cost. ICICI bank has the highest interest cost of Rs.23543.06. Either their deposits and

borrowings would be huge or they would have offered higher interest on their deposits and borrowings. Interest cost is found to be consistent in ICICI bank by CV values of 28.10. The compound annual growth rate of interest cost is highest in the Axis bank by 0.38 followed by Kotak Mahindra Bank and HDFC bank by 0.30. ICICI bank shows lowest annual growth rate 0.12.

Table - V
Manpower cost of select private sector banks in India (Rs.in crore)

YEAR	FDL BANK	ICICI BANK	KTK M BANK	HDFC BANK	AXIS BANK
2005-2006	228.43	1,711.21	438.45	494.08	105.15
2006-2007	260.49	2,636.50	688.08	799.86	391.18
2007-2008	272.93	3,969.80	1,197.89	1,338.43	752.1
2008-2009	320.73	3,904.30	1,192.51	2,301.38	1,067.76
2009-2010	369.93	3,678.43	1,260.95	2,389.31	1,359.79
2010-2011	485.69	4,392.60	1,522.34	2,977.14	1,745.80
2011-2012	559.45	5,101.27	1,601.54	3,573.09	2,254.02
2012-2013	647.71	5,629.09	1,773.50	4,201.79	2,675.37
2013-2014	795.43	5,968.79	1,915.12	4,494.47	2,973.05
2014-2015	913.05	6,568.32	2,375.46	5,162.68	3,615.69
TOTAL	4853.84	43560.31	13965.84	27732.23	16939.91
MEAN	485.38	4356.03	1396.58	2773.22	1693.99
S.D	238.76	1506.90	572.18	1595.54	1165.29
C.V	49.19	34.59	40.97	57.53	68.79
CAGR	0.15	0.14	0.18	0.26	0.42

Source: compiled from websites of respective banks and money control.com

From table 5 it is reveals the manpower cost of select Private sector banks in India from 2005-2006 to 2014-2015. The Federal Bank has the lowest manpower cost with mean value of Rs.485.38. ICICI bank has the highest manpower cost of Rs.4356.03. ICICI bank should

reduce number of manpower requirements and increase their efficiency. Manpower cost is found to be consistent in ICICI bank by CV value of Rs.34.59. The compound annual growth rate of manpower cost is highest in the Axis Bank by 0.42. ICICI bank shows lowest annual growth rate 0.14

Table -VI
Selling and Administrative expenses of select private sector banks in India (Rs.in crore)

YEAR	FDL BANK	ICICI BANK	KTK M BANK	HDFC BANK	AXIS BANK
2005-2006	353.6	10,931.89	1,436.43	2,240.27	755.75
2006-2007	441.94	17,981.68	2,072.14	2,868.33	1,297.31
2007-2008	594.4	27,000.39	3,605.75	4,316.88	2,365.72
2008-2009	967.89	30,018.60	3,217.53	6,104.48	3,525.21
2009-2010	1,056.71	29,193.52	4,811.12	6,646.14	4,894.83
2010-2011	1,137.23	30,801.66	5,150.80	7,699.28	5,853.53
2011-2012	1,117.55	27,934.69	4,855.46	9,678.95	6,692.23
2012-2013	1,121.65	29,534.54	5,769.03	11,533.21	8,253.47
2013-2014	1,240.91	31,488.07	6,321.66	13,459.41	10,141.57
2014-2015	1,305.35	37,589.24	8,827.55	16,380.55	11,740.49
TOTAL	9337.23	272474.28	46067.47	80927.5	55520.11
MEAN	933.72	27247.43	4606.75	8092.75	5552.01
S.D	342.02	7504.45	2158.03	4640.95	3709.58
C.V	36.63	27.54	46.84	57.35	66.82
CAGR	0.14	0.13	0.20	0.22	0.32

Source: compiled from websites of respective banks and money control.com

From table 6 it is observed the selling and administrative cost of select private sector banks in India from 2005-2006 to 2014-2015. The Federal Bank has the lowest selling and administrative cost with mean value of Rs.933.72. ICICI bank has the highest selling and administrative cost of Rs.27247.43. ICICI bank should

reduce advertising expenses and can promote using social medias. Selling and administrative cost is found to be consistent in ICICI bank by CV value of Rs.27.54. The compound annual growth rate of selling and administrative cost is highest in the Axis Bank by 0.32. ICICI bank shows lowest annual growth rate 0.13.

Table - VII
Total cost of select private sector banks in India (Rs.in crore)

YEAR	FDL BANK	ICICI BANK	KTK M BANK	HDFC BANK	AXIS BANK
2005-2006	1,444.44	23,412.51	2,455.16	4,844.74	1950.85
2006-2007	1,811.29	38,909.40	3,810.96	7,073.98	4,793.68
2007-2008	2,543.42	57,416.58	6,718.79	10,822.82	7,696.96
2008-2009	3,330.86	61,216.83	6,528.36	17,678.85	11,932.11
2009-2010	3,738.81	54,364.01	7,987.85	17,237.09	13,125.12
2010-2011	3,981.89	55,276.51	9,493.73	20,610.68	16,481.63
2011-2012	5,342.41	58,720.65	11,163.29	28,912.32	23,263.58
2012-2013	6,060.76	64,074.52	13,746.05	36,093.71	28,801.00
2013-2014	6,861.96	67,886.74	14,756.76	42,088.01	32,193.05
2014-2015	7,354.22	77,273.93	18,406.00	49,512.14	37,117.08
TOTAL	42,470.06	558,551.68	95,066.95	234,874.34	177,355.06
MEAN	4,247.01	55,855.17	9,506.70	23,487.43	17,735.51
S.D	2077.38	15102.32	5039.76	15165.90	12071.99
C.V	48.91	27.04	53.01	64.57	68.07
CAGR	0.18	0.13	0.22	0.26	0.34

Source: compiled from websites of respective banks and money control.com

From table 7 it is shows the total costs of select Private sector banks in India from 2005-2006 to 2014-2015. The Federal bank has the lowest total cost with mean value of Rs.4247.01. ICICI bank has the highest total cost of

Rs.55855.17. Total cost is found to be consistent in ICICI bank by CV value of Rs.27.04. The compound annual growth rate of total cost is highest in the Axis Bank by 0.34. ICICI bank shows lowest annual growth rate 0.13.

Table - VIII
Net Profit of select private sector banks in India (Rs.in crore)

YEAR	FDL BANK	ICICI BANK	KOTAK M BANK	HDFC BANK	AXIS BANK
2005-2006	225.19	2,399.02	529.82	875.84	485.08
2006-2007	292.75	2,633.40	524.48	1,143.46	654.25
2007-2008	367.01	3,115.26	958.73	1,592.21	1,059.14
2008-2009	500.53	3,379.42	652.67	2,252.13	1,812.93
2009-2010	466.97	4,843.41	1,327.36	3,032.91	2,478.14
2010-2011	588.47	6,318.19	1,569.24	4,017.69	3,344.67
2011-2012	771.51	7,937.63	1,850.53	5,273.40	4,218.51
2012-2013	850.21	10,129.88	2,204.21	6,900.28	5,233.79
2013-2014	828.92	11,677.12	2,511.54	8,764.51	6,309.17
2014-2015	1,012.09	12,942.30	3,065.08	10,700.05	7,448.48
TOTAL	5903.65	65375.63	15193.66	44552.48	33044.16
MEAN	590.37	6537.56	1519.37	4455.25	3304.42
S.D	264.62	3933.83	883.56	3387.23	2442.27
C.V	44.82	60.17	58.15	76.03	73.91
CAGR	0.16	0.18	0.19	0.28	0.31

Source: compiled from websites of respective banks and money control.com

From table 8 it is understood the Net Profit of select Private sector banks in India from 2005-2006 to 2014-2015. The ICICI bank has the highest net profit with mean value of Rs.6537.56. Federal Bank has the lowest net profit of Rs.590.37. 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 deposits. Net profit is found to be consistent in Federal bank by CV value of Rs.44.82. The compound annual growth rate of net profit is highest in the Axis Bank by 0.31. Federal bank shows lowest annual growth rate 0.16.

Table - IX
Earning per share of select private sector banks in India Amount in (Rs)

YEAR	FDL BANK	ICICI BANK	KOTAK M BANK	HDFC BANK	AXIS BANK
2005-2006	26.31	26.96	17.13	27.97	17.25
2006-2007	34.2	29.28	16.08	35.8	23.23
2007-2008	21.46	28	27.82	44.92	29.61
2008-2009	29.27	30.36	18.88	52.94	50.5
2009-2010	27.3	43.44	38.13	66.26	61.16
2010-2011	34.4	54.86	21.3	86.36	81.47
2011-2012	45.1	68.86	24.98	22.47	102.09
2012-2013	49.7	87.81	29.52	29	111.84
2013-2014	9.69	101.12	32.6	36.53	134.28
2014-2015	11.81	22.32	39.68	42.69	31.42
TOTAL	289.24	493.01	266.12	444.94	642.85
MEAN	28.92	49.30	26.61	44.49	64.29
S.D	12.82	28.00	8.44	19.55	41.18
C.V	44.32	56.80	31.71	43.93	64.07
CAGR	-0.08	-0.02	0.09	0.04	0.06

Source: compiled from websites of respective banks and money control.com

From table 9 it is understood the Earning per share of select Private sector banks in India from 2005-2006 to 2014-2015. The Axis bank has the highest Earning per share with mean value of Rs.64.29. Kotak Mahindra Bank has the lowest Earning per share of Rs.26.61. Earning per

share is found to be consistent in Kotak Mahindra Bank by CV value of Rs.31.71. The compound annual growth rate of Earning per share is highest in the Kotak Mahindra Bank by 0.09. ICICI bank shows lowest annual growth rate - 0.02.

Table - X
Book value of share of select Private sector Banks in India Amount in (Rs)

YEAR	FDL BANK	ICICI BANK	KOTAK M BANK	HDFC BANK	AXIS BANK
2005-2006	145.31	249.96	73.04	170.12	75.35
2006-2007	174.83	266.5	100	202.59	120.32
2007-2008	228.75	401.93	168.97	325.45	244.66
2008-2009	250.85	420.19	191.35	345.29	283.97
2009-2010	270.37	460.12	228.81	472.23	394.62
2010-2011	293.35	480.15	148.78	549.91	460.23
2011-2012	326.94	531.56	174.18	128.74	548.92
2012-2013	366.25	596.04	204.25	154	708.58
2013-2014	80.21	661.77	247.64	184.1	817.21
2014-2015	89.89	146.1	286.63	251.96	189.62
TOTAL	2226.75	4214.32	1823.65	2784.39	3843.48
MEAN	222.68	421.43	182.37	278.44	384.35
S.D	97.63	161.56	64.94	142.56	249.03
C.V	43.85	38.34	35.61	51.20	64.79
CAGR	-0.05	-0.05	0.15	0.04	0.10

Sources: Compiled from websites of Respective Banks and Money Control.com

From table 10 it shows the Book value of share of select Private sector banks in India from 2005-2006 to 2014-2015. The ICICI bank has the highest Book value of share with mean value of Rs.421.43. Kotak Mahindra Bank has the lowest Book value of share Rs.182.37. 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 Kotak Mahindra Bank by CV value of Rs.35.61. The compound annual growth rate of Book value of share is highest in the Kotak Mahindra Bank by 0.15. ICICI bank and Federal bank shows negative annual growth rate - 0.05.

Table - XI
Overall Rank Matrix

Variables	Banks and their Ranks				
	FEDERAL BANK	ICICI BANK	KOTAK M BANK	HDFC BANK	AXIS BANK
1	4	5	1	1	3
2	4	5	3	2	1
3	4	5	3	2	1
4	4	5	2	2	1
5	4	5	3	2	1
6	4	5	3	2	1
7	4	5	3	2	1
8	5	4	3	2	1
9	5	4	1	3	2
10	4	4	1	3	2
Sum	42	47	23	21	14
Mean	4.2	4.7	2.3	2.1	1.4
Overall Rank	IV	V	III	II	I

Source: from Tables 1 to X

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 X1 reveals that Axis Bank 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, ICICI Bank has demonstrated a low consistency in overall performance. In terms of consistency in overall performance, the selected banks have been ranked in the order from one to five as follows: 1.Axis bank, 2.HDFC, 3.Kotak Mahindra bank, 4. Federal bank and 5. ICICI bank.

VII. FINDINGS

1. The ICICI bank has the highest total income with mean value of Rs.62392.74. Federal Bank has the lowest total income of Rs.4837.37. Total income is found to be consistent in ICICI bank by CV value of 29.35 during the study period.
2. The Federal bank has the lowest total cost with mean value of Rs.4247.01. ICICI bank has the highest total cost of Rs.55855.17. Total cost is found to be consistent in ICICI bank by CV value of Rs.27.04 during the study period.
3. The ICICI bank has the highest net profit with mean value of Rs.6537.56. Federal Bank has the lowest net profit of Rs.590.37. Net profit is found to be consistent in Federal bank by CV value of Rs.44.82 during the study period.

4. The Axis bank has the highest Earning per share with mean value of Rs.64.29. Kotak Mahindra Bank has the lowest Earning per share of Rs.26.61. Earning per share is found to be consistent in Kotak Mahindra Bank by CV value of Rs.31.71 during the study period.
5. The ICICI bank has the highest Book value of share with mean value of Rs.421.43. Kotak Mahindra Bank has the lowest Book value of share Rs.182.37. Book value of share is found to be consistent in Kotak Mahindra Bank by CV value of Rs.35.61 during the study period.
6. The Axis Bank has secured the position of top most performers in overall analysis for its consistency in operating dimensions. ICICI Bank has demonstrated a low consistency in overall performance during the study period.

VIII. SUGGESTIONS

1. The preceding discussion says that interest income of ICICI bank was low comparing with other banks (KMB, HDFC, AXIS). So to make their interest income higher, deposits, loans and advances and investments should be increased.
2. Due to low net profit, federal bank has got inconsistency in its performance. By managing their utmost focus on revenues and special concern for costs. The federal bank can increase its net profit to the maximum.
3. The Kotak Mahindra bank has 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.

IX. 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 so as to overcome the financial crisis 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.

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