CHAPTER VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

This chapter summarises the results of the study, offers suggestions and has drawn conclusion of the study. The results of the study has been classified into three, such as

(i) Financial performance in terms of fund management of select private sector banks

(ii) Financial performance in terms of assets management of select private sector banks

(iii) Profitability analysis of select private sector banks.

(iv) Financial performance on the basis of primary data

Funds Management

1. The results showed that working fund of all the selected banks were in increasing trend over the study period. Working fund increased 14 times in case of Axis bank, it increased 11 times in case of HDFC bank and it increased 4 times in case of ICICI bank.

2. It was observed that deposits accepted by banks were the major portion of working fund of all the selected banks. The portion of deposits was more than 70 per cent for Axis bank and HDFC bank and it was more than 50 per cent in case of ICICI bank during the study period.

3. The CAGR of total deposits of Axis bank was 29 per cent during the study period, it was 27 per cent it was 18 per cent. It was higher for Axis bank and it was lower for ICICI bank.
4. The study found that the growth rate of own fund of Axis bank was higher than other selected banks, the CAGR of which stood at 38 per cent and it was lower for ICICI bank, which was 23.5 per cent.

5. It was known that the growth rate of borrowings of Axis bank was highest among the selected banks, it was 47 per cent during the study period followed by HDFC bank (27.5 per cent) and it was lowest for ICICI bank at 15 per cent.

6. The results showed that unlike Axis bank and HDFC bank, ICICI bank had high proportion of borrowings in its working fund it was around 25 per cent, more dependence on borrowings may decrease profitability of the bank, because the rate of interest of borrowings is more than interest on deposits, so it may try to increase its deposits instead of borrowings. The growth of own fund to working fund was high of ICICI bank than other selected banks. All the banks less depended on its own fund and other liabilities.

7. It was observed from the results of the study that own funds of Axis bank increased 25 times over the study period followed by HDFC bank at 13 times. It increased 8 times in case of ICICI bank.

8. The growth rate of own fund was highest (CAGR) for Axis bank followed by HDFC bank at 38 per cent and 29.5 per cent respectively and it was lowest in case of ICICI bank at 23.5 per cent.

9. The study observed that reserves were the major portion of own fund of all the three selected private sector banks. Its proportion was more than 80 per cent for ICICI bank and HDFC bank and it was more than 70 per cent for Axis bank.
10. The CAGR of reserves was highest for Axis bank at 42 per cent followed by HDFC bank at 31 per cent and it was lowest for ICICI bank among the selected banks at 25 per cent.

11. The calculated value of CAGR of capital was 6 per cent for Axis bank, whereas CAGR of reserves was 42 per cent, so the growth of share capital in own fund was very poor. This bank did not prefer to issue shares to raise its capital.

12. Very low rate of CAGR of share capital (5 per cent) for HDFC bank indicated poor growth of share capital in its own fund during the study period.

13. The CAGR of share capital of ICICI bank was 2 per cent only, it was very poor. It indicated that the growth of share capital by ICICI bank was very poor. This bank did not prefer to increase its share capital during the study period.

14. The results of own fund and its components of the selected companies showed that the growth of own fund was good in case of Axis bank and it was poor in case of ICICI bank. The proportion of reserves to own fund of all the selected banks was more than 90 per cent during the study period. The growth of reserves was high in case of Axis bank and it was comparatively low for ICICI bank. All the selected banks were less depended on share capital to their own fund. The percentage of share capital to own fund was 2 per cent for all the banks during 2011-12. Growth of share capital was very poor in case of ICICI bank its CAGR was only 2 per cent for the study period. It was comparatively considerable in case of Axis bank and HDFC bank. It was seen that private banks did not have interest to increase their share capital in their own fund.
15. The results of the study indicated that total deposits of the selected banks were in increasing trend over the study period.

16. It was found that total deposits of Axis bank increased 13 times during the study period, it increased 11 times for HDFC bank and it increased only 5 times for ICICI bank.

17. The banks accepted three types of deposits such as fixed deposits, savings deposits and demand deposits. The mean value of total deposit of Axis bank was Rs.92,417 crore, mean value of total deposits of HDFC bank was Rs.1,07,651 crore and it was Rs.1,75,759 crore for ICICI bank.

18. The CAGR of total deposit of Axis bank was 29 per cent during the study period. This high rate indicated rapid growth of total deposit during the study period.

19. The CAGR of total deposits of HDFC bank was 27 per cent, this high percentage indicated rapid growth in total deposits during the study period.

20. The CAGR of total deposits of ICICI bank was 18 per cent, it revealed that there was good rate of growth in total deposits by ICICI bank. But when the rate was compared to other selected banks it was low.

21. The growth rate of total deposits was highest in case of Axis bank and it was lowest in case of ICICI bank during the study period.

22. It was found from the results of the study that the percentage composition of fixed deposits to total deposits was higher than other types of deposits for all the selected banks.

23. The percentage composition of fixed deposits of Axis bank was more than 50 per cent during all the year of the study period. But the percentage of fixed deposits to total deposit was in decreasing trend over the study period, but the
amount of total deposit was in increasing trend it means this bank raised the amount of deposits other than fixed deposits.

24. The percentage composition of fixed deposits to total deposits of HDFC bank ranged from 39 per cent to 57 per cent during the study period.

25. During the study period the proportion of fixed deposits on total deposits was more than a half. It ranged from 55 per cent to 84 per cent during the study period. The results also indicated that this percentage was in decreasing trend during the study period.

26. The high rate of CAGR of fixed deposits of Axis bank (26 per cent) indicated that there was fast growth in fixed deposits during the study period. It was 26 per cent for HDFC bank during the study period and the CAGR of fixed deposits of ICICI bank was 14 per cent. It indicated that there was a moderate level of growth in fixed deposits during the study period.

27. The percentage of savings deposits on total deposits of Axis bank was in increasing trend over the study period. It ranged from 8 per cent to 23 per cent during the study period. These results revealed that savings deposits occupied around 25 per cent of the total deposits for HDFC bank. It ranged from 8 per cent (2002-03) to 30 per cent (2011-12) for ICICI bank.

28. The calculated value of CAGR of Savings deposit of Axis bank was highest among the selected banks (43 per cent) followed by ICICI bank at 35 per cent and it was lowest for HDFC bank among the selected banks at 32 per cent.

29. The percentage of demand deposits to total deposits of Axis bank ranged from 15 per cent to 26 per cent, it ranged from 18 per cent to 29 per cent for HDFC bank and it ranged from 8 per cent (2002-03) to 15 per cent (2010-11) for ICICI bank.
30. The CAGR of demand deposits of Axis bank was 32 per cent, it was 25 per cent for HDFC bank and it was 25 per cent for ICICI bank, these high percentages indicated rapid growth of demand deposits during the study period.

31. The results indicated that the growth of total deposits was high in case of Axis bank followed by HDFC bank and it was low in case of ICICI bank. Growth rate of fixed deposits was also high in case of Axis bank than other banks and it was very low for ICICI bank. Axis bank also had high rate growth of savings deposits and demand deposits than other selected banks. The growth rate of savings deposits and demand deposit were lowest in case of HDFC bank than other banks. The results also indicated that the proportion of fixed deposits to total deposits of Axis bank was high.

32. It was observed from the results of the study that borrowings of Axis bank increased 47 per cent during the study period, it increased 11 times in case of HDFC bank and it increased 4 times for ICICI bank during the study period.

33. The mean value of total borrowings of Axis bank stood at Rs.10,956 crore, it was Rs.7,966 crore for HDFC bank and it was Rs.69,115 crore for ICICI bank during the study period.

34. The growth rate (CAGR) of total borrowings of Axis bank was highest during the study period at 47 per cent, it was 27.5 per cent for HDFC bank and it was 15 per cent for ICICI bank over the study period.

35. It was observed from the results of the study that the growth of total borrowings of Axis bank was very high and it was very low in case of ICICI bank. Both Axis bank and ICICI bank had borrowed more than 50 per cent of its total borrowings from outside India, whereas majority of total borrowings
of HDFC bank were borrowed within India. The growth rate of borrowings within India was higher in case of Axis bank and it was very poor in case of ICICI bank. HDFC bank stood first in growth of borrowings from outside India with the CAGR of 103 per cent during the study period. It was low in case of ICICI bank with 29 per cent.

36. It was found from the results of the study that the borrowings of Axis bank in India increased 19 times during the study period, it increased 7 times in case of HDFC bank and it increased 2 times for ICICI bank.

37. The compound annual growth rate (CAGR) of borrowings of Axis bank in India was highest among the selected banks at 34 per cent and it was lowest in case of ICICI bank at 7 per cent. It was 21 per cent in case of HDFC bank.

38. The results indicated that Axis bank had borrowed more from other financial institutions rather than RBI and other banks. The percentage of borrowings from other financial institutions to total borrowings in India ranged from 59 per cent to 100 per cent.

39. It was found that total liquid liabilities of HDFC bank increased 10.5 times during the study period, it increased 8 times for Axis bank but in case of ICICI bank it decreased during the study period.

40. The mean value of total liquid liabilities of Axis bank was Rs.4,363 crore, it was 15,633 crore for HDFC bank and it was Rs.23,018 crore for ICICI bank.

41. Among the components of total liquid liabilities, other liquid liabilities occupied high composition of Axis bank with more than 50 per cent in many years of the study period.
42. The calculated value of CAGR of total liquid liabilities was highest for HDFC bank, which was 27 per cent followed by of Axis bank at 23 per cent and it was in negative for ICICI bank at -0.25 per cent during the study period.

43. As other selected banks ICICI bank also had lesser amount of interest accrued during the study period, the percentage component on total ranged from 5 per cent to 17 per cent during the study period. Unlike ICICI bank, in case of Axis bank and HDFC there were major fluctuation in its interest accrued their co-efficient of variation were 94 and 73 per cent respectively. The CAGR of interest accrued was 7 per cent during the study period, it was considered too low, it may interpreted that ICICI bank did not hold interest due to their customers, it paid out majority of its interest payable to its customers.

ASSETS MANAGEMENT

1. It was found from the study that percentage contribution of advances on working fund of Axis bank was high, it ranged from 37 per cent to 60 per cent. The growth rate (CAGR) of advances was highest for Axis bank at 37 per cent, it was lowest for ICICI bank at 17 per cent and it stood at 32 per cent for HDFC bank. During the study period in all the years the percentage component of advances was more than 50 per cent on working fund of ICICI Bank.

2. The calculated value of CAGR of advances was 17 per cent, it was comparatively low when it is compared to other selected banks and it was 37 and 32 per cent in case of Axis Bank and HDFC Bank during the study period. This indicates that the advances of Axis and HDFC banks were growing faster than ICICI bank during the study period.
3. It was observed from the results that, next to advances total investments of Axis bank were contributing more to the working fund of this bank. The CAGR of total investment of Axis bank was 28 per cent and it was 22 per cent and 16 per cent respectively for HDFC bank and ICICI bank. The percentage of total investments on working of ICICI bank was ranged from 26 to 34 per cent during the study period. The CAGR of total investment was 16 per cent, it was comparatively low and therefore there was no major increase in investments by this bank. Axis bank stood first in investment in terms of CAGR at 28 per cent followed by HDFC Bank at 22 per cent.

4. The cash balance of Axis Bank contributed working fund to the extent of 4 to 16 per cent during the study period. The percentage of cash balance on total working fund of HDFC Bank ranged from 4 per cent to 9 per cent during the study period. The percentage of cash balance on total working fund of ICICI bank ranged from 4 to 8 percent over the study period.

5. The Compound Annual Growth Rate (CAGR) of cash balance of Axis bank was 21 per cent, the CAGR of cash balance was 22 per cent. CAGR of cash balance was 15 per cent, it was comparatively low when it is compared to Axis bank and HDFC bank (21 and 22 per cents respectively).

6. It was found that the calculated CAGR of money at call and short notice of ICICI bank stood at 26 per cent, it was comparatively higher when it was compared with other selected banks, whereas it was 5 per cent in case of Axis bank and 19 per cent in case of HDFC Bank. It indicated that ICICI bank had shown interest in holding balance with bank money at call and short notices than other selected banks.
7. The CAGR of fixed assets of Axis bank was highest among the selected banks, which was 22 per cent, it was 16 per cent for HDFC bank and it was very low in case of ICICI bank (CAGR 1.29 per cent).

8. It was found from the study that advances of Axis bank increased 24 times during the study period, it increased 17 times in case of HDFC bank and it increased 5 times in case of ICICI bank over the study period.

9. The mean value of total advances stood at Rs.64,906 crore, Rs.78,061 crore and Rs.1,64,403 crore respectively for Axis bank, HDFC bank and ICICI bank for the study period.

10. The growth rate of advances of Axis bank was highest among the selected banks (CAGR 37 per cent) and it was lowest for ICICI bank (CAGR was 17 per cent)

11. It was observed from the results of the study that the amounts of long term advances are higher than other type of loans for all the selected banks.

12. The mean value of long term advances of Axis bank was Rs.45,843 crore and it was Rs.51,988 crore and Rs.1,36,715 crore respectively for HDFC bank and ICICI bank.

13. The CAGR of long term advances was highest for Axis bank at 41 per cent and it was lowest in case of ICICI bank at 16 per cent during the study period.

14. The percentage of medium term loan on total advances of Axis bank ranged from 25 per cent to 43 per cent.

15. The mean values of medium term were Rs.17,223 crore, Rs.21,330 crore and Rs.23,611 crore respectively for Axis bank, HDFC bank and ICICI bank.

16. CAGR of medium term advances was highest in case of HDFC bank at 39 per cent and it was lowest for ICICI bank at 26 per cent.
17. Short term advances was the least component of among the components of total advances for all the selected banks.

18. The mean value of short term advances was Rs.1,840 crore, Rs.4,743 crore and Rs.4,078 crore respectively for Axis bank, HDFC bank and ICICI bank.

19. CAGR of short term was highest for Axis bank 34 per cent and it was lowest for HDFC bank at 17 per cent.

20. It was found that Axis Bank had invested major part in Government securities. During all the years of the study period its investment in Government securities was more than a half on total investment. HDFC Bank also invested more on Government securities. The percentage of investment in Government securities on total investment ranged from 47 per cent to 89 per cent over the study period. ICICI bank also invested more on Government securities. The percentage of investment in Government securities on total investment ranged from 48 per cent to 74 per cent over the study period.

21. The mean value of investment in Government securities was Rs.23,083, Rs.33,603 crore and Rs.56,656 crore respectively for Axis bank, HDFC bank and ICICI bank.

22. The growth rate of investment in government securities of Axis bank was highest among the selected banks (CAGR at 29 per cent) and it was lowest for ICICI bank (CAGR at 13 per cent).

23. It was observed that, next to Government securities Axis bank concentrated more on debentures and bonds. The percentage of investment on debentures and bonds on total investment ranged from 25 per cent to 40 per cent over the study period.
24. HDFC Bank had given importance in the investments of on debentures and bonds. During the first five years of the study period the percentage of investment in debentures and shares was more than 20 per cent, but latter it started to decrease and it was only 1 per cent during 2010-11 and 2011-12.

25. It was found that next to investment in Government securities ICICI Bank had given more importance in the investments on other investments. The percentage of investment in other investments on total investment ranged from 7 per cent to 38 per cent.

26. The mean value of investment in debentures and bonds stood at Rs.10,471, Rs.4,135 crore and Rs.6,214 crore respectively for Axis bank, HDFC bank and ICICI bank.

27. The CAGR of investment in debentures and bonds made by Axis bank was highest at 23 per cent it was lowest and in negative in case of HDFC bank (CAGR at -13.63 per cent).

28. The CAGR was 13 per cent and it was considered moderate and there was some growth in the investment in other investments. It was very high in case of Axis bank (23 per cent) and the same was negative in case of HDFC bank (-14 per cent).

29. The results showed that this bank had invested very meager amount in shares for all the selected banks.

30. The results showed that ICICI bank invested high amount in shares but its growth was low, but in case of Axis bank the amount was low but the CAGR was 14 per cent, whereas HDFC bank had negative growth (-2.5 per cent) in the investment of shares.
31. Fixed assets of Axis bank increased 8 times, it increased 4 times for HDFC bank and it increased 1.13 times for ICICI bank during the study period.

32. The mean values of fixed assets of Axis bank, HDFC bank and ICICI bank stood at Rs.981 crore, Rs.1,456 crore and Rs.4,054 crore respectively.

33. The growth rate of fixed assets of Axis bank was highest among the selected banks and it was lowest for ICICI bank during the study period.

34. It was found that other assets of Axis bank and HDFC bank was more than any other fixed assets. But composition of premises was highest among the components of fixed assets for ICICI bank.

35. The mean values of other fixed assets were Rs.743 crore, Rs.854 crore and Rs.1,074 crore respectively for Axis bank, HDFC bank and ICICI bank.

36. The CAGR of other fixed assets was highest for Axis bank at 19 per cent and it was lowest for ICICI bank at 5 per cent and it was 16 per cent for HDFC bank.

37. The results showed that Axis bank had invested less in premises and lease assets.

38. The mean value of premises stood at Rs.208 crore, Rs.263 crore and Rs.2,063 crore respectively for Axis bank, HDFC bank and ICICI bank.

39. The calculated value of CAGR was 61 per cent it also too high and the value of premises increased rapidly and which was highest among the selected banks. This growth rate was lowest for ICICI bank (CAGR 7.5 per cent).

40. The mean value was 30 crore, Rs.138 crore and Rs.917 crore respectively for Axis bank, HDFC bank and ICICI bank.
1. The net profit of Axis bank increased 22 times over the study period and it increased 13 times and 5 times respectively for HDFC bank and ICICI bank.

2. The mean value of net profit stood at Rs.1,498 crore, Rs.1,945 crore and Rs.3,406 crore respectively for Axis bank, HDFC bank and ICICI bank.

3. The growth rate of net profit was highest for Axis bank (CAGR 36 per cent) and it was lowest for ICICI bank (CAGR 18 per cent). CAGR for HDFC stood at 30 per cent.

4. The results of the study indicated that the absolute amount of net profit of ICICI bank was very higher than any other selected bank, but growth rate of net profit was higher in case of Axis bank followed by HDFC bank. During the last year of the study period was concerned there was no vast different in the absolute amount of net profit among the selected banks. If the same growth rate continues Axis bank may earn higher net profit in future years.

5. It was observed that the amount of net profit of Axis bank ranged from Rs.192 crore to Rs.4,242 crore and the amount of total income ranged from Rs.1,875 crore to Rs.27,415 crore.

6. It was found from the study that the ratio of net profit to total income ranged from 10 per cent to 17 per cent over the study period. The results showed that there was no uniform ratio over the study period.

7. It was found that the amount of net profit ranged from Rs.388 crore to Rs.5,167 crore for HDFC bank during the study period and the total income ranged from Rs.2,479 crore to Rs.32,530 crore.

8. The ratio of net profit to total income of HDFC bank ranged from 11 per cent to 18 per cent, the difference between the ranges was high and it showed
fluctuation in this ratio over the study period. This ratio was high during the first five years.

9. The study reported that the amount of net profit of ICICI bank ranged from Rs.1,206 crore to Rs.6,465 crore and the amount of net income of ICICI bank ranged from Rs.11,959 crore to Rs.41,045 crore.

10. The ratio of net profit to total income of ICICI bank ranged from 10 per cent to 16 per cent. It was too low during 2002-03 and 2008-09 followed by 2006-07 and 2007-08. In other years it was high, during 2004-05, 2010-11 and 2011-12 it was more than 15 per cent.

11. The ratio of net profit to total deposits of Axis bank ranged from 1.06 per cent to 1.93 per cent. The ratio of net profit to total deposits of HDFC bank ranged from 1.56 per cent to 2.09 per cent. The ratio of net profit to total deposits of ICICI bank ranged from 1.35 per cent to 2.53 per cent. It showed that during the first three years and last two years this ratio was more than 2 per cent and in other years it was lower than 2 per cent but in no year it went below 1.3 per cent. These results are far better than Axis bank and HDFC bank, in case those banks in no year the ratio of net profit to total deposits went more than 2 per cent. The results showed that during all the years of the study period the ratio was in positive and it showed positive trend of this bank.

12. The results indicated that the HDFC bank had performed well in terms of the ratio of net profit to working fund during the period of the study followed by ICICI bank. The performance of Axis bank was not comparatively good. It was also observed that all the banks had achieved their highest ratio of net profit to working fund during 2011-12. All the banks had higher CAGR of net profit than the CAGR of working fund.
13. The results of the study indicated that the ratio of net profit to spread was higher in case of ICICI bank followed by Axis bank and it was low in case of HDFC bank during the study period. It indicated ICICI bank had more interest income than non-interest income at the same time HDFC had earned more non-interest income than interest income during the study period.

14. It was found from the study that the Return on Assets showed that HDFC bank performed better than other selected banks in terms of return on assets during the study period followed by ICICI bank.

15. It was observed from the study that Axis bank had performed better in terms of ratio of net profit to net worth followed by HDFC bank. It was poor in case of ICICI bank during the study period.

16. The amount of interest earned by Axis bank ranged between Rs.1,465 crore to Rs.31,995 crore. The range of interest earned ranged from Rs.2,014 crore to Rs.27,286 crore for HDFC bank and it ranged between Rs.9,368 crore to Rs.33,543 crore for ICICI bank.

17. The mean value of interest earned stood at Rs.7,897 crore, Rs.10,861 crore Rs.21,056 crore respectively for Axis bank, HDFC bank and ICICI bank.

18. The growth rate of interest earned by Axis bank was highest among the selected banks (CAGR 31 per cent) and it was lowest in case of ICICI bank (CAGR 13 per cent).

19. The absolute amount of other income ranged from Rs.410 crore to Rs.5,420 for Axis bank. It ranged from Rs.466 crore to Rs.5,244 for HDFC bank and it ranged from Rs.3,065 crore to Rs.7,503 in case of ICICI bank.

20. The mean value of other incomes was Rs.2,180 crore Rs.2,320 crore and Rs.5959 crore respectively for Axis bank, HDFC bank and ICICI bank.
21. The CAGR of other incomes was 29 per cent for Axis bank and it was highest among the selected banks. It was lowest for ICICI bank, for which CAGR was 9 per cent.

22. The total income concerned the range was between Rs.1,875 and Rs.27,415 crore for Axis bank. In case of HDFC bank it ranged between Rs.2,479 and Rs.32,530 crore and it ranged between Rs.12,527 and Rs.41,045 crore for ICICI bank.

23. The mean value of total income of Axis bank, HDFC bank and ICICI bank stood at Rs.10,076, Rs.13,181 crore and Rs.27,015 crore respectively.

24. The growth rate of total income of Axis bank was highest among the selected banks (CAGR 31 per cent) and it was lowest for ICICI bank at 13 per cent. It was 29 per cent for HDFC bank.

25. The results showed that the growth rate (CAGR) of total income of Axis bank was higher than any other selected bank followed by HDFC bank and it was very low for ICICI bank. Over the study period the total income of Axis bank increased 15 times followed by HDFC at 13 times, but in case of ICICI bank it increased 3 times only.

26. The growth rate of total expenditure of Axis bank was highest among the selected banks (CAGR 30 per cent) followed by HDFC bank (CAGR 29 per cent) and it was lowest for ICICI bank (CAGR 12 per cent).

27. CAGR of interest expenditure of HDFC bank was highest among the selected banks at 29 per cent followed by Axis bank at 28 per cent and it was lowest for ICICI bank at 11 per cent.
28. It was observed that the growth rate of other expenditure was highest for Axis bank at 33 per cent followed by HDFC bank at 30 per cent and it was lowest for ICICI bank at 13 per cent.

29. It was found that the mean value of total expenditure stood at Rs.8,578 crore, Rs.11,236 crore and Rs.23,609 crore respectively for Axis bank, HDFC bank and ICICI bank.

30. It was found that the growth rate of total expenses of Axis bank was higher than other selected banks followed by HDFC and it was lower in case of ICICI bank. The growth rate of other expenses was higher than interest expenses in case of all selected banks during the study period. It was also observed that there was increasing trend of total expenses of all the banks. Over the study period the total expenses was increased 14 times in case of Axis bank and 13 times in case of HDFC bank but it increased 3 times of ICICI bank.

31. It was found that the CAGR of spread was highest for Axis bank at 38 per cent followed by HDFC bank at 31 per cent and it was lowest for ICICI bank at 22 per cent.

32. It was observed that the growth rate of spread of axis bank was higher than other selected banks followed by HDFC bank. It was lower in case of ICICI bank than other selected banks. Spread of Axis bank increased 25 times during the study period, it was 15 times in case of HDFC bank and it was 7.5 times in case of ICICI bank.

33. The results of showed that the ratio of spread to working fund of HDFC bank was higher than Axis bank and ICICI bank and next to this bank Axis bank performed well in terms of spread to working fund.
34. The results showed that the profitability efficiency of HDFC was better than other selected banks in terms of ratio of spread to total deposits. Next to this bank ICICI bank performed better, because the ratio of spread to total deposits was higher. Axis bank stood last in the performance of the ratio of spread to total deposits during the study period. But the ratio of spread to total deposits was in increasing trend in case of Axis bank.

35. It was observed that HDFC bank performed better than other selected banks in terms of the ratio of spread to total income during the study period followed by Axis bank. ICICI bank performed poor in terms of the ratio of spread to total income over the study period. It was also observed that the amount of total income of ICICI bank was higher than other banks, but poor ratio of spread to total income indicated that it had more non-interest income during the study period.

36. The results of the study indicated that HDFC bank performed well in terms of the ratio of interest earned to working fund, it means this bank had good interest earning capacity. In other words this bank had ability to leverage its average total resources in enhancing its main stream of operational interest income. Next to HDFC bank ICICI bank performed well in terms of the ratio of interest earned to working fund during the study period. Axis bank stood last in this performance.

37. It was observed from the study that the average ratio of interest paid to working fund was higher for ICICI bank followed by Axis bank. HDFC bank stood last in terms of the ratio of interest paid to working fund. It was also found that the amount of interest paid increased 12 times in case of Axis bank, 11 times in case of HDFC bank and it increased 3.25 times in case of ICICI
bank during the study period. The working fund of Axis bank, HDFC bank and ICICI bank increased 14.5 times, 11 times and 4.4 times respectively over the study period.

38. The results indicated that the amount of burden of all the selected banks were in negative during all the years of the study period. The amount of burden increased at higher rate in case of Axis bank (29 times) followed by ICICI bank (20 times) and HDFC stood last in this aspect (16 times). The growth rate of non-interest expenses was higher than non-interest income of Axis bank and ICICI bank. But in case of HDFC bank the growth rate of non-interest income was higher than the growth rate of non-interest expenses. The increasing trend of burden of all selected bank indicates lack of burden bearing capacity by this bank.

39. It was understood from the study that among the selected banks ICICI bank performed better in terms of the ratio of burden to working fund during the study period. Its ratio was less than 1 per cent except during eight years out of ten years. Next to this bank Axis bank performed well, its ratio of burden to working fund was less than 2 per cent during all the years of the study period. But in case of HDFC bank, the ratio of burden to working fund was more than 2 per cent during eight years out of ten years.

40. The results of the study showed that the ratios of burden to total income of all the selected banks were in negative. But it was better in case of ICICI bank, its average ratio of burden to total income was -8.2 per cent. Next to this bank HDFC bank performed better in terms of lower ratio of burden to total income, which was 14.5 per cent. HDFC bank performed poor in terms of ratio of
burden to total income, which was -26.5 per cent. Higher negative ratio of burden to total income affects profitability of banks.

PERFORMANCE MEASUREMENT OF SELECT PRIVATE BANKS

1. Most of the respondents (37.5 per cent) opined that the present banking business environment is low competitive. 29.2 per cent of the respondents opined that the banking business environment is competitive.

2. Most of the respondents told that private banks (41.67 per cent) are their main competitors in the banking business. 20.8 per cent of the respondents told that public sector banks are the main competitors of the selected private banks.

3. Most of the respondents (37.5 per cent) opined that survival, growth, stabilization and excel in business is difficult, 20.8 per cent of the respondents opined that it was most difficult and 16.7 per cent of the respondents opined that it was very difficult to survive, grow, stabilize and excel in business.

4. 33.3 per cent of the respondents opined that use of advance technology will be helpful in competitive situation in the banking business. 33.3 per cent of the respondents told that improving performance will help to survive in competitive situation in banking business.

5. 25 per cent of the respondents had awareness at large extent about return on investment, 29.2 per cent of the respondents had awareness to some extent.

6. 20.8 per cent of the respondents had awareness about CAMEL to some extent and 20.8 per cent of the respondents had awareness to little extent.
7. Most of the respondents (29.2 per cent) had awareness regarding productivity measures to some extent, 20.8 per cent respondents each had awareness to large extent and to very little extent about productivity measures.

8. Most of the respondents (41.7 per cent) had awareness to large extent about the customer perspective and 33.3 percent of the respondents had awareness to little extent about customer perspective.

9. 37.5 per cent of the respondents had awareness about internal business prospective to some extent and 29.2 per cent of the respondents had awareness to large extent.

10. 25 per cent of the respondents to little extent. 29.2 per cent of the respondents had awareness to very little extent regarding learning and growth perspective.

11. Internal business process perspective had highest mean score followed by Return on Investment.

12. 41.7 per cent of the respondents rated that customer service was most important.

13. Majority of the respondents (54.2 per cent) rated that customer relationship was most important in value creation of the banks.

14. Majority of the respondents (54.2 per cent) rated that customer loyalty was important to the value creation of the banks.

15. Majority of the respondents (58.3 per cent) rated that product innovation was important to the value creation of the banks.

16. Majority of the respondents (83.4 per cent) of the total respondents rated that the technology was important in value creation of the banks.

17. Half of the respondents rated that having committed and trained staff was important to the value creation of the banks.
18. Majority of the respondents (62.5 per cent) of the total respondents rated that good work culture was important to the value creation of the banks.

19. 37.5 per cent of the respondents rated that it was important. 16.7 per cent of the respondents rated brand image as neither important nor unimportant to the value creation of the banks.

20. Among the intangible assets which plays value creation of banks customer relationship stood first followed by customer service.

21. Most of the respondents (41.7) told that feedback was collected from the customer often. 37.5 per cent of the respondents told that feedbacks were collected from their employees at the beginning only.

22. Majority of the respondents (70.8 per cent) opined that return on investment is important measures for operating performance of a banking company.

23. 33.3 per cent of the respondents opined that this measurement was most important for operating performance and 25 per cent of the respondents opined that it was important.

24. 41.7 per cent of the respondents opined that assets quality was unimportant for measuring operating performance of banking companies.

25. Majority of the respondents (54.2 per cent) opined that management efficiency is most important measurement for operating performance of banks.

26. Majority of the respondents (58.3 per cent) opined that earning quality was important measurement for operating performance of banks.

27. Majority of the respondents (83.3 per cent) opined that liquidity was important for measuring operating performance of banking companies.

28. 41.7 per cent of the respondents opined that productivity measures were neither important nor unimportant.
29. All the respondents opined that customer perspective was important for measuring operating performance of banks.

30. 41.7 per cent of the respondents opined that internal business perspective measures for operating performance were neither important nor unimportant.

31. 25 per cent of the respondents opined that learning and innovative perspective were important for measuring operating performance of banks, of which 4.2 opined that it was most important and the rest opined that it was merely important.

32. Majority of the respondents (54.1 per cent) opined that employees’ perspective was important for measuring operating performance of banking companies.

33. 41.7 per cent of the respondents opined that other stakeholders’ perspective was not important for measuring operating performance of banking companies.

34. Customer perspective stood at first rank in the measurements of operating performance of banking companies according to the opinion of the respondents and its mean score stood at 4.61.

SUGGESTIONS

1. ICICI bank mainly depended on total deposits but unlike other banks its percentage to total working fund was low. Next to this it mainly depended on borrowings it was around 25 per cent to total working fund. It is suggested that the bank has to decrease its borrowings level and try to increase its deposit level because interest payout to borrowings is higher than interest payouts to deposits, so if the bank does so it can increase its profitability.

2. It was observed from the study that the amount of burden was in negative for all the selected banks for all the years of the study period, it meant there was
more non-interest expenditure than non-interest income. Hence these banks have to decrease non-interest expenditure.

3. The results of the study show that all the banks had increasing trend in all the aspects of their financial aspects. But the growth rate is varying from bank to bank. It was observed that ICICI bank had slow increase when compared to other selected banks such as Axis bank and HDFC bank. So ICICI bank may take effort to develop their financial soundness more efficiently.

**Conclusion**

Indian banking industry is one of the biggest and strongest in the world. It supports a lot for the development of service sector in India. Banks are playing pivotal role in the development of the economy. It channelizes the fund from the place where it is surplus to the place where it is needed. It also gives more employment opportunities to the people and the banks handles people money, with these importance it is necessary to analyse the banking industry of the country. In India public sector banks are playing important role in financial sector for a long period. But in recent decades private banks also are playing an important role in financial sector. Among the private sector banks ICICI bank, HDFC bank and Axis bank are standing first, second and third in quantum of business and in terms of number of branches in India among private sector banks. Hence the study had chosen these banks for this analysis. From the results of the study it was observed that in every aspects of the financial performance Axis bank was developing faster than other selected banks such as HDFC bank and ICICI bank. Next to this bank HDFC bank is growing well and its growth rate more or same as the growth rate of Axis bank. But in case of ICICI bank, its quantum of business was several times more than Axis bank and HDFC bank. But growth rate was concerned, its rate of growth was
comparatively poor than other selected banks such as Axis bank and HDFC bank during the study period.

**SCOPE FOR FURTHER STUDIES**

1. A comparative study may be undertaken to analyse the financial performance of selected public sector banks and private sector banks.

2. A comparative study may be made to assess the financial performance of old-private sector banks and new private sector banks.

3. An analysis may be undertaken to analyse operational efficiency of new-private sector banks.