

COMPARATIVE ANALYSIS OF CITI BANK AND STANDARD CHARTERED BANK USING DUPONT MODEL

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ABSTRACT

This paper is concerned with the comparative analysis of foreign bank operating in India. The present study compares the financial efficiency (Profitability) of two banks namely CITI Bank and STANDARD CHARTERED Bank using DuPont model to justify which is having the highest efficiency. Finally the analysis concludes that CITI Bank is having the highest efficiency in managing the financial resources than that of STANDARD CHARTERED Bank.

KEYWORDS: Foreign bank, financial efficiency, DuPont model, ROA, ROE.

INTRODUCTION

The concepts of foreign bank operating in India have changed Indian financial system over two decades. Foreign banks are operating in India since 150 years which made our financial system strong, competitive and more innovative and brought new technology which has been made convenient for our customers. Foreign banks are those which are having head quarters in their home country and subsidiary in host country (INDIA). After liberalization in 1990's the entry of foreign bank have increased. At present there are 45 Foreign Bank operating in India.

Operation of Foreign Bank can be viewed in four different phases.

From 1786- 1935

During the pre independence period still 1935 there were only 18 foreign banks operating in India. It was also known as "EXCHANGE BANKS", they mainly focused on foreign exchange and foreign trade business.

From 1935-1969

During this period Reserve Bank of India (RBI) came into existence, which came up with many rules and regulation to protect our economy from negative effect in banking operations. Due to the strict regulation there was a decline in performance of foreign bank operating in India.

From 1969-1991

During this period share in total asset, deposit mobilisation and credit witnessed a decline of foreign bank performance, to overcome this decline foreign banks came up with new strategies in foreign currency loan

,investment banking and portfolio management .They also followed a niche marketing and focused on limited cities with high net worth customers.

After 1991 till date

Due to economic liberalisation there was a deregulation in finance sector and encouraged FDI including banking sector. After this there was a increase of foreign banks branches from 145 in 1990 to 286 in 2018. There was an increase in FDI in banking sector which made a significant change in our financial system. Later, the foreign bank can come into existence in the form of subsidiary which should satisfy all regulations of RBI to get licensing Requirements.

As mentioned that my study focused on comparison in regards with CITI Bank and STANDARD CHARTERED Bank to know their financial efficiency.

CITI BANK:

This bank was founded in the year 1902. It is an Indian private bank which is having its headquarters in New York and its repetitive office in Mumbai, Maharashtra. It mainly deals with credit cards debit cards, Loan, Investments, Assurance/ Insurance NRI banking etc. At present there are 35 subsidiary banks all over India with more than 7500 employees working in it. CITI bank has 2.3 million retail customers with 1.2 million bank account and 2.3 million cards nationally with approximately 57300 crores as their net worth.

STANDARD CHARTERED BANK:

STANDARD CHARTERED bank is India's largest international bank with approximately 100 branches all over India. It is public limited company which was formed in 1969 with their headquarters in London, England. It mainly deals with consumer banking, corporate banking, investment banking, mortgage loan, wealth management etc. SCB has 2.4 million corporate customers with 1200 employees. And having its net worth US \$14.425 Billion.

DUPONT ANALYSIS

In 1912 Donaldson Brown invented DuPont Model to know the internal efficiency report of a company. Later, DuPont Corporation started using this formula to know the fundamental performance measurement .it is referred as DuPont Identity which is a useful technique to identify Return on Equity (ROE).

Return On equity can be found with the help of other factors like:

Operating Efficiency: operating efficiency which shows the net worth of a company. It can be calculated only if we know the net worth or net income.

Asset utilisation: this second factor which sees how a company utilize its recourses this will be calculated with the help of Asset turnover ratio to know their efficiency.

Financial leverage: this finally analyses through the observation in the equity multiplier which shows the percentage whether there is an increase or decrease in the efficiency.

By dividing ROE into three different category we can easily analyse the performance of a company .this DuPont analysis can be derived as following:

PROFITABILITY = NET INCOME/SALES

ASSET TURNOVER= SALES /TOTAL ASSETS

LEVERAGE = TOTAL ASSETS/AVERAGE SHAREHOLDERS EQUITY.

ROE = NET PROFIT MARGIN×ASSET TURNOVER×FINANCIAL LEVERAGE.

OR

ROE= NET INCOME/SALES ×SALES/ TOTAL ASSETS×TOTAL ASSETS/TOTAL EQUITY.

This analysis gives the clear picture of ROE or it tells about the earning capacity and also tells where the company lies or where to improve it.

LITERATURE REVIEW

Any business organisation in this world will look upon the base as profitability. Keeping this in mind many researcher have taken few banks to analyse their profitability in form of Return on Equity, which shows their efficiency using DuPont model. Here are few reviews of researcher who made an analysis using DuPont Model how to calculate, why to calculate and what are the methods to improve to know the efficiency of the bank.

Dr. Butalal.c. Ajmer (December 2012) in his study “Analysis of financial health of banking industry” made an attempt to analyse the Financial Performance through various ratio of DuPont model to analyse the consistency, stability and overall trend, management efficiency, solvency and profitability of following banks SBI, DENA BANK, CORPORATION BANK, BANK OF BARODA and CANARA BANK made an comparative analysis to find the Return on Equity for a period of five years that is from (2010-2015) and concluded that Canara Bank financial position is highest among the rest of the peer banks.

Dr. Rohit Bansal (November 2014) in his research paper “A Comparative Analysis Of Financial Ratios Of Selected Banks In India” made an attempt to study the comparative analysis of Axis Bank, ICICI Bank, Federal Bank and HDFC Bank for a period of four years that is from 2011-2014 to find the Profitability, Liquidity and Leverage ratio through DuPont analysis to find the financial stability and concluded that Federal bank is more stable than rest of the banks.

Mr. Mehta Piyush Ramesh (2015) in his research study “DuPont analysis Of AXIS Bank” made an attempt to know the efficiency of Axis Bank with rest of banks like (ICICI, HDFC And SBI) using the traditional DuPont model to find the ROE hence made and comparative analysis for a period of two consecutive years that is 2012-13 and 2013-2014 and came up with a view that AXIS BANK performance is above average with respect to ROE when compared with other banks. Hence, recommended AXIS bank for investment.

Mr. Josephat Lotto (January 2016) in his research paper “Evaluation Of financial Performance Of Foreign And Domestic Banks Operating In Tanzania” made an comparative analysis of Foreign owned and Domestic Bank in Tanzania for a period of nine years (2009-2016) to analyse the affected parameters like

profit margin asset utilization and equity multiplier using DuPont model . The result concluded that the RETURN ON EQUITY AND RETURN ON ASSET is higher in foreign owned banks than domestic banks. Mr.Ahsinuddin Haider (August 2016) in his research paper “Comparative Analysis Of Financial Efficiency Of Bank Of Baroda And HDFC Bank” this paper focused on that ‘all glitters are not gold’ made an attempt to analyse the largest banks of public sector namely BOB and HDFC which are having highest profitability. After making an analysis of these two banks for a period of 5 years that is from 2010-2015 using DuPont model .concluded that HDFC is having highest efficiency than that of BOB.

Mr. Abdullah Alqahtani and Hongbing Ouyang (November 2017) in his research “Factors Affecting ROE In The banking Sector Of Saudi Arabia” made an attempt to find the factors affects the ROE through DuPont model and Multivariate regression. During the study found that there is a constant fluctuation in terms of profitability for a period of 18 years that is from 1996-2014 and concluded that ROE depends on ROA. This means the efficiency of asset management.

OBJECTIVE OF THE STUDY:

To compare and make an empirical assessment of financial efficiency of CITI Bank and STANDARD CHARTERED Bank.(foreign banks operating in India) .

This study will provide true state of financial efficiency which will be helpful for further research.

RESEARCH METHODOLOGY:

The study is based on secondary data. The data were collected from the website of RBI, RBI bulletins and data base of centre for monitoring Indian Economy (CMIE) namely PROWESS, CAPITALLINE, PUBLISHED ANNUAL REPORRTS OF CITI BANK AND STANDARD CHARTEREDBANK, JOURNALS etc.

To evaluate the comparative financial efficiency of CITI and STANDARD CHARTERD BANKS the study adopted world renowned: DuPont Model to know the company’s return on equity which can be analysed through various ratios like profitability, Liquidity, Solvency with other parameters like average and growth.

STATEMENT OF THE PROBLEM

From the above studies made by the research scholars have given an idea how to calculate companies return on equity and many others researchers have found return on equity or efficiency of Indian public sector banks or private sectors bank and few researchers have found in general about foreign banks operating in India. But in this research the study is in depth on return on equity of top foreign banks operating in India. Hence, in this research paper the study is limited to two foreign banks operating in India.

PERIOD OF THE STUDY

The study covers a period of five years from 2012-13 to 2017-18.

ANALYSIS AND INTERPRETAION

Analysis is considered to be the important step and heart of the research in research work. The following tables are focusing on the comparative financial statements based on audited report of CITI Bank and STANDARD CHARTERED Bank which are foreign banks operating n India and show their financial efficiency.

COMPARATIVE BALANCE SHEET OF CITI BANK AND STANDARD CHARTERED BANK

TABLE 1- LIABILITY (As On 31ST March) (INR in Cr)

CAPITAL AND LIABILITY	BANK	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	AVERAGE
SHAREHOLDER S EQUITY	CITI	1,56,311.70	1,69,536.00	1,81,388.70	1,94,613.70	2,01,877.60	2,14,141.10	1,86,311.47
	GROWTH		8.46%	6.99%	7.29%	3.73%	6.07%	6.51%
	STANDARD CHARTEREDBANK	1,30,782.20	1,81,416.70	1,89,220.10	2,53,409.80	2,41,135.60	2,58,106.50	2,09,011.82
	GROWTH		38.72%	4.30%	33.92%	-4.84%	7.04%	15.83%
DEPOSITS AND BORROWINGS	CITI	9,36,222.70	9,84,153.60	10,47,277.40	10,63,198.30	12,13,553.60	10,99,536.30	0,57,323.65
	GROWTH		5.12%	6.41%	1.52%	14.14%	-9.40%	3.56%
	STANDARD CHARTEREDBANK	7,65,829.00	8,01,439.30	8,35,985.40	8,55,967.10	8,56,459.80	9,23,977.50	8,39,943.02
	GROWTH		4.65%	4.31%	2.39%	0.06%	7.88%	3.86%
OTHER LIABILITIES	CITI	188210	125863	217889	126496	122355	166906	57953.1667
	GROWTH		-33.13%	73.12%	-41.94%	-3.27%	36.41%	6.24%
	STANDARD CHARTEREDBANK	309108	204609	278565	201944	195182	262036	41907.3333
	GROWTH		-33.81%	36.15%	-27.51%	3.35%	34.25%	2.49%
TOTAL LIABILITES	CITI	12,85,381.00	12,84,570.50	14,51,522.60	13,88,957.40	15,43,966.10	14,87,064.40	4,06,910.33
	GROWTH		-0.06%	13.00%	-4.31%	11.16%	-3.69%	3.22%
	STANDARD CHARTEREDBANK	12,16,978.00	11,98,191.90	13,10,621.90	13,18,026.80	12,99,249.40	14,50,518.20	2,98,931.03
	GROWTH		-1.54%	9.38%	0.56%	-1.42%	11.64%	3.72%

From the above table-1 shows the comparative balance sheet figures of CITI bank and STANDARD CHARTERED Bank based on their published annual report 2012-13 to 2017-18 Share holders' equity increased from INR 156311.70 Cr in 2012-13 to INR 214141.10 Cr in 2017-18 with an average of INR 186311.47 Cr during the period. CITI bank has calculated 6.51% CAGR in shareholders equity during 2012-13 to 2017-18 on year on year basis, also reported the growth highest in 8.46% in 2013-14 and lowest in 2016-17 (3.73%), where as STANDARD CHARTERED bank reported 15.83% CAGR and year on year basis growth in shareholders equity during the same period was highest with 38.72% in the year 2013-14 and during the year 2016-17 (-4.84%) was lowest.

Deposits and borrowings in CITI Bank showing calculated CAGR of 3.56% on year on year basis highest growth reported 14.14% in the year 2016-17 and Lowest growth rate in the year 2017-18 (-9.40%) where as STANDARD CHARTERED Bank showed the report on CAGR of 3.86% year on year basis growth with highest of 7.88% in the year 2017-18 and in the year 2016-17 showed the lowest of 0.06%.

Other Liability in CITI Bank showed the calculated CAGR of 6.24% and increased from INR 188210 Cr in the year 2012-13 to INR 166906 Cr in the year 2017-18 with an average of INR 157953.16 Cr with year on

year growth basis the highest was 73.12% in the year 2014-15 and the lowest (-41.94%) in the year 2015-16 where as STANDARD CHARTERED Bank showed the report on CAGR of 2.49% and year on year basis the growth in other Liability during the same period was highest with 34.25% in 2017-18 and lowest during the year 2012-13 (-33.81%). The total capital and liability of CITI Bank and STANDARD CHARTERED Bank reported CAGR with 3.22% and 3.72% during the year 2012-13 to 2017-18.

TABLE-1.2 ASSETS (As on 31st March) (INR in Cr)

Source: Annual Report and Prowess Database (2012-13-2017-18)

ASSETS	BANK	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	AVERAGE
CASH AND BANK BALANCE	CITI	1,83,370.20	1,90,289.20	1,63,143.50	93,450.80	98,212.70	2,02,196.30	1,55,110.45
	GROWTH		3.77%	-14.27%	42.27%	5.10%	105.88%	28.55%
	STANDARD CHARTERED BANK	48,624.80	55,138.80	73,919.70	90,803.10	69,940.40	92,530.20	71,826.17
	GROWTH		13.40%	34.06%	22.84%	-22.98%	32.30%	15.92%
INVESTMENT AND ADVANCES	CITI	4,44,846.50	4,52,595.60	5,26,675.20	5,81,688.00	7,15,348.10	5,82,078.80	5,50,538.70
	GROWTH		1.74%	16.37%	10.45%	22.98%	-18.63%	6.58%
	STANDARD CHARTERED BANK	2,77,794.60	3,11,213.50	2,86,671.50	3,37,457.80	3,39,259.00	3,77,908.70	3,21,717.52
	GROWTH		12.30%	-7.89%	17.72%	0.53%	11.39%	6.81%
FIXED AND OTHER ASSET	CITI	3,65,104.50	2,96,960.70	3,52,881.10	1,92,345.30	2,07,276.40	3,50,521.10	2,94,181.52
	GROWTH		-18.66%	18.33%	-45.49%	7.76%	69.11%	6.21%
	STANDARD CHARTERED BANK	3,69,274.60	2,53,200.80	3,14,406.90	2,66,300.80	2,44,216.50	3,46,744.20	2,99,023.97
	GROWTH		-31.43%	24.17%	-15.30%	-8.29%	41.98%	2.23%
TOTAL ASSETS	CITI	12,85,381.00	12,84,570.50	14,51,522.60	13,88,957.40	15,43,966.10	14,87,064.40	14,06,910.33
	GROWTH		-0.06%	13.00%	-4.31%	11.16%	-3.69%	3.22%
	STANDARD CHARTERED BANK	12,16,978.00	11,98,191.90	13,10,621.90	13,18,026.80	12,99,249.40	14,50,518.20	12,98,931.03
	GROWTH		-1.54%	9.38%	0.56%	-1.42%	11.64%	3.72%

The Asset head is categorised in 3 sub heads as shown in Table 1.2. CASH AND BANK BALANCE is increased from INR 183370.20 Cr. in the year 2012-13 to INR 202196.30 Cr. in the year 2017-18 registering with an average of INR 155110.45 Cr. with an highest growth of 105.88% in the year 2017-18 and lowest growth in the year 2014-15 (-14.27) on year on year basis and CAGR remained 28.55% during the period. whereas STANDARD CHARTERED Bank had a CAGR of 15.92% on year on year basis growth was highest in the year 2017-18 with 32.30% and lowest growth rate with (-22.98%) in the year 2016-17.

The CITI Bank reported an exponential increase INR 444846 Cr. In the year 2012-13 to INR 520780.80 Cr. In the year 2017-18 with registering an average of INR 550538.70 Cr. Whereas STANDARD CHARTERED Bank Showed registering average of INR 321717.52 Cr in the head INVESTMENT AND ADVANCES where CAGR remained 6.81% with highest growth rate of 17.72% in the year 2015-15 and lowest growth rate of (-7.89%) in the year 2014-15.

The FIXED ASSETS shows decrease INR 365104.50 Cr. in the year 2012-13 to INR 350521.10 Cr. in the year 2017-18. With registering an average of INR 294181.52 Cr. Whereas even STANDARD CHARTERED also shows a decline INR 369274.60 Cr. in the year 2012-13 to INR 346744.20 Cr. with registering an average of INR 299023.97 Cr. The TOTAL ASSETS of CITI bank and Standard Chartered Bank reported CAGR of 3.22% and 3.72%.

COMPARATIVE PROFIT AND LOSS ACCOUNT**TABLE-1.3 Profit and Loss (As on 31st March) (INR in Crs)**

INCOME	BANK	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	AVERAGE
INTEREST EARNED	CITI	77676	89161	91952	102105	106976	104509	95396.5
	GROWTH		14.79%	3.13%	11.04%	4.47%	-2.31%	6.22%
	STANDARD CHARTEREDBANK	79432	90835	99791	101445	100191	96103	94632.83
	GROWTH		14.36%	9.36%	1.66%	-1.24%	-4.08%	4.01%
OTHER INCOME	CITI	477.1	94.8		990.9	1,984.60	733.7	856.22
	GROWTH		-80.13%	-100%	0	100.28%	-63.03%	-28.58%
	STANDARD CHARTEREDBANK	4,295.60	1,194.20	4,904.30	67.3	1,306.40	1,800.20	2,261.33
	GROWTH		-72.20%	310.68%	-98.63%	1841.16%	37.80%	403.76%
TOTAL INCOME	CITI	99,002.20	1,18,153.30	1,22,315.10	1,36,124.70	1,38,854.30	1,41,861.50	1,26,051.85
	GROWTH		19.34%	3.52%	11.29%	2.01%	2.17%	7.67%
	STANDARD CHARTEREDBANK	1,11,892.90	1,18,907.00	1,32,564.40	1,34,491.70	1,20,559.00	1,23,226.00	1,23,606.83
	GROWTH		6.27%	11.49%	1.45%	-10.36%	2.21%	2.21%

EXPENDITURE	BANK	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	AVERAGE
INTEREST EXPENDED	CITI	28875	37382	37383	43564	42482	36002	37614.67
	GROWTH		29.42%	0	16.53%	-2.48%	-15.25%	5.64%
	STANDARD CHARTEREDBANK	36904	40962	45925	45589	41541	42394	42219.17
	GROWTH		11.00%	12.12%	-0.73%	-8.88%	2.05%	3.11%
OPERATING EXPENSES	CITI	75.9	74.1	69.5	72.5	71.4	70.2	72.27
	GROWTH		74.10%	69.50%	72.50%	71.40%	70.20%	0.72%
	STANDARD CHARTEREDBANK	69.8	77.3	67.8	71.8	63.4	75.5	70.93
	GROWTH		77.30%	67.80%	71.80%	63.40%	75.50%	0.71%
PROVISIONS AND CONTINGENCIES	CITI	15500	15621	27119	26104	29286	31624	24209
	GROWTH		0.78%	73.61%	-3.74%	12.19%	7.98%	18.16%
	STANDARD CHARTEREDBANK	27645	19572	37428	28629	39345	24637	29542.67
	GROWTH		-29.20%	91.23%	-23.51%	37.43%	-37.38%	7.71%
TOTAL EXPENDITURE	CITI	79,782.30	90,969.90	93,387.70	1,01,899.20	1,06,524.60	1,05,605.40	96,361.52
	GROWTH		14.02%	2.66%	9.11%	4.54%	-0.86%	5.89%
NET PROFIT (EAT)	STANDARD CHARTEREDBANK	94,535.20	89,304.80	1,16,723.30	1,03,977.20	1,10,494.00	98,821.70	1,02,309.37
	GROWTH		-5.53%	30.70%	-10.92%	6.27%	-10.56%	1.99%
	CITI	19220	27183	28927	34226	32330	36256	29690.33
NET PROFIT MARGIN	GROWTH		41.43%	6.42%	18.32%	-5.54%	12.14%	14.55%
	STANDARD CHARTEREDBANK	17358	29602	15841	30514	10065	24404	21297.33
	GROWTH		70.54%	-46.54%	92.63%	-67.02%	142.46%	38.41%
	CITI	19.4	21.8	23	25.1	23.2	25.5	23
NET PROFIT MARGIN	GROWTH		21.80%	23%	25.10%	23.20%	25.50%	23.72%
	STANDARD CHARTEREDBANK	15	24.8	11.2	22.7	8	19.4	16.85
	GROWTH		24.80%	11.20%	22.70%	8%	19.40%	17.22%

Source: Annual Report, RBI website, Prowess Database (2012-13 to 2017-18)

Table 1.3 portrays the comparative PROFIT AND LOSS account figures of CITI Bank and STANDARD CHARTERED Bank based on their published annual report from 2012-13 to 2017-18 the TOTAL INCOME reported an exponential increase from INR 99002.20Cr.in the year 2012-13 to INR 141861.50Cr. in the year 2017-18 registering an average of INR 126051.85Cr. With the highest growth of 19.34% in the year 2013-14 and lowest growth in the year 2016-17 2.01%.the CAGR of CITI bank during the period is

7.67%. Whereas STANDARD CHARTERED Bank Calculated CAGR 2.21% on year on year basis growth rate with highest 11.49% during the year 2014-15 and lowest (-10.36%) in the year 2016-17 . registering an average of INR 123226.50Cr.

TOTAL EXPENSES of CITI Bank reported CAGR of 5.89% year on year basis growth with highest 14.2% in the year 2012-13 and lowest growth in the year 2017-18(-0.86%).total expenses increased from INR 79782.30Cr in the year 2012-13 to INR 105605.40Cr. with an average of INR 96361.52Cr.where as STANDARD CHARTERED Bank had an increase from INR 94535.20Cr. to 98821.70Cr. during the period of 2012-13 to 2017-18.registering with an average of INR 102309.37Cr.during the period CAGR showed 1.99%. with highest growth rate of 30.70% during the year 2014-15 and lowest (-10.91%) during the year 2015-16.

NET PROFIT during the period of CITI Bank increased from INR 19220Cr. To INR 36256Cr. registering with an average of INR 29690.33Cr. CAGR during the period was 14.55% on year on year basis with highest growth was 41.43% in the year 2013-14 and lowest growth was (-5.54%) during the year 2016-17.STANDARD CHARTERED Bank had an increase during the period 2012-13 to 2017-18 from INR 17358Cr. to INR 24404Cr. Registering with an average of INR 21297Cr. With CAGR during the Period 38.41%. On year on year basis with highest growth of 92.63% during the year 2015-16.and lowest growth was (-67.02%) during the year 2016-17.

TABLE-1.4

COMPARATIVE DUPONT ANALYSIS

RATIO	BANK	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	AVERAGE
NET PROFIT MARGIN	CITI	19.40%	21.80%	23%	25.10%	23.20%	25.50%	23.00%
	STANDARD CHARTEREDBANK	15%	24.80%	11.20%	22.70%	8%	19.40%	17%
ASSET UTILIZATION RATIO (A U)	CITI	0.047	0.054	0.057	0.062	0.060	0.095	0.063
	STANDARD CHARTEREDBANK	0.043	0.046	0.045	0.061	0.061	0.079	0.056
EQUITY MULTIPLIER (E M)	CITI	8.223	7.577	8.002	7.137	7.648	6.944	7.589
	STANDARD CHARTEREDBANK	1.098	1.175	1.263	1.023	0.994	1.206	1.127
ROA=NPM*AU	CITI	0.92%	1.18%	1.31%	1.57%	1.4%	2.43%	1.468%
	STANDARD CHARTEREDBANK	0.65%	1.14%	0.5%	1.39%	0.48%	1.53%	0.948%
ROE=ROA*EM	CITI	7.54%	8.94%	10.46%	11.18%	10.69%	16.88%	10.948%
	STANDARD CHARTEREDBANK	6.01%	7.54%	3.49%	7.21%	2.61%	8.62%	5.913%

Table 1.4 represents the comparative DuPont Analysis of both banks. CITI bank NET PROFIT MARGIN showing an upward movement ranging Minimum 19.40% in the year 2012-13 and maximum 25.50%2017-18 with an average figure of 23.00% during the period where as STANDARD CHARTERED Bank shows a fluctuation movement ranging Minimum 8% during the year 2016-17 and maximum 24.80% during the year 2013-14. With an Average of 17%.

ASSET UTILIZATION ratio of CITI bank shows a upward movement with minimum of 0.047 times in the year 2012-13 and maximum 0.095 times in the year 2017-18 registering an average of 0.063 times where as STANDARD CHARTERED Bank also shows upward movement with minimum of 0.043 times in the year 2012-13 and maximum of 0.079 times in the year 2017-18 registering an average of 0.056 times during the period.

EQUITY MULTIPLIER of CITI banks shows a fluctuation in the ratios during the period 2012-13 to 2017-18 with minimum of 6.944 times in the year 2017-18 and maximum of 8.22 times in the year 2012-13 registering an average of 7.589 times whereas STANDARD CHARTERED Bank also Shows a fluctuation with minimum of 0.944 times during the year 2016-17 and maximum of 1.263 times in the year 2014-15 and registering an average of 1.127times during the period.

RETURN ON ASSET of CITI Banks shows an increasing growth with minimum of 0.92% in the year 2012-13 and maximum of 2.43% in the year 2017-18 registering an average of 1.468% .where as STANDARD CHARTERED Bank shows an fluctuation with minimum of 0.5% in the Year 2014-15 and maximum of 1.53% in the year 2017-18 registering an average of 0.948%.

RETURN ON EQUITY of CITI Bank shows an increasing growth ratio with minimum of 7.54% in the year 2012-13 and maximum of 16.88% during the year 2017-18 on year on year basis registering an average of 10.94%, where as STANDARD CHARTERED Bank shows an fluctuations and downward trend with minimum of 2.61% in the year 2016-17 and maximum of 7.54% in the year 2013-14 registering an average of 5.91% during the period.

CONCLUSION

DuPont Model gives a wide view on ROE of the firm, which highlight the strength and identify the area where there is a scope for improvement. This paper tried to demonstrate the contribution and influence of Operational efficiency (NPM AND AU) Financial Leverage (EM) and overall financial efficiency (ROE) of CITI Bank and STANDARD CHARTERED Bank in comparative study .Finally, concludes CITI bank is having highest financial efficiency as compared to STANDARD CHARTERED Bank in terms of Return on Equity and effective utilization of Assets.

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