



# PERFORMANCE ANALYSIS OF BANK GROUPS IN TERMS OF CREDIT DEPOSIT RATIO AND INVESTMENT DEPOSIT RATIO: PUBLIC, PRIVATE AND FOREIGN BANKS

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**ABSTRACT:** The liberalization of the financial sector in India exposed commercial banks to a new economic environment that is characterized by increased competition, accelerating technology and new regulatory requirements. The commercial banking is at the threshold of a paradigm shift. The applications of technology and product innovation are bringing about structural changes in the banking system. Off- site ATM, on line debit cards and electronic everywhere banking are transforming the traditional concept of branch banking. Today customers are increasingly moving away from the confines of traditional branch banking and seeking the convenience of remote electronic banking. The traditional way of undertaking banking transaction with a visit to the friendly neighborhood branch is becoming obsolete now. With a view to helping banks to compete in such a fast changing environment effort is being done to study the performance of commercial banks in India by adopting various selected financial indicators..

In the present study an attempt is made to evaluate the performance of different banking groups viz. public, private and foreign bank group. In the above groups, various indicators have been taken which are related to deposits, advances, expenses, assets, returns, profit; investments etc. for the period 2020,2021and 2022

**Keywords:** banking performance, credit ratio, investment ratio

**Introduction:** The banking sector in India has undergone a metamorphic change over the past three decades and in particular with the introduction of first phase of reforms in 1992, both at micro and macro level. This was followed by the second phase of reforms in 1998 (committee on banking sector reforms, Narasimhan committee) where the main emphasis was on structural measures, improvement in disclosure standards and the level of transparency, in order to align Indian banking standards with the internationally recognized best practices. The main objectives of these reforms were to promote a diversified, efficient and competitive financial system both domestic as well as international.

In Indian context banking sector always has a significant role in building up the economy of the country and hence their performances are continuously monitored.

In the Indian context we have seen the unfolding of a slew of financial sector reform measures since the early 1990s.

Performance evaluation of management is the core activity of any organization, as one can draw conclusion regarding results of the study and can predict the future of any organization. Therefore, performance measurement is the means of deciding whether the organization is achieving goal or not.

In India, till the end of the eighties the banks were working in highly regulated and protective environment as depicted by administered interest rate, maintaining high cash reserve and directed credit. The banking sector reforms in India, initiated since 1992 was intended to impart enhanced efficiency, productivity and profitability into the system. Hence it is important to weigh the gains against losses incurred by the industry over a sufficiently long time horizon encompassing the period of reforms. In this present study focus will be on finding performance of commercial banks in India during covid-19 and post covid period.

The process of banking sector reforms heralded the beginning of implementing prudential norms consisting of capital adequacy ratio, asset classification and income recognition and provisioning and deregulation of the operational environment. The banking sector reforms involve twin strands of stricter prudential norms and deregulation of the operating environment. In the second phase of banking reforms which started with recommendation of committee on banking sector reforms 1998 (popularly known as Narsimham committee-II), the prudential norms for capital adequacy and income recognition, asset classification and provisioning were further tightened to bring these on par with international standards.

Subsequent to reforms there is a growing talk of profitability in place of equity. There appears to be a shift in emphasis from equity in banking service to profitability.

Since the early 1990's, the structure of the banking sector has significantly changed due to deregulations and liberalization accompanied by divestment of public banks and entry of new private banks and foreign banks. These development are expected to have important implications for operating performance and profitability in the banking system.

Therefore, from the point of view of both managerial and policy interest, it is extremely important to know the efficiency level of banking firms and their temporal behavior so as to understand how the banking industry has been reacting to the emerging challenges and which banks are performing better than others in this period of transition.

At present there is a vast network of banks operating in India which are heterogeneous in terms of their size, structure and performances. Though, performance improvement is widely recognized as a priority in business, practitioners have traditionally not had effective techniques to evaluate their organisations performance. Ratios are widely used in all sectors of business. The best known ratios are return on assets, return on investment for financial and production managers.

The emphasis during post liberalization era in India banking sector is focused on improving the transparency and to integrate best practices in banking sector. The various committees' including Dr. Narasimham committee and Verma committee emphasized need to maintain quality of assets as a prerequisite for a vibrant and strong banking sector. The increased presence of non-performing assets posed a strategic threat to the existence of banking sector. The question is whether asset quality and profitability of Indian scheduled commercial banks during global financial crises, the prudential measures that were taken after the financial liberalization enabled the bank to shun the impact of Global financial crises. For banking sector, this can be studied only by addressing the trends of movement of certain financial indicators that affect the asset quality and performance of banks.

**Research Design: -**

**SCOPE OF THE STUDY**

The present study is confined to the major scheduled commercial banks in India. The sample consists of eighty Six (86) banks eighteen(18) public sector banks (PSBs) twenty two (22) private sector banks (PVTBs) and forty six (46) foreign banks. The data relates to the year 2020,2021, 2022. The source of data is official website of Indian banking association bulletin ([www.iba.org.in](http://www.iba.org.in)) and Reserve Bank of India bulletin for relevant years.

The present study endeavors to make an performance appraisal of commercial banks . As study confined only to scheduled commercial banks. Scheduled commercial bank means those banks which are listed in the second schedule of Reserve Bank of India Act 1934. This study however excludes the regional Rural Banks. The Public Sector Bank represent State Bank of India and nationalized banks group.

However as far as domestic private sector banks and foreign banks are concerned all of them have not been included in the study.

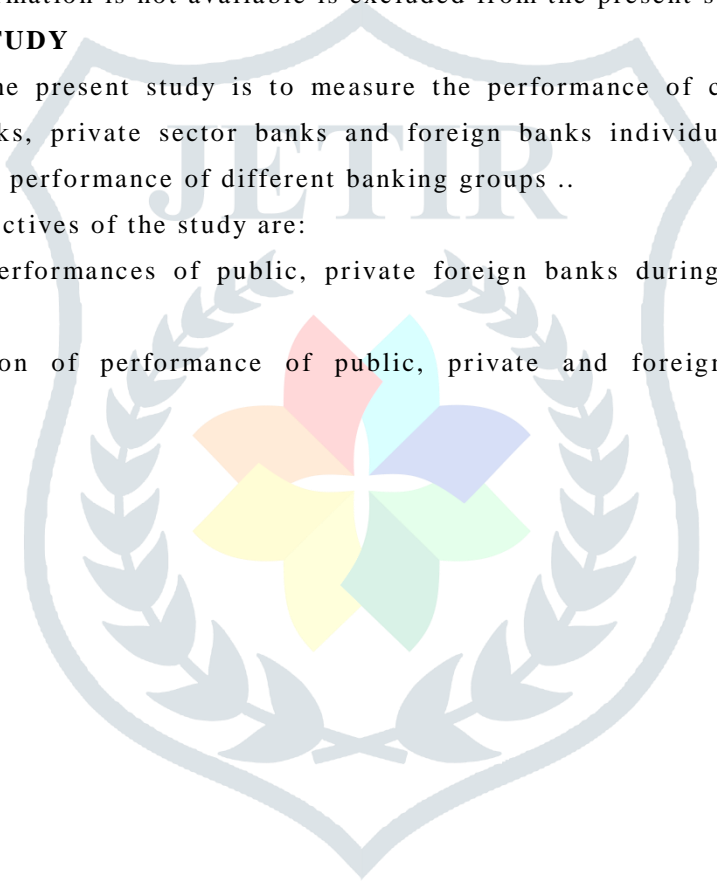
The reason for confining to these private and foreign banks is that all relevant information is available. The banks whose complete information is not available is excluded from the present study.

**OBJECTIVES OF THE STUDY**

The main objectives of the present study is to measure the performance of commercial banks in India namely, public sector banks, private sector banks and foreign banks individually and also to make an comparative analysis of the performance of different banking groups ..

To be precise the main objectives of the study are:

1. To evaluate the performances of public, private foreign banks during covid-19 and post covid period till 2022
2. To make comparison of performance of public, private and foreign banks on the basis of performance.



**RESEARCH METHODOLOGY**

A research design is a plan according to which observations are made and data is assembled. It provides the empirical and logical basis for drawing conclusions and gaining knowledge, etc.

Methodology used in the present study is mean, is applied to compare the performance of public, private and foreign banks.). The tools used are discussed in detail below:

**Mean**

The arithmetic mean of a series of items is obtained by adding the values of the items and dividing by the number of items. The equation for the mean is;

$$\bar{X} = \frac{\sum X}{N}$$

Where  $\sum X$  means the sum of all the scores and 'N' is the number of banks.

**LIMITATIONS OF THE STUDY**

Though every sincere effort has been made to make the Present study comprehensive and flawless, yet due to some unavoidable reasons, it is prone to various limitations which have been discussed as follows:

The study concentrates only on the analysis of quantitative financial data. The qualitative aspect of progress of banking like customer satisfaction, job satisfaction, regional disparities and moral of the bank employees and the general public etc. have not been taken into account.

**Data analysis and interpretation**

Public Sector Banks Table 1.1 as on 31<sup>st</sup> March.

| S. N.    | Banks                                  | Credit Deposit Ratio |              |              | MEAN |
|----------|----------------------------------------|----------------------|--------------|--------------|------|
|          |                                        | 2020                 | 2021         | 2022         |      |
| <b>I</b> | <b>NATIONALISED BANKS</b>              |                      |              |              |      |
| 1        | Allahabad Bank                         | 62.54                | -            | -            | 63   |
| 2        | Andhra Bank                            | 74.19                | -            | -            | 74   |
| 3        | Bank of Baroda                         | 72.95                | 73.04        | 74.30        | 73   |
| 4        | Bank of India                          | 66.40                | 58.31        | 67.02        | 64   |
| 5        | Bank of Maharashtra                    | 57.89                | 58.85        | 64.84        | 61   |
| 6        | Canara Bank                            | 69.11                | 63.22        | 64.76        | 66   |
| 7        | Central Bank of India                  | 48.16                | 47.45        | 49.07        | 48   |
| 8        | Corporation Bank                       | 62.04                | -            | -            | 62   |
| 9        | Indian Bank                            | 76.04                | 67.40        | 65.56        | 70   |
| 10       | Indian Overseas Bank                   | 54.42                | 53.15        | 55.02        | 54   |
| 11       | Oriental Bank of Commerce              | 68.65                | -            | -            | 69   |
| 12       | Punjab & Sind Bank                     | 65.14                | 63.41        | 62.30        | 64   |
| 13       | Punjab National Bank                   | 67.04                | 60.94        | 63.53        | 64   |
| 14       | Syndicate Bank                         | 65.56                | -            | -            | 66   |
| 15       | UCO Bank                               | 52.37                | 54.08        | 54.80        | 54   |
| 16       | Union Bank of India                    | 69.91                | 63.97        | 64.03        | 66   |
| 17       | United Bank of India                   | 49.07                | -            | -            | 49   |
|          | <b>TOTAL OF NATIONALISED BANKS [I]</b> | <b>66.01</b>         | <b>62.67</b> | <b>64.66</b> | 64   |
| II       | State Bank of India (SBI)              | 71.73                | 66.54        | 67.48        | 69   |

|                                            |              |              |              |           |
|--------------------------------------------|--------------|--------------|--------------|-----------|
| <b>TOTAL OF PUBLIC SECTOR BANKS [I+II]</b> | <b>68.06</b> | <b>64.11</b> | <b>65.72</b> | <b>66</b> |
|--------------------------------------------|--------------|--------------|--------------|-----------|

Private Sector Banks Table 1.2 as on 31<sup>st</sup> March.

| S.No       | Banks                              | Credit Deposit Ratio |              |              | MEAN         |
|------------|------------------------------------|----------------------|--------------|--------------|--------------|
|            |                                    | 2020                 | 2021         | 2022         |              |
| 1          | City Union Bank Ltd.               | 83.09                | 81.19        | 84.63        | 82.97        |
| 2          | Tamilnad Mercantile Bank Ltd.      | 75.26                | 75.83        | 74.54        | 75.21        |
| 3          | The Catholic Syrian Bank Ltd.      | 71.98                | 75.43        | 78.34        | 75.25        |
| 4          | Dhanlaxmi Bank Ltd                 | 59.58                | 57.96        | 65.65        | 61.06        |
| 5          | The Federal Bank Ltd.              | 80.29                | 76.39        | 79.76        | 78.81        |
| 6          | The Jammu & Kashmir Bank Ltd.      | 65.86                | 61.86        | 61.37        | 63.03        |
| 7          | The Karnataka Bank Ltd.            | 79.35                | 68.09        | 70.64        | 72.69        |
| 8          | The Karur Vysya Bank Ltd.          | 78.03                | 79.59        | 80.57        | 79.40        |
| 9          | The Lakshmi Vilas Bank Ltd.        | 64.49                | -            | -            | 64.49        |
| 10         | Nainital Bank Ltd.                 | 49.86                | 49.21        | 52.32        | 50.46        |
| 11         | RBL Bank                           | 100.36               | 80.17        | 75.97        | 85.50        |
| 12         | The South Indian Bank Ltd.         | 77.61                | 70.19        | 67.30        | 71.70        |
| <b>I</b>   | <b>TOTAL OF 12 PVT BANKS [I]</b>   | <b>77.73</b>         | <b>72.85</b> | <b>73.59</b> | <b>74.72</b> |
| <b>II</b>  | <b>NEW PRIVATE SECTOR BANKS</b>    |                      |              |              |              |
| 13         | Axis Bank Ltd.                     | 89.27                | 88.02        | 86.12        | 87.81        |
| 14         | DCB Bank Ltd.                      | 83.46                | 86.65        | 83.87        | 84.66        |
| 15         | HDFC Bank Ltd.                     | 86.60                | 84.85        | 87.79        | 86.41        |
| 16         | ICICI Bank Ltd.                    | 83.70                | 78.68        | 80.69        | 81.02        |
| 17         | Indusind Bank Ltd.                 | 102.35               | 82.98        | 81.40        | 88.91        |
| 18         | Kotak Mahindra Bank Ltd.           | 83.61                | 79.85        | 87.03        | 83.50        |
| 19         | YES Bank                           | 162.72               | 102.42       | 91.82        | 118.98       |
| 20         | Bandhan Bank                       | 116.73               | 104.67       | 97.55        | 106.32       |
| 21         | IDFC First Bank Ltd.               | 131.47               | 113.37       | 111.57       | 118.80       |
| 22         | IDBI Ltd.                          | 58.38                | 55.51        | 62.53        | 58.80        |
| <b>II</b>  | <b>TOTAL OF NEW PVT BANKS [II]</b> | <b>88.93</b>         | <b>83.58</b> | <b>85.07</b> | <b>85.86</b> |
| <b>III</b> | <b>TOTAL OF PVT BANKS [I+II]</b>   | <b>87.16</b>         | <b>82.01</b> | <b>83.50</b> | <b>84.23</b> |

Foreign Banks in India Table 1.3 as on 31<sup>st</sup> March.

| S. No. | Name of the Bank                     | Credit Deposit Ratio |        |        | MEAN   |
|--------|--------------------------------------|----------------------|--------|--------|--------|
|        |                                      | 2020                 | 2021   | 2022   |        |
| 1      | AB Bank Limited                      | 51.99                | 31.64  | 27.64  | 37.09  |
| 2      | Abu Dhabi Commercial Bank Limited    | 0.00                 | -      | -      | 0.00   |
| 3      | American Express Banking Corporation | 187.29               | 123.59 | 130.26 | 147.05 |

|    |                                                      |        |        |        |        |
|----|------------------------------------------------------|--------|--------|--------|--------|
| 4  | Australia & New Zealand Banking Group Ltd. (ANZ)     | 71.79  | 101.05 | 60.32  | 77.72  |
| 5  | Bank of America NA                                   | 59.51  | 50.10  | 55.92  | 55.18  |
| 6  | Bank of Bahrain and Kuwait B.S.C.                    | 59.82  | 61.02  | 80.95  | 67.27  |
| 7  | Bank of Ceylon                                       | 140.45 | 160.43 | 144.75 | 148.54 |
| 8  | Bank of China                                        | 24.39  | 42.42  | 76.57  | 47.79  |
| 9  | Bank of Nova Scotia                                  | 53.45  | 24.27  | 18.50  | 32.07  |
| 10 | Barclays Bank PLC                                    | 71.22  | 35.07  | 48.86  | 51.72  |
| 11 | BNP Paribas                                          | 70.21  | 58.10  | 46.42  | 58.25  |
| 12 | Citibank N.A.                                        | 42.13  | 41.31  | 39.35  | 40.93  |
| 13 | Cooperatieve Rabobank U.A.                           | 54.60  | 65.62  | 61.19  | 60.47  |
| 14 | Credit Agricole Corporate & Investment Bank          | 76.95  | 59.08  | 62.45  | 66.16  |
| 15 | Credit Suisse AG                                     | 43.33  | 24.17  | 33.41  | 33.64  |
| 16 | CTBC Bank Co. Ltd.                                   | 90.54  | 99.38  | 82.52  | 90.81  |
| 17 | DBS Bank Ltd.                                        | 53.66  | 71.79  | 89.63  | 71.69  |
| 18 | Deutsche Bank AG                                     | 85.24  | 79.18  | 72.14  | 78.86  |
| 19 | Doha Bank                                            | 74.00  | 58.05  | 78.48  | 70.18  |
| 20 | Emirates NBD Bank (PJSC),                            | 184.32 | 99.33  | 161.13 | 148.26 |
| 21 | First Abu Dhabi Bank                                 | 386.78 | 452.91 | 211.57 | 350.42 |
| 22 | FirstRand Bank Ltd.                                  | 131.85 | 19.16  | 0.00   | 50.34  |
| 23 | Hongkong and Shanghai Banking Corpn. Ltd. (HSBC)     | 61.34  | 43.37  | 44.13  | 49.61  |
| 24 | Industrial Bank of Korea                             | 99.00  | 76.94  | 75.99  | 83.98  |
| 25 | Industrial & Commercial Bank of China Limited (ICBC) | 18.78  | 9.96   | 16.50  | 15.08  |
| 26 | JPMorgan Chase Bank                                  | 51.73  | 37.78  | 35.07  | 41.53  |
| 27 | JSC VTB Bank                                         | 0.00   | 0.00   | 0.00   | 0.00   |
| 28 | KEB Hana Bank                                        | 79.19  | 105.24 | 127.65 | 104.03 |
| 29 | Kookmin Bank                                         | 47.55  | 31.94  | 50.22  | 43.24  |
| 30 | Krung Thai Bank Public Company Ltd.                  | 0.40   | 0.00   | 0.00   | 0.13   |
| 31 | Mashreqbank psc                                      | 196.30 | 309.28 | 186.76 | 230.78 |
| 32 | Mizuho Bank Ltd.                                     | 64.91  | 70.82  | 66.43  | 67.38  |
| 33 | MUFG Bank Ltd                                        | 67.68  | 70.34  | 65.12  | 67.71  |
| 34 | NatWest Markets PLC                                  | 0.00   | 0.00   | 0.00   | 0.00   |
| 35 | PT Bank Maybank Indonesia TBK                        | 212.96 | 137.82 | 208.81 | 186.53 |
| 36 | Qatar National Bank                                  | 99.90  | 127.10 | 74.05  | 100.35 |
| 37 | Sberbank                                             | 123.81 | 13.06  | 13.44  | 50.10  |
| 38 | SBM Bank (India) Ltd.                                | 69.19  | 75.67  | 64.03  | 69.63  |
| 39 | Shinhan Bank                                         | 96.37  | 65.58  | 67.34  | 76.43  |
| 40 | Societe Generale                                     | 57.35  | 57.23  | 80.03  | 64.87  |
| 41 | Sonali Bank Ltd.                                     | 24.28  | 22.94  | 24.94  | 24.05  |
| 42 | Standard Chartered Bank                              | 75.91  | 63.92  | 64.85  | 68.23  |
| 43 | Sumitomo Mitsui Banking Corporation (SMBC)           | 75.41  | 68.76  | 97.33  | 80.50  |
| 44 | United Overseas Bank Ltd.                            | 79.93  | 139.02 | 61.67  | 93.54  |



|    |                                        |              |              |              |              |
|----|----------------------------------------|--------------|--------------|--------------|--------------|
| 45 | Westpac Banking Corporation            | 0.00         | -            | -            | 0.00         |
| 46 | Woori Bank                             | 60.77        | 61.52        | 57.44        | 59.91        |
|    | <b>Total of Foreign Banks in India</b> | <b>62.56</b> | <b>54.21</b> | <b>55.06</b> | <b>57.27</b> |

### Credit-Deposit Ratio

It may be defined as total advances divided by the total deposits. It is the ratio of how much a bank lend out of the deposit it has mobilized. It indicates how much of a bank's core funds are being used for lending, the main banking activity. A higher ratio indicates more reliance on deposit for lending and vice-versa. The ratio gives the first indication of the health of the bank. A very high ratio is considered alarming because in addition to indicating pressure on resources, it may also hint at capital adequacy issue, forcing banks to raise more capital. Moreover, the balance sheet would also be unhealthy with asset –liability mismatch. Very low ratio indicates banks are not making full use of their resources. The regulator does not stipulate a minimum or maximum level for the ratio,

The table 1.1 reveals the position of credit deposit ratio of public sector bank. credit deposit ratio of all the selected banks are having the highest mean score are Andhra bank(74), Bank of Baroda(73), Indian Bank(70), SBI(69), Canara Bank, union Bank of India and syndicate Bank are having mean score of 66. Whereas central bank of India is having lowest mean score of 48 followed by united bank of India 49 UCO Bank and Indian Overseas Bank Mean score of 54 during the period of 2020-21-2022.

The table 1.2 reveals the position of credit deposit ratio of private sector bank credit deposit ratio of all the selected banks are having the highest mean score are Yes Bank Ltd 118.98, IDFC First Bank LTD 118.80, Bandhan Bank 106 Indusind Bank 88.91, Axis Bank 87.81, HDFC 86.4, RBL Bank 85.80 whereas Nainital Bank having lowest mean score of 50.46 followed by IDBI Ltd. 58.80, Dhan Laxmi Bank 61.06.

The table 1.3 reveals the position of credit deposit ratio of foreign bank credit deposit ratio of all the selected banks are having the highest mean score are of Abu Dhabi Bank (350.40) Mashreq Bank Psc 307.8, Emirates NBD Bank 148.26 and Krung Thai Bank having lowest mean score 0.13 followed by Industrial Commercial Bank Of China 15.08 and Sonali Bank Ltd 24.05.

## 2. Investment Deposit Ratio

Public Sector Banks Table 2.1 as on 31<sup>st</sup> March.

| S. N.    | Banks                     | Investment Deposit Ratio |       |       | MEAN |
|----------|---------------------------|--------------------------|-------|-------|------|
|          |                           | 2020                     | 2021  | 2022  |      |
| <b>I</b> | <b>NATIONALISED BANKS</b> |                          |       |       |      |
| 1        | Allahabad Bank            | 35.29                    | -     | -     | 35   |
| 2        | Andhra Bank               | 28.85                    | -     | -     | 29   |
| 3        | Bank of Baroda            | 29.03                    | 27.01 | 30.19 | 29   |
| 4        | Bank of India             | 28.55                    | 29.86 | 27.78 | 29   |
| 5        | Bank of Maharashtra       | 38.48                    | 39.14 | 33.91 | 37   |
| 6        | Canara Bank               | 28.18                    | 25.89 | 25.96 | 27   |
| 7        | Central Bank of India     | 45.42                    | 45.03 | 41.08 | 44   |
| 8        | Corporation Bank          | 32.35                    | -     | -     | 32   |
| 9        | Indian Bank               | 31.22                    | 32.81 | 29.41 | 31   |
| 10       | Indian Overseas Bank      | 35.62                    | 39.74 | 37.45 | 38   |

|    |                                            |              |              |              |    |
|----|--------------------------------------------|--------------|--------------|--------------|----|
| 11 | Oriental Bank of Commerce                  | 31.67        | -            | -            | 32 |
| 12 | Punjab & Sind Bank                         | 27.38        | 33.32        | 41.40        | 34 |
| 13 | Punjab National Bank                       | 34.16        | 35.52        | 32.47        | 34 |
| 14 | Syndicate Bank                             | 26.65        | -            | -            | 27 |
| 15 | UCO Bank                                   | 47.10        | 45.54        | 43.23        | 45 |
| 16 | Union Bank of India                        | 33.82        | 35.89        | 33.76        | 34 |
| 17 | United Bank of India                       | 42.61        | -            | -            | 43 |
|    | <b>TOTAL OF NATIONALISED BANKS [I]</b>     | <b>32.61</b> | <b>32.95</b> | <b>31.72</b> | 32 |
| II | State Bank of India (SBI)                  | 32.30        | 36.72        | 36.57        | 35 |
|    | <b>TOTAL OF PUBLIC SECTOR BANKS [I+II]</b> | <b>32.50</b> | <b>34.35</b> | <b>33.55</b> | 33 |

Private Sector Banks Table 2.2 as on 31<sup>st</sup> March.

| S.No      | Banks                            | Investment Deposit Ratio |              |              | MEAN  |
|-----------|----------------------------------|--------------------------|--------------|--------------|-------|
|           |                                  | 2020                     | 2021         | 2022         |       |
| 1         | City Union Bank Ltd.             | 22.33                    | 21.19        | 25.63        | 23.05 |
| 2         | Tamilnad Mercantile Bank Ltd.    | 25.71                    | 28.57        | 29.01        | 27.76 |
| 3         | The Catholic Syrian Bank Ltd.    | 33.94                    | 32.01        | 34.73        | 33.56 |
| 4         | Dhanlaxmi Bank Ltd               | 33.77                    | 37.90        | 32.61        | 34.76 |
| 5         | The Federal Bank Ltd.            | 23.57                    | 21.54        | 21.56        | 22.22 |
| 6         | The Jammu & Kashmir Bank Ltd.    | 23.57                    | 28.52        | 29.50        | 27.20 |
| 7         | The Karnataka Bank Ltd.          | 24.44                    | 28.60        | 27.42        | 26.82 |
| 8         | The Karur Vysya Bank Ltd.        | 26.68                    | 25.31        | 25.07        | 25.69 |
| 9         | The Lakshmi Vilas Bank Ltd.      | 25.11                    | -            | -            | 25.11 |
| 10        | Nainital Bank Ltd.               | 21.83                    | 31.28        | 30.60        | 27.91 |
| 11        | RBL Bank                         | 31.39                    | 31.77        | 28.19        | 30.45 |
| 12        | The South Indian Bank Ltd.       | 24.84                    | 24.57        | 24.06        | 24.49 |
| <b>I</b>  | <b>TOTAL OF 12 PVT BANKS [I]</b> | <b>25.29</b>             | <b>26.20</b> | <b>26.07</b> | 25.86 |
| <b>II</b> | <b>NEW PRIVATE SECTOR BANKS</b>  |                          |              |              |       |
| 13        | Axis Bank Ltd.                   | 24.49                    | 32.40        | 33.54        | 30.14 |
| 14        | DCB Bank Ltd.                    | 25.49                    | 28.33        | 26.23        | 26.68 |
| 15        | HDFC Bank Ltd.                   | 34.15                    | 33.24        | 29.22        | 32.20 |
| 16        | ICICI Bank Ltd.                  | 32.37                    | 30.16        | 29.14        | 30.56 |
| 17        | Indusind Bank Ltd.               | 29.69                    | 27.20        | 24.17        | 27.02 |
| 18        | Kotak Mahindra Bank Ltd.         | 28.56                    | 37.52        | 32.27        | 32.78 |
| 19        | YES Bank                         | 41.68                    | 26.58        | 26.32        | 31.53 |
| 20        | Bandhan Bank                     | 26.89                    | 32.26        | 30.19        | 29.78 |
| 21        | IDFC First Bank Ltd.             | 69.74                    | 51.20        | 43.68        | 54.87 |
| 22        | IDBI Ltd.                        | 36.77                    | 35.10        | 35.60        | 35.82 |



|            |                                    |              |              |              |              |
|------------|------------------------------------|--------------|--------------|--------------|--------------|
| <b>II</b>  | <b>TOTAL OF NEW PVT BANKS [II]</b> | <b>32.17</b> | <b>32.48</b> | <b>30.36</b> | <b>31.67</b> |
| <b>III</b> | <b>TOTAL OF PVT BANKS [I+II]</b>   | <b>31.09</b> | <b>31.57</b> | <b>29.77</b> | <b>30.81</b> |

Foreign Banks Table 2.3 as on 31<sup>st</sup> March.

| S. No. | Name of the Bank                                     | Investment Deposit Ratio |          |          | MEAN     |
|--------|------------------------------------------------------|--------------------------|----------|----------|----------|
|        |                                                      | 2020                     | 2021     | 2022     |          |
| 1      | AB Bank Limited                                      | 37.40                    | 20.86    | 25.32    | 27.86    |
| 2      | Abu Dhabi Commercial Bank Limited                    | 0.00                     | -        | -        | 0.00     |
| 3      | American Express Banking Corporation                 | 156.93                   | 128.44   | 109.91   | 131.76   |
| 4      | Australia & New Zealand Banking Group Ltd. (ANZ)     | 78.31                    | 164.21   | 107.19   | 116.57   |
| 5      | Bank of America NA                                   | 64.73                    | 53.50    | 45.28    | 54.50    |
| 6      | Bank of Bahrain and Kuwait B.S.C.                    | 28.20                    | 28.17    | 29.85    | 28.74    |
| 7      | Bank of Ceylon                                       | 22.70                    | 22.93    | 22.45    | 22.69    |
| 8      | Bank of China                                        | 0.00                     | 159.84   | 306.14   | 155.33   |
| 9      | Bank of Nova Scotia                                  | 99.11                    | 111.69   | 109.84   | 106.88   |
| 10     | Barclays Bank PLC                                    | 59.73                    | 89.54    | 142.82   | 97.37    |
| 11     | BNP Paribas                                          | 64.09                    | 86.59    | 81.38    | 77.36    |
| 12     | Citibank N.A.                                        | 64.28                    | 55.39    | 53.34    | 57.67    |
| 13     | Cooperatieve Rabobank U.A.                           | 37.81                    | 39.24    | 31.29    | 36.11    |
| 14     | Credit Agricole Corporate & Investment Bank          | 53.45                    | 57.50    | 64.84    | 58.59    |
| 15     | Credit Suisse AG                                     | 266.08                   | 254.83   | 566.66   | 362.52   |
| 16     | CTBC Bank Co. Ltd.                                   | 37.40                    | 40.57    | 35.55    | 37.84    |
| 17     | DBS Bank Ltd.                                        | 65.71                    | 40.72    | 44.03    | 50.15    |
| 18     | Deutsche Bank AG                                     | 55.38                    | 78.17    | 72.35    | 68.63    |
| 19     | Doha Bank                                            | 19.64                    | 24.03    | 28.49    | 24.05    |
| 20     | Emirates NBD Bank (PJSC),                            | 125.19                   | 61.14    | 81.97    | 89.43    |
| 21     | First Abu Dhabi Bank                                 | 967.87                   | 1,315.17 | 941.78   | 1,074.94 |
| 22     | FirstRand Bank Ltd.                                  | 379.21                   | 321.44   | 0.00     | 233.55   |
| 23     | Hongkong and Shanghai Banking Corpn. Ltd. (HSBC)     | 57.37                    | 50.52    | 51.44    | 53.11    |
| 24     | Industrial Bank of Korea                             | 18.01                    | 15.85    | 13.26    | 15.71    |
| 25     | Industrial & Commercial Bank of China Limited (ICBC) | 126.89                   | 112.26   | 126.46   | 121.87   |
| 26     | JPMorgan Chase Bank                                  | 121.40                   | 88.91    | 92.83    | 101.05   |
| 27     | JSC VTB Bank                                         | 0.00                     | 0.00     | 0.00     | 0.00     |
| 28     | KEB Hana Bank                                        | 10.59                    | 13.13    | 17.73    | 13.82    |
| 29     | Kookmin Bank                                         | 19.47                    | 59.29    | 58.79    | 45.85    |
| 30     | Krung Thai Bank Public Company Ltd.                  | 90.38                    | 67.18    | 3,563.14 | 1,240.23 |
| 31     | Mashreqbank psc                                      | 133.21                   | 101.27   | 185.72   | 140.07   |
| 32     | Mizuho Bank Ltd.                                     | 35.99                    | 39.47    | 42.45    | 39.31    |
| 33     | MUFG Bank Ltd                                        | 61.07                    | 60.87    | 54.82    | 58.92    |
| 34     | NatWest Markets PLC                                  | 0.00                     | 0.00     | 0.00     | 0.00     |

|    |                                            |              |              |              |              |
|----|--------------------------------------------|--------------|--------------|--------------|--------------|
| 35 | PT Bank Maybank Indonesia TBK              | 243.60       | 196.26       | 209.17       | 216.34       |
| 36 | Qatar National Bank                        | 28.98        | 52.42        | 29.72        | 37.04        |
| 37 | Sberbank                                   | 412.84       | 190.00       | 464.66       | 355.83       |
| 38 | SBM Bank (India) Ltd.                      | 31.03        | 31.81        | 32.77        | 31.87        |
| 39 | Shinhan Bank                               | 34.08        | 28.50        | 29.83        | 30.80        |
| 40 | Societe Generale                           | 111.53       | 135.64       | 185.14       | 144.10       |
| 41 | Sonali Bank Ltd.                           | 12.04        | 11.13        | 12.88        | 12.02        |
| 42 | Standard Chartered Bank                    | 48.31        | 51.48        | 38.79        | 46.20        |
| 43 | Sumitomo Mitsui Banking Corporation (SMBC) | 47.83        | 33.73        | 27.52        | 36.36        |
| 44 | United Overseas Bank Ltd.                  | 41.24        | 202.02       | 74.63        | 105.96       |
| 45 | Westpac Banking Corporation                | 0.00         | -            | -            | 0.00         |
| 46 | Woori Bank                                 | 34.31        | 54.57        | 49.16        | 46.01        |
|    | <b>Total of Foreign Banks in India</b>     | <b>63.03</b> | <b>60.51</b> | <b>59.73</b> | <b>61.09</b> |

### Investment-Deposit Ratio

Investment in investment deposit ratio represents total investment including investment in non-approved securities. It is having the advantage of combining the both the elements of profitability and liquidity. Whenever it is required they can be easily disposed of and act as protective line for commercial banks to face the risk of liquidity. The commercial banks funds mainly consist of deposits; volume of investment is measured through the investment-deposit ratio. A high ratio will be the indication of having more liquidity position in the banks. Majority of banks investments are in SLR investments. Thus investments are a good source of profitable utilization of commercial banks funds. The ratio is calculated by the formulae total investment divided by the total deposits.

Table 2.1 reveals investment deposit ratio of public sector banks UCO Bank is highest having mean score of 45 and Central Bank of India having mean score of 44 whereas Canara Bank Syndicate Bank having lowest mean score (27) followed by Andhra bank, Bank of Baroda, Bank of India having mean score 29.

Table 2.2 reveals investment deposit ratio of private sector banks IDFC First Bank Ltd having the highest mean score 54.87. IDBI Ltd. Is having next highest mean score amongst private sector banks (35.82) rest of the private sector banks are having mean range between 23 to 33 of mean score.

Table 2.3 reveals investment deposit ratio of foreign Banks. The Krung Thai Bank Public Company Ltd having highest mean score of 1240.23, First Abu Dhabi Bank having mean score 1074.94 and Credit Suisse AG having mean score of 362.52. Sonali bank Ltd having mean score 12.2 and KEB Hana Bank (13.82) has the minimum mean score.

Overall comparison amongst 3 bank groups some foreign banks are having high liquidity as holding high investment ratio in comparison to the other bank groups. Amongst the public and private sector banks majority public sector banks are having high mean score in terms of investment deposit ratio as per

The data as on 31<sup>st</sup> March 2020-21-2022.

### Conclusion

In the present study the performance of 86 commercial banks is evaluated on the basis of various financial indicators used that is liquidity. To study the liquidity position of banks, Two liquidity ratio viz; credit–deposit ratio and investment–deposit ratio have been used. An analyses indicated that: In case of credit deposit ratio Abu Dhabi Bank, Mashreq Bank Emirates NBD Bank, Bank of Ceylon And American

Express Banking performing excellently amongst the foreign Bank whereas Sonali Bank Ltd, Krung Thai Bank has has least credit deposit ratio.

In the case of private sector bank and public sector banks majority private sector banks are having excellent performance in comparison to public sector banks in terms of credit deposit ratio. Investment deposit ratio reveals majority foreign banks followed by public sector banks are having higher mean score in investment deposit in comparison to the private sector banks.

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