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Comparative Analysis

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Introduction:

Last Few weeks was very eventful for the banking industry. Most of the Banks have performed well in the financial results for the year ending 2022-23. Ri projection of Reserve Bank of India for a good credit growth and improvement in CD Ratio.

Profitability of the banks has improved on account of rising lending rates and slower growth in repricing of deposits rates. This increase in rate has also supported the profitability of the banks and expanded their Net Interest margin.

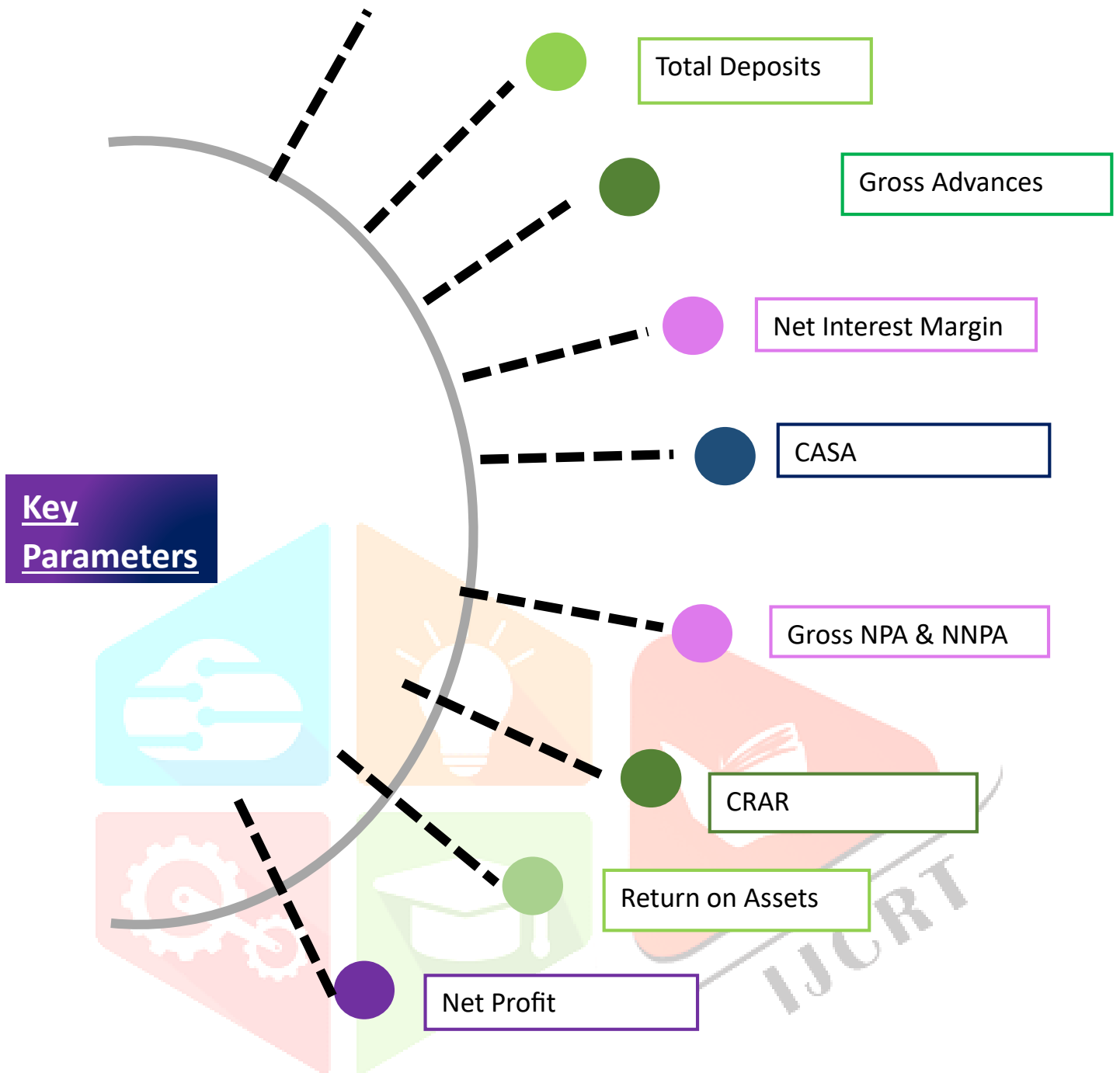
In this report we have analysed the income and expenditure performance of the 16 scheduled commercial banks which includes 12 public sector banks and 4 private banks (including IDBI).

Data Collection

For compilation of the report, data has been collected from the financial results of all the banks for year ending March 2023. Reports of Reserve Bank of India is also pursued to understand the overall credit and deposit growth in banking industry.

We have included following banks under our analysis:

State Bank of India	Indian Bank	Punjab and Sindh Bank
Punjab National Bank	Central Bank of India	HDFC
Bank of Baroda	Indian Overseas Bank	AXIS
Canara Bank	IDBI	ICICI Bank
Union Bank of India	UCO Bank	
Bank of India	Bank of Maharashtra	



Total Business

Subsiding the effect of Pandemic, Banks operated in financial year in full throttle which was reflected in the business figures of Bank. Total business of banks grown from ₹ 251.66 Lakh Crore to 279.92 Lakh Crore for FY during the Financial Year 2022-23

Rs in Crore

Total Business			
Bank/Year	2021	2022	2023
State Bank of India	6,220,670	6,870,205	7,693,020
Punjab National Bank	1,845,739	1,931,322	2,165,844
Canara Bank	1,686,030	1,827,556	2,042,001
Bank of Baroda	1,718,587	1,864,059	2,173,236
Union Bank of India	1,577,489	1,748,801	1,927,621
BOI	1,037,550	1,084,910	1,185,438
Indian Bank	928,388	1,009,243	1,094,752
Central Bank of India	506,886	532,404	577,075
Indian Overseas Bank	379,884	417,960	449,892
IDBI	392,799	402,341	427,541
UCO Bank	324,324	353,850	410,967
Bank of Maharashtra	281,660	337,534	409,203
Punjab and Sindh Bank	163,919	172,524	190,647
HDFC	2,467,897	3,159,803	3,252,216
AXIS	1,331,026	1,529,417	1,792,248
ICICI	1,666,251	1,923,592	2,200,480

We can see from the above table that State Bank of India is having total business of ₹ 76.93 Lakh Crore among the selected Scheduled commercial banks. HDFC Bank is having Total business of ₹ 32.52 Lakh Crore followed by ICICI Bank of ₹ 22.00 Lakh Crore among the selected private banks for the Financial year 2022-23.

Growth in Total Business

Banks has registered the good growth in their business. 16 Banks under consideration has grown at an average rate of 11.23% during the financial year 2022-23. Below we have displayed the growth rate of 16 Scheduled commercial banks.

Growth in Total Business			
Bank/Year	2021	2022	2023
State Bank of India	NA	10.44%	11.98%
Punjab National Bank	NA	4.64%	12.14%
Canara Bank	NA	8.39%	11.73%
Bank of Baroda	NA	8.46%	16.59%
Union Bank of India	NA	10.86%	10.23%
BOI	NA	4.56%	9.27%
Indian Bank	NA	8.71%	8.47%
Central Bank of India	NA	5.03%	8.39%
Indian Overseas Bank	NA	10.02%	7.64%
IDBI	NA	2.43%	6.26%
UCO Bank	NA	9.10%	16.14%
Bank of Maharashtra	NA	19.84%	21.23%
Punjab and Sindh Bank	NA	5.25%	10.50%
HDFC	NA	28.04%	2.92%
AXIS	NA	14.91%	17.19%
ICICI	NA	15.44%	14.39%

Banks have registered growth in Total Business more than last financial year. Among the public sector banks, Bank of Maharashtra has registered growth of 21.23%, Axis Bank has grown at 17.19% which is highest among the private banks. Among the selected banks, All banks have grown at steady rate except 5 banks (Viz Union Bank of India, Indian Bank, Indian Overseas Bank, HDFC Bank and ICICI Bank have grown at lesser rate than last year.

Total Deposits

Deposits are necessary for the growth of the banks. As per RBI report for the FY 2022-23, deposits of scheduled commercial banks stood at ₹ 180.4 Lakh Crore for the fortnight ended 24March2023, registering a growth of 9.6% YoY. Below we have compiled the Deposit figures of 16 Banks which includes 12 public sector Banks and 4 Private Banks. ₹ in Crore

Total Deposits			
Bank/Year	2021	2022	2023
State Bank of India	3,681,277	4,051,534	4,423,778
Punjab National Bank	1,106,332	1,146,218	1,281,163
Canara Bank	1,010,875	1,086,409	1,179,219
Bank of Baroda	966,997	1,045,939	1,203,688
Union Bank of India	923,805	1,032,393	1,117,716
BOI	627,114	627,896	669,586
Indian Bank	538,071	593,618	621,166
Central Bank of India	329,973	342,692	359,296
Indian Overseas Bank	240,288	262,159	260,883
IDBI	230,898	233,134	255,499
UCO Bank	205,919	224,073	249,338
Bank of Maharashtra	174,006	202,294	234,083
Punjab and Sindh Bank	96,108	102,137	109,665
HDFC	1,335,060	1,559,217	1,883,395
AXIS	707,306	821,721	946,945
ICICI	932,522	1,064,572	1,180,841

Punjab National Bank is having deposits worth ₹ 12.81 Lakh Crore, after the State Bank of India. SBI is the topmost depositor in the country with aggregate deposits worth ₹ 44.23 Lakh Crore, among the private sector banks HDFC is having total deposits worth ₹ 18.83 Lakh Crore followed by the 11.80 Lakh crore.

Growth in Total Deposits

Deposits of grown at 9.6% YoY for FY ended 2022-23. We have shown the Total Deposit growth rate of 16 scheduled commercial banks.

Growth in Total Deposits			
Bank/Year	2021	2022	2023
State Bank of India	13.56%	10.06%	9.19%
Punjab National Bank	7.47%	3.61%	11.77%
Canara Bank	11.50%	7.47%	8.54%
Bank of Baroda	2.22%	8.16%	15.08%
Union Bank of India	6.35%	11.75%	8.26%
BOI	12.89%	0.12%	6.64%
Indian Bank	10.10%	10.32%	4.64%
Central Bank of India	5.17%	3.85%	4.85%
Indian Overseas Bank	7.78%	9.10%	-0.49%
IDBI	3.81%	0.97%	9.59%
UCO Bank	6.58%	8.82%	11.28%
Bank of Maharashtra	15.95%	16.26%	15.71%
Punjab and Sindh Bank	7.18%	6.27%	7.37%
HDFC	16.30%	16.80%	20.80%
AXIS	10.00%	18.00%	15.00%
ICICI	21.00%	14.20%	10.90%

During the Financial Year 2022-23, All banks except Indian Overseas Bank has registered growth in their Total Deposit portfolio, State Bank of India has grown at 9.19% lesser than the growth rate registered last financial year. Among the Private sector banks AXIS Bank has grown at 15.00% after the HDFC bank. HDFC bank's total deposit has grown at 20.80%.

Gross Advances

As per the Reserve Bank of India report Credit outstanding stood at ₹136.8 Lakh Crore as on 24 March 2023. We have collated the data Gross Advances figures of the 16 banks at the end of financial year 2022-23.

₹ in

Crore

Gross Advances			
Bank/Year	2021	2022	2023
State Bank of India	2539393	2818671	3269242
Punjab National Bank	739407	785104	884681
Canara Bank	675155	741147	862782
Bank of Baroda	751590	818120	969548
Union Bank of India	653684	716408	809905
BOI	410436	457014	515852
Indian Bank	390317	415625	473586
Central Bank of India	176913	189712	217779
Indian Overseas Bank	139596	155801	189009
IDBI	161901	169207	172042
UCO Bank	118405	129777	161629
Bank of Maharashtra	107654	135240	175120
Punjab and Sindh Bank	67811	70,387	80982
HDFC	1132837	1600586	1368821
AXIS	623720	707696	845303
ICICI	733729	859020	1019639

Assets of all the banks has swelled at good rate during the financial year 2022-23. Out of the selected banks State Bank of India is having Gross Assets of ₹ 32.69 Lakh Crore. Bank of Baroda is having Gross Advances of ₹ 9.69 Lakh Crore after SBI among the public sector banks. HDFC Bank is having Gross Advance worth ₹ 13.68 Lakh Crore.

Growth in Gross Advances

Credit outstanding of the Scheduled commercial banks has grown by 15.00 % YoY. Growth in Gross Advances are primarily driven by Housing Loan and Personal Loan as per the fortnight report of Reserve Bank of India.

Growth in Gross Advances			
Bank/Year	2021 (YoY)	2022 (YoY)	2023 (YoY)
State Bank of India	4.81%	11.00%	15.99%
Punjab National Bank	-3.06%	6.18%	12.68%
Canara Bank	3.68%	9.77%	16.41%
Bank of Baroda	1.83%	8.85%	18.51%
Union Bank of India	0.40%	9.60%	13.05%
BOI	-1.46%	11.35%	12.87%
Indian Bank	5.87%	6.48%	13.95%
Central Bank of India	2.71%	7.23%	14.79%
Indian Overseas Bank	3.58%	11.61%	21.31%
IDBI	-5.70%	4.51%	1.68%
UCO Bank	3.00%	9.60%	24.54%
Bank of Maharashtra	13.45%	25.62%	29.49%
Punjab and Sindh Bank	8.39%	3.80%	15.05%
HDFC	14.00%	20.80%	16.90%
AXIS	9.00%	15.00%	19.00%
ICICI	13.70%	17.10%	18.70%

During the Financial Year 2022-23, All banks have grown at higher rate in their Gross Advance portfolio then last financial year except IDBI, which has grown at diminished rate of 1.68%. Gross Advances of Bank of Maharashtra has grown at 29.49 % which is highest among the public sector banks. Gross Advance of the AXIS Bank has grown at 19.00% highest among selected private banks.

Net Interest Margin

During the financial year 2022-23, banks enjoyed the faster repricing of lending rate of loans and advances in comparison to the repricing of Deposits. Net Interest margin of most of the banks expanded supported by slower hike in deposit rates than Loans and advances. This has also supported the profitability of the banks.

Net Interest Margin			
Bank/Year	2021	2022	2023
State Bank of India	3.04%	3.12%	3.37%
Punjab National Bank	2.88%	2.71%	3.06%
Canara Bank	2.75%	2.82%	2.95%
Bank of Baroda	2.71%	3.03%	3.42%
Union Bank of India	2.71%	2.94%	3.07%
BOI	2.48%	2.36%	3.01%
Indian Bank	2.85%	2.91%	3.41%
Central Bank of India	2.78%	3.28%	3.64%
Indian Overseas Bank	2.64%	2.41%	2.93%
IDBI	3.38%	3.73%	4.52%
UCO Bank	2.73%	2.87%	2.87%
Bank of Maharashtra	2.84%	3.17%	3.56%
Punjab and Sindh Bank	1.70%	2.80%	2.91%
HDFC	4.20%	4.20%	4.30%
AXIS	3.53%	3.49%	4.02%
ICICI	3.69%	3.96%	4.48%

Indian Bank is having NIM of 3.64% which is highest among the public sector banks, followed by the Bank of Maharashtra having NIM of 3.56%. ICICI Bank followed by the HDFC bank are having NIM of 4.48% and 4.30% respectively, which highest among the selected private sector banks.

CASA share of Banks

Most importance factor for a bank to grow is availability of CASA deposits, as it bears the lowest cost of funds for a bank. Share of CASA deposits have been reduced for most of the Public Sector Banks due to rise in Term deposit rates.

CASA			
Bank/Year	2021	2022	2023
State Bank of India	44.74%	43.81%	42.11%
Punjab National Bank	44.54%	46.56%	41.99%
Canara Bank	32.71%	33.94%	33.48%
Bank of Baroda	42.87%	44.24%	42.25%
Union Bank of India	36.33%	36.54%	35.26%
BOI	41.27%	45.02%	44.73%
Indian Bank	42.30%	41.77%	41.99%
Central Bank of India	49.07%	50.33%	50.18%
Indian Overseas Bank	41.86%	42.72%	42.97%
IDBI	50.45%	56.77%	53.02%
UCO Bank	39.66%	40.26%	37.82%
Bank of Maharashtra	53.99%	57.85%	53.38%
Punjab and Sindh Bank	32.81%	33.81%	33.59%
HDFC	46.10%	48.20%	44.40%
AXIS	40.90%	42.90%	43.60%
ICICI	42.50%	45.20%	45.80%

During the FY 2022-23, CASA share of all the bank has reduced in comparison to last FY. Bank of Maharashtra is having the highest CASA share of 53.38% followed by Bank of India having CASA share of 44.73% among the public sector banks. ICICI Bank is having CASA Share of 45.80% among the Selected Private sector banks.

Gross NPA

Banks were able to reduce the Gross NPA considerably during the Financial Year. All the Scheduled Commercial bank were able to reduce their Gross NPA substantially from year 2021.

Gross NPA			
Bank/Year	2021	2022	2023
State Bank of India	4.98%	3.97%	2.78%
Punjab National Bank	14.12%	11.78%	8.74%
Canara Bank	8.93%	7.51%	5.35%
Bank of Baroda	8.87%	6.61%	3.79%
Union Bank of India	13.74%	11.11%	7.53%
BOI	13.77%	9.98%	7.31%
Indian Bank	9.85%	8.47%	5.95%
Central Bank of India	16.55%	14.84%	8.44%
Indian Overseas Bank	11.69%	9.82%	7.44%
IDBI	22.37%	19.14%	6.38%
UCO Bank	9.59%	7.89%	4.78%
Bank of Maharashtra	7.23%	3.94%	2.47%
Punjab and Sindh Bank	17.76%	12.17%	6.97%
HDFC	1.32%	1.17%	1.12%
AXIS	3.70%	2.82%	2.02%
ICICI	4.96%	3.60%	2.81%

Bank of Maharashtra is having the lowest Gross NPA of 2.47% followed by State Bank of India having GNPA of 2.78% among the public sector banks. HDFC Bank is having GNPA of 1.12% among the selected private sector banks.

Net NPA

Below is the figures of Net NPA of 16 Scheduled commercial banks which includes 12 public sector banks and 4 Private banks.

Net NPA			
Bank/Year	2021	2022	2023
State Bank of India	1.02%	1.02%	0.67%
Punjab National Bank	4.80%	4.80%	2.72%
Canara Bank	2.65%	2.65%	1.73%
Bank of Baroda	1.72%	1.72%	0.89%
Union Bank of India	3.68%	3.68%	1.70%
BOI	2.34%	2.34%	1.66%
Indian Bank	2.27%	2.27%	0.90%
Central Bank of India	3.97%	3.97%	1.77%
Indian Overseas Bank	2.65%	2.65%	1.83%
IDBI	1.27%	1.27%	0.92%
UCO Bank	2.70%	2.70%	1.29%
Bank of Maharashtra	0.97%	0.97%	0.25%
Punjab and Sindh Bank	2.74%	2.74%	1.84%
HDFC	0.40%	0.32%	0.27%
AXIS	1.05%	0.73%	0.39%
ICICI	1.14%	0.76%	0.48%

Bank of Maharashtra is having the lowest Gross NPA of 0.25% followed by State Bank of India having GNPA of 0.67% among the public sector banks. HDFC Bank is having NNPA of 0.27% among the selected private sector banks.

Capital to Risk weighted Asset Ratio

Selected banks were able to accredit fresh capital through issuance of Fresh Tier 1 and Tier 2 bonds. Among the selected banks 12 banks increased their CRAR and marginal decrease in CRAR of 4 banks has been observed.

Capital to Risk weighted Asset Ratio			
Bank/Year	2021	2022	2023
State Bank of India	13.74%	13.83%	14.68%
Punjab National Bank	14.32%	14.50%	15.50%
Canara Bank	13.18%	14.90%	16.68%
Bank of Baroda	14.99%	15.98%	16.24%
Union Bank of India	12.56%	14.52%	16.04%
BOI	14.93%	16.51%	16.28%
Indian Bank	15.71%	16.53%	16.49%
Central Bank of India	14.81%	13.84%	14.12%
Indian Overseas Bank	15.32%	13.83%	16.10%
IDBI	15.59%	19.06%	20.44%
UCO Bank	13.74%	13.74%	16.51%
Bank of Maharashtra	14.49%	16.85%	18.14%
Punjab and Sindh Bank	17.06%	18.54%	17.10%
HDFC	18.80%	18.90%	19.30%
AXIS	19.12%	18.54%	17.64%
ICICI	18.87%	19.16%	18.34%

During the FY 2022-23 most of the banks has improved their capital position in comparison to last FY. Bank of Maharashtra is having CRAR of 18.14% among the public sector banks. HDFC Bank is having CRAR of 19.30% among the selected private sector banks.

Return on Assets (RoA)

Return on Assets is a metric to gauge the efficiency at which bank utilizes its assets to generate profits. RoA highest is reported by ICICI Bank at 2.16% and among the public sector banks Bank of Maharashtra has reported RoA of 1.10%.

Return on Assets (RoA)			
Bank/Year	2021	2022	2023
State Bank of India	0.58%	0.67%	0.96%
Punjab National Bank	0.15%	0.26%	0.18%
Canara Bank	0.23%	0.48%	0.81%
Bank of Baroda	0.07%	0.60%	1.03%
Union Bank of India	0.27%	0.47%	0.69%
BOI	0.28%	0.43%	0.49%
Indian Bank	0.50%	0.63%	0.77%
Central Bank of India	-0.26%	0.30%	0.44%
Indian Overseas Bank	0.31%	0.59%	0.68%
IDBI	0.46%	0.84%	1.20%
UCO Bank	0.06%	0.34%	0.62%
Bank of Maharashtra	0.28%	0.55%	1.10%
Punjab and Sindh Bank	-2.55%	0.85%	0.96%
HDFC	1.97%	2.03%	2.07%
AXIS	0.70%	1.21%	1.82%
ICICI	1.42%	1.84%	2.16%

All Banks have registered the growth in RoA except Punjab National Bank in comparison to last financial year. Bank of Maharashtra has RoA of 1.10% which is highest among the public sector banks and HDFC is having RoA of 2.16% which is highest among the selected private banks.

Net Profit

After hardship faced during the last few years. Banks were able to register the growth in their profits. Out of the 16 banks 13 has registered growth in their profits in comparison to their profits for the last financial year. All the Public sector banks put together has accredited profit of ₹ 1,04,649 Crore during the Financial year 2022-23. ₹ in Crore

Net Profit			
Bank/Year	2021	2022	2023
State Bank of India	20,410	31,676	50,232
Punjab National Bank	2,022	3,458	2,507
Canara Bank	2,558	5,678	10,604
Bank of Baroda	829	7,272	14,110
Union Bank of India	2,906	5,232	8,433
BOI	2,160	3,405	4,023
Indian Bank	3,005	3,945	5,282
Central Bank of India	-888	1,045	1,582
Indian Overseas Bank	832	1,710	2,099
IDBI	1,359	2,439	3,645
UCO Bank	167	930	1,862
Bank of Maharashtra	550	1,152	2,602
Punjab and Sindh Bank	-2,733	1,039	1,313
HDFC	8187	10,055	12,048
AXIS	6588	13,025	9,580
ICICI	16193	23,339	34,037

State Bank of India has grossed Net profit of ₹50,232 crore for FY 2022-23, highest profit reported by any bank in India, followed by Bank of Baroda earned Net Profit of ₹14,110 crore among the public sector banks. ICICI bank has reported Net Profit of ₹34,037 Crore, highest among the selected private banks.

Conclusion

Banks have performed good during the financial year 2022-23. Growth in business of banks was mainly supported by the robust credit growth. Deposits also grown at good rate. Profitability of banks improved supported by the expansion of Net interest margin. As we saw the fall of two major banks in United States and Europe due to rise in interest rate, Indian banks not only adapted well to rise in interest rate but also used it for maximising their interest income subsiding the effect of global slowdown.

Above data shows that Banks in India are well capitalised and operating well above the mandated CRAR. This shows that banks are ready to meet the excess credit demand in the market in coming years.

