

A Study On The Financial Performance Analysis of Selected Nationalized Banks In India

Mr. M. Sakthivadivel

Part Time PhD-Research Scholar in Management, RVS Institute Of Management Studies Sulur, India. sakthivadivelm@gmail.com

Dr. R. Umarani

Assistant Professor, Department of computing, Coimbatore Institute of Technology

Coimbatore, India.

Abstract - The performance of the banking system has been widely recognized as an important element for economic growth and for enhancing the economic and financial system buoyancy in facing financial crisis. In fact, such a vital role in the economy has made banks to be considered as one of the most strained kinds of businesses in the globe as they are subject to close scrutiny since banks will otherwise be counterproductive and severely damage the economy of a country. Efficient and profitable banks maximize shareholders' value and encourage the shareholders to make additional investments. As a result of which, more employment opportunities will be created and more goods and service will be produced and ultimately bring about economic growth in which private and public sector banking institutions play equal role. The present study analyses the financial performance of selected Nationalised public sector banks in India.

KEYWORDS: banking, economic growth, financial crisis, economy of a country, shareholders' value, correlation analysis, return on total assets.

I. INTRODUCTION

Banking Sector reforms were initiated to upgrade the operating standard health and financial soundness of the banks. The Government of India setup the Narasimham Committee in 1991, to examine all aspects relating to structure, organization and functioning of the Indian banking system the recommendations of the committee aimed at creating at competitive and efficient banking system. Another committee which is Khan Committee was instituted by RBI in December, 1997 to examine the harmonization of the role and operations of development financial institutions and banks. It submitted its report in 1998.

At present, financial regulation in India is oriented towards product regulation, i.e. each product is separately regulated. For example, fixed deposits and other banking products are regulated by the Reserve Bank of India (RBI), small savings products by the Government of India (GoI) etc..The enactment of the Banking Laws Amendment Act 2012 is expected to make the regulatory and supervisory powers of the RBI more effective and facilitate banks in raising funds from the capital market required for expansion of banking business. It will also facilitate finalization of guidelines by the RBI for providing licenses for new banks, which is essential for achieving the objective of financial inclusion in the current perspective.

II. SAMPLING DESIGN

The financial data and relevant information required for the study are drawn from the various secondary source. The Prowess' corporate databases developed by CMIE (Centre for Monitoring Indian Economy) and CLP (Capital Line Plus) have been used as principal sources. The other relevant data are collected from Journals, Magazines, Dailies namely The Financial Express and The Economic Times. According to the prowess corporate database developed by CMIE, (Centre for Monitoring Indian Economy) there are 24 public sector banks operating India and listed in both Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). with the help of stratified random sampling the following banks have been selected for the study: CANB,IDBI,SBI and ALHB.

SCOPE: The study assess the financial variables by the use of linear regression model and the data has extracted for the period of 10 years from CMIE between 2008-09 to 2017-18 and the analysis is tabulated.

III. STATISTICAL ANALYSIS :LINEAR REGRESSION ANALYSIS

Linear regression is an approach to modeling the relationship between a scalar dependent variable y and one or more explanatory variables denoted X. The case of one explanatory variable is called simple regression. More than one explanatory variable is multiple regression. (This in turn should be distinguished from multivariate linear regression, where multiple correlated dependent variables are predicted rather than a single scalar variable.)

TABLE No.1.0 MULTIPLE REGRESSION ANALYSISOFTHESELECTEDVARIABLESWITHTHERATIO OF RETURN ON TOTAL ASSETS OF CANB

		Multiple		
S.No.		Regression	ť	p-
	Kano oi	Co-	value	value
		efficient		
X_1	Advances to Assets	.047	.347	.740
X_2	Debt - Equity Ratio	.010	.403	.701
X ₃	Investments to Total Assets	.130	1.378	.217
X_4	Current Ratio	.001	.042	.968
X5	Quick Ratio	.020	.693	.514
X_6	Investments Deposit Ratio	.019	.692	.515
	Credit + Investments Deposit	.018	.694	.513
X_7	Ratio			
X_8	Fixed Assets to Total Assets	.042	1.198	.276
X9	Return on Advances	.960	47.739	.000**
	Interest Income to Total	054	-1.965	.097
X_{10}	Assets			
	Other Liabilities to Total	<u></u>	.042	.968
X11	Assets	l te		
X ₁₂	Return on Net worth	.000	.011	.992
	Operating Expenses to Total	2.071	2.047	.087
X13	Income	07		
	Interest Expended to Total	026	-1.282	.247
X ₁₄	Expenses	6		
	Interest expended to interest	020	984	.363
X15	earned	2	8	
X16	Spread to Working Fund	010	5.432	.000**
X17	Burden to Working Fund	029	-1.202	.275
	Interest Income to Total	035	-1.254	.257 1
X_{18}	Income			
	Non-Interest Income to	052	-1.084	.320
X19	Working Fund			
	Non Operating Expenses to	048	-1.950	.099
X ₂₀	Total Assets	011		
X ₂₁	Deposits to Total Assets	014	572	.588
X ₂₂	Liquid Assets to Total Assets	043	-1.259	.255
	Provision & Contingencies to	041	-1.750	.131
X ₂₃	Total Assets			
X ₂₄	Cash Deposit Ratio	025	-1.157	.291
	Investments to Advances	473	-	.000**
X ₂₅			23.496	
X ₂₆	Interest cover	.039	2.283	.063

 R^2 =0.997; R = 0.999; F-value 1266.37 p-Value = 0.000

**significant at 1% level. * Significant at 5% level

The table represents the multiple regression co-efficient values of **CANB** Bank. These presented values indicate that two variables are individually contribute significantly to variations in the ratio of return on total assets when

influence of other variables are kept constant. The t and Sig (p) values give a rough indication of the impact of each predictor variable namely, Return on Advances (t- 47.739, p- 0.001, p< 0.01), Spread to Working Fund(t- 5.432, p- 0.001, p< 0.01) and Investments to Advances (t – 23.496 p- 0.000, p<0.001). In connection with this, the R₂ value in terms of these variables is 99.7 percent. Overall ANOVA results, the p-value is less than the 0.01 (p<0.01).Hence, this model is statistically significant.

TABLENo.4.61MULTIPLEREGRESSIONANALYSIS OF THE SELECTED VARIABLES WITHTHE RATIO OF RETURN ON TOTAL ASSETS OFIDBI BANK

		Multiple		
a		Regression		p-
S.No.	Ratio of	Co-	t' value	value
		efficient		
X1	Advances to Assets	003	611	.564
X_2	Debt - Equity Ratio	009	-1.347	.227
X ₃	Investments to Total Assets	.010	.727	.494
X_4	Current Ratio	003	448	.670
X5	Quick Ratio	.972	227.611	.000**
X ₆	Investments Deposit Ratio	.012	.823	.442
	Credit + Investments Deposit	009	022	440
X_7	Ratio	.008	.825	.442
X ₈	Fixed Assets to Total Assets	.006	.804	.452
X9	Return <mark>o</mark> n Advances	013	862	.422
	Interest Income to Total	001	126	.904
X10	Assets	001	120	
	Other Lia <mark>b</mark> ilities to Total	003	118	670
X ₁₁	Assets	005	440	.070
X ₁₂	Return on Networth	.000	039	.970
	Operating Expenses to Total	- 005	-1 014	350
X ₁₃	Income	.005	1.014	.550
	Interest Expended to Total	.010	1.191	.279
X ₁₄	Expenses	1010		
Aľ	Interest expended to interest	.009	1.236	.263
X_{15}	earned			
X16	Spread to Working Fund	012	-1.429	.203
X17	Burden to Working Fund	007	-1.123	.304
ori	Interest Income to Total	.002	.256	.806
X ₁₈	Income			
V	Non-Interest Income to	003	236	.821
X19	Working Fund			
v	Non Operating Expenses to	.001	.141	.892
X ₂₀	Total Assets	144	22 75 4	000**
X ₂₁	Deposits to Total Assets	.144	33.754	.000**
X ₂₂	Liquid Assets to Total Assets	005	813	.447
v	Provision & Contingencies to	008	757	.478
X ₂₃	Total Assets	002	0.5/24	000**
X ₂₄	Cash Deposit Ratio	.002	0.5634	.000**
X ₂₅	Investments to Advances	008	-1.094	.316
X_{26}	Interest cover	.011	.319	.761

 R^2 =0.990; R = 0.995; F-value 355.085 p-Value = 0.000

**significant at 1% level. * Significant at 5% level

The table calculates the multiple regression co-efficient values of **IDBI** Bank. These presented values indicate that two variables are individually contribute significantly to variations in the ratio of return on total assets when influence of other variables are kept constant. The t and Sig



(p) values give a rough indication of the impact of each predictor variable like Quick Ratio(t-227.61, p- 0.000, p< 0.01),Deposits to Total Assets (t - 33.75 p- 0.000, p<0.001)and Cash Deposit Ratio(t - 0.5634, p- 0.000, p<0.001) In connection with this, the R₂ value in terms of these variables is 99 percent. Overall ANOVA results, the p-value is less than the 0.01 (p<0.01).Hence, this model is statistically significant.

TABLENo.4.62MULTIPLEREGRESSIONANALYSIS OF THE SELECTED VARIABLES WITHTHE RATIO OF RETURN ON TOTAL ASSETS OFSBI

S.No. Ratio of Regression Co- value efficient t' value value efficient X1 Advances to Assets .007 .126 .904 X2 Debt - Equity Ratio .025 .475 .651 X3 Investments to Total Assets .005 .082 .937 X4 Current Ratio .002 .027 .979 X5 Quick Ratio .015 0.5863 .000** X6 Investments Deposit Ratio .016 .255 .807 X7 Ratio .036 .621 .557 X7 Ratio .017 .980 .365 X9 Return on Advances .137 .980 .365 X10 Assets .024 .401 .702 X9 Return on Advances .137 .980 .365 X10 Assets .024 .401 .702 X11 Assets .026 .527 .617 X11 Assets .026 .524			Multiple		
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X4 Current Ratio 002 027 979 X5 Quick Ratio .015 0.5863 .000** X6 Investments Deposit Ratio .016 .255 .807 X7 Ratio .036 .621 .557 X7 Ratio .024 .401 .702 X8 Fixed Assets to Total Assets .024 .401 .702 X9 Return on Advances .137 .980 .365 Interest Income to Total 011 199 .849 X10 Assets .024 .021 .979 X11 Assets .002 .027 .979 X11 Assets .002 .027 .979 X13 Income .026 .527 .617 X13 Income .028 .412 .695 X14 Expenses .004 .060 .954 X15 earned .024 .412 .635 X16	X ₃	Investments to Total Assets	.005	.082	.937
X_5 Quick Ratio .015 0.5863 .000** X_6 Investments Deposit Ratio .016 .255 .807 X_7 Ratio .036 .621 .557 X_7 Ratio .036 .621 .557 X_7 Ratio .024 .401 .702 X_9 Return on Advances .137 .980 .365 Interest Income to Total .011 .199 .849 X_{10} Assets .002 .027 .979 X_{11} Assets .002 .002 .007 .979 X_{11} Assets .002 .027 .979 X_{11} Assets .002 .027 .979 X_{13} Return on Networth 1.064 21.659 .000** X_{13} Interest Expended to Total .026 .527 .617 X_{13} Interest Expended to Total .028 .412 .695 X_{15} Burden to Workin	X ₄	Current Ratio	002	027	.979
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Credit + Investments Deposit Ratio .036 .621 .557 X_7 Ratio .036 .621 .557 X_8 Fixed Assets to Total Assets .024 .401 .702 X_9 Return on Advances .137 .980 .365 Interest Income to Total 011 199 .849 X_{10} Assets .002 027 .979 X_{11} Assets .002 .027 .979 X_{11} Assets .026 .527 .617 X_{13} Income .028 .412 .695 X_{14} Expenses .004 .060 .954 X_{15} earned .004 .060 .954 X_{15} earned .004 .060 .954 X_{16} Spread to Working Fund .014 .235 .822 X_{17} Burden to Working Fund .048 .498 .636 X_{18} Income .048 .498<	X ₆	Investments Deposit Ratio	.016	.255	.807
X_7 Ratio		Credit + Investments Deposit	.036	.621	.557
X_8 Fixed Assets to Total Assets .024 .401 .702 X_9 Return on Advances .137 .980 .365 Interest Income to Total 011 199 .849 X_{10} Assets 002 027 .979 X_{11} Assets 002 027 .979 X_{11} Assets 002 .027 .979 X_{11} Assets .026 .527 .617 X_{13} Income .026 .527 .617 X_{13} Income .0028 .412 .695 X_{14} Expenses .004 .060 .954 X_{15} earned .004 .060 .954 X_{16} Spread to Working Fund 027 354 .735 X_{17} Burden to Working Fund .014 .235 .822 Interest Income to .033 461 .661 X_{19} Working Fund .020 <th< th=""><td>X_7</td><td>Ratio</td><td></td><td></td><td></td></th<>	X_7	Ratio			
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Interest Income to Total 011 199 .849 X10 Assets 002 027 .979 X11 Assets 002 027 .979 X12 Return on Networth 1.064 21.659 .000** Operating Expenses to Total .026 .527 .617 X13 Income .028 .412 .695 X14 Expenses .004 .060 .954 X15 earned .004 .060 .954 X16 Spread to Working Fund 027 354 .735 X17 Burden to Working Fund 014 235 .822 Interest Income to Total .048 .498 .636 X18 Income .048 .498 .636 X19 Working Fund .014 235 .822 Interest Income to Total .048 .498 .636 X19 Working Fund .020 363 .729 X20 <td>X9</td> <td>Return on Advances</td> <td>.137</td> <td>.980</td> <td>.365</td>	X9	Return on Advances	.137	.980	.365
X_{10} Assets 002 027 .979 X_{11} Assets 002 027 .979 X_{12} Return on Networth 1.064 21.659 .000** Operating Expenses to Total .026 .527 .617 X_{13} Income .028 .412 .695 X_{14} Expenses .004 .060 .954 Interest Expended to Total .027 354 .735 X_{15} earned .004 .060 .954 X_{15} earned .014 235 .822 X_{17} Burden to Working Fund .014 235 .822 Interest Income to Total .048 .498 .636 X_{18} Income .048 .498 .636 X_{18} Income .020 363 .729 X_{20} Total Assets .033 461 .661 X_{19} Working Fund .020 .363 .729 X_{20} Total Assets .033 .651 .539		Interest Income to Total	011	199	.849
Other Liabilities to Total Assets 002 027 .979 X ₁₁ Assets 002 027 .979 X ₁₂ Return on Networth 1.064 21.659 .000** Operating Expenses to Total Income .026 .527 .617 X ₁₃ Income .028 .412 .695 X ₁₄ Expenses .004 .060 .954 X ₁₅ earned .004 .060 .954 X ₁₆ Spread to Working Fund 027 354 .735 X ₁₆ Spread to Working Fund 014 235 .822 Interest Income to Total Income .048 .498 .636 X ₁₈ Income .048 .498 .636 X ₁₈ Income .020 353 .729 X ₁₈ Income .048 .498 .636 X ₁₈ Income .033 .461 .661 X ₁₉ Working Fund .020 .363 .729 <td>X10</td> <td>Assets</td> <td></td> <td></td> <td></td>	X10	Assets			
X ₁₁ Assets		Other Liabilities to Total	002	027	.979
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	X11	Assets			
$\begin{array}{ c c c c c c c } \hline Operating Expenses to Total Income & 0.026 & .527 & .617 \\ \hline X_{13} & Income & 0.028 & .412 & .695 \\ \hline X_{14} & Expenses & 0.004 & .060 & .954 \\ \hline X_{15} & earned & 0.004 & .060 & .954 \\ \hline X_{15} & earned & 0.004 & .060 & .954 \\ \hline X_{15} & earned & 0.014 & .235 & .822 \\ \hline X_{16} & Spread to Working Fund &014 &235 & .822 \\ Interest Income to Total & .048 & .498 & .636 \\ \hline X_{18} & Income & 0.048 & .498 & .636 \\ \hline X_{18} & Income & 0.048 & .498 & .636 \\ \hline X_{19} & Working Fund & 0.048 & .498 & .636 \\ \hline X_{19} & Working Fund & 0.020 &363 & .729 \\ \hline X_{20} & Total Assets &033 &651 & .539 \\ \hline X_{21} & Deposits to Total Assets &058 &824 & .441 \\ \hline Provision & Contingencies to &040 &670 & .528 \\ \hline X_{23} & Total Assets & 0.01 & .025 & .981 \\ \hline X_{26} & Interest cover & .059 & .527 & .617 \\ \hline \end{array}$	X ₁₂	Return on Networth	1.064	21.659	.000**
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		Operating Expenses to Total	.026	.527	.617
$\begin{tabular}{ c c c c c c c } \hline Interest Expended to Total Expenses & .028 & .412 & .695 \\ \hline X_{14} & Expenses & .004 & .060 & .954 \\ \hline Expenses & .004 & .060 & .954 \\ \hline X_{15} & earned & .004 & .060 & .954 \\ \hline X_{16} & Spread to Working Fund & .027 &354 & .735 \\ \hline X_{17} & Burden to Working Fund & .014 & .235 & .822 \\ \hline Interest Income to Total & .048 & .498 & .636 \\ \hline X_{18} & Income & .014 & .235 & .822 \\ \hline Non-Interest Income to & .033 &461 & .661 \\ \hline X_{19} & Working Fund & .020 &363 & .729 \\ \hline X_{20} & Total Assets &033 &651 & .539 \\ \hline X_{21} & Deposits to Total Assets &058 &824 & .441 \\ \hline Provision & Contingencies to &040 &670 & .528 \\ \hline X_{23} & Total Assets & .001 & .025 & .981 \\ \hline X_{26} & Interest cover & .059 &527 & .617 \\ \hline \end{tabular}$	X13	Income			
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X ₁₆ Spread to Working Fund 027 354 .735 X ₁₇ Burden to Working Fund 014 235 .822 Interest Income to Total .048 .498 .636 X ₁₈ Income 033 461 .661 X ₁₉ Working Fund 020 363 .729 X ₂₀ Total Assets 033 651 .539 X ₂₁ Deposits to Total Assets 033 651 .539 X ₂₂ Liquid Assets to Total Assets 058 824 .441 Provision & Contingencies to 040 670 .528 X ₂₄ Cash Deposit Ratio .207 4.209 .004** X ₂₅ Investments to Advances .001 .025 .981 X ₂₆ Interest cover .059 .527 .617	X15	earned			
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Non-Interest Income to Working Fund 033 461 .661 X ₁₉ Working Fund 020 363 .729 X ₂₀ Total Assets 020 363 .729 X ₂₁ Deposits to Total Assets 033 651 .539 X ₂₂ Liquid Assets to Total Assets 058 824 .441 Provision & Contingencies to X ₂₃ Total Assets 040 670 .528 X ₂₄ Cash Deposit Ratio .207 4.209 .004** X ₂₅ Investments to Advances .001 .025 .981 X ₂₆ Interest cover .059 .527 .617	X ₁₈	Income			
X ₁₉ Working Fund 020 363 .729 X ₂₀ Total Assets 020 363 .729 X ₂₀ Total Assets 033 651 .539 X ₂₁ Deposits to Total Assets 058 824 .441 Provision & Contingencies to 040 670 .528 X ₂₃ Total Assets 040 670 .528 X ₂₄ Cash Deposit Ratio .207 4.209 .004** X ₂₅ Investments to Advances .001 .025 .981 X ₂₆ Interest cover .059 .527 .617		Non-Interest Income to	033	461	.661
Non Operating Expenses to Total Assets 020 363 .729 X ₂₀ Total Assets 033 651 .539 X ₂₁ Deposits to Total Assets 033 651 .539 X ₂₂ Liquid Assets to Total Assets 058 824 .441 Provision & Contingencies to Total Assets 040 670 .528 X ₂₃ Total Assets 040 670 .528 X ₂₄ Cash Deposit Ratio .207 4.209 .004** X ₂₅ Investments to Advances .001 .025 .981 X ₂₆ Interest cover .059 .527 .617	X19	Working Fund		R	
X ₂₀ Total Assets 033 651 .539 X ₂₁ Deposits to Total Assets 033 651 .539 X ₂₂ Liquid Assets to Total Assets 058 824 .441 Provision & Contingencies to 040 670 .528 X ₂₃ Total Assets 040 670 .528 X ₂₄ Cash Deposit Ratio .207 4.209 .004** X ₂₅ Investments to Advances .001 .025 .981 X ₂₆ Interest cover .059 .527 .617		Non Operating Expenses to	020	363	.729
X ₂₁ Deposits to Total Assets 033 651 .539 X ₂₂ Liquid Assets to Total Assets 058 824 .441 Provision & Contingencies to 040 670 .528 X ₂₃ Total Assets 040 670 .528 X ₂₄ Cash Deposit Ratio .207 4.209 .004** X ₂₅ Investments to Advances .001 .025 .981 X ₂₆ Interest cover .059 .527 .617	X20	Total Assets			cn in l
X ₂₂ Liquid Assets to Total Assets 058 824 .441 Provision & Contingencies to 040 670 .528 X ₂₃ Total Assets	X ₂₁	Deposits to Total Assets	033	651	.539
Provision & Contingencies to 040 670 .528 X ₂₃ Total Assets - - - - - - - - - - .528 - - - - - .528 - - - - .528 - - .528 - - - .670 .528 - .004 - .024 - .004** .004** .004** .001 .025 .981 - .981 .026 Interest cover .059 .527 .617	X22	Liquid Assets to Total Assets	058	824	.441
X ₂₃ Total Assets		Provision & Contingencies to	040	670	.528
X ₂₄ Cash Deposit Ratio .207 4.209 .004** X ₂₅ Investments to Advances .001 .025 .981 X ₂₆ Interest cover .059 .527 .617	X ₂₃	Total Assets			
X ₂₅ Investments to Advances .001 .025 .981 X ₂₆ Interest cover .059 .527 .617	X ₂₄	Cash Deposit Ratio	.207	4.209	.004**
X ₂₆ Interest cover .059 .527 .617	X25	Investments to Advances .001		.025	.981
	X26	Interest cover	.059	.527	.617

 R^2 =0.995; R = 0.998; F-value 768.797 p-Value = 0.000

**significant at 1% level. * Significant at 5% level

An analysis into the **SBI** reveals that the multiple regression co-efficient of the two variables with the ratio of return on total assets are significant. Table 4.62 indicating that the three factors, individually contribute significantly to variations in the ratio of return on total assets when the influence of other variables are kept constant. The R^2 value in terms of these variables is 99.5 per cent. The p-value is significant for the following variables when the other variables are kept constant namely Quick Ratio(t-0.5863, p-0.000, p< 0.01), Return on Net worth (t-21.66, p- 0.000, p< 0.01) and Cash Deposit Ratio(t-4.209, p- 0.000, p< 0.01) respectively. Overall ANOVA results, the p-value is less than the 0.01 (p<0.01).Hence, there is our model is statistically significant.

TABLE	No.4.63	MULTIP	LE R	EGRESSIC)N
ANALYSIS	OF THE S	SELECTEI) VARIA	BLES WIT	ſH
THE RATI	O OF RET	TURN ON	TOTAL	ASSETS ()F
ALHB					

		Multiple		
S No	Datio of	Regression	ť	р-
5.110.	Katio of	Со-	value	value
		efficient		
X ₁	Advances to Assets	.377	13.842	.000**
X_2	Debt - Equity Ratio	057	-2.967	.025**
X ₃	Investments to Total Assets	.003	.048	.963
X4	Current Ratio	.016	.745	.490
X ₅	Quick Ratio	.062	.234	.824
X ₆	Investments Deposit Ratio	.007	.114	.914
	Credit + Investments Deposit	.004	.162	.878
X_7	Ratio			
X ₈	Fixed Assets to Total Assets	.003	.131	.901
X9	Return on Advances	1.231	48.051	.000**
	Interest Income to Total	.009	.287	.786
X10	Assets			
	Other Liabilities to Total	.016	.745	.490
X11	Assets			
X ₁₂	Return on Ne <mark>two</mark> rth	.058	.663	.537
	Operating Expenses to Total	.006	.286	.787
X ₁₃	Income			
	Interest Expended to Total	009	278	.792
X14	Expenses 5			
	Interest expended to interest	013	344	.745
X ₁₅	earned Co			
X16	Spread to Working Fund	.039	.794	.463
X ₁₇	Burden to Working Fund	.006	.267	.800
	Interest Income to Total	003	096	.927
X ₁₈	Income			
	Non-Interest Income to	.009	.275	.795
X19	Working Fund			
	Non Operating Expenses to	.007	.227	.829
X ₂₀	Total Assets			
X ₂₁	Deposits to Total Assets	011	18.052	.000**
X ₂₂	Liquid Assets to Total Assets	011	573	.591
	Provision & Contingencies to	.024	.663	.537
X ₂₃	Total Assets	010	- 10	
X ₂₄	Cash Deposit Ratio	013	719	.504
X25	Investments to Advances	.003	.028	.979
X ₂₆	Interest cover	021	383	.717
R^{2} =0.998; R = 0.999; F-value 1086.83p-Value = 0.000				

^{**}significant at 1% level. * Significant at 5% level

The multiple regression co-efficient values of **ALHB** is calculated in Table 4.63. These presented values indicate that three variables are individually contribute significantly to variations in the ratio of return on total assets when influence of other variables are kept constant. The R^2 value in terms of these variables is 99.8 per cent. The p-value is significant for the following variables when the other variables are kept constant namely, Advances to Assets(t-13.84, p- 0.000, p< 0.01), X_2 Debt - Equity Ratio (t- -2.967, p- 0.001, p< 0.01), Return on Advances (t- 48.051, p- 0.000, p< 0.01), and Deposits to Total Assets(t- 18.052, p- 0.001, p< 0.01) respectively. Overall ANOVA results, the p-value is less than the 0.01 (p<0.01).Hence, this model is statistically significant.

IV. CONCLUSION

The public sector banks have exhibited an excellent growth in terms of profitability, productivity, assets quality, technology upgradation and even prudential norms like CRR, structure of interest rates including deregulation of interest rates, priority sector lending etc. It has been observed that due to liberalization in the banking sector, public sector banks have undergone metamorphosis changes not only in financial perspectives, but also in nonfinancial perspectives particularly customer perspective, learning and innovation, technology and employee perspective. The bankers need to analyse the financial variables which effectively contributed to the growth of the private sector banks and which influences the overall performance and negative variables should be given utmost care for efficient and effective financial performance.

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