
A Comparative Study of Financial Performance of Dena Bank vis a vis Five Leading Indian Banks

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ABSTRACT

The paper attempts to compare the financial performance of Dena Bank with 5 leading public-sector banks viz SBI, BOB, PNB, IDBI and Canara Bank. The Financial performance of Dena Bank is compared based on 38 financial ratios classified into profitability, liquidity and solvency ratios. The study is based on the secondary data compiled from the financial statements of these banks for the period of 3 years from 2014 to 2016.

Dena Bank has shown superior performance as compared to the other banks under study in some of the financial ratios such as dividend per share, Interest Income/ Total Funds, loans turnover etc. However, Dena Bank has shown inferior performance as compared to other banks in some of the key financial ratios such as Interest Spread, Return on Assets, Interest Income/ Total Funds etc.

Key Words: Financial Performance of Banks; Dena Bank; Public Sector banks; Profitability Ratios; Liquidity Ratios; Solvency Ratios

INTRODUCTION

Indian Banking system was operating in a highly regulated environment till the time banking sector reforms were introduced in early 1990s. With the liberalisation, privatisation and globalisation (LPG) banks in India are facing tremendous competition and had to operate with efficiency. The biggest challenge is to attract new customers and retain valuable customers. The technology is also playing a major role in improving the efficiency and providing comforts to the customers. The new private sector banks and the foreign banks operating in India are giving a hard competition to the public-sector banks and old private sector banks because of their high-tech business operations. Most of the Indian banks are facing financial stresses because of poor asset qualities and growth of Non-Performing Assets in recent years. The government of India is required to infuse capital into the public-sector banks from time to time in order to meet the capital adequacy requirements. Though the competition has brought efficiency into the banking system in India, still a lot remains to be done by many public-sector banks and old private sector banks as they lacked in implementation of technology and are still quite behind compared to the new private sector and foreign banks. Another cause of concern about the traditional banks is the high average age of their employees and high operating cost because of inefficiency of operations. Reserve Bank of India has been identifying public sector banks which are loss making and having large NPAs to closely watch their operations and infusing capital if required. RBI also puts certain restrictions on these weak banks' operations.

Dena Bank is one of the public-sector banks which was nationalised in 1969 with other 13 major banks under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970. Compared to other public-sector banks, it is smaller both in terms of business and branch network. It has also faced a number of financial problems from time to time.

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The study compares the financial performance of Dena Bank with 5 major public-sector banks viz. State Bank of India, Punjab National Bank, Bank of Baroda, Canara Bank and IDBI Bank. These public-sector banks have been chosen as the reference banks to provide the benchmark to assess the performance of the Dena Bank.

Objectives of the Research:

The broad objective of this research is to make a comparative study of key financial performance variables of Dena Bank vis-a-vis 5 other public-sector banks. The main financial variables which were analysed in the form of ratios are classified into (a) Profitability Ratio, (b) Liquidity Ratio and (c) Solvency Ratios.

Profitability Ratios:

The profitability ratio analyse the profits as the statement of comprehensive income as well as the profitability in relation to the related capital investments and sources of finance as per the financial statements. The profitability ratios include:

(i) Dividend Per Share; (ii) Operating Profit Per Share; (iii) Net Operating Profit Per Share; (iv) Interest Spread; (v) Adjusted Cash Margin; (vi) Net Profit Margin; (vii) Return on Long Term Funds; (viii) Return on Net Worth; (ix) Return on Assets (Excluding Revaluation); (x) Return on Assets (Including Revaluation); (xi) Interest Income/ Total Income; (xii) Profit Before Provisions/ Total Funds; (xiii) Net Profit/ Total Funds; (xiv) Total Income/ Capital Employed; (xv) Total Asset Turnover Ratio ; (xvi) Asset Turnover Ratio; (xvii) Other Income/ Total Income ; (xviii) Earning Retention Ratio; (xix) Cash Earning Retention Ratio; (xx) Earnings Per Share.

Liquidity Ratios:

The liquidity ratios analyse the ability of the banks to repay their debts in the short-term (one year). Consequently, these ratios will focus on the current assets and the current liabilities. The liquidity ratios include:

(i) Net Interest Income to Total Fund; (ii) Non Interest/ Total Funds; (iii) Interest Expended/Total Funds; (iv) Operating Expense/ Total Funds; (v) Loan Turnover; (vi) Interest Expended/ Capital Employed; (vii) Interest Expended/ Interest Earned; (viii) Operating Expense/ Total Income; (ix) Advances/ Loan Funds; (x) Credit Deposit Ratio; (xi) Investment Deposit Ratio; (xii) Financial Charges Coverage Ratio; (xiii) Financial Charges Coverage Ratio-Post Tax; (xiv) Current Ratio; (xv) Quick Ratio.

Solvency Ratios:

These ratios analyse the ability of the banks to repay their debts in the long-term. The ratios, therefore, are not restricted to the current assets and current liabilities but deal rather with the total assets and total liabilities. The solvency ratios give an estimate of the structural safety of the banks. The solvency ratios include: (i) Return on Long Term Funds; (ii) Return on Net Worth; (iii) Capital Adequacy Ratio; (iv) Total Debt/ Owner's Fund.

It may be observed that some of the ratios have fallen into more than one category like Profitability and Liquidity or Profitability and Solvency.

LITERATURE REVIEW

Bhutani Chitwan, Goel Cheenu, (2013), in their paper “A Comparative Study on the Performance of Selected Public Sector and Private Sector Banks in India” have attempted to measure the relative performance of Indian Banks. For this study they have used public and private sector banks. Since in the service sector, it is difficult to quantify the intangible output, different proxy indicators have been used to measure the productivity of the banks. Segmentation of the banking sector has been done on bank assets size. Overall the analysis supports the conclusion that new banks are more efficient than old banks and public sector banks are not as profitable as other banks.

Chaudhary Kajal, Sharma Monica (2011), in their study “Performance of Indian Public Sector Banks and Private Sector Banks”, have dealt with private and public sector banks. The economic reforms in India started in early 90s but their outcome is visible only now. Major changes took place in the functioning of banks in India only after liberalization, globalization and privatization. This study is an attempt by the authors to analyse how efficiently public and private sector banks have been managing their NPAs.

Kaur Gurpreet (2015), in her “Performance Analysis: A Study of Public Sector and Private Sector Banks in India”, has attempted to analyse and measure the performance of major banks in India such as PNB, SBI, Canara Bank, UCO Bank, ICICI Bank, Axis Bank, HDFC Bank and YES Bank. The main objective of this study is to make an evaluation of the financial performance of the Indian Banks. The financial performance of banks has been measured by key indicators with reference to deposits, advances, total income, investment, net profit etc. Recommendations and suggestions have been given for improvement of the performance of the banks in India.

Kumar Rakesh, Dr. Anjum Bimal (2014), in their study “Performance of Indian Banks in and after Financial Crisis”, have evaluated the performance of Indian Banks after the 2008 global financial crisis. After the 2008 financial crisis, many developments have been seen in Indian Banking Sector. These developments affected the performance of Indian Banks. This study highlights the major indicators of performance of Indian Banks over a 3 year period. The study is restricted to selected banks. The selection of banks is made on the basis of assets size and capitalization.

Nagarkar Jivan Jayant (2015), in his study “Analysis of Financial Performance of Banks in India”, has attempted to analyse the performance of 5 major public, private and foreign sector banks. This paper is an attempt to find out, how banks have performed on financial parameters during the last 5 years compared to high growth years. Financial performance of banks is compared in 2 time periods: (1) High growth years of 2004-08, (2) Low growth years of 2009-13

RESEARCH DESIGN

This research is an exploratory research. The major purpose of this research is to understand the working of Dena Bank and how the bank performs vis-a-vis 5 other public sector banks chosen for the study.

Data Sources:

The study is based on secondary data that has been collected from annual reports of the respective banks, books, newspapers, magazines, journals, documents, survey reports, research papers, websites and other published information. Thus, the data for the study was collected from the annual reports and other published material brought out by Dena Bank and the other public-sector banks considered for the study.

The study period for data analysis;

The study covers 3 years data for 2013-14, 2014-15 and 2015-16

Financial Analysis has been done to compare the growth, profitability and financial soundness of the respective banks by analysing the information contained in the financial statements. Financial analysis is done to identify the financial strengths and weaknesses of the respective banks by properly establishing the relationship between the items of the balance sheet, and the profit and loss account. The analysis is based on a comparison of the key financial ratios of the different banks. The comparison of the financial performance of the different banks has also been shown through graphical methods.

Statistical tools used:

The descriptive statistical analysis was done using tables, graphs, ratio analysis and trend analysis.

DATA ANALYSIS

This analysis aims at comparing the performance of Dena Bank vis-à-vis the other banks and also points out the deficiencies of Dena Bank in comparison with them, if any.

For this analysis, a total of 38 key financial ratios have been considered. The performance of Dena Bank on each key financial ratio vis-à-vis the other banks has been analysed.

The analysis of each financial ratio considers whether Dena Bank leads the other banks or lags behind them. The data is taken for 3 successive years from 2014-2016 and the trends during these 3 years have also been analysed and compared.

1) Dividend Per Share (DPS):

Table no:1			
Dividend Per Share (DPS)	2014	2015	2016
DENA BANK	2.2	0.9	0
SBI	30	3.5	2.6
BOB	21.5	3.2	0
PNB	10	3.3	0
IDBI	1	0.75	0
CANARA	11	10.5	0

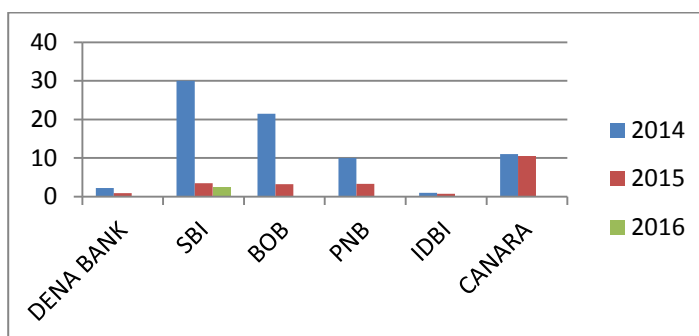


Figure 1: Dividend Per Share (DPS)

The Dividend Paid Per Share by the banks during 2014 ranged between Rs.1 and Rs.30. Dena Bank paid Rs.2.2 per share while IDBI paid the lowest Rs.1 per share. SBI paid the highest Rs.30 per share. During 2015 all but one bank paid low dividend ranging between Rs.0.75 (IDBI) and Rs.3.5 (SBI). Canara Bank however paid Rs.10.5 dividend, highest in 2015. Dena Bank paid Rs.0.9 per share as dividend in 2015. In 2016, except for SBI all other banks did not pay any dividend.

2) Operating Profit Per Share (Rs):

Table no:2			
Operating Profit Per Share (Rs)	2014	2015	2016
DENA BANK	16.95	12	4.39
SBI	199.45	23.38	21.64
BOB	120.47	26.47	18.69
PNB	197.76	34.69	29.21
IDBI	17.56	11.58	10.56
CANARA	67.03	59.49	44.96

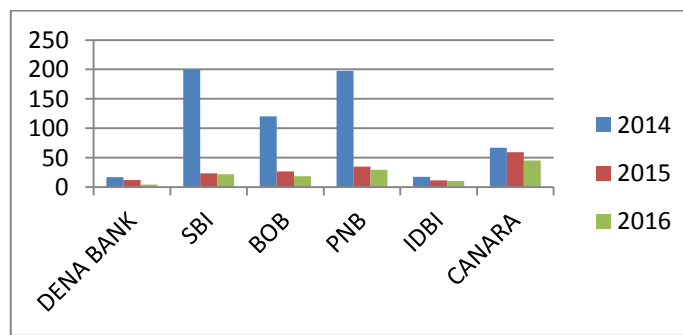


Figure 2: Operating Profit Per Share (Rs)

Operating Profit Per Share for the banks has been falling year by year from 2014 to 2016.

In 2014 and 2016 the Operating Profit Per Share for Dena Bank was the lowest compared to the other banks. However in 2015, it was slightly higher than IDBI bank, but lower compared to the other banks.

3) Net Operating Profit Per Share (Rs):

Table no:3			
Net Operating Profit Per Share (Rs)	2014	2015	2016
DENA BANK	185.54	191.81	159.62
SBI	1826.36	204.13	210.86
BOB	906.81	194.27	190.7
PNB	1193.78	249.74	241.52
IDBI	165.83	175.53	136.21
CANARA	857.38	920.67	810.73

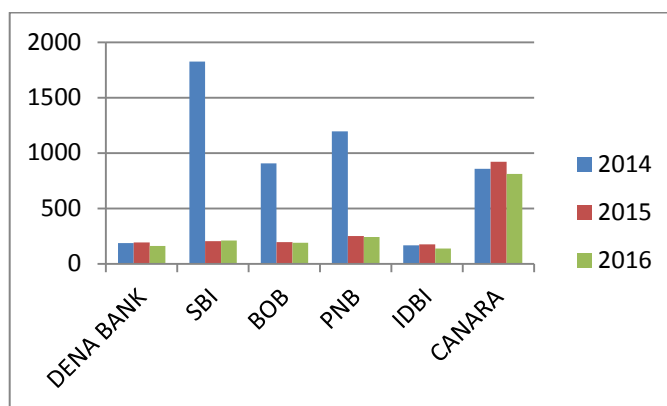


Figure 3: Net Operating Profit Per Share (Rs)

The Net Operating Profit Per Share for Dena Bank is higher than IDBI bank but lower than all the other banks in all the years from 2014 to 2016.

4) Interest Spread:

Table no: 4			
Interest Spread	2014	2015	2016
DENA BANK	6.38	6.67	6.33
SBI	5.76	6.26	5.72
BOB	5.35	5.47	6.33
PNB	6.95	6.73	6.26
IDBI	6.5	6.55	6.44
CANARA	6.3	6.43	6.79

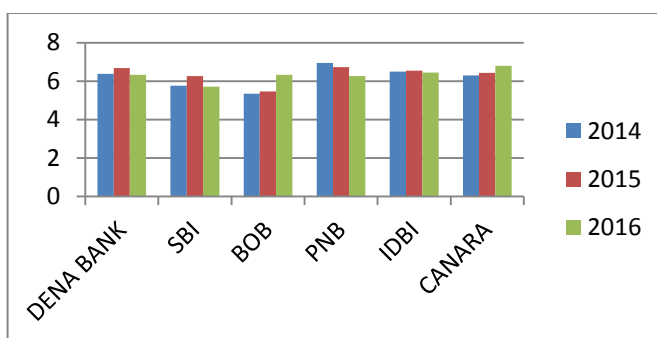


Figure 4: Interest Spread

In 2014, the Interest Spread for Dena Bank is the third highest among all the banks. In 2015, the Interest Spread for Dena Bank is lower than that of PNB, but higher than all the other banks. In 2016, the Interest Spread for Dena Bank is the same as that of BOB; it is lower than IDBI and Canara Bank, but higher than the Interest Spread for SBI and PNB.

5) Adjusted Cash Margin (%):

Table no: 5			
Adjusted Cash Margin (%)	2014	2015	2016
DENA BANK	5.56	2.87	-7.48
SBI	7.89	8.12	6.07
BOB	11.25	7.89	-9.97
PNB	7.73	6.57	-6.59
IDBI	4.17	3.14	-10.97
CANARA	6.13	6.47	-5.4

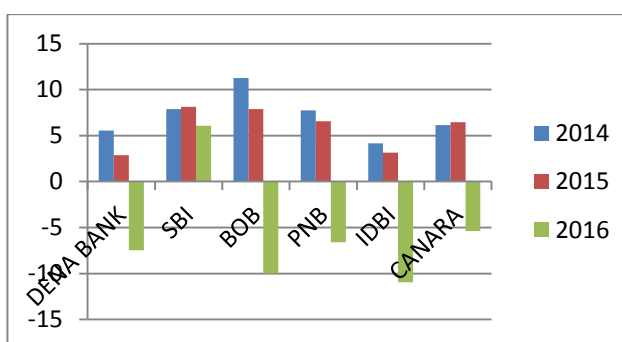


Figure 5: Adjusted Cash Margin (%)

In 2014, Adjusted Cash Margin for Dena Bank is higher than IDBI but lower than all other banks. In 2015, Adjusted Cash Margin for Dena Bank is the least among all banks. In 2016, except for SBI, all other banks have negative cash margin due to clearing of balance sheets by banks as per RBI instruction.

6) Net Profit Margin:

Table no: 6			
Net Profit Margin	2014	2015	2016
DENA BANK	5.52	2.46	-8.78
SBI	7.98	8.59	6.07
BOB	11.66	7.91	-12.22
PNB	7.73	6.61	-8.38
IDBI	4.21	3.14	-13.06
CANARA	6.16	6.17	-6.38

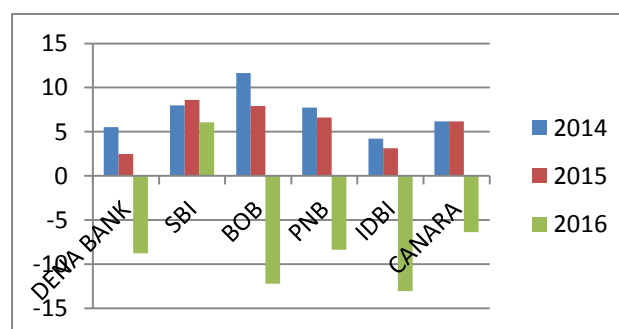


Figure 6: Net Profit Margin

In 2014, the Net Profit Margin for Dena Bank is higher than for IDBI bank but lower than for all other banks. In 2015, Dena Bank has least Net Profit Margin among all banks. In 2016, except for SBI all other banks have negative Net Profit Margin due to clearing of balance sheets by the banks as per RBI instructions

7) Return on Long Term Funds (%):

Table no: 7			
Return on Long Term Funds (%)	2014	2015	2016
DENA BANK	108.24	12.67	92.67
SBI	87.28	90.85	83.57
BOB	90.23	88.35	61.25
PNB	92.11	89.45	74.36
IDBI	101.78	104.58	76.79
CANARA	139.56	142.07	118.78

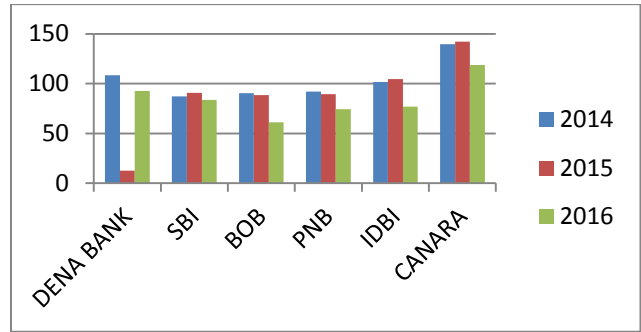


Figure 7: Return on Long Term Funds (%)

In 2014 the Return on Long Term Funds for Dena Bank is lower than for Canara Bank, but higher than all other banks. In 2015, it is lowest amongst all the banks. In 2016, it shows same pattern as in 2014.

8) Return on Net Worth (%):

Table no:8			
Return on Net Worth (%)	2014	2015	2016
DENA BANK	7.72	3.56	-13.09
SBI	9.2	10.2	6.89
BOB	12.61	8.53	-13.42
PNB	9.69	8.12	-11.2
IDBI	5.11	3.85	-16.57
CANARA	10.1	10.21	-10.75

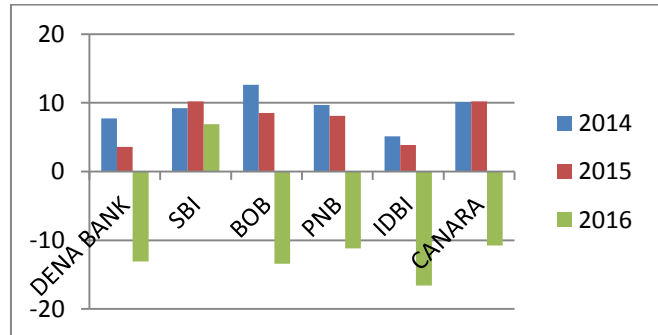


Figure 8: Return on Net Worth RONW (%)

In 2014, Return on Net Worth for Dena Bank is higher than for IDBI but lower than for all other banks. In 2015, Dena Bank has the least Return on Net Worth by all banks. In 2016, all banks except SBI have negative Return on Net Worth due to clearing of balance sheets by banks as per RBI instruction.

9) Return on Assets (ROA Excluding Revaluations):

Table no: 9			
Return on Assets (ROA Excluding Revaluations)	2014	2015	2016
DENA BANK	132.81	132.59	107.08
SBI	1584.34	172.04	185.85
BOB	838.02	180.13	173.99
PNB	952.5	203.24	180.61
IDBI	136.7	141.24	107.41
CANARA	522.96	556.68	481.75

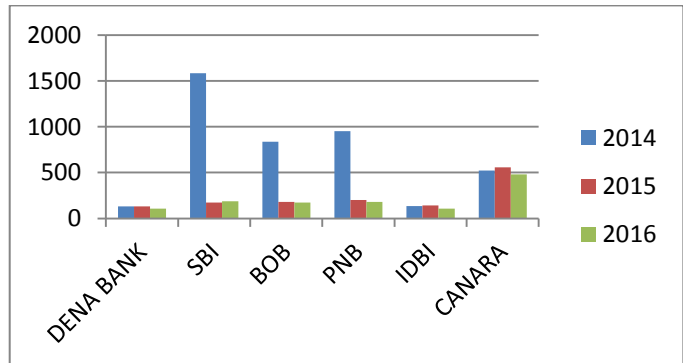


Figure 9: Return on Assets (ROA Excluding Revaluations)

Return on Assets (ROA Excluding Revaluations) for Dena Bank is the highest in 2014 in all the years. In all years from 2014 to 2016, it is the lowest among all banks.

10) Return on Assets (ROA Including Revaluation):

Table no: 10			
Return on Assets (ROA Including Revaluation)	2014	2015	2016
DENA BANK	132.81	132.59	107.08
SBI	1584.34	172.04	185.85
BOB	838.02	180.13	173.99
PNB	991.39	210.72	195.1
IDBI	147.38	151.61	134.65
CANARA	642.16	670.44	582.08

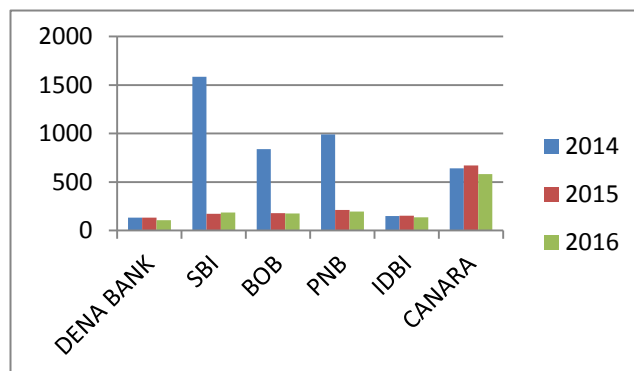


Figure 10: Return on Assets (ROA Including Revaluation)

Return on Assets (ROA Including Revaluation) for Dena Bank is the lowest in all years from 2014 to 2016 as compared to other banks.

11) Interest Income/Total Funds:

Table no:11			
Interest Income/Total Funds	2014	2015	2016
DENA BANK	8.37	8.45	8.08
SBI	8.12	7.94	7.6
BOB	6.45	6.25	6.36
PNB	8.41	8.05	7.49
IDBI	8.21	8.26	7.76
CANARA	8.82	8.5	8.08

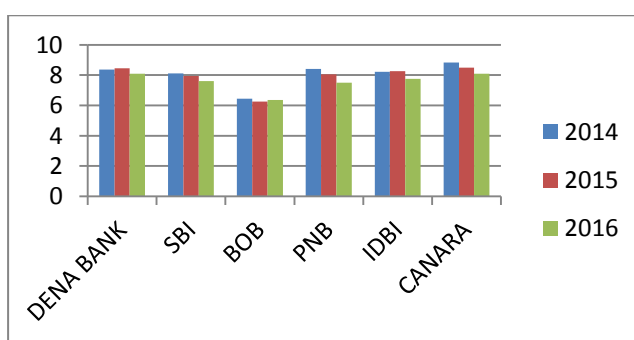


Figure 11: Interest Income/ Total Funds

Interest Income/Total Funds for Dena Bank in 2014 is lower than PNB and Canara Bank but higher than for other banks. In 2015 it is lower than Canara Bank but higher than all other banks. In 2016 it is same as that for Canara Bank but higher than all other banks.

12) Net Interest Income/Total Funds:

Table no:12			
Net Interest Income/Total funds	2014	2015	2016
DENA BANK	2.1	1.92	1.88
SBI	2.93	2.87	2.64
BOB	1.98	1.92	1.84
PNB	3.14	2.88	2.42
IDBI	1.86	1.69	1.68
CANARA	1.99	1.88	1.79

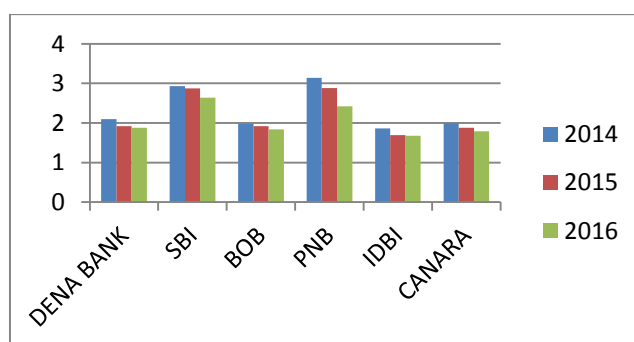


Figure 12: Net Interest Income/ Total Funds

Net Interest income/Total funds is decreasing for all banks from throughout 2014 to 2016.

13) Non Interest Income / Total Funds:

Table no: 13			
Non Interest Income / Total Funds	2014	2015	2016
DENA BANK	0.77	0.57	0.54
SBI	1.10	1.18	1.31
BOB	0.74	0.64	0.72
PNB	0.89	1.02	1.09
IDBI	0.92	1.18	0.94
CANARA	0.88	0.88	0.89

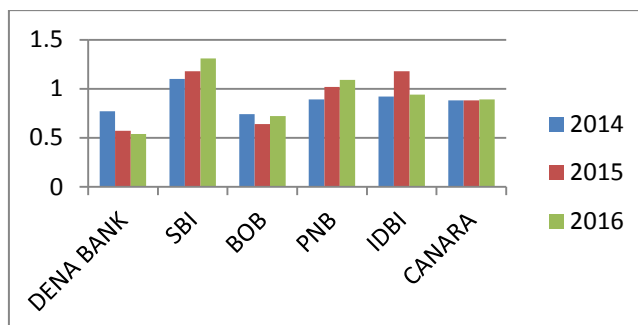


Figure 13: Non Interest Income/ Total Funds

Non Interest Income / Total Fund is the maximum for Dena Bank is higher than BOB and lower than for all the other banks in 2014. In 2015 and 2016 Non Interest income / Total fund is the lowest for Dena Bank amongst all banks.

14) Interest Expended/ Total Funds:

Table no: 14			
Interest Expended/ Total Funds	2014	2015	2016
DENA BANK	6.27	6.53	6.2
SBI	5.19	5.07	4.96
BOB	4.47	4.33	4.52
PNB	5.27	5.17	5.07
IDBI	6.35	6.57	6.07
CANARA	6.83	6.63	6.29

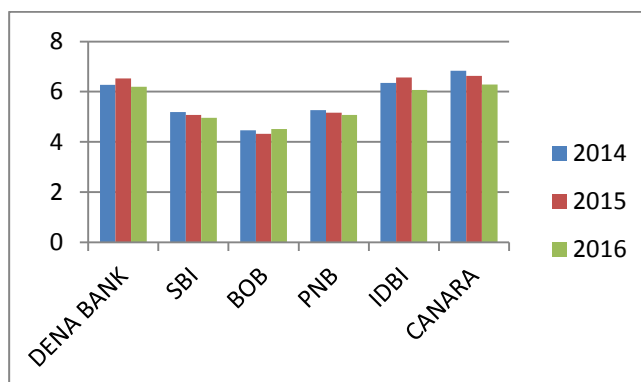


Figure 14: Interest Expended/ Total Funds

Interest Expended/ Total Funds for Dena Bank in all years is lower than for IDBI and Canara Bank but higher than for other banks.

15) Operating Expense/Total Funds:

Table no: 15			
Operating Expense/Total Funds	2014	2015	2016
DENA BANK	1.34	1.39	1.66
SBI	2.05	1.96	1.86
BOB	1.13	1.07	1.21
PNB	1.75	1.76	1.51
IDBI	0.99	1.14	1.08
CANARA	1.31	1.33	1.34

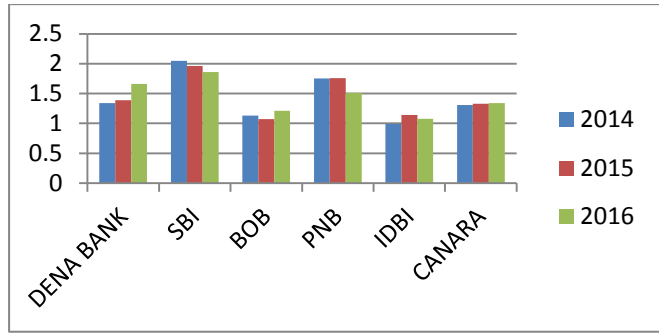


Figure 15: Operating Expense/ Total Funds

Operating Expense/Total Fund for Dena Bank in 2014 and 2016 is less than SBI but greater than all other banks. In 2015 it is less than SBI and PNB but greater than all other banks.

16) Profit Before Provisions/ Total Funds:

Table no: 16			
Profit Before Provisions/ Total Funds	2014	2015	2016
DENA BANK	1.49	1.04	0.7
SBI	1.91	2.03	2.01
BOB	1.54	1.44	1.27
PNB	2.22	2.08	1.93
IDBI	1.75	1.68	1.49
CANARA	1.52	1.35	1.31

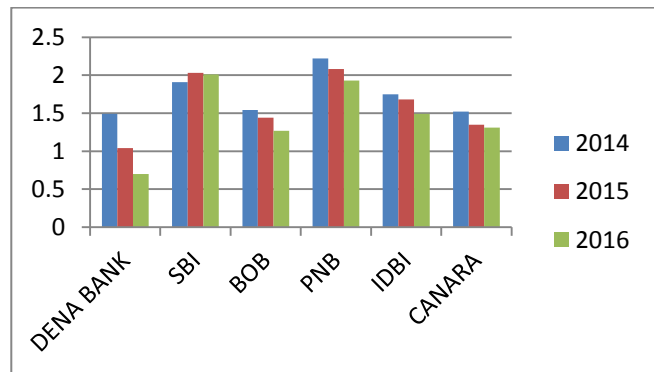


Figure 16: Profit Before Provisions/ Total Funds

Profit Before Provisions/ Total Fund for Dena Bank in all years is the least among all banks.

17) Net Profit/ Total Funds:

Table no: 17			
Net Profit/ Total Funds	2014	2015	2016
DENA BANK	0.46	0.21	-0.71
SBI	0.65	0.68	0.46
BOB	0.75	0.49	-0.78
PNB	0.65	0.53	-0.63
IDBI	0.35	0.26	-1.01
CANARA	0.54	0.53	-0.52

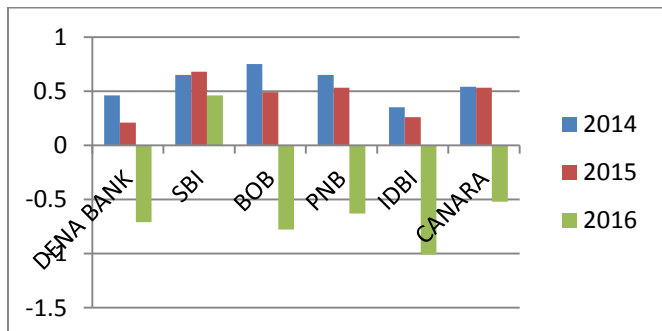


Figure 17: Net Profit / Total Funds

In 2014, Net Profit/ Total Funds for Dena Bank is higher than IDBI, but lower than for all other banks. In 2015, it is the least among all banks. In 2016, except SBI, all other banks have negative Net Profit/ Total Funds ratio due to clearing of balance sheets as per RBI instruction.

18) Loans Turn Over:

Table no: 18			
Loans Turn Over	2014	2015	2016
DENA BANK	0.14	0.14	0.13
SBI	0.12	0.12	0.12
BOB	0.11	0.1	0.11
PNB	0.13	0.13	0.12
IDBI	0.14	0.14	0.13
CANARA	0.15	0.14	0.13

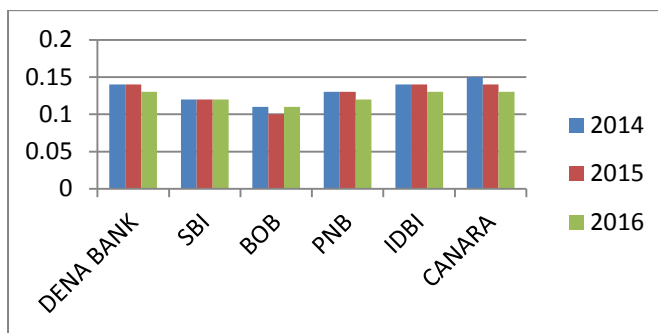


Figure 18: Loans Turnover Ratio

Loans Turnover Ratio is the same for Dena Bank in the years 2014 and 2015 but falls in 2016. In 2014, it is lower than for Canara Bank, the same as IDBI but higher than for other banks. In 2015 and 2016, it is same as that of IDBI and Canara Bank, but greater than that for all the other banks.

19) Total Income/ Capital Employed (%):

Table no: 19			
Total Income/ Capital Employed (%)	2014	2015	2016
DENA BANK	9.14	9.02	8.63
SBI	9.22	9.11	8.91
BOB	7.19	6.89	7.08
PNB	9.3	9.07	8.58
IDBI	9.12	9.44	8.7
CANARA	9.7	9.39	8.97

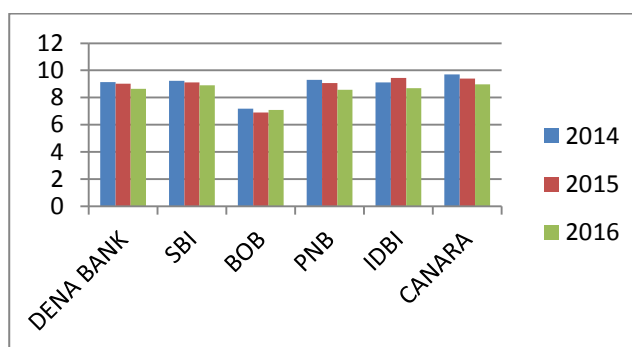


Figure 19: Total Income/ Capital Employed

Total Income/ Capital Employed for Dena Bank is maximum in 2014 and then falls in 2015 and 2016. In 2014, it is less than for SBI but greater than for all other banks. In 2015, it is greater than for BOB but less than for all other banks. In 2016, it is greater than PNB and BOB but less than for all other banks.

20) Interest Expended/ Capital Employed (%):

Table no: 20				
Interest Expended/ Capital Employed (%)	2014	2015	2016	
DENA BANK	6.27	6.53	6.2	
SBI	5.19	5.07	4.96	
BOB	4.47	4.33	4.52	
PNB	5.27	5.17	5.07	
IDBI	6.35	6.57	6.07	
CANARA	6.83	6.63	6.29	

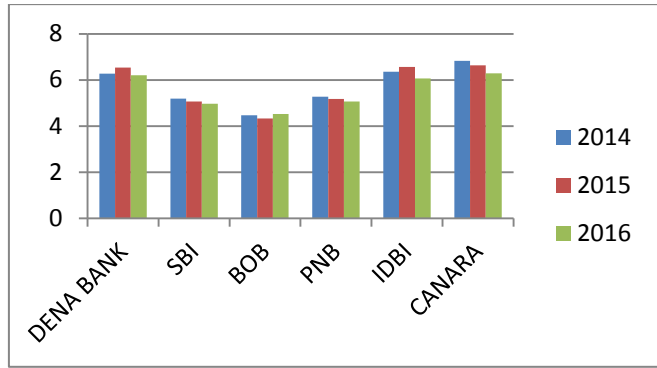


Figure 20: Interest Expended/ Capital Employed (%)

Interest Expended/ Capital Employed for Dena Bank is less than that of IDBI and Canara Bank but greater than all other banks for all years.

21) Total Assets Turnover Ratio:

Table no:21				
Total Assets Turnover Ratio	2014	2015	2016	
DENA BANK	0.08	0.08	0.08	
SBI	0.08	0.08	0.08	
BOB	0.06	0.06	0.06	
PNB	0.08	0.08	0.07	
IDBI	0.08	0.08	0.08	
CANARA	0.09	0.09	0.08	

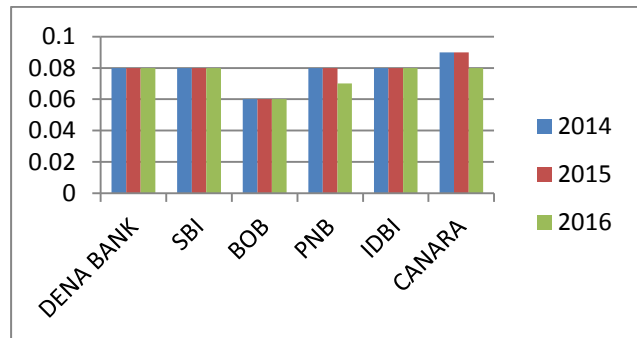


Figure 21: Total Assets Turnover Ratio

Total Assets Turnover Ratio for Dena Bank is the same in all years. In the years 2014 and 2015 the Total Assets Turnover Ratio for Dena Bank shows the same pattern as compared to the other banks. In 2016, it is higher than for BOB but the same as that of the other banks.

22) Asset Turnover Ratio:

Table no:22			
Asset Turnover Ratio	2014	2015	2016
DENA BANK	0.09	0.09	0.08
SBI	0.09	0.08	0.08
BOB	0.07	0.06	0.07
PNB	0.09	0.08	0.08
IDBI	0.08	0.08	0.08
CANARA	0.09	0.09	0.08

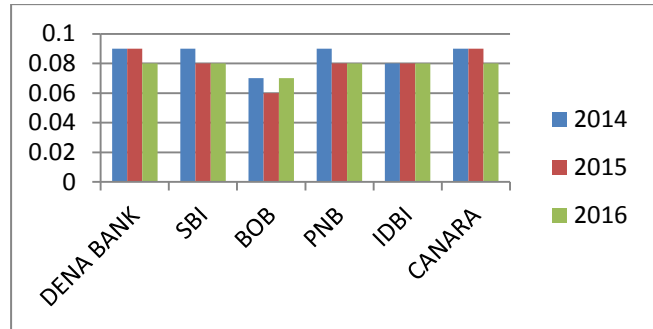


Figure 22: Assets Turnover Ratio

Asset Turnover Ratio for Dena Bank in 2014 is greater than that for BOB and IDBI but the same as that for the other banks. In 2015, it is same as that for CANARA but less than that for all other banks. In 2016, it is higher than that for BOB but, same as that for all other banks.

23) Interest Expended/ Interest Earned:

Table no: 23			
Interest Expended/ Interest Earned	2014	2015	2016
DENA BANK	74.9	77.26	76.73
SBI	63.86	63.9	65.25
BOB	69.27	69.31	71.09
PNB	62.65	64.25	67.71
IDBI	77.36	79.58	78.29
CANARA	77.38	77.91	77.82

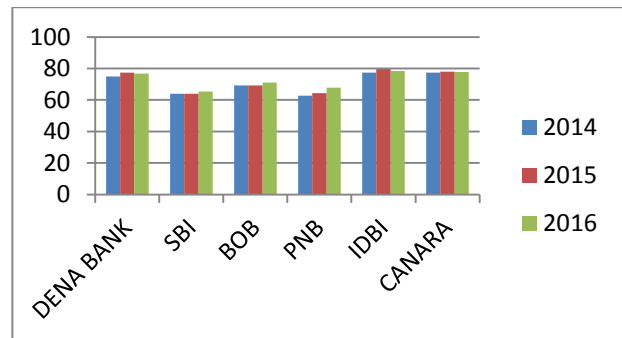


Figure 23: Interest Expended/ Interest Earned

Interest Expended/ Interest Earned for Dena Bank in all the years is less than that for IDBI and Canara Bank but greater than that for all other banks.

24) Other Income/ Total Income :

Table no:24			
Other Income/ Total Income	2014	2015	2016
DENA BANK	8.41	6.28	6.31
SBI	11.98	12.9	14.68
BOB	10.28	9.29	10.19
PNB	9.57	11.28	12.66
IDBI	10.07	12.46	10.84
CANARA	9.04	9.42	9.97

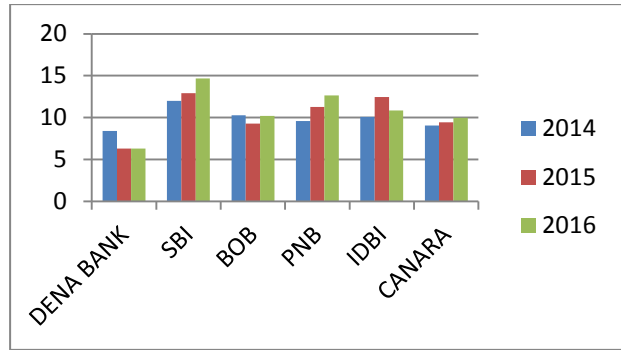


Figure 24: Other Income/ Total Income

Other Income/ Total Income for Dena Bank is maximum in 2014 for all the years. Other Income/ Total Income for Dena Bank is least among all the banks in all the years. Other Income refers to Non- interest Income such as profits from FOREX dealing or Dividend on shares held by bank.

25) Operating Expense/ Total Income:

Table no: 25			
Operating Expense/ Total Income	2014	2015	2016
DENA BANK	14.62	15.45	19.22
SBI	22.2	21.47	20.89
BOB	15.65	15.48	17.17
PNB	18.8	19.39	17.64
IDBI	10.84	12.1	12.45
CANARA	13.46	14.15	14.97

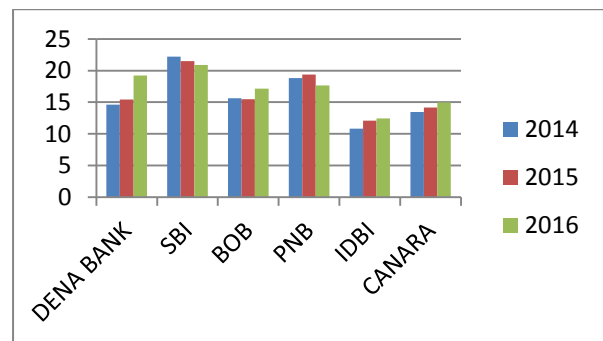


Figure 25: Operating Expense/ Total Income

Operating Expense/ Total Income for Dena Bank in 2014 and 2015 is greater than IDBI and PNB but less than the other banks. In 2016, it is less than that for SBI but greater than that for all other banks.

26) Capital Adequacy Ratio:

Table no: 26			
Capital Adequacy Ratio	2014	2015	2016
DENA BANK	11.14	10.93	11
SBI	12.96	12	13.12
BOB	12.28	12.6	13.17
PNB	12.11	12.89	11.28
IDBI	11.68	11.76	11.67
CANARA	10.63	10.56	11.08

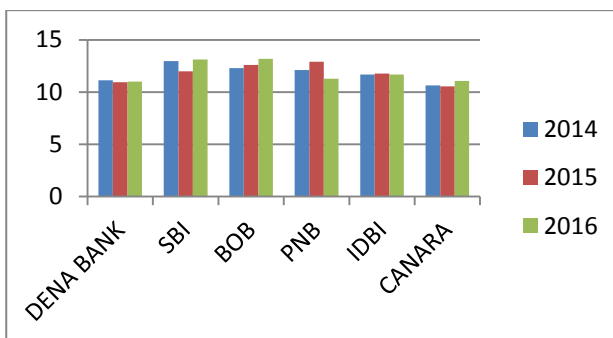


Figure 26: Capital Adequacy Ratio

Capital Adequacy Ratio for Dena Bank is greater than that for Canara Bank but less than that for all other banks in all the years.

27) Advances / Loan Funds (%):

Table no: 27			
Advances / Loan Funds (%)	2014	2015	2016
DENA BANK	70.25	67.3	67.74
SBI	82.04	77.39	78.34
BOB	71.78	68.03	60.9
PNB	75.06	72.73	71.1
IDBI	67.14	67.48	65.72
CANARA	73.07	69.67	64.54

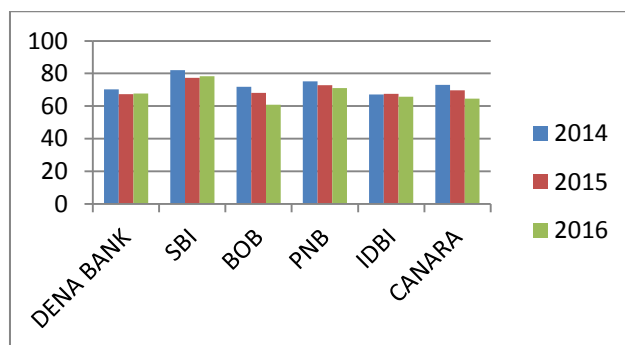


Figure 27: Advances / Loan Funds (%)

Advances / Loan Fund for Dena Bank in 2014 is less than that for IDBI but greater than that for all other banks. In 2015, this ratio is the least among all the banks. In 2016, it is less than that for SBI but greater than that for all other banks.

28) Credit Deposit Ratio:

Table no: 28			
Credit Deposit Ratio	2014	2015	2016
DENA BANK	69.17	69.25	69.1
SBI	86.84	84.47	83.56
BOB	69.54	69.54	68.13
PNB	78.06	76.6	75.19
IDBI	85.12	81.93	80.73
CANARA	69.95	70.55	68.66

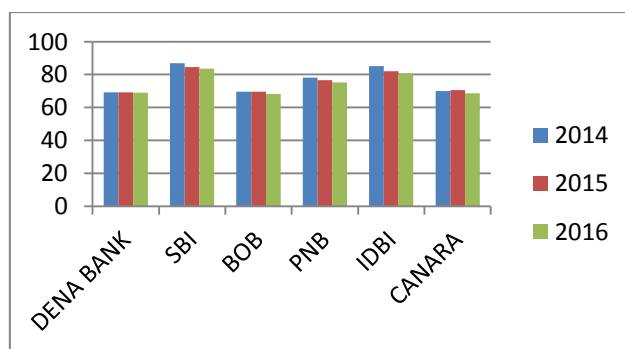


Figure 28: Credit Deposit Ratio

Credit Deposit Ratio for 2014 and 2015 for Dena Bank is the least among all the banks. In 2016, it is greater than that for BOB and Canara Bank but less than that for other banks.

29) Investment Deposit Ratio:

Table no: 29				
Investment Deposit Ratio	2014	2015	2016	
DENA BANK	34.24	32.32	30.74	
SBI	28.85	30.07	29.39	
BOB	22.78	20.1	20.37	
PNB	32.47	30.97	29.32	
IDBI	43.76	45.35	41.85	
CANARA	31.93	30.43	30.16	

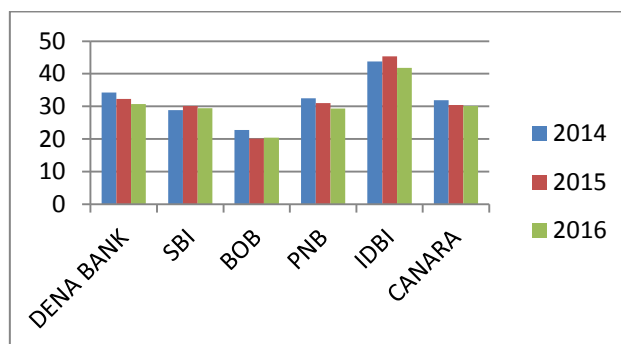


Figure 29: Investment Deposit Ratio

Investment Deposit Ratio for Dena Bank in 2014 is the maximum in all the years and it is also maximum among all banks except IDBI. In 2015, it is lower than for only IDBI. In 2016, it is less than that for IDBI but greater than that for all other banks.

30) Total Debt to Owner's Fund:

Table no:30				
Total Debt to Owners Fund	2014	2015	2016	
DENA BANK	16.13	16.04	17.32	
SBI	13.34	13.87	13.55	
BOB	16.83	16.39	15.11	
PNB	14.48	14.51	17.28	
IDBI	13.5	14.2	15.16	
CANARA	18.57	18.88	19.37	

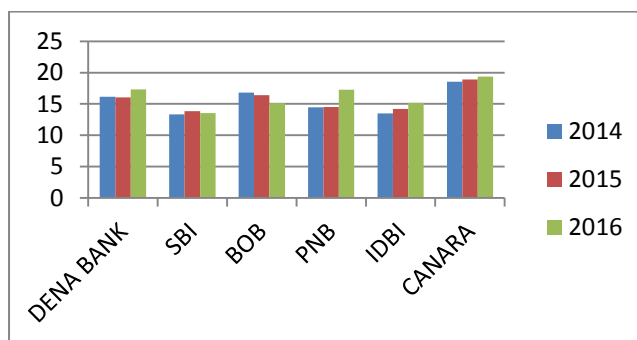


Figure 30: Total Debt to Owner's Fund

Total Debt to Owner's Fund for Dena Bank in 2014 and 2015 is less than that for BOB and Canara Bank but greater than that for all other banks. In 2016, it is less than that for Canara Bank but greater than that for all other banks.

31) Financial Charges Coverage Ratio:

Table no: 31			
Financial Charges Coverage Ratio	2014	2015	2016
DENA BANK	1.24	1.17	1.12
SBI	1.38	1.41	1.42
BOB	1.36	1.34	1.3
PNB	1.43	1.41	1.39
IDBI	1.28	1.26	1.25
CANARA	1.23	1.22	1.21

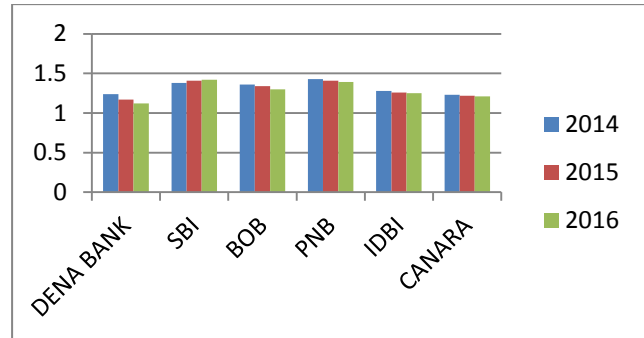


Figure 31: Financial Charges Coverage Ratio

Financial Charges Coverage Ratio is maximum for Dena Bank in 2014. In 2014, it is greater than for Canara Bank, but less than that for all other banks. In 2015 and 2016, it is the least among all banks.

32) Financial Charges Coverage Ratio Post tax:

Table no: 32			
Financial Charges Coverage Ratio Post Tax	2014	2015	2016
DENA BANK	1.08	1.04	0.9
SBI	1.14	1.15	1.11
BOB	1.18	1.13	0.84
PNB	1.14	1.12	0.89
IDBI	1.06	1.05	0.84
CANARA	1.09	1.09	0.92

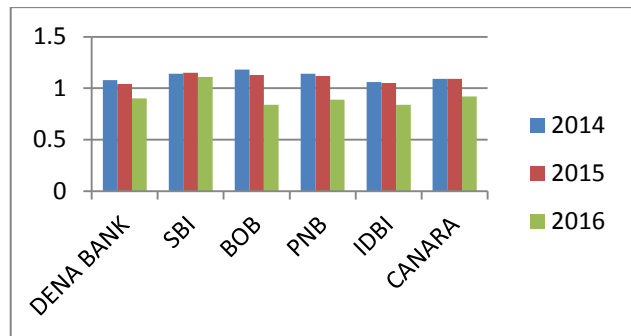


Figure 32: Financial Charges Coverage Ratio Post Tax

Financial Charges Coverage Ratio Post Tax for Dena Bank in 2014 is greater than that for IDBI but less than that for all other banks. In 2015, it is the least among all banks. In 2016, it is lower than that for SBI and Canara Bank but greater than that for all other banks.

33) Current Ratio:

Table no: 33			
Current Ratio	2014	2015	2016
DENA BANK	0.03	0.03	0.08
SBI	0.03	0.04	0.07
BOB	0.02	0.02	0.05
PNB	0.02	0.02	0.03
IDBI	0.03	0.03	0.13
CANARA	0.03	0.03	0.04

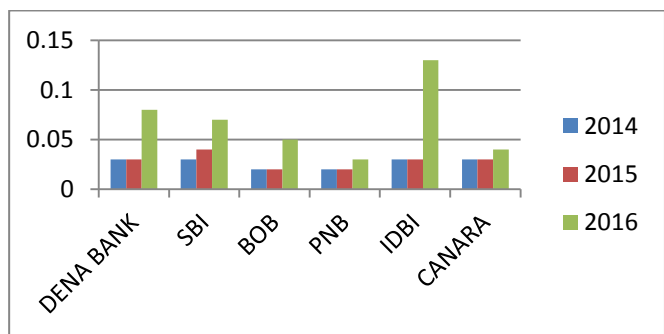


Figure 33: Current Ratio

Current Ratio for Dena Bank is maximum in 2016. In 2014; it is greater than that for BOB and PNB but the same as that for other banks. In 2015, it is greater than that for BOB and PNB

but less than or equal to that for all other banks. In 2016, it is less than that for IDBI but greater than that for all other banks.

34) Quick Ratio:

Table no: 34			
Quick Ratio	2014	2015	2016
DENA BANK	34.35	29.49	37.27
SBI	13.88	10.78	10.84
BOB	24.04	20.78	18.27
PNB	25.19	24.23	28.09
IDBI	23.11	22.95	23.35
CANARA	23.4	22.19	25.00

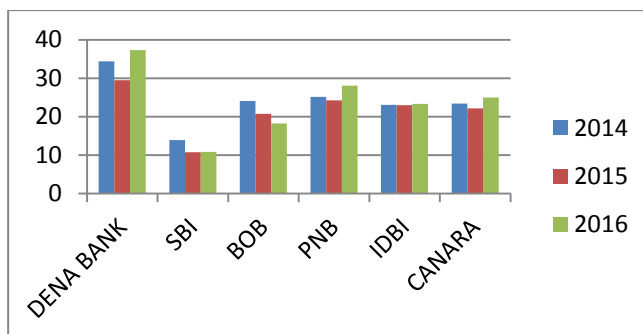


Figure 34: Quick Ratio: Quick Ratio is maximum in all the years among all the banks.

35) Earning Retention Ratio:

Table no:35			
Earning Retention Ratio	2014	2015	2016
DENA BANK	79.93	81.04	100
SBI	79.44	80.49	79.72
BOB	79.67	78.5	100
PNB	89.17	79.49	100
IDBI	85.7	86.23	100
CANARA	79.2	79.99	100

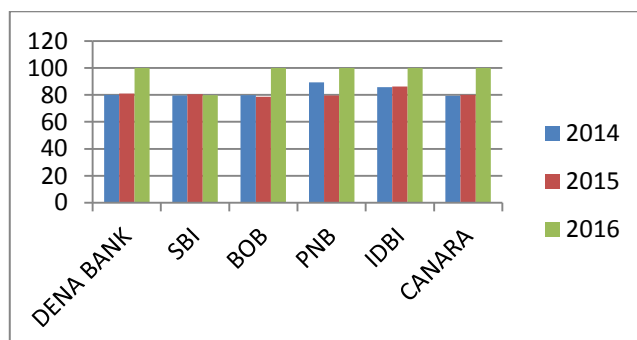


Figure 35: Earning Retention Ratio

Earning Retention Ratio for Dena Bank in 2014 is less than PNB and IDBI but is greater than that for all other banks. In 2015, it is less than that for IDBI but greater than that for all other banks. In 2016, it is greater than that for SBI but the same as that for all other banks.

36) Cash Earning Retention Ratio:

Table no: 36			
Cash Earning Retention Ratio	2014	2015	2016
DENA BANK	81.74	84.75	0
SBI	81.68	82.02	82.68
BOB	81.11	80.53	0
PNB	90.21	81.71	0
IDBI	87.01	0	0
CANARA	80.98	82.72	0

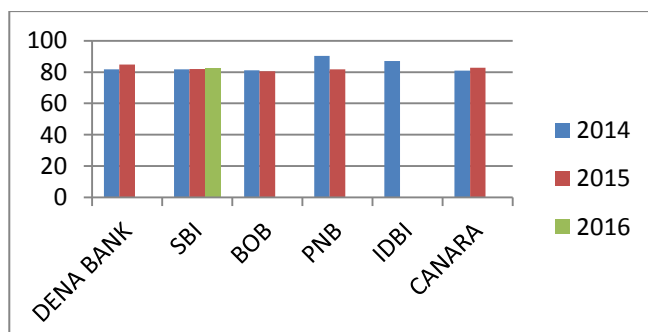


Figure 36: Cash Earning Retention Ratio

In 2014, the Cash Earning Retention Ratio for Dena Bank is less than that for PNB and IDBI but greater than that for all other banks. In 2015, it is higher than all other banks.

37) Earnings Per Share (EPS):

Table no: 37			
Earnings Per Share (EPS)	2014	2015	2016
DENA BANK	10.26	4.73	-14.02
SBI	145.88	17.55	12.82
BOB	105.75	15.37	-23.35
PNB	92.32	16.51	-20.24
IDBI	6.99	5.45	-17.8
CANARA	52.86	56.87	-51.8

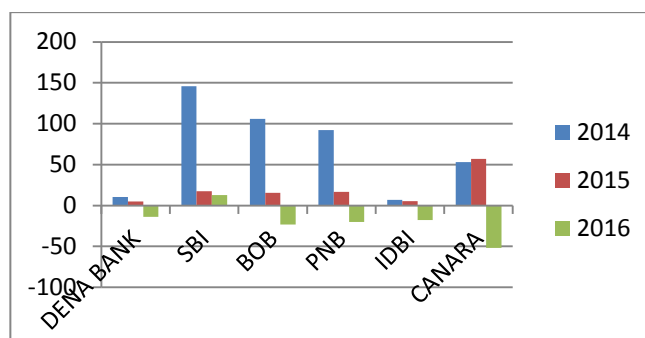


Figure 37: Earning Per Share (EPS)

Earnings Per Share for Dena Bank is maximum in 2014. In 2014, it is greater than that for IDBI but less than that for all other banks. In 2015, it is the least among all banks. In 2016, it is negative for all banks except SBI. This is due to clearing of balance sheets by the banks as RBI instruction.

38) Book Value

Table no: 38			
Book Value	2014	2015	2016
DENA BANK	132.81	32.59	107.08
SBI	1584.34	172.04	185.85
BOB	838.02	180.13	173.99
PNB	952.5	203.24	180.61
IDBI	136.7	141.24	107.41
CANARA	522.96	556.68	481.75

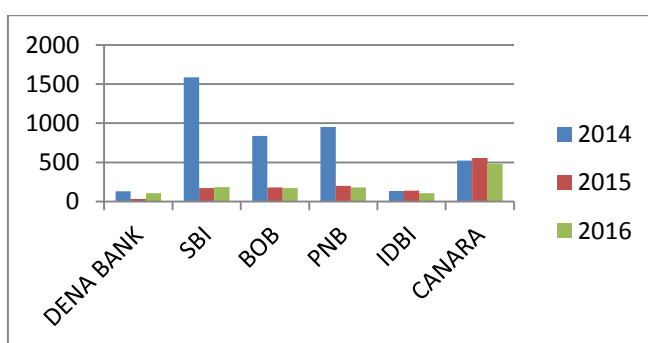


Figure 38: Book Value

Book Value for Dena Bank is maximum in 2014 in all years. The book value for Dena Bank is the least among all banks in all years.

CONCLUSIONS AND RECOMMENDATIONS

Operating Profit Per Share: In 2016 the Operating Profit Per Share for Dena Bank is quite low and the bank must make effort to improve it.

Net Operating Profit Per Share: The Net Operating Profit Per Share for Dena Bank in 2016 is lower than all other banks except IDBI and requires improvement.

Interest Spread: In 2016, Dena Bank Interest Spread is higher than the SBI benchmark. Dena Bank should improve its operating efficiency so that the spread can be reduced.

Return on Long Term Funds: Dena Banks Return on Long Term Funds for 2016 is higher than the SBI benchmark indicating good performance by the bank as regards to this variable.

Return on Assets (Excluding Revaluations): Return on Assets (Excluding Revaluations) for Dena Bank for 2016 is lower than for all other banks and requires improvement.

Return on Assets (Including Revaluation): For 2016, the Return on Assets (Including Revaluation) for Dena Bank is lower than for all other banks and the bank needs to improve this variable.

Interest Income/ Total Funds: In 2016, Interest Income / Total fund for Dena Bank is the same as for Canara Bank but higher than for all other banks indicating good performance.

Net Interest Income/ Total Funds: In 2016, Net Interest Income/ Total Funds for Dena Bank is lower than the SBI and PNB and requires improvement.

Non Interest Income/ Total Funds: Non Interest Income /Total Funds for Dena Bank in 2016 is lower than all other banks requiring improvement.

Interest Expended / Total Funds: Interest Expended / Total Funds for Dena Bank in 2016 is higher than for all banks except Canara Bank and requires improvement.

Operating Expense / Total Funds: In 2016, Operating Expense / Total Funds for Dena Bank is lower than SBI benchmark indicating lower operating expenses compared to total funds.

Profit Before Provisions/ Total Funds: Profit Before Provisions / Total Funds for Dena Bank is lower than all other banks and hence requires improvement.

Loans Turnover: In 2016, Loans Turnover ratio for Dena Bank is slightly higher than the SBI, BOB, PNB indicating slightly good performance as regards this variable.

Total Income/ Capital Employed: Total Income/ Capital Employed in 2016 for Dena Bank is lower than the SBI, IDBI and Canara Bank and requires improvement.

Interest Expended / Capital Employed: Interest Expended / Capital Employed for Dena Bank in 2016, is higher than all banks except Canara Bank needs to be improved.

Total Asset Turnover Ratio: The Total Asset Turnover Ratio in 2016 for Dena Bank is the same as for SBI, IDBI and Canara Bank indicating equal performance as regards this ratio. However it is higher than BOB and PNB indicating superior performance.

Asset Turnover Ratio: The Asset Turnover Ratio for Dena Bank in 2016 is the same as for all banks except BOB indicating equal performance with these banks.

Interest Expended/ Interest Earned Ratio: The Interest Expended / Interest Earned Ratio for Dena Bank in 2016 is higher than SBI, BOB and PNB and requires improvement. However it is lower than IDBI and Canara Bank indicating superior performance.

Other Income/ Total Income: Other Income/ Total Income for Dena Bank in 2016 is lower than all other banks and needs to be improved.

Operating Expense/ Total Income: Operating Expense / Total Income for Dena Bank in 2016 is slightly lower than SBI indicating slightly better performance.

Capital Adequacy Ratio: Capital Adequacy Ratio for Dena Bank in 2016 is lower than for all the other banks and needs to be improved.

Advances/ Loan Funds: Advances/ Loan Funds in 2016 for Dena Bank is lower than SBI and PNB and should be improved.

Credit Deposit Ratio: Credit Deposit Ratio in 2016 for Dena Bank is lower than SBI, PNB and IDBI and the bank should improve this ratio so that it can earn more interest on its deposits.

Investment Deposit Ratio: The investment deposit ratio in 2016 for Dena Bank is slightly higher than SBI, BOB, PNB and Canara Bank indicating better performance in investing its deposits. However it is lower than IDBI.

Total Debt to Owner's Fund: Total Debt to Owner's Fund for Dena Bank in 2016 is higher than for all banks except Canara Bank indicating greater debt capital as compared to owners' funds for Dena Bank and therefore greater leverage.

Financial Charges Coverage Ratio: The Financial Charges Coverage Ratio for Dena Bank in 2016 is lower than all other banks and requires improvement.

Financial Charges Coverage Ratio (Post Tax): Financial Charges Coverage Ratio (Post Tax) for Dena Bank is lower than SBI and Canara Banks and requires improvement.

Current Ratio: The Current Ratio for Dena Bank in 2016 is higher than for all banks except IDBI bank and is an indicator of greater liquidity.

Quick Ratio: The Quick Ratio for Dena Bank in 2016 is much higher than for all other banks and hence Dena Bank has much higher liquidity than these banks.

Earning Retention Ratio: Earning Retention Ratio for Dena Bank in 2016 is higher than the SBI benchmark and indicates that more earnings have been retained as compared to SBI.

Earnings Per Share: Earnings Per Share for Dena Bank in 2016 is negative as compared to the SBI benchmark which is positive, this indicates that Dena Bank has made losses in 2016 and the bank will have to improve its performance in future as regards profits.

Dena Bank should make earnest efforts to enhance its performance in some vital areas by leveraging modern technology and enhancing customer service. Such an effort will lead to the enhancement of the bank's performance in all parameters. It should also make every effort to improve quality of its assets, capital adequacy, profitability and operational efficiency.

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