

IV. GROWTH & DEVELOPMENT OF PUBLIC SECTOR BANKS

The growth and development of public sector banks has been mainly impacted by two important revolutionary decisions of the government. These decisions have changed the concept of commercial banking and brought out a remarkable directional change in thought-process as well as action-orientation.

- Nationalisation of Banks
- Banking sector reforms

Nationalisation of Banks

- **Formation of State Bank of India & its associates:** The Imperial Bank of India was formed in 1921 by amalgamating three Presidency Banks : Bank of Bengal, Bank of Bombay and Bank of Madras. Later, the RBI took over the public debt management and some other important functions from the Imperial Bank of India. In 1955 after passage of the State Bank of India Act, 1955 , the State Bank of India was established by acquiring the undertaking of the Imperial Bank of India. On the basis of the State bank of India (Subsidiary Banks) Act, 1959, the following banks : the Bank of Jaipur, the Bank of Bikaner , State Bank of Hyderabad, the Bank of Indore, the Bank of Mysore, the Bank of Patiala, the Travancore Bank and State Bank of Saurashtra ,were reconstituted. They were made subsidiaries of the State bank of India as State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Indore ,State Bank of Mysore ,State Bank of Patiala ,State Bank of Travancore and State Bank of Saurashtra.. In August 2008 State Bank of Saurashtra was merged with the State bank of India.

- **Formation of Nationalised banks :** The Government imposed social control on commercial banks on 1st February 1969 and after wards, on 19th July 1969 fourteen major commercial banks were nationalized . Again on 15th April 1980, six banks were nationalized . Total number of commercial banks nationalized was 20. They were: Andhra Bank ,Allahabad Bank ,Bank of Baroda ,Bank of India .Bank of Maharashtra, Canara Bank ,Central Bank of India ,Corporation Bank ,Dena Bank ,Indian Overseas Bank ,Indian Bank ,New Bank of India, Oriental Bank of Commerce, Punjab National Bank ,Punjab and Sind Bank. Syndicate Bank , Union Bank of India, United Bank of India , UCO Bank and Vijaya Bank. In 1993,New Bank of India was merged with Punjab National Bank-The IDBI , a DFI, was converted into a commercial bank and the existing IDBI Bank Ltd was merged with the parent in 2005 . The merged entity retained the name IDBI Bank Ltd and was included in public sector banks, under new category “other public sector banks”.
- **Composition of public sector banks as on 31.03.2009:**
 - a) The State bank group consisted 7
 - b) Nationalised banks -19 and
 - c) Other public sector bank- 1,

Total public sector banks were 27.

4.1 Impact of Nationalisation on public sector banks (1969-1990):

The growth and development of public sector banks was amazing during post-nationalisation period. The size of balance sheet, the customer–base, the geographical reach, the branch net work and employee-strength were increased remarkably. The

functioning of public sector banks was more of directive-driven rather than market/customer-driven and due to excessive controls; the inefficiencies had crept into the system.

4.2 Impact of banking sector reforms on public sector banks

The on-going reforms of liberalization and globalization has a significant impact on the functioning of public sector banks. The gradual implementation of Narasimham committee recommendations and Basel I & Basel II accords have drastically changed the face of the public sector banks. The entry of new private banks, the progressive deregulation of interest rates, implementation of prudential norms on income recognition, asset classification and provisioning pertaining to advances, building legal frame work for faster recovery of loan arrears, establishment of credit information bureau, redesigning the system of payment & settlement, introduction of derivative products: forward rate agreements (FRAs) and interest rate swaps, liberalization of Foreign exchange management , policy Guidelines on Financial inclusion , freedom in selection & recruitment of staff and freedom in rationalization and opening of new branches, have brought in a lot of changes in public sector banks.

The entry of new banks has changed the business mix and market dynamics of public sector banks. The marketing landscape has become more competitive and the competition has paved the way for : market / customer segmentation, product innovation, product refinement , efficiency in product delivery & service, usage of new delivery Channels ,focus on core activities & outsourcing the non-core functions and usage of technology for cost reduction and faster transmission of knowledge & communication. The online banking / real time banking has helped in garnering new

business like any where banking, any where demat accounts, faster receipt / payment through ECS , NEFT & RTGS, internet banking and on line trading (broking). The gradual implementation of Narasimham committee recommendations and implementation of Basel I & Basel II accords have a drastic impact on business mix, asset growth and quality, loan recovery mechanism, sensitivity to various risks associated with the banking business, pattern of investments, strengthening capital base, audit & compliance system and rationalization of staff as well as branch network of public sector banks.

4.3 Impact of macroeconomic variables on the growth & development of banks

The macroeconomic variables: GDP, NNP, Savings, Investment, consumption, money supply, liquidity, interest rates, etc, impact the performance and functioning of banks, especially public sector banks who are the dominant players in commercial banking. The public sector banks are significantly influencing and also being influenced by the other financial players, financial markets and intermediaries. The three important business parameters: deposit growth, credit off-take, the movement of NPAs are mainly driven by the prevalent economic environment. These business parameters influence the profit & profitability of banks, depending on the interest margin availability, volume & value of the transactions and cost of operations. Some examples where the macroeconomic variables influence the bank performance are given hereunder:

1. Low interest rate scenario: Low interest rates reduce the interest cost of the companies and hence favorable impact on the company profits. Lower interest rates induces investment and thereby business expansion, which in turn leads to more credit off-take and easy recovery of loans of banks. The resulting

impact on banks is: credit growth, lower NPAs, better recycling of funds and an increase in profits.

2. Comfortable liquidity position in the economy i.e., easy availability of money reduces the interest rates and has a favourable impact on deposit growth and credit growth.
3. Performance of other sectors of the economy influences the volume of sectoral deployment of bank credit & influences the fixation of the exposure limits on different sectors and industries.
4. The macro economic variables esp. per capita income and savings rate, along with demographic trends, significantly influences the business decisions of banks with regard to branch network expansions and rationalization of branches. These decisions will have significant impact on the cost of banking operations.

A comprehensive study on various important macroeconomic indicators is necessary to understand, analyse and interpret the business performance of the public sector banks as the macroeconomic variables to a large extent influence the performance of the public sector banks. As the present study is on the profit strategy of public sector banks during 1999-2009, the macro economic data is mostly restricted to that period only.

Table 4. 1 : SELECT MACROECONOMIC AGGREGATES
(At constant prices, Base Year:1999-2000)

(Rupees crore)

Year	GDP at Factor Cost	NNP at Factor Cost	Per Capita NNP at factor cost (Rs)	Gross Domestic Capital Formation
1998-99	1678410	1497195	15231	419885
1999-00	1786525	1589672	15881	506244
2000-01	1864301	1648018	16173	488658
2001-02	1972606	1743998	16769	474449
2002-03	2048286	1806734	17109	554044
2003-04	2222758	1961817	18301	651346
2004-05	2388768	2105184	19331	793545
2005-06	2616101	2308015	20868	948480
2006-07	2871120	2533432	22580	1073783
2007-08	3129717	2764795	24295	1231244
2008-09	3339375	2941971	25494	NA

Note :1) 2006-07 data are Provisional.

2) 2007-08 data are based on Quick Estimates.

3) 2008-09 data are based on Revised Estimates.

Source : Handbook of Statistics on Indian Economy 2008-09:

Table 4.2 : SELECT MACRO-ECONOMIC AGGREGATES

Annual Growth Rates and Investment Rates

(At Constant Prices, Base Year:1999-2000)

Per cent

Year	GDP at Factor Cost	NNP at Factor Cost	Per Capita NNP at factor cost (Rs)	Rate of Gross Domestic Capital Formation
1998-99	6.7	6.6	4.6	23.1
1999-00	6.4	6.2	4.3	25.9
2000-01	4.4	3.7	1.8	24.1
2001-02	5.8	5.8	3.7	22.2
2002-03	3.8	3.6	2.0	25.0
2003-04	8.5	8.6	7.0	27.1
2004-05	7.5	7.3	5.6	30.5
2005-06	9.5	9.6	8.0	33.3
2006-07	9.7	9.8	8.2	34.4
2007-08	9.0	9.1	7.6	36.2
2008-09	6.7	6.4	4.9	-

Source : Handbook of Statistics on Indian Economy 2008-09;

Analysis of macro economic aggregates ; Study on tables 4.1 & 4.2

1. During the period 1998-99 to 2008-09, there was an overall increase in GDP, NNP, Per capita NNP and GDCF in absolute terms.
2. The GDP at factor cost increased from Rs. 1678410 crore to Rs. 3339375 crore an increase of 98.96% , and NNP at factor cost increased by 96.49 % , both the indicators almost doubled during the period 1998-99 to 2008-09.

3. Per capita income (per capita NNP) increased from Rs. 15231 crore to Rs. 25494 crore ,an increase 67.30% during 1998-2009 .
4. GDCF increased from Rs. 419885 to Rs. 1231244 an increase of 193%, during 1998-99 to 2007-08.
5. Highest increase of GDP of 9.7% and NNP at 9.8% were during 2006-07. Lowest growth of GDP and NNP at 3.8% and 3.6% respectively during 2002-03. But the GDP at factor cost remained 6.7% in 1998-99 as well as 2008-2009
6. Highest increase of per capita income was during 2006-07 at 8.2% and lowest during 2000-01 at 1.8%. The lowest at 1.8% was due to low NNP growth coupled with high population growth.
7. Highest increase of GDCF was during 2007-08 at 36.2% , lowest was during 2001-02. In per cent terms, GDCF increased from 23.1% to 36.2% during 1998-2009.
8. There was continuous decline of GDP, NNP, Per capita NNP and GDCF, in per cent terms, three years in between 1998-2001, and showed continuous increase during three years in between 2004-2007.
9. GDCF showed continuous increase of seven years during 2001-2008 from 22.2% to 36.2 %.

**Table 4.3 : ANNUAL GROWTH RATES OF REAL GROSS DOMESTIC
PRODUCT AT FACTOR COST BY INDUSTRY OF ORIGIN**

Per cent

Year	Agriculture, forestry, fishing, mining and quarrying	Manufacturing, construction electricity gas and water supply	Trade, hotels, transport and communication	Financing, insurance, real estate and business services	Public administration & defense and other services	Gross domestic product at factor cost
At 1999-2000 prices						
1998-99	6.0	4.3	7.6	7.8	9.7	6.7
1999-00	2.7	4.7	8.2	9.2	11.5	6.4
2000-01	0.0	6.8	7.3	4.1	4.7	4.4
2001-02	5.9	2.8	9.2	7.3	4.1	5.8
2002-03	-5.9	6.9	9.4	8.0	3.9	3.8
2003-04	9.3	7.8	12.0	5.6	5.4	8.5
2004-05	0.8	10.5	10.7	8.7	6.8	7.5
New Series at 2004-05 prices						
2005-06	4.7	10.2	12.1	12.8	7.6	9.5
2006-07	4.3	13.2	11.7	14.5	2.6	9.7
2007-08 P	4.6	10.1	10.7	13.2	6.7	9.2
2008-09 Q	1.6	4.1	7.6	10.1	13.9	6.7

Source : Economic Survey 2009-10

Analysis of annual growth rates : (Study on table 4.3)

1. Agriculture & allied : During 1998-99 to 2008-09 ,the growth rate came down from 6.0% to 1.6%. Highest growth was during 2003-04 at 9.3%. Negative growth at 5.9% during 2002-03, impacted the GDP growth rate which was also lowest AT 3.8% during 2002-2003 .. There was zero growth rate during 2000-2001.

2. During 2006-07, manufacturing, construction, etc., and financing, insurance, etc., showed highest growth rate and moved the three macroeconomic parameters: GDP, NNP and Per capita income, to the strikingly highest level of growth during 2006-07 even though public administration, defence, etc., showed lowest growth rate during 2006-07.
3. Financing, insurance etc showed continuous growth rate above 10% from 2005-06 to 2008-09.
4. The highest increase in growth rate at 4.2%, from 9.7% to 13.9% was of public administration, defence, etc., during 1998-99 to 2008-09.

Table 4.4 : GROSS DOMESTIC SAVING (As per cent of GDP at current market prices)

Year	House-hold sector	Private corporate sector	Public sector	Total
(1999-2000 series)				
1998-99	18.8	3.9	-0.5	22.3
1999-2000	21.1	4.5	-0.8	24.8
2000-01	21.6	3.9	-1.8	23.7
2001-02	22.1	3.4	-2.0	23.5
2002-03	22.9	4.0	-0.6	26.3
2003-04	24.1	4.6	1.1	29.8
(2004-2005 series)				
2004-05	23.3	6.6	2.3	32.2
2005-06	23.2	7.5	2.4	33.1
2006-07	22.9	8.0	3.6	34.4
2007-08	22.6	8.7	5.0	36.4
2008-09 Q	22.6	8.4	1.4	32.5

Source : Economic Survey 2009-10

Analysis of gross domestic saving: (Study on table 4.4)

1. Increase of GDS as per cent of GDP was highest during the year 2007-08 at 36.4% & lowest during 1998-99 at 22.3%.
2. House hold saving was highest at 24.1 % during 2003-04 and lowest during 1998-99 at 18.8%. The house-hold sector remained as the main component in GDS. House hold sector has been the main target group of the banks for mobilising deposits.
3. Public sector saving was negative for 5 years from 1998-99 to 2002-03 , but turned positive afterwards.

Table 4.5 : Trends in demographic features

indicator / year	1980-81	1990-91	2000-01	2005-06	2006-07	2007-08	2008-09
Population (Million)	679	839	1019	1106	1122	1138	1154
Per cent increase (*increase over 2000-01)	-	23.56	21.45	-	-	-	13.25 *
Birth Rate (per 1000)	33.9	29.5	25.4	23.5	23.8	23.5	22.8
Death Rate (per 1000)	12.5	9.8	8.4	7.5	7.6	7.4	7.4
Life Expectancy at Birth k (in Years)	50.4	58.7	62.5	63.2	63.5	na	na
Education: Literacy Rate l (%)	43.6	52.2	64.8	67.6	na	na	na

Source : Economic Survey 2009-10

Analysis of trends in demographic features ; (Study on tables 4.5)

1. There was an increase in population from 679 million to 1154 million during 1980-81 to 2008-2009, an increase of 70% . But rate of increase was 23.56% during 1980-81 to 1990-91, declined to 21.45%, during 1990-91 to 2000-01, further declined to 13.25%. A remarkable decline in growth rate was during

2000-2001 to 2008-2009. These figures indicate declining trend in population growth rate.

- Both the birth rate and death rate were in declining trend and contrary to them, both life expectancy and literacy rate showed increasing trend, thereby resulting to an increase in per capita income and house-hold savings.

Table 4.6 : Monetary indicators : Selected monetary aggregates

(As per cent of GDPMP)

Indicator/ F.Y	Currency with public	Demand deposits with banks	Time deposits with banks	Aggregat e deposits	M1	M3
1998-99	9.1	6.7	35.5	42.2	16.0	51.5
1999-00	9.5	6.8	37.7	44.5	16.4	54.1
2000-01	9.6	7.2	41.3	48.5	17.0	58.2
2001-02	10.0	7.4	44.9	52.2	17.5	62.3
2002-03	10.5	7.5	49.0	56.5	18.2	67.1
2003-04	10.7	7.8	48.9	56.7	18.7	67.6
2004-05	10.4	8.0	47.0	55.0	18.5	65.5
2005-06	10.3	8.8	46.8	55.6	19.3	66.1
2006-07	10.5	9.4	48.8	58.2	20.0	68.9
2007-08	10.5	9.5	52.7	62.2	20.1	72.8
2008-09	11.0	9.3	57.4	66.7	20.4	77.8

Source : Economic Survey 2009-10

Analysis of Monetary indicators; (Study on table 4.6)

- The monetary indicators given in the above table showed increase during the period 1998-99 to 2008-09.
- Aggregate deposits with banks declined during 2004-05 in tandem with M3.

3. M3 money supply constituted 77.8% of GDP during 2008-09, increased from 51.5% of period 1998-99.
4. Demand deposits were on upward trend from 1998-99 to 2007-08 , but declined slightly during 2008-09 even though other aggregates showed increasing trend.

Table 4.7 : SELECT MONETARY AGGREGATES - GROWTH RATES

Year	Currency with the Public	Demand Deposits	Time Deposits	Narrow Money (M1)	Broad Money (M3)	Banks' Credit to Government	Banks' Credit to Commercial Sector
1998-99	16.1	14.9	21.4	15.4	19.4	19.8	13.8
1999-00	11.9	9.7	16.4	10.6	14.6	25.2	18.1
2000-01	10.8	11.1	19.4	11.0	16.8	22.2	16.6
2001-02	14.9	7.8	15.2	11.4	14.1	22.1	13.2
2002-03	12.8	10.9	15.7	12.0	14.7	27.1	18.9
2003-04	16.0	30.1	14.7	22.2	16.7	25.6	13.2
2004-05	13.1	11.0	11.8	12.3	12.0	10.4	25.7
2005-06	16.0	26.1	15.3	20.7	16.9	-2.5	27.3
2006-07	17.2	17.2	23.7	17.1	21.7	9.6	26.1
2007-08	17.7	21.1	22.2	19.4	21.4	22.7	21.1
2008-09	17.2	0.5	22.7	8.4	18.6	20.0	16.4

Source : Handbook of Statistics on Indian Economy 2008-09:

Analysis of Monetary aggregates; (Study on table 4.7)

1. The growth rate of currency with public was lowest at 10.8% during 2000-2001.
2. Higher growth rate of demand deposits observed during 2003-04 at 30.1% and lowest growth rate at 0.5% during 2008-09.
3. Bank credit to government was in negative growth of 2.5% during 2005-06.

4. Highest growth rate was during 2002-03 at 27.1% and the highest growth rate of bank credit to commercial sector was 27.3% during 2005-2006.
5. The growth rate of bank credit to commercial sector exceeded the growth rate of credit to government sector during three-year period from 2004-07. During the remaining periods the growth rate of credit to government was higher.

Table 4.8 : MAJOR MONETARY POLICY MEASURES - BANK RATE, CRR & SLR

(Per cent)

Bank Rate		Cash Reserve Ratio		Statutory Liquidity Ratio	
Rate	Effective Date	Rate	Effective Date	Rate	Effective Date
8	02-03-1999	10.5	13-03-1999	25	25-10-1997
		10	08-05-1999		
		9.5	06-11-1999		
		9	20-11-1999		
7	02-04-2000	8.5	08-04-2000	24	08-11-2008
8	22-07-2000	8	22-04-2000		
		8.25	29-07-2000		
		8.5	12-08-2000		
		8.25	24-02-2001		
7.5	17-02-2001	8	10-03-2001		
7	02-03-2001	7.5	19-05-2001		
6.5	23-10-2001	5.75	03-11-2001		
		5.5	29-12-2001		
		5	01-06-2002		
		4.75	16-11-2002		
6.25	30-10-2002	4.5	14-06-2003		
		4.75	18-09-2004		
		5	02-10-2004		
		5.25	23-12-2006		
		5.5	06-01-2007		
6.0	30-04-2003	5.75	17-02-2007		
		6	03-03-2007		
		6.25	14-04-2007		
		6.5	28-04-2007		
		7	04-08-2007		
		7.5	10-11-2007		
		7.75	26-04-2008		
		8	10-05-2008		
		8.25	24-05-2008		
		8.5	05-07-2008		
		8.75	19-07-2008		
		9.0	30-08-2008		
		6.50	11-10-2008		
		6.00	25-10-2008		
		5.50	08-11-2008		
		5.00	17-01-2009		
Bank Rate as on		C.R.R as on		S.L.R as on	
01.04.1999	8.0%	01.04.1999	10.5%	01.04.1999	25.0%
31.03.2009	6.0%	31.03.2009	5.0%	31.03.2009	24.0%

Source : Handbook of Statistics on Indian Economy 2008-09

Analysis of major monetary policy measures; (Study on table 4.8)

1. All the three monetary policy measures Bank rate, CRR & SLR were reduced during 1999-2009, and remarkable reduction was of CRR from 10.5% as on 01.04.1999 to 5.0% as on 31.03.2009.
2. The gradual reduction in SLR happened from 38.5% on 22.09.1990 to 25% by 25.10.97. Only 1% reduction from 25% to 24% was effective from 08.11.2008 and remained at 24% as on 31.03.2009.
3. The reduction of CRR was reduced to 10.5% to 5. %, more than 50% reduction , as on 01.04.09 to 31.03.2009.
4. Bank rate was increased from 7% to 8% during 2000-2001 and other periods there was gradual reduction.
5. There were many changes - ups and downs in CRR during 1999-2009, indicating CRR had been used as a monetary policy measure more frequently, than the Bank rate and SLR.
6. The lowest CRR was on 14.06.2003 at 4.5%, gradual reduction from 10.5%. Again the CRR moved up to 9.0% on 30.08.2008 and started declining and reached to 5.0% on 17.01.2009.
7. The reduction in CRR and SRR releases more funds of banks for deployment to commercial sector, where banks gets more return than investing in Government securities and in current account balances with the RBI. And normally, lower the bank rate, higher the demand for bank credit.

4.4 Analysis of growth & development of public sector banks:

The Key indicators selected for analysing the growth and development of public sector banks are :

1. Branch network

2. Business parameters:

- a. Deposits
- b. Advances
- c. Income and
- d. Expenditure including Provisions

Table 4.9 : Branch distribution : Population-wise (1975- 2009)

		December 1975	December 1990	Growth (%) over 1975	June 2000	Growth (%) over 1990	March 2009	Growth (%) over 2000	Growth (%) 1975- 2009
State Bank Group	Rural	2331	5761	147	5516	-4.25	5551	1	138
	Semi- urban	1902	3368	77	3944	17	4851	23	155
	Urban & metro	1370	2937	114	3805	30	6329	66	362
	Total	5603	12066	115	13265	10	16731	26	199
Nationalise d banks group	Rural	3761	14346	281	13913	-3.02	13383	-3.81	256
	Semi- urban	2888	5735	99	6773	18	8726	29	202
	Urban & metro	4069	9180	126	11735	28	18657	59	359
	Total	10718	29261	173	32421	11	40766	26	280
Public sector banks*	Rural	6091	20107	230	19429	-3.37	18934	-2.55	211
	Semi- urban	4790	9103	90	10717	18	13577	27	183
	Urban & metro	5439	12117	123	15540	28	24986	61	359
	Total	16321	41327	153	45686	11	57497	26	252
Share of SBG-NBG in PSBs- vertical comparison	Rural	38 : 62	29 : 71		28 : 72		29 : 71		
	Semi- urban	40 : 60	37 : 63		37 : 63		36 : 64		
	Urban & metro	25 : 75	24 : 76		24 : 76		25 : 75		
	Total	34 : 66	29 : 71		29:71		29 : 71		
SCBs	Rural	7327	34756	374	32771	-5.71	31688	-3.30	332
	Semi- urban	6103	11273	85	14329	27	19062	33	212
	Urban & metro	6879	13685	99	18240	33	31612	73	360
	Total	20309	59714	194	65340	9	82362	26	306
Share of PSBs in SCBs- vertical comparison	Rural	83.13	57.85		59.28		59.75		
	Semi- urban	78.48	80.75		74.79		71.22		
	Urban & metro	79.06	88.54		85.20		79.04		
	Total	80.36	69.20		69.92		69.81		

* IDBI bank included in nationalized banks in 2009 data

Source : Statistical tables relating to banks in India 1975 and 1990-91 & Report on Trend and Progress of Banking in India, 1999-2000, 2000-01 and 2008-09

Table 4.9 : Population-wise distribution of branches (continued)

		December 1975	Per cent to total of each group	December 1990	Per cent to total of each group	June 2000	Per cent to total of each group	March 2009	Per cent to total of each group
State Bank Group	Rural	2331	42	5761	48	5516	41	5551	33
	Semi- urban	1902	34	3368	28	3944	30	4851	29
	Urban & metro	1370	24	2937	24	3805	29	6329	38
	Total	5603	100	12066	100	13265	100	16731	100
Nationalised banks group	Rural	3761	35	14346	49	13913	43	13383	33
	Semi- urban	2888	27	5735	20	6773	21	8726	21
	Urban & metro	4069	38	9180	31	11735	36	18657	46
	Total	10718	100	29261	100	32421	100	40766	100
Public sector banks*	Rural	6091	37	20107	49	19429	43	18934	33
	Semi- urban	4790	29	9103	22	10717	23	13577	24
	Urban & metro	5439	34	12117	29	15540	34	24986	43
	Total	16321	100	41327	100	45686	100	57497	100
SCBs	Rural	7327	36	34756	59	32771	50	31688	39
	Semi- urban	6103	30	11273	19	14329	22	19062	23
	Urban & metro	6879	34	13685	23	18240	28	31612	38
	Total	20309	100	59714	100	65340	100	82362	100

* IDBI bank included in nationalized banks in 2009 data

Source : Statistical tables relating to banks in India 1975 and 1990-91 and

Report on Trend and Progress of Banking in India, 1999-2000, 2000-01 and
2008-09

Table 4.10 : Segmental analysis
(Comparison : period-wise & segmental share with in each group)

Segment	Parameter	Period/Year	Analysis
RURAL	Growth & growth rate	1975-1990	The highest percent of branch increase was of SCBs at 374% from 7327 to 34756 followed by NSG at 281% and PSBs at 230% and least by SBG at 147%. The large increase in SCBs was due to massive branch expansion of RRBs and also public sector banks in rural areas.
		1990-2000	Negative growth observed in all groups. Highest negative growth at 5.7% was of SCBs, branches reduced from 34756 to 32771, followed by SBG at 4.25%, PSB at 3.37% and NBG 3.02%. The branch rationalization was the main reason for negative growth.
		2000-2009	Except SBG, all other groups showed negative growth, highest was of NBG at 3.81% from 13913 to 13383, followed by SCB 3.30% and PSBs at 2.55%. Even in SBG the positive growth rate was meagre 1%.
		1975-2009	Highest growth rate was of SCBs at 332% from 7327 to 31688, lowest was SBG at 138%. The NBG at 256% and of PSBs SBG dragged the rate down to 211%.
	Rural share	1975	The rural share was highest at 42% in SBG, followed by PSB 37%, SCBs 36% and NBG 35%.
	Intra-group	1990	The share was highest at 59% in SCB, 49% each of PSB, NSG & SBG at 48%.
		2000	SCBs rural share was highest at 50%, followed by PSBs & NSG at 43% and least by SBG at 41%.
		2009	Highest share was of SCB at 39% & all others at 33% in their totals of each group.
SEMI-URBAN	Growth & growth rate	1975-1990	The highest percent increase 99% from 2888 to 5735 was of NBG, followed by PSBs at 90%, SCBs at 85% and least by SBG at 77%.
		1990-2000	The highest percent increase 27% from 11273 to 14329 was of SCB, followed by NBG & PSB at 18% each and least was SBG at 17%.
		2000-2009	The Semi-urban share was highest at 33% from 14329 to 19062 of SCB, followed by NBG 29%, 27% in PSB, and the least by SBG 23%.
		1975-2009	The growth rate was highest in SCB at 212% from 6103 to 19062, followed by NBG at 202%, PSB 183% and least SBG 155%.

SEMI-URBAN	Semi-urban share	1975	The Semi-urban share was highest at 34% SBG , followed by SCB 30% , 29% in PSB, followed by NBG 27%
		1990	The share was highest at 28% in SBG, 22% PSB, NSG 20% & SCB at 19%.
	Intra-group	2000	Semi-urban share was highest at 30% of SBG , followed by PSBs at 23 % , least was of NSG at 21%.
		2009	The percent with in Group : , SBG 29%, PSB 24%, SCB 23% and least NBG at 21%.
URBAN & METRO	Growth & growth rate	1975-1990	The highest percent increase 126% from 4069 to 9180 was of NBG , followed by PSBG at 123 % , SBG at 114% and least by SCB at 99%.
		1990-2000	The highest percent increase 33% from 13685 to 18240 was of SCB, 30% by SBG & 28% each NBG & PSB.
		2000-2009	The Urban & Metro share was highest at 73% SCB from 18240 to 31612 , followed by SBG 66% , 61% in PSB, and the least by NBG 59 %
		1975-2009	Highest growth rate was of SBG at 362% from 1370 to 6329 ,followed by SCB at 360%, and both NBG & PSB at 359%.
	Urban & Metro share	1975	The share was highest at 38% of NBG , followed by both PSB & SCB 34% , SBG 24%.
		1990	The share was highest at 31% NBG , followed by PSB 29% and SBG 24% , least SCB 23%.
	Intra-group	2000	The share was highest at 36% of NBG , followed by PSBs at 34 % , least was of SCB at 28%.
		2009	The share was highest at NBG 46%, PSB 43% and 38% each of SBG & SCB.
TOTAL BRANCHES	Growth & growth rate	1975-1990	The highest percent increase 194% from 20309 to 59714 was of SCB ,NBG at 173% followed by PSB at 153% and least by SBG at 115%.
		1990-2000	Drastic slow down in branch expansion ; The percent increase of all groups was in the range of 9-11.
		2000-2009	Interestingly, the growth rate was at 26% in all groups.
		1975-2009	The highest percent increase 306% from 20309 to 82362 was of SCB ,NBG at 280 % followed by PSBG at 252 % and least by SBG at 199 %.

Table 4.11 : Group-wise analysis and Inter group comparison

State Bank Group	Growth & growth rate	Rural	The branch growth rate was 138% during 1975-2009, but actual growth happened during 1975-1990 period at 147%, negative growth during 1990-2000 and negligible growth of 1% during 2000-2009.
		Semi-urban	The growth was 155% during 1975-2009. The growth during 1975-1990 period was at 77% , declined to 17% during 1990-2000 and again increased to 23% during 2000-2009
		Urban & Metro	The growth was 362% during 1975-2009. The growth during 1975-1990 periods was at 114%, declined to 30% during 1990-2000 and again increased to 66% during 2000-2009.
		Total no. of branches	The growth rate of total number of branches was 199% during 1975-2009. Highest rate was of urban & metro at 362%. The lowest was rural.
Nationalised Banks Group	Growth & growth rate	Rural	The rural branch growth 256% during 1975-2009, but actual growth rate was during 1975-1990 period at 281% , negative growth during 1990-2000 as well as during 2000-2009
		Semi-urban	The branch growth rate was 202% during 1975-2009. The growth rate during 1975-1990 period was at 99%, declined to 18% during 1990-2000 and again increased to 29% during 2000-2009.
		Urban & Metro	The growth rate was 359% during 1975-2009. The growth rate during 1975-1990 periods was at 126%, declined to 28% during 1990-2000 and again increased to 59% during 2000-2009.
		Total no. of branches	The growth rate of total number of branches was 280% during 1975-2009. Highest rate was of urban & metro at 359%. The lowest was of semi-urban.
Public Sector Banks	Growth & growth rate	Rural	The branch growth rate 211% during 1975-2009, but actual growth was during 1975-1990 period at 230%, negative growth during 1990-2000 as well as during 2000-2009.
		Semi-urban	The branch growth rate was 183% during 1975-2009. The growth rate during 1975-1990 period was at 90% , declined to 18% during 1990-2000 and again increased to 27% during 2000-2009
		Urban & Metro	Urban & Metro: growth was 359% during 1975-2009. The growth during 1975-1990 period was at 123%, declined to 28% during 1990-2000 and again increased to 61% during 2000-2009.
		Total no. of branches	The growth rate of total number of branches was 252% during 1975-2009. Highest rate was of urban & metro at 359%. The lowest was of semi-urban.
Scheduled commercial banks	Growth & growth rate	Rural	The rural branch growth rate was 332% during 1975-2009, but actual growth rate was during 1975-1990 period at 374% , negative growth during 1990-2000 as well as during 2000-2009.
		Semi-urban	The growth rate was 212% during 1975-2009. The growth rate during 1975-1990 period was at 85% , declined to 27% during 1990-2000 and again increased to 33% during 2000-2009.
		Urban & Metro	The growth rate was 360% during 1975-2009. The growth during 1975-1990 period was at 99%, declined to 33% during 1990-2000 and again increased to 73% during 2000-2009.
		Total no. of branches	The growth rate of total number of branches was 306% during 1975-2009. Highest rate was of urban & metro at 360%. The lowest was of semi-urban.

Inter group comparison	PSB vs. - SCB	Rural	The share of PSB in SCB was 83.13% in 1975, sharply declined to 57.85% by 1990, marginally improved by 2009 at 59.75%.
		Semi-urban	The share of PSB was 78.48% in 1975, increased to 80.75% by 1990, but started declining and by March 2009 reached to 71.22%.
		Urban & Metro	The share of PSB was 79.06%, improved to 88.54% by 1990, but started declining. However, by 2009, the share was at 79.04% almost retained the same position as of 1975.
Inter group comparison	PSB vs. - SCB	Total no. of branches	The share of PSB was 80.36% in 1975, declined to 69.20% by 1990, marginally improved to 69.92% in 2000 and slightly declined to 69.81% by 2009. The PSBs lost more than 10% share in SCBs in between 1975-2009.
	SBG -NBG vs. PSB ;	Rural	The share of SBG in PSBs was 38% in 1975, sharply declined to 29 by 2009, but whereas the share of NBG share increased from 62% to 71 % during 1975-2009
		Semi-urban	The share of SBG in PSB was 40% in 1975 , declined to 36% by 2009. But the share of NBG increased from 60% to 64% during 1975- 2009.
		Urban & Metro	The ratio of SBG -NBG was 25:75 in 1975, in between 1975-2000 SBG share declined slightly , but again by 2009 the ratio maintained at 25:75.
		Total no. of branches	The share of SBG was .34% in 1975, declined to 29% by 1990, and remained at 29% by 2009. But the share of NSGs improved from 66% in 1975 to 71% by 2009.

Conclusions (tables 4.8 , 4.9 and 4.10):

1. There was significant increase in number of branches during 1975-1990 in all population segments and of all groups.
2. The growth declined significantly during 1990-2000, even went to negative in rural segment of all groups.
3. There was an increase in growth rate in all segments except rural and of all groups during 2000-2009 compared to 1999-2000, But the increase was moderate compared to steep increase witnessed during 1975-1990.

4. There was a remarkable growth of rural branches in SCB during 1975-1990 at 374%, the growth during entire period 1975-2009 was at 332%, reason being rapid expansion during 1975-1990.
5. During 1975-2009 , another remarkable growth was in urban & metro, highest growth rate in SBG at 362%. And the other groups were at slightly lesser level.
6. Compared to other two segments, more growth was observed in urban & metro segments during 1990-2000 and also during 2000-2009. During 1975-2009, the SCBs growth was ahead of other groups, except urban & metro segment of SBG. Specifically the rural segment the growth of SCB was at 332% far ahead of other groups.

Analysis on the per cent to total branches of each group:

1. The share of rural segment in SBG was 42% in 1975, highest among all groups. But during 1990 the rural share of SCBs was at 59% of their total branches.
2. The semi-urban segment of SCBs was at 19% in 1990 lowest among the groups as well as segments.
3. The highest per cent share of urban & metro segment was of NBG at 46% in 2009.

The branch expansion was mainly based on the prevalent market and regulatory environment. During 1975-1990, the rapid branch expansion was based on the national priorities like development of backward regions, credit to priority sector, expansion of banking services to unbanked and under-banked areas etc., The period of 1990-2000 was considered as the period of first phase of reforms marked by : more functional autonomy, gradual liberalization of interest rates , permission to set up new

private banks, technological up-gradations, prudential norms wrt asset classification, income recognition and provisioning , more disclosures in balance sheets etc., The PSBs reconciled or adopted the prevalent regulatory and business environment by concentrating on cleaning up the balance sheets, rationalizing the loss making branches and selectively expanding based on business potentiality. Hence, the growth during 1990-2000 was restricted expansion, preference to urban & metro centers and reduction of branches in rural segment.

During 2000-2009, The second phase of reforms , still more operational flexibility and freedom to banks, more refined systems , launching of many technology-based products and more transparency and accountability . During this period branch expansion was noticed in PSBs , but more growth was in urban & metro.

Table 4.12 : Bank Deposit growth

(in Rs. Crore)

Item/ year	1969	1980	1990	2000	2009	
State bank group	1440	12181	56825	256288	1007043	
Growth (%)	--	746	367	351	293	
SBI	1114	9636	43515	196821	742073	
Growth (%)	-	765	352	352	277	
Share of SBI in SB group vertical comparison	77.36	79.10	76.58	76.80	73.69	
Nationalised banks	3183	28041	128999	481025	2105705	
Growth (%)	-	781	360	273	338	
PNB	383	2765	12561	47483	209760	
Growth (%)	-	622	354	278	342	
Share of PNB in Nationalised banks group- vertical comparison	12.03	9.86	9.74	9.87	9.96	
Total PSBs	4623	40222	185824	737313	3112748	
Growth (%)	-	770	362	297	322	
PSB group-wise share- vertical comparison	State bank group	31.15	30.28	30.58	34.76	32.35
	Nationalised banks	68.85	69.72	69.42	65.24	67.65
SCBs	6753	55601	258261	900307	4063204	
Growth (%)	-	723	364	249	351	
Share of PSB Group in SCBs (vertical comparison)	68.46	72.34	71.95	81.90	76.61	

Source : mentioned after table 4.14

Table 4.13 : Bank Advances growth

(in Rs. Crore)

Item/ year	1969	1980	1990	2000	2009	
State bank group	1120	8704	42038	129034	739606	
Growth (%)	-	677	383	207	473	
SBI	841	7213	34499	98102	542503	
Growth (%) over the selected preceding year	-	758	378	184	453	
Share of SBI in SB group	75.08	82.86	82.07	76.03	73.35	
Nationalised banks	2165	16185	73374	223076	1520549	
Growth (%)	-	648	353	204	582	
PNB	227	1535	6479	22572	154703	
Growth (%)	-	576	322	248	585	
Share of PNB in Nationalised banks group- vertical comparison	10.48	9.48	8.83	10.12	10.17	
Total PSBs	3285	24889	115412	352109	2260155	
Growth (%)	-	658	524	205	542	
PSB group-wise share-vertical comparison	State bank group	34.09	34.97	36.42	36.65	32.72
	Nationalised banks	65.91	65.03	63.58	63.35	67.28
SCBs	4799	35459	165943	443469	3000906	
Growth (%)	-	639	368	167	577	
Share of PSB Group in SCBs (vertical comparison)	68.45	70.19	69.55	79.40	75.32	

Source : mentioned after table 4.14

Table 4.14 : Income performance of banks

(in Rs. Crore)

Item/ year	1969	1980	1990	2000	2009	
State bank group	118	1323	7075	34015	105268	
Growth (%)	-	1021	435	381	209	
SBI	91	1087	5705	25770	76479	
Growth (%)	-	1094	425	352	197	
Share of SBI in SB group- vertical comparison	77.12	82.16	80.64	75.76	72.65	
Nationalised banks	229	2513	13660	56886	210340	
Growth (%)	-	997	444	316	270	
PNB	27	217	1278	5882	22246	
Growth (%)	-	704	489	360	278	
Share of PNB in Nationalised banks group- vertical comparison	11.79	8.64	9.36	10.34	10.58	
Total PSBs	347	3836	20735	90900	315608	
Growth (%)	-	1005	441	338	247	
PSB group-wise share-vertical comparison	State bank group	34.01	34.49	34.12	37.42	33.35
	Nationalised banks	65.99	65.51	65.88	62.58	66.65
SCBs	520	5468	30072	115386	463835	
Growth (%)	-	952	450	284	302	
Share of PSB Group in SCBs (vertical comparison)	66.73	70.15	68.95	78.78	68.04	

Source : mentioned after table 4.15

Table 4.15 : Expenditure including Provisions of banks

(in Rs. Crore)

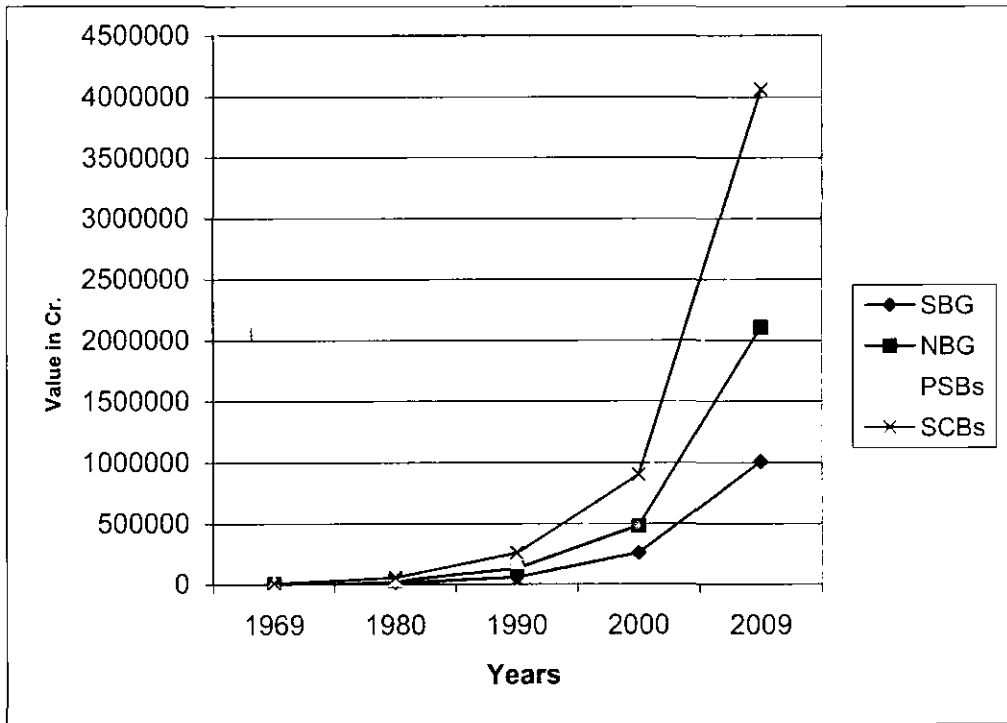
Item/ year	1969	1980	1990	2000	2009	
State bank group	115	1310	6957	31338	93372	
Growth (%)	-	1039	431	350	198	
SBI	89	1075	5620	23719	67358	
Growth (%)	-	1108	423	322	184	
Share of SBI in SB group	77.39	82.06	80.78	75.69	78.14	
Nationalised banks	228	2470	13475	54449	187844	
Growth (%)	-	983	446	304	245	
PNB	26	213	1250	5474	19154	
Growth (%)	-	719	487	338	250	
Share of PNB vs Nationalised banks group-vertical comparison	11.40	8.62	9.28	10.05	10.20	
Total PSBs	343	3780	20432	85787	281216	
Growth (%)	-	1002	441	320	228	
PSB group-wise share-vertical comparison	State bank group	33.53	34.66	34.05	36.53	33.20
	Nationalised banks	66.47	65.34	65.95	63.47	66.80
SCBs	509	5394	29454	108013	411058	
Growth (%)	-	960	446	267	281	
Share of PSB Group in SCBs (vertical comparison)	67.39	70.08	69.37	79.42	68.41	

Common note and Source for Tables 4.11 to 4.15 given hereunder:

- Note : 1. The figures of years ; 1969, 1975, 1980 and 1985 were of December –end and the figures of years : 1990, 2000 and 2009 were of March –end.
2. Growth (%) over the selected preceding years are all horizontal comparisons.

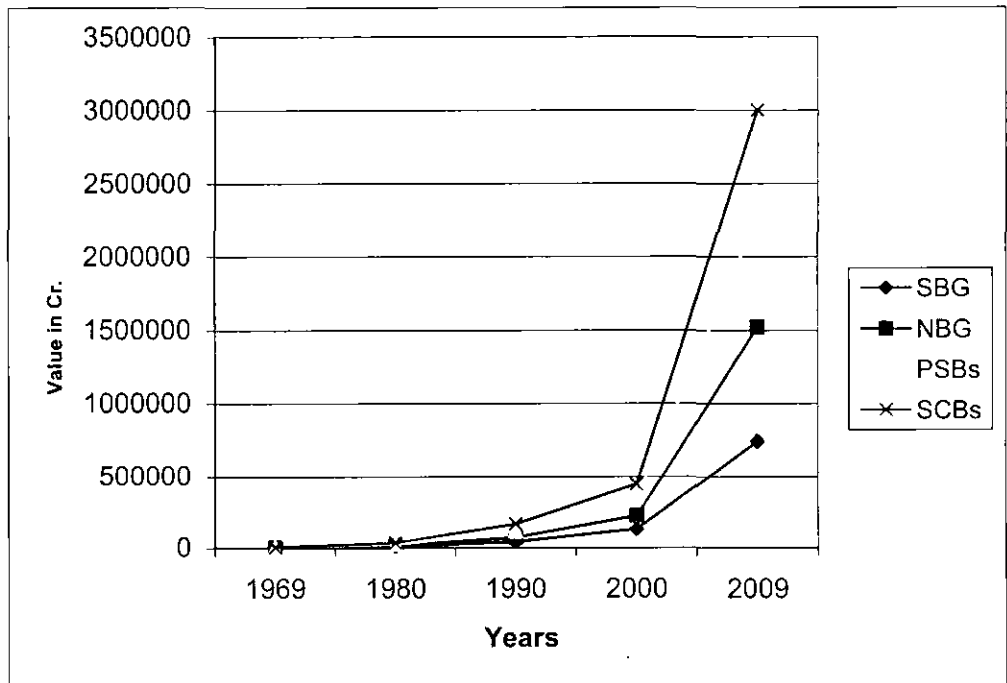
Source : IBA bulletins - Jan 1994 and March 2001
Report on Trend and Progress of Banking in India 2000-01 and 2008-09,
Statistical Tables Relating to Banks of India 2008-09
Handbook of statistics on Indian economy 2008-09.

Figure 4.1 : Deposits (Group-wise)



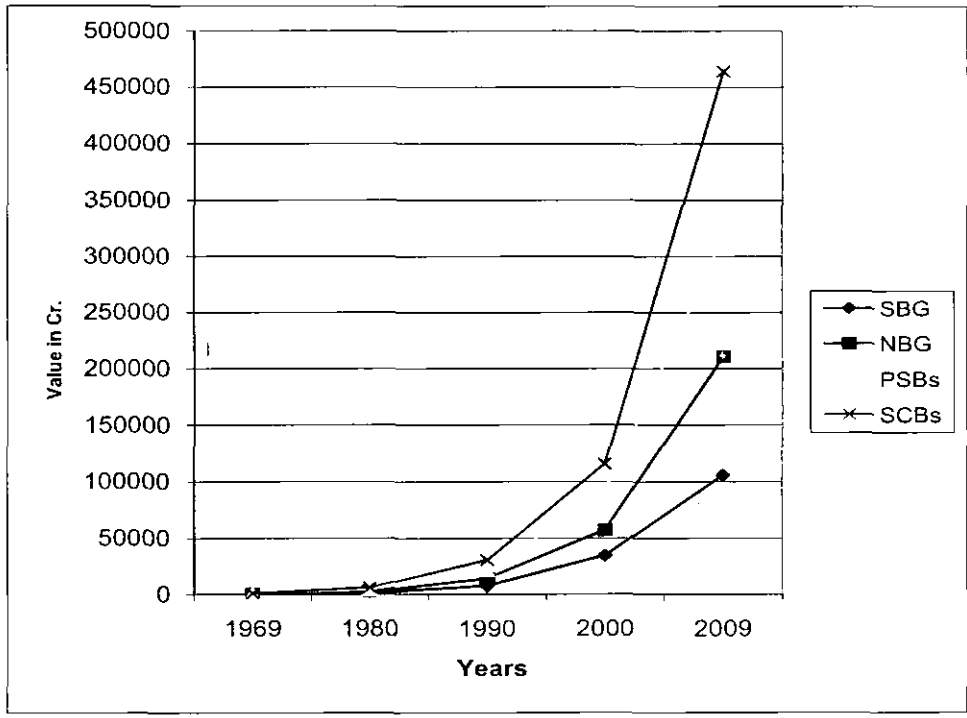
Note & Source : As mentioned under Table 4.14

Figure 4.2 : Advances (Group-wise)



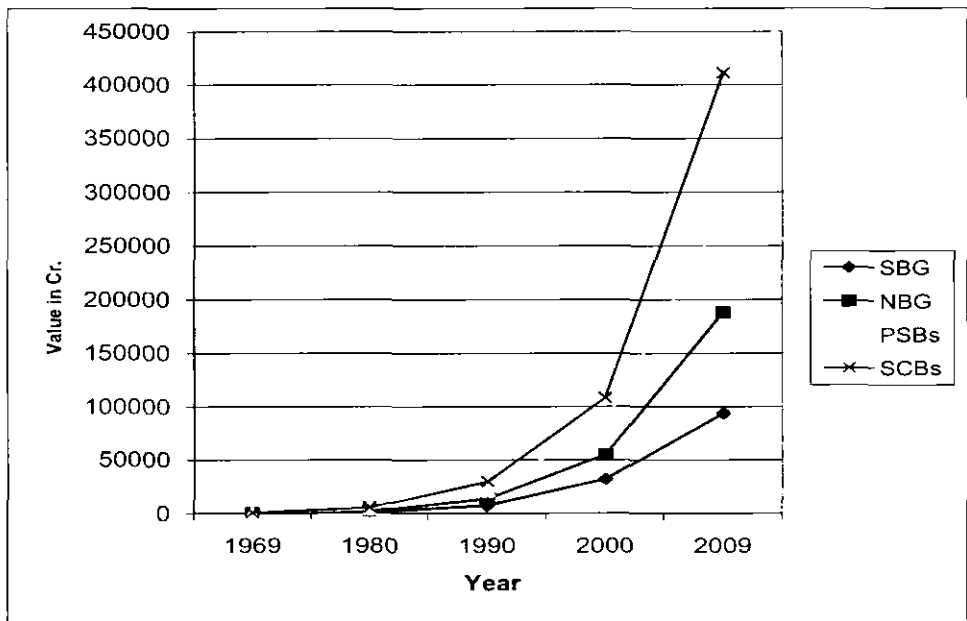
Note & Source : As mentioned under Table 4.14

Figure 4.3 : Income (Group-wise)



Note & Source : As mentioned under Table 4.14

Figure 4.4 : Expenditure including Provisions (Group-wise)



Note & Source : As mentioned under Table 4.14

Deposits (Study on table 4.11 & Figure 4.1)

Group-wise / inter group comparative analysis: Growth & growth rate (1969 - 2009)

1. The highest per cent growth in deposits was noticed during 1969-1980 in all groups , comparing to all other periods. The second highest per cent increase was during 1980-1990, followed by 2000-2009. The least per cent increase was during 1990-2000.
2. Among all the groups and selected two banks, the highest growth rate was of NBG during 1969-1980 at 781% ,from Rs. 3183 crore to Rs. 28041 crore., least was of SCB at 249% during 1990-2000.
3. The SBG , the growth rate declined from 746% during 1969-1980 to 293% during 2000-2009. The steep declining was during 1980 to 1990 ,from 746% to 367%. Remained almost flat during 1990-2000.
4. The SBI, taken as representative to SBG , the growth momentum was similar to SBG. The growth rate declined from 765% during 1969-1980 to 277% during 2000-2009. The steep declining was during 1980 to 1990 ,from 765% to 352%. Remained flat during 1990-2000. The growth rate of SBI was higher in comparison with SBG during 1969-1980 and 1990-2000.
5. The NBG , growth rate declined sharply during 1980-1990, from 781% to 360% , further declined during 1990-2000 .But the growth rate moved up during 2000-2009 from 273% to 338%.

6. PNB, taken as representative to NBG, the growth momentum was similar to NBG, growth rate declined sharply during 1980-1990, from 622% to 354% , further declined during 1990-2000 .But the growth rate moved up during 2000-2009, from 278% to 342%. The growth rate of PNB was higher during two periods 1990-2000 and 2000-2009 at 278% & 342% respectively in comparison with NBG at 273% & 338% . The growth rate of PNB was lowest at 622% during 1969-1980 compared to SBI as well as other groups.
7. The growth rate of PSBG was in tandem with the growth rate momentum of NBG,growth rate declined sharply during 1980-1990, from 770% to 362% , further declined to 297% during 1990-2000 .But the growth rate moved up during 2000-2009 from 297% to 322%.
8. The growth rate of SCB was in tandem with the growth rate of PSB & NBG, the growth rate declined sharply during 1980-1990, from 723% to 364% , further declined to 249% during 1990-2000 .But the growth rate moved up during 2000-2009 from 249% to 351%.
9. Except, SBG & SBI , all other groups including PNB showed decline in growth rate during 1990-2000. The growth rate of SBG & SBI during 1990-2000 was either flat at 352% or almost flat 367% to 351%.
10. SBG & SBI showed lower rate of growth at 293% and 277% respectively , compared to other groups and PNB , which were in the range of 322% - 351% .during 2000-2009.

Inter-group share :

SBI vs SBG : The share of SBI in SBG declined during 1969 – 2009 from 77.36% to 73.69%. During 1969 – 1980 , the share increased to 79.10% , but remained around 77% by 1990-2000.

PNB vs NBG : The share of PNB in PSB declined during 1969 – 2009 from 12.03% to 9.96 % . The share continuously declined till 1990, afterwards started increasing and reached to 9.96% by 2009.

SBG-PSB vs NBG: The share of SBG marginally increased from 31.15 % to 32.35% during 1969-2009. The highest share was in 2000 at 34.76%. The share of SBG increased sharply by 4.18% from 30.58% to 34.76% during 1990-2000.

PSB vs SCB : The share of PSBG increased from 68.46% to 76.61% during 1969-2009. The significant increase was during 1990- 2000 , from 71.95% to 81.90% , an increase of 9.95%. And thereafter declined sharply by 5.29% during 2000-2009.

Advances (Study on table 4.12 & Figure 4.2):

Group-wise / inter group comparative analysis : Growth & growth rate (1969 - 2009)

1. The highest per cent growth in advances was noticed during 1969-1980 in all groups except PNB , comparing to all other periods. The second highest per cent increase was during 2000-2009, followed by 1980-1990. The least per cent increase was during 1990-2000.
2. Among all the groups and selected two banks. the highest growth rate was of SBI during 1969-1980 at 758% ,from Rs. 841 crore to Rs. 7213 crore., least was of SCB at 167 % during 1990-2000.

3. The SBG , the growth rate declined from 677% during 1969-1980 , to 473% during 2000-2009. The steep declining was during 1980 to 1990 ,from 677 % to 383 %, further declined to 207% during 1990-2000, and raised to 473% by 2009.
4. The SBI :the growth momentum was similar to SBG. The growth rate declined from 758% during 1969-1980 to 453 % during 2000-2009. The steep declining was during 1980 to 1990 as well as 1990-2000 . But showed sharp increase during 2000-2009 ,from 184% to 453%. Except 1969-1980 The SBI growth rate was less than SBG during all other periods.
5. The NBG , growth rate was reduced from 648% to 582% during 1969-2009 period. The decline was sharp during 1980-1990, from 648% to 353% , further declined to 204 % during 1990-2000 .But the growth rate moved up sharply during 2000-2009 from 204% to 582%.
6. Contrary to others, PNB showed increase in the growth rate from 576% to 585% during 1969-2009 period. The growth rate of PNB was higher during two periods 1990-2000 and 2000-2009 in comparison with NBG. The growth rate of PNB was lowest at 576% during 1969-1980 comparing to SBI as well as other groups.
7. The growth rate of PSBG was in tandem with the growth rate momentum of NBG, growth rate was not declined that sharply during 1980-1990, declined 134% from 658% to 524% , sharply declined to 205% during 1990-2000 .But the growth rate moved up during 2000-2009 from 205% to 542%.

8. The growth rate of SCB declined sharply during 1980-1990 and 1990-2000 , but again it moved up sharply from 167% to 577% during 2000-2009.

Inter-group share :

SBI vs SBG : The share of SBI in SBG declined during 1969 – 2009 from 75.08% to 73.35%. During 1969 – 1980 , the share increased to 82.86% , but declined to 73.35% by 2009.

PNB vs NBG : The share of PNB in PSB declined marginally during 1969 – 2009 from 10.48% to 10.17 % . The share declined till 1990, afterwards started increasing and reached to 10.17% by 2009, slightly lesser level to 1969.

SBG-PSB vs NBG: The share of SBG was highest during 1990-2000 at 36.65% and declined sharply to 32.72% , decrease of 3.93% during 2000-2009. The share of NBG declined from 65.91% to 63.35% during 1969 to 2000 and increased sharply to 67.28% during 2000-2009.

PSB vs SCB : The share of PSBG increased from 68.45% to 75.32% during 1969-2009. The significant increase was during 1990- 2000, from 69.55% to 79.40% , an increase of 9.85%. And thereafter declined to 75.32 % during 2000-2009.

Income (Study on table 4.13 & Figure 4.3)::

1. The highest per cent growth in income was noticed during 1969-1980 in all groups compared to all other periods. The sharpest decrease was during 1980-1990 in all groups. Except SCB during 2000-2009, all groups and selected two banks showed declining trend of income during the entire period 1969-2009.
2. Among all the groups and selected two banks, the highest growth rate was of SBI during 1969-1980 at 1094% ,from Rs. 91 crore to Rs. 1087 crore., least was of SBI at 197 % during 2000-2009. The second least was of SBG at 209% during 2000-2009.

3. The SBG , the growth rate declined from 1021% during 1969-1980 , to 209% during 2000-2009. The steep declining was during 1980 to 1990, from 1021 % to 435 % , and further declined to 381% during 1990-2000.
4. The growth momentum in SBI was similar to SBG. The growth rate declined from 1094% during 1969-1980 to 197 % during 2000-2009. The steep declining was during 1980 to 1990 from 1094% to 425% Except 1969-1980, the SBI growth rate was lesser than SBG during all other periods.
5. The NBG , growth rate was reduced from 997% to 270 % during 1969-2009 period. The decline was sharp during 1980-1990, from 997% to 444% , declined to 316 % during 1990-2000 and declined further to 270% during 2000-2009.
6. PNB also showed declining trend from 704% to 278% during 1969-2009 period. Except 1969-1980,the growth rate of PNB was higher during all the other periods ,in comparison with NBG. The growth rate of PNB was lowest at 704% during 1969-1980 comparing to SBI as well as other groups.
7. The growth rate of PSBG was in tandem with the growth rate momentum of NBG, growth rate declined sharply during 1980-1990, from 1005% to 441%, declined to 338% during 1990-2000 and further declined to 247% during 2000-2009.
8. The growth rate of SCB declined sharply during 1980-1990 and 1990-2000 , but again it moved up sharply from 284% to 302% during 2000-2009.

Inter-group share :

SBI vs SBG : The share of SBI in SBG declined during 1969 – 2009 from 77.12% to 72.65%. During 1969 – 1980 , the share increased to 82.16% , but gradually declined to 72.65% by 2009.

PNB vs NBG : The share of PNB in PSB declined marginally during 1969 – 2009 from 11.79% to 10.58 %. The share declined sharply during 1969-1980, but picked up and moved up continuously .

SBG-NBG vs PSB: The share of SBG was highest during 1990-2000 at 37.42 % , declined sharply to 33.35% , decrease of 4.07% during 2000-2009. The movement was like a wave, moving up and again coming down , during the period 1969-2009. The share of NBG declined continuously from 65.99% to 62.58% during 1969 to 2000 and increased to 66.65% during 2000-2009.

PSB vs SCB : The share of PSBG increased from 66.73% to 68.04% during 1969-2009. The significant increase was during 1990- 2000 , from 68.95% to 78.78% , an increase of 10.74%. And thereafter declined to 68.04 % during 2000-2009.

Expenditure (Study on table 4.14 & Figure 4.4):

1. The highest per cent growth in expenditure was noticed during 1969-1980 in all groups compared to all other periods. The sharpest decrease was during 1980-1990 in all groups. Except SCB during 2000-2009, all groups and selected two banks showed declining trend of expenditure during the entire period 1969-2009.
- 2 Among all the groups and selected two banks, the highest growth rate was of SBI during 1969-1980 at 1108%, from Rs. 89 crore to Rs. 1075 crore., least was of SBI at 184 % during 2000-2009. The second least was of SBG at 198% during 2000-2009.
- 3 The SBG , the growth rate declined from 1039% during 1969-1980 , to 198% during 2000-2009. The steep decline was during 1980 to 1990, from 1039 % to 431 % . , declined to 381% during 1990-2000 and further declined to 198% by 2009.

- 4 The SBI :the growth momentum was similar to SBG. The growth rate declined from 1108% during 1969-1980 to 184 % during 2000-2009. The steep declining was during 1980 to 1990 from 1108% to 423% The SBI growth rate was less than SBG during the entire period 1969-2009..
- 5 The NBG , growth rate was reduced from 983% to 245 % during 1969-2009 period. The decline was sharp during 1980-1990, from 983% to 446% , declined to 304 % during 1990-2000 and declined further to 245% during 2000-2009.
- 6 PNB also showed declining trend from 719% to 250% during 1969-2009 period. The growth rate of PNB was higher during all the periods , except 1969-1980 in comparison with NBG. The growth rate of PNB was lowest at 719% during 1969-1980 comparing to SBI as well as all other groups.
- 7 The growth rate of PSBG was in tandem with the growth rate momentum of NBG, growth rate declined sharply during 1980-1990, from 1002% to 441% , declined to 320% during 1990-2000 and further declined to 228% during 2000-2009.
- 8 The growth rate of SCB declined sharply during 1980-1990 and 1990-2000 , but marginally moved up from 267% to 281 % during 2000-2009.

Inter-group share :

SBI vs SBG : The share of SBI in SBG increased from 77.39 % to 78.14% during 1969 – 2009. During 1969 – 1980 , the share increased to 82.06% , but declined to 75.69% by 2000 and increased to 78.14% by 2009.

PNB vs NBG : The share of PNB in PSB declined marginally during 1969 – 2009 from 11.40% to 10.20 % . The share declined only during 1969-1980, but picked up and moved upwards continuously .

SBG-PSB vs NBG: The share of SBG was highest during 1990-2000 at 36.53 % , declined to 33.20% , decrease of 3.33% during 2000-2009. The movement was like a

wave, moving up and again coming down , during the period 1969-2009. The share of NBG increased marginally from 66.47% to 66.80% during 1969-2009.

PSB vs SCB : The share of PSBG increased from 67.39% to 68.41% during 1969-2009. The significant increase was during 1990- 2000 , from 69.37% to 79.42% , an increase of 10.05%. And thereafter declined to 68.41 % during 2000-2009.

Trends in business parameters :

➤ General trend

The highest per cent growth in deposits, advances, income & expenditure was noticed during 1969-1980 in all groups , compared to all other periods. . The second highest per cent increase of deposits was during 1980-1990 and of advances was during 2000-2009. The sharpest decrease of income and expenditure was during 1980-1990 in all groups. Among all the groups and selected two banks during 1969-1980, the highest growth rate of deposits was of NBG at 781% and all other three parameters SBI was ahead of others in comparison with all other periods during 1969-1980.

Except, SBG & SBI , all other groups including PNB showed more decline in growth rate of deposits during 1990-2000.

➤ Group-wise trend:

SBG : the growth rate declined during 1969-2009 in all four parameters and the steep declining was during 1980 to 1990. During 2000-2009, there was sharp increase in advances and decline in all other three parameters.

NBG: growth rate was reduced during 1969-2009 period, growth rate declined sharply during 1980-1990, The growth rate of deposits & advances

moved up during 2000-2009, movement was sharper in advances. But declining trend of income & expenditure continued from 1969 to 2009

PSBG : The growth rate of PSB was in tandem with the growth rate momentum of NBG, growth rate declined during 1969-2009, sharply during 1990-2000 in advances front . Declining trend continued till 2009 in income and expenditure, but in deposits and advances the declining trend continued till 2000 and moved up during 2000-2009

SCB : The growth rate of SCB was in tandem with the growth rate of PSB & NBG, the growth rate declined during 1969-2009 , sharply during 1980-1990. But the growth rate moved up during 2000-2009 in all four parameters.

➤ **Trend in SBI & PNB**

SBI: the growth momentum was similar to SBG. The growth rate declined in all four parameters from 765% during 1969-1980 to 277% during 2000-2009. The steep decline was during 1980 to 1990.

PNB : growth rate was reduced during 1969-2009 period. The growth rate of deposits and advances of PNB was higher during two periods 1990-2000 and 2000-2009 in comparison with NBG. The growth rate of PNB was lowest during 1969-1980 compared to SBI as well as other groups in all four parameters.

Inter-group comparison

SBI vs SBG: The share of SBI in SBG declined during 1969 – 2009 in three parameters : deposits, advances and income. But in expenditure front, the share of SBI in SBG increased . During 1969 – 1980, the share of SBI increased in all four parameters.

PNB vs NBG: The share of PNB in PSB declined during 1969 – 2009 in all four parameters, but decline was marginal in three parameters: advances, income & expenditure. The share of both deposits & advances declined till 1990, afterwards started increasing . In case of income & expenditure, the share declined only during 1969-1980, but picked up and moved up continuously.

SBG-PSB vs NBG: The share of deposits of SBG marginally increased from 31.15 % to 32.35% during 1969-2009, but other three parameters the share was declining. Contra to SBG, The share of deposits of NBG marginally decreased during 1969-2009, but other three parameters the share was increased.

PSB vs SCB: The share of PSBG increased during 1969-2009 in all four parameters. The significant increase was during 1990- 2000

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