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   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

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   APPENDIX/ANNEXURE

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- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

DETERMINANTS OF DIVIDEND PAYOUT RATIOS: A STUDY WITH REFERENCE TO INDIAN BANKING SECTOR

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ABSTRACT
Dividend policy decisions constitute one of the major areas in financial management decisions of a firm, yet more research is required to be conducted with special reference to Indian banking sector because of its significant role in the economy. The present study attempted to investigate the key determinants that influence the dividend payout ratios of banks using the data for a period of five years between 2009 and 2013. The study examined the influence of explanatory variables such as last year dividends, current earnings, cash flows, liquidity, profitability, capital expenditures and leverage on dividend payout ratios of public and private sector banks using Backward Linear Regression Analysis. The study provided evidence that last year dividend and profitability are the most important explanatory determinants on the dividend payout ratio of banks.

KEYWORDS
Backward linear regression, Dividend Payout ratio, Last year dividends, Leverages, Profitability.

INTRODUCTION
Dividend policy decision is a key area in the field of corporate financial management. Firms view dividend policy very important because it determines that what funds flow to investors and what funds are retained by the firm for reinvestment. There are many theoretical Explanations as to factors influencing the dividend policy (Lintner1956; Britain 1966, etc.). Financial Economists and analyzers of corporate dividend policies generally conclude with the two characteristics embedded in dividend decision process. These are long run payout ratio and stability of dividends. In order to find out an appropriate dividend payout ratio for the company, its management has a number of factors to consider. As revealed in the existing literature, these factors include earnings, investment opportunities in hand, difference in the cost of retained earnings and external equity, cash flow position, share holder preferences, corporate and other taxes, legal restrictions, etc. About the stability dimension of the dividends, we may state that a predictable dividend policy would satisfy the shareholder's current consumption demand and facilitates the management in the planning factors in long- term investment budget.

CONCEPTUAL MODEL AND VARIABLES
Analyzing the influence of various determinants of dividend payout ratios has been seminal area of research in basic finance for the decades. Various research studies conducted on the determining variables on dividend payouts at a firm level; still there is no unique answer as to the variable which has significant impact, especially in banking sector. Few studies at the firm level, including Lintner (1956), Miller and Modigliani (1961), Miller and Scholes (1982), Rao and Sarma (1971), Swamy and Rao's (1975), Rozeff (1982), Kevin (1992), Alli, Khan and Ramirez (1993), Mahapatra and Sahu (1993), Narasimhan and Asha (1997), Pandey (2001), Reddy (2002), Manoj Anand (2002), Anand (2004), Kanwal and Kapoor (2008) and Kamal Naser, Rana Museibeh and Wojoud Rashed (2013) depicted the significant relation between the dividend determinants and dividend pay out ratio in various contexts.

KEY DETERMINANTS OF DIVIDEND PAYOUT RATIO IN BANKING SECTOR
a) LAST YEAR DIVIDENDS
Lintner (1956) argued that the firms of developed markets target their dividend payout ratio considering the last year dividends as a predictor variable. Following Lintner (1956) theory Pandey (2001) conducted a study in Malaysian Companies observed that dividend payments behaviours were unstable to meet the targeted dividend payout ratio. However, Mahapatra and Sahu (1993) presented a contrasting view, stating that the past dividends have no significant impact on the dividend payout ratio. Hence it is proposed as
Hypothesis-3: Last year dividend have no significant influence on the dividend payout ratio.
b) CURRENT EARNINGS
Empirical studies reveal the dividends are shown as signals for earning capacity of the firm. Current earnings of the firm have prominent importance on the dividend payout (Mahapatra and Sahu, 1993). Skinner and Soltes (2009) found that the earnings are more persistent for the firms that pay dividends and that this relation does not depend on the magnitude of firm's dividend payouts. Therefore, it is hypothesized as
Hypothesis-4: Current earnings have no significant influence on the dividend payout ratio.
c) CASH FLOWS
Rao and Sharma (1971) conducted preliminary testing of Linter's model based on aggregate time series with net cash flows and lagged dividends as explanatory variables. Similarly, Kanwal and Kapoor (2008) proved that cash flows that indicate liquidity and beta indicating risk are the foremost determinants of dividend payout ratio of a firm. The results of Rao and Sharma (1971) and Kanwal and Kapoor (2008) represent manufacturing companies and information technology companies. Thus, the findings need to be tested in the banking sector with the hypothesis,
Hypothesis-5: Cash flows do not have significant influence on the dividend payout ratio.
e) PROFITABILITY:
Many researchers in the past argued profitability have both the positive and negative influence on the dividend policy. Studies conducted by Rao and Sharma (1971) in four major industrial groups and Kanwal and Kapoor (2008) in Information technology sector proved that the profitability has a positive influence on the dividend policy of firm. Contrarily, Mehta (2008) proved that the profitability as measured in terms of ROE and EPS are negatively associated with the dividend payout ratio of a firm.
Hypothesis-6: Profitability has no significant influence on the dividend payout ratio.
e) LIQUIDITY
The extant literature on the relationship between liquidity and dividend policy revealed contrasting views. John and Muthuswamy (2010) proved the negative association between liquidity and dividend policy stating that more cash paid out to the investors will reduce the cash position of the firm. These views were

presented in supporting the hypothesis by Darlings (1957) and Baker, Veit and Powell (2001) Nonetheless, Mehta (2008) contrarily argued that the firms with high liquidity are more likely to pay dividends than those firms who face liquidity crunch.

Hypothesis-7: Liquidity has a no significant influence on the dividend payout ratio.

f) CAPITAL EXPENDITURE

Dividend policy was considered as an important component of financial policy of a firm in deciding about the net borrowings and capital expenditures. Alli, Khan and Ramirez (1993) and Desai, Foley and Hines Jr (2006) reported that inclusion of capital expenditures have inverse and insignificant effect on the dividend policy in the context of multinational firms. However, Swamy and Rao (1975) proved that investment expenditures have positive coefficient towards dividend payout ratio.

Hypothesis- 8: Capital expenditures has no significant influence on dividend payout ratio.

g) LEVERAGE

The empirical evidence from the research on leverage and dividend payout ratio provided mixed result. John and Muthusamy (2010) opined that higher leverage for firm means the firm is at risk in terms of cash flow. Rozeff (1982) opined that the leverage have negatively significance on the dividend payout ratios. However, supporting to the views of Mehta (2012) and John and Muthusamy (2010) found that the leverage has negatively association with the dividend payout ratio in the context of UAE exchange listed firms and Indian paper industry.

Hypothesis- 9: Leverage has no significant influence on dividend payout ratio.

NEED AND SIGNIFICANCE OF THE STUDY

As banking sector generates profits by the difference between their lending and deposits. The difference between the interest income and operational expenses is the major contribution towards the profits of a bank, in turn, for dividends to be distributed. The factors affecting the dividend policy of banks are different from the companies or corporations because the profits of banks are generated by lending the loans while in case of companies' loans are the liabilities for them. To know how the banks manage to distribute its profits as dividends to its stakeholders is the need of the study that arises. Numerous studies were conducted on dividend policy of different firms/companies have been made but studies on dividend policies of banks have not been done as required. Banking sector is the most effluent sector of the Indian financial system, therefore the need to study dividend policy of banks arises as with the help of these studies the stakeholders can understand more of the information about dividend policy of banks which will be helpful for them to invest in banks as well.

OBJECTIVES OF THE STUDY

The study is conducted with the following objectives.

- To study the significant difference among the banks towards the determinants of dividend payout ratio.
- To study the influence of dividend determinants on Dividend payout ratio of Banks.

HYPOTHESES OF THE STUDY

Hypothesis -1: There is no significant difference among the public sector banks towards the dividend payout ratio.
Hypothesis -2: There is no significant difference among the private sector banks towards the dividend payout ratio.
Hypothesis-3: Last year dividend have no significant influence on the dividend payout ratio.
Hypothesis-4: Current earnings have no significant influence on the dividend payout ratio.
Hypothesis-5: Cash flows do not have significant influence on the dividend payout ratio.
Hypothesis-6: Profitability has no significant influence on the dividend payout ratio.
Hypothesis-7: Liquidity has a no significant influence on the dividend payout ratio.
Hypothesis- 8: Capital expenditures has no significant influence on dividend payout ratio.
Hypothesis- 9: Leverage has no significant influence on dividend payout ratio.

RESEARCH METHODOLOGY

DATABASE AND SAMPLING

Currently, India has 88 scheduled commercial banks in which 27 public sector banks (which are owned by Government), 31 private sector banks (which are owned by private sectors and Government do not have any stake) and 38 foreign sector banks . They have a combined network of over 53,000 branches and 17,000 ATMs. So , in total, India is having 96 commercial banks which include 27 public sector + 31 private sector + 38 foreign banks. In this research, we have taken the sample of commercial banks which are listed in Bombay Stock Exchange where currently 42 banks are listed in the same and we have used Judgmental sampling by taking market capitalization as a criteria and have chosen 20 commercial banks (public and private) whose market capitalization is highest. Data is collected from secondary sources i.e., from official websites, annual reports and other research papers. We have chosen 10 public sector and 10 private sector banks and studied their dividend payout ratio for the period of 2009 to 2013 i.e., for 5 years.

TABLE- 1: TABLE SHOWING THE LIST OF BANKS SELECTED FOR THE STUDY BASED ON HIGHEST MARKET CAPITALIZATION

Public Sector Banks	Private Sector Banks
1. State Bank of India	1. ICICI Bank
2. Bank of India	2. HDFC Bank
3. Central Bank of India	3. Axis Bank
4. Oriental Bank of Commerce	4. Kotak Mahindra
5. Punjab National Bank	5. Federal Bank
6. United Bank of India	6. City Union Bank
7. Indian Overseas Bank	7. ING Vyasya Bank
8. Allahabad Bank	8. Karnataka Bank
9. Dena Bank	9. Jammu and Kashmir Bank
10. Indian Bank	10. Karur Vyasya Bank

TOOLS AND TECHNIQUES

One – way ANOVA has been applied to study the significant difference among the banks towards the determinants of dividend payout ratio. Back ward Linear Regression analysis has been applied to check whether the determinants of banks have significant influence on the dividend payout ratios.

RESULTS AND ANALYSIS

Objective -1: To study the significant difference among the banks towards the determinants of dividend payout ratio

TABLE – 2: TABLE SHOWING THE RESULTS OF ONE – WAY ANOVA

S. No	Public Sector Banks			Private Sector Banks		
	Variables	**F- Value**	**Sig.**	**Variables**	**F- Value**	**Sig.**
1	Last Year Dividends	75.435	0.000	Last Year Dividends	53.266	0.000
2	Current Earnings	33.179	0.000	Current Earnings	40.242	0.000
3	Cash flows	0.755	0.657	Cash flows	0.561	0.820
4	Profitability	55.944	0.000	Profitability	13.592	0.000
5	Liquidity	136.825	0.000	Liquidity	102.366	0.000
6	Capital Expenditures	51.198	0.000	Capital Expenditures	84.497	0.000
7	Leverage	56.817	0.000	Leverage	44.927	0.000
8	Dividend Payout Ratio	3.013	0.008	Dividend Payout Ratio	17.753	0.000

Source: Compiled data

One way ANOVA is applied to know the significant difference among the banks towards the determinants of dividend policy of banks. From the table, it is found that, among all the determinants of public sector banks except for cash flows of public sector banks, all the determinants are statistically are significant at $p<0.005$. The values from the table reflect that last year dividends, current earnings, profitability, liquidity, capital expenditures and leverages are significant at $p<0.001$. Subsequently, it can be stated that the null hypothesis, Hypothesis-1, there is no significant difference among the banks towards the determinants of dividend payout ratio is rejected, except for cash flows. However, the significant difference among the private sector banks is also tested using one – way ANOVA. From the table, it is found that the except for cash flows of private sector banks, all the determinants are statistically significant at $p<0.05$. Therefore, the null hypothesis ie hypothesis - 2 , there is no significant difference among the banks towards the determinants of dividend payout ratio is rejected, except for cash flows of private banks. The above results for both public and private sector banks indicate that except cash flows, all the determinants of dividend payout ratio have significant difference.

Objective -2: To study the influence of dividend determinants on Dividend payout ratio of Banks

Back ward linear regression method is applied to study the influence of dividend determinants on dividend payout ratio of public and private sector banks. Back ward linear regression has an advantage over the other regression methods as such it starts with all of the predictors in the model. The variable that is least significant--that is, the one with the largest P value--is removed and the model is refitted. Each subsequent step removes the least significant variable in the model until all remaining variables have individual P values smaller than some value, such as 0.05 or 0.10. The results of the back ward linear regression method applied on the determinants of dividend payout ratio as explanatory/ independent variables and dividend payout ratio as dependent variable are presented in Table-3, Table-4 and Table -5.

TABLE – 3: TABLE SHOWING THE MODEL SUMMARY

Model Summary[g]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.637[a]	.406	.060	.29923
2	.637[b]	.406	.132	.28751
3	.637[c]	.405	.193	.27726
4	.620[d]	.385	.221	.27240
5	.588[e]	.346	.223	.27209
6	.572[f]	.328	.249	.26754
a. Predictors: (Constant), Leverage, Capital Expenditures, Cash Flows, Last Year Dividends, Profitability, Liquidity, Current Earnings				
b. Predictors: (Constant), Leverage, Capital Expenditures, Cash Flows, Last Year Dividends, Profitability, Liquidity				
c. Predictors: (Constant), Leverage, Capital Expenditures, Last Year Dividends, Profitability, Liquidity				
d. Predictors: (Constant), Leverage, Last Year Dividends, Profitability, Liquidity				
e. Predictors: (Constant), Leverage, Last Year Dividends, Profitability				
f. Predictors: (Constant), Last Year Dividends, Profitability				
g. Dependent Variable: DP Ratio				

Source: Compiled Data using SPSS 20.0

The results as depicted from the table- 3 shows the back ward linear regression model containing the determinants of dividend payout ratio. R- Value (0.572) from the table -3 depicts the strength of determinants of dividend payout ratio which could be characterized as moderate, after eliminating the insignificant determinants in back ward linear regression method. Adjusted R- Square (0.249) explains that the 24.9 per cent of variance of dividend payout ratio can be explained by determinants of dividend payout ratio. Thus it can be said that the predicting power of explanatory variables such as last year dividends and profitability has increased due to the elimination of insignificant variables which have low predicting power and insignificant at p value. Further, the F- Values, which is a measure of the overall significance of the estimated regression, from the table- 4 depict that the model is fit at F- Value = 4.143 at $p<0.05$.

TABLE – 4: TABLE SHOWING THE RESULTS OF ANOVA

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.735	7	.105	1.173	.385[b]
	Residual	1.074	12	.090		
	Total	1.810	19			
2	Regression	.735	6	.123	1.482	.259[c]
	Residual	1.075	13	.083		
	Total	1.810	19			
3	Regression	.734	5	.147	1.909	.157[d]
	Residual	1.076	14	.077		
	Total	1.810	19			
4	Regression	.697	4	.174	2.348	.101[e]
	Residual	1.113	15	.074		
	Total	1.810	19			
5	Regression	.625	3	.208	2.816	.072[f]
	Residual	1.185	16	.074		
	Total	1.810	19			
6	Regression	.593	2	.297	4.143	.034[g]
	Residual	1.217	17	.072		
	Total	1.810	19			
a. Dependent Variable: DP Ratio						
b. Predictors: (Constant), Leverage, Capital Expenditures, Cash Flows, Last Year Dividends, Profitability, Liquidity, Current Earnings						
c. Predictors: (Constant), Leverage, Capital Expenditures, Cash Flows, Last Year Dividends, Profitability, Liquidity						
d. Predictors: (Constant), Leverage, Capital Expenditures, Last Year Dividends, Profitability, Liquidity						
e. Predictors: (Constant), Leverage, Last Year Dividends, Profitability, Liquidity						
f. Predictors: (Constant), Leverage, Last Year Dividends, Profitability						
g. Predictors: (Constant), Last Year Dividends, Profitability						

Source: Compiled Data

TABLE – 5: TABLE SHOWING THE COEFFICIENTS OF BACKWARD LINEAR REGRESSION

COEFFICIENTS[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.900	.125		7.213	.000
	Last Year Dividends	.351	.235	1.520	1.492	.161
	Current Earnings	-.117	2.595	-.466	-.045	.965
	Cash Flows	.014	.258	.070	.053	.959
	Profitability	-.444	.556	-1.829	-.799	.440
	Liquidity	-.374	1.031	-1.693	-.362	.723
	Capital Expenditures	.131	.298	.393	.440	.667
	Leverage	.540	1.450	2.240	.372	.716
2	(Constant)	.897	.109		8.258	.000
	Last Year Dividends	.347	.210	1.503	1.653	.122
	Cash Flows	.022	.163	.115	.137	.893
	Profitability	-.467	.233	-1.923	-2.006	.066
	Liquidity	-.405	.746	-1.832	-.542	.597
	Capital Expenditures	.122	.204	.365	.598	.560
	Leverage	.482	.687	2.003	.703	.495
3	(Constant)	.899	.104		8.629	.000
	Last Year Dividends	.338	.193	1.464	1.757	.101
	Profitability	-.467	.224	-1.923	-2.081	.056
	Liquidity	-.322	.430	-1.460	-.750	.465
	Capital Expenditures	.130	.188	.389	.693	.500
	Leverage	.422	.507	1.752	.832	.419
4	(Constant)	.938	.086		10.956	.000
	Last Year Dividends	.421	.148	1.824	2.848	.012
	Profitability	-.500	.215	-2.059	-2.321	.035
	Liquidity	-.400	.407	-1.811	-.981	.342
	Leverage	.540	.469	2.242	1.151	.268
5	(Constant)	.972	.078		12.395	.000
	Last Year Dividends	.403	.147	1.744	2.749	.014
	Profitability	-.484	.215	-1.993	-2.255	.038
	Leverage	.109	.165	.452	.661	.518
6	(Constant)	.976	.077		12.696	.000
	Last Year Dividends	.409	.144	1.769	2.842	.011
	Profitability	-.385	.151	-1.586	-2.547	.021
a. Dependent Variable: DP Ratio						

Source: Compiled Data

The table – 5 present the regression coefficients of the determinants of dividend payout ratios of banks are significant at $p<0.05$. The regression coefficients of last year dividend 0.409 represent that one unit change in the last year dividend lead to 0.409 units positive change in the dividend payout ratio. However, one unit change in Profitability lead to -0.385 units change in dividend payout ratio. Therefore, the linear regression equation model can be written as per following:
Dividend Payout Ratio = 0.976 + (0.409) (Last Year Dividends) + (-0.385) (Profitability)

DISCUSSION

The results of the study draw the following highlights. Firstly, last year dividends of banks are significantly influencing the dividend payout ratio rejecting the null hypothesis. Previous studies conducted by Linter (1956) in large scale companies in India are supported by the present study considering the banks with highest market capitalization. Thus it can be inferred that the large firms with high market capitalization has the capability for high dividend payout ratio.

Secondly, profitability is another explanatory variable with a predictive power stating the profitability has a significant influence on the dividend payout ratio, but it is negatively associated, rejecting the null hypothesis. However, the findings of the present study are consistent with the results of Mehta (2008) in UAE firms. Further, future studies can make an attempt to discriminate the influence of Non- Performing Assets on dividend payout ratio considering ROE and EPS as the mediating variables.

For the remaining determinants of dividend payout ratio such as current earnings, cash flows, liquidity capital expenditures and leverage, the results of the present study accept the null hypothesis i.e. current earnings, cash flows, liquidity, capital expenditures and leverage have no significant influence on dividend payout ratio. These results are in contrast to previous studies of Skinner and Soltes (2009), Rao and Sharma (1971) and Kanwal and Kapoor (2008), John and Muthuswamy (2010) and Swamy and Rao (1975) due to the pecuniary nature of the banking sector. Yet the present study support the results of Rozeff (1982), Mehta (2012) and John and Muthusamy (2010) for the association between the leverage and dividend payout ratio that support the proposition, higher the debt in the capital structure increase the obligation further, tighten the cash position of the business that reduce the funds to dividends payments.

CONCLUSION

The study examined the influence of determinants of dividend payout ratio in banking sector in India. Based on the highest market capitalization of the banks, ten banks each in public and private sector were considered as a sample. The data pertaining to the selected determinants such as last year dividends, current earnings, cash flows, liquidity, profitability, capital expenditures and leverages were compiled for five years. The results of the study indicate that the there is significant difference in the determinants of dividend pay out ratio among the public and private sector banks, except cash flows. The results of the study also proved that the dividend payout ratio is significantly influenced by last year dividends and profitability in the banking sector in India. The study has contrasting views with determinants such as liquidity, current earnings, cash flows and capital expenditures when compared with the sectors such as paper industry, information technology industry, manufacturing firms and banking industry. The present study has certain limitations as it has considered only five years of data between 2009 and 2013. In addition, the study has not considered other determinants such as risk, size of the firm and growth rate of the banks. Further, the determinants such as Non-performing assets, Capital adequacy and debt coverage ratios can be explored in the future research.

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APPENDIX

TABLES

TABLE 6: LAST YEAR DIVIDEND OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA (Rs. in Crores)

Public Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
State Bank of India	1357.66	1841.15	1904.65	1905	2348.66
Bank of India	245.77	491.54	428.65	444.3	465.98
Central Bank of India	150.83	148.87	142	252.28	275.81
Oriental Bank of Commerce	117.75	182.89	227.99	303.43	230.49
Punjab National Bank	409.89	630.61	693.67	696.99	746.19
United Bank of India	45.97	0	78.29	134.43	162.64
Indian Overseas Bank	203.96	286.82	223.09	359.56	416.83
Allahabad Bank	134.01	111.68	245.69	285.73	300.02
Dena Bank	33.56	40.27	67.11	85.53	122.05
Indian Bank	163.93	252.39	319.35	362.33	362.33
Private Sector Banks	**2009**	**2009**	**2010**	**2011**	**2012**
ICICI Bank	1227.7	1224.58	1337.86	1612.58	1902.04
HDFC Bank	301.27	425.38	549.29	767.62	1009.08
AXIS Bank	251.64	420.52	567.45	573	658.24
Kotak Mahindra Bank	25.87	25.96	29.66	36.88	44.49
Federal Bank	34.24	68.41	85.52	85.52	145.39
City Union Bank	16	24	30	34.43	40.82
ING Vysya Bank	15.37	20.52	29.99	36.3	68.71
Karnataka Bank	60.67	72.94	53.63	56.46	65.9
J&K Bank	75.14	81.97	106.65	126.04	162.4
Karur Vysya Bank	64.74	64.74	65.32	128.63	150.05

Source: www.moneycontrol.com

TABLE 7: CURRENT EARNINGS OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA (Rs. in Crores)

Public Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
State Bank of India	76479.78	85962.07	69324.78	120872.9	135691.94
Bank of India	19399.22	20494.63	24393.49	31801.84	35674.97
Central Bank of India	11525.16	13799.56	16485.61	20544.8	23527.98
Oriental Bank of Commerce	9927.79	11457.17	13047.88	17055.13	19359.49
Punjab National Bank	22245.85	25032.22	30599.06	40630.63	46109.25
United Bank of India	4802.73	5807.68	6078.51	8693.99	10318.06
Indian Overseas Bank	11354.47	11442.36	13379.49	19613.1	22649.63
Allahabad Bank	8620.3	9885.1	12386.34	16821.96	18912.6
Dena Bank	3877.63	4598.99	5567.37	7376.3	9554.85
Indian Bank	7865.77	6030.78	10542.92	13463.48	15180.58
Private Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
ICICI Bank	39210.31	32999.36	32621.94	41045.41	48421.3
HDFC Bank	19802.89	19983.52	24263.36	32530.04	41917.49
AXIS Bank	13732.37	15583.8	19786.94	27414.87	33733.68
Kotak Mahindra Bank	3222.7	3676.59	4970.28	7157.59	9203.15
Federal Bank	2910.43	3831.16	4204.15	4568.84	6090.73
City Union Bank	928.08	1100.11	1375.81	1903.9	2462.39
ING Vysya Bank	2787.56	2853.11	3349.02	4526.57	5588.46
Karnataka Bank	2270.55	2354.68	2662.61	3447.27	4161.93
J&K Bank	3249.6	3473.12	4077.89	5169.7	6620.53
Karur Vysya Bank	1711.3	2004.93	2482.03	2620.52	4694.99

Source: www.moneycontrol.com

TABLE 8: CASH FLOWS OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA (Rs. in Crores)

Public Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
State Bank of India	32925.18	-6926.18	35039.34	-25752.4	17657
Bank of India	4043.87	9468.87	6079.86	-2598.73	20124.6
Central Bank of India	-588	6965.7	-3934.21	-1156.2	-34.39
Oriental Bank of Commerce	2010.39	2374.76	4488.83	-2891.14	-137.33
Punjab National Bank	2582.42	2060.42	6217.65	-863.18	-1692.65
United Bank of India	538.06	-32.41	949.94	-50.49	1711.31
Indian Overseas Bank	580.58	-1097.26	2194.02	4242.44	-1002.68
Allahabad Bank	-405.33	2531.46	1859.15	2997.83	-954.47
Dena Bank	1819.46	-742.59	294.29	142.39	4270.21
Indian Bank	-89	1429.38	449.11	251.05	825.32
Private Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
ICICI Bank	8074.57	8907.13	-5960.84	2139.23	5188.21
HDFC Bank	564.74	12435.78	-273.56	-8731.19	6342.44
AXIS Bank	2512.66	189.54	6204.75	-7474.74	6501.04
Kotak Mahindra Bank	-964.33	1159.59	170.72	163.57	1054.61
Federal Bank	691.61	-713.71	1024.91	-215.75	187.44
City Union Bank	68.16	215.07	186.12	-150.21	634.38
ING Vysya Bank	-902.51	754.42	-505.62	709.14	-397.09
Karnataka Bank	-160.7	344.81	180.51	-120.49	88.23
J&K Bank	837.52	-660.52	-1065.43	905.06	950.45
Karur Vysya Bank	187.59	-139.1	539.4	260.99	-259.43

Source: www.moneycontrol.com

TABLE 9: CAPITAL EXPENDITURE OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA (Rs. in Crores)

Public Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
State Bank of India	3574.41	4117.73	4764.19	5133.87	6595.71
Bank of India	2421.48	2286.74	2365.93	2722.96	2778.93
Central Bank of India	2277.99	2343.29	2425.38	2473.91	2684.75
Oriental Bank of Commerce	1382.94	1381.97	1373.69	1399.28	1210.5
Punjab National Bank	2397.11	2513.47	3105.6	3168.86	3357.68
United Bank of India	623.35	650.42	817.03	791.72	857.05
Indian Overseas Bank	1696.79	1691.9	1676.1	1729.1	1847.04
Allahabad Bank	1109.75	1118.27	1148.23	1197.73	1251.52
Dena Bank	405.07	407.06	403.6	405.16	112.12
Indian Bank	1589.65	1557.55	1550.73	1625.42	1689.99
Private Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
ICICI Bank	3801.62	3212.69	4744.26	4614.69	4647.06
HDFC Bank	1706.73	2122.81	2170.65	2347.19	2703.08
AXIS Bank	1015.41	1165.19	2273.15	2259.33	2355.64
Kotak Mahindra Bank	213.36	427.65	425.61	449.97	464.42
Federal Bank	232.84	280.78	289.77	289.82	326.14
City Union Bank	41.29	63.04	68.53	97.73	141.28
ING Vysya Bank	285.32	288.33	489.26	490.21	483.74
Karnataka Bank	138.49	148.008	145.53	152.23	166.96
J&K Bank	196.29	202.81	391.63	415.1	456.18
Karur Vysya bank	115.7	135.06	196.66	244.37	320.41

Source: www.moneycontrol.com

TABLE 10: TOTAL DEBT OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA (Rs. in Crores)

Public Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
State Bank of India	795786.81	907127.83	1053501.8	1170652.93	1371922.3
Bank of India	199195.46	252161.84	320907.19	350330.26	417207.17
Central Bank of India	132076.1	169434.11	192244	209092.93	244343.82
Oriental Bank of Commerce	99090.81	125144.62	144693.47	161223.97	183576.85
Punjab National Bank	214134.86	268592.17	344488.42	416852.75	431180.98
United Bank of India	54992.97	69095.66	80731.34	94036.45	105594.24
Indian Overseas Bank	106664.17	119776.91	164584.15	202048.03	225458.21
Allahabad Bank	85908.83	111491.23	138805.34	198687.56	188839.19
Dena Bank	43102.74	52906.2	65901.28	81047.75	105620.81
Indian Bank	73112.61	89185.02	107904.55	125676.66	144842.72
Private Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
ICICI Bank	285671.51	296280.17	335156.39	395664.87	437955.12
HDFC Bank	145497.42	180320.13	222980.47	270552.96	329253.58
AXIS Bank	127559.59	158469.77	215505.68	254175.97	296564.69
Kotak Mahindra Bank	21549	30026.98	40984.92	55132.04	71439.39
Federal Bank	26705.31	32947.13	37604.71	44903.14	53178.15
City Union Bank	8206.77	10324.62	13100.44	16689.46	20781.5
ING Vysya Bank	27042.34	29536.69	34341.16	40891.91	47845.26
Karnataka Bank	20337.26	24072.29	28422.78	32755.39	37635.98
J&K Bank	34000.73	38337.37	45780.59	54587.86	65295.62
Karur Vysya bank	15124.43	19747.73	25251.74	34084.15	42652.32

Source: www.moneycontrol.com

TABLE 11: LIQUIDITY OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA (Rs. in Crores)

Public Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
State Bank of India	104403.8	96183.85	122874.15	97163.17	114820.16
Bank of India	21761.25	31230.13	37309.99	34714.45	54835.86
Central Bank of India	12252.25	19217.02	15282.8	14126.6	19092.21
Oriental Bank of Commerce	12225.13	14599.9	19088.73	8726.95	8589.62
Punjab National Bank	21413.14	23473.57	26961.22	28828.04	27135.38
United Bank of India	6410.21	6377.8	7327.74	7277.25	8988.55
Indian Overseas Bank	10921.9	9825.44	12018.65	16261.1	15258.41
Allahabad Bank	6636.76	9168.23	11027.38	14025.21	13070.73
Dena Bank	5857.12	5114.52	5407.81	5551.18	9821.41
Indian Bank	6683.82	8113.2	8562.31	8813.36	9638.68
Private Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
ICICI Bank	29966.56	38873.69	34090.08	36229.31	41417.46
HDFC Bank	17506.62	29942.39	29668.84	20937.72	27280.17
AXIS Bank	15016.9	15206.44	21408.65	13933.91	20434.96
Kotak Mahindra Bank	1140.46	2300.26	2370.98	8197.55	3689.16
Federal Bank	2745.48	3437.1	2723.39	5748.3	3532.55
City Union Bank	885.08	1100.16	1286.32	1136.11	1770.49
ING Vysya Bank	2282.25	3027.05	2521.42	3230.56	2833.47
Karnataka Bank	1460.73	1805.55	1986.06	1865.57	1953.44
J&K Bank	5274.76	4614.24	3548.81	4453.86	5674.33
Karur Vysya bank	1374.17	1235.06	1774.46	2035.45	1796.02

Source: www.moneycontrol.com

TABLE 12: PROFITABILITY OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA (Rs. in Crores)

Public Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
State Bank of India	9121.23	9166.39	7370.35	11707.29	14104.98
Bank of India	3007.35	1741.07	2488.71	2677.52	2749.35
Central Bank of India	571.24	1058.23	1252.41	533.04	1014.96
Oriental Bank of Commerce	905.42	1135.51	1503.45	1142.35	1328.44
Punjab National Bank	3090.88	3905.36	4433.5	4884.2	4747.67
United Bank of India	184.71	322.36	523.97	632.53	391.9
Indian Overseas Bank	1325.79	706.69	1072.54	1054.93	567.23
Allahabad Bank	768.6	1206.33	1423.11	1866.79	1185.21
Dena Bank	422.66	511.25	611.63	803.14	810.38
Indian Bank	405.75	408.49	504.48	759.77	1008.74
Private Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
ICICI Bank	3758.13	4024.98	1551.38	6465.26	8325.47
HDFC Bank	2244.94	2948.7	3926.4	5167.09	6726.28
AXIS Bank	1815.36	2514.53	3388.49	4242.21	5179.43
Kotak Mahindra Bank	276.1	561.11	818.18	1085.05	1360.72
Federal Bank	368.05	500.49	464.55	587.08	776.8
City Union Bank	122.13	152.76	215.05	280.25	322.02
ING Vysya Bank	188.78	242.22	318.65	456.3	612.96
Karnataka Bank	266.71	167.12	204.61	246.07	340.08
J&K Bank	409.84	512.38	615.2	803.25	1055.1
Karur Vysya bank	235.84	336.03	415.59	501.72	550.32

Source: www.moneycontrol.com

TABLE 13: DIVIDEND PAYOUT RATIOS OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA (in %)

Public Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
State Bank of India	18.09	17.04	18.69	16.36	17.02
Bank of India	15.56	22.6	16.53	16.07	23.17
Central Bank of India	16.28	9.7	15.31	30.49	30.05
Oriental Bank of Commerce	21.7	21.84	19.02	18.5	18.49
Punjab National Bank	22.47	19.62	14.86	14.41	22.03
United Bank of India	0	18.86	13.39	13.83	20.45
Indian Overseas Bank	20.1	27.24	30.53	35.89	26.63
Allahabad Bank	15.83	22.65	19.18	15.46	23.84
Dena Bank	8.95	12.45	13.31	14.55	22.6
Indian Bank	19.94	20.79	18.46	18.02	17.34
Private Sector Banks	**2009**	**2010**	**2011**	**2012**	**2013**
ICICI Bank	31	32.33	28.61	29.22	26.17
HDFC Bank	19.1	19.15	17.35	17.67	17.74
AXIS Bank	20.98	20.64	15.57	14.35	15.25
Kotak Mahindra Bank	8.04	4.55	4.02	3.7	3.5
Federal Bank	18.41	19.37	22.66	18.47	0
City Union Bank	20.33	21.03	14.84	13.89	13.68
ING Vysya Bank	10.45	12.39	9.9	13.57	12.82
Karnataka Bank	29.78	33.13	24.8	24.59	20.25
J&K Bank	21.67	22.71	19.29	19.16	21.93
Karur Vysya bank	29.54	21.3	28.86	27.77	24.73

Source: www.moneycontrol.com

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Thanking you profoundly

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Co-ordinator

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