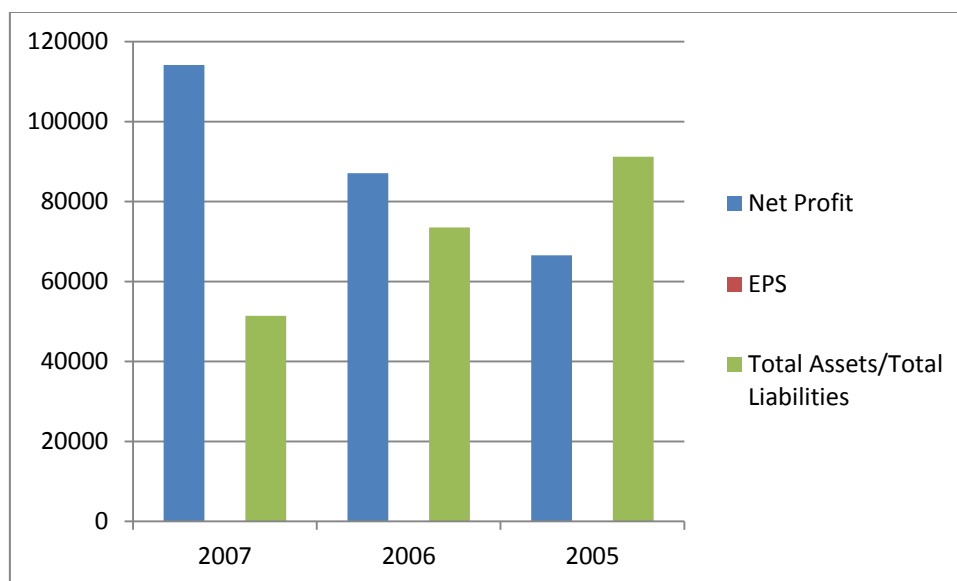


FIGURE 1: Graphical representation of pre merger financial performance of HDFC bank



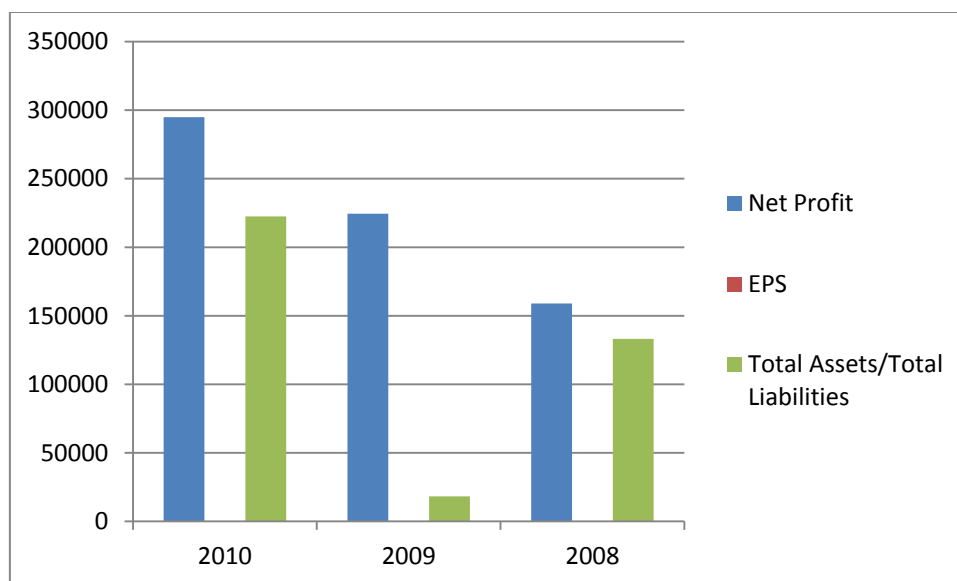
INTERPRETATION

- In the above table, the net profit of HDFC bank is high in the year of 2007 compared with the rest of the years. Also shows it is gradually increasing from the year 2005.
- EPS is high in 2005 later it started decreasing from 36.29 to 27.92 in the year of 2006. In the next year 2007 also EPS is decreasing from 27.92 to 22.92.
- Total assets or liabilities are high in the year of 2005 and later it has been decreasing in next year's and reached to the value of 51429.

TABLE 3: Post merger financial performance of HDFC bank

PARTUCULARS/YEARS	2010	2009	2008
Net Profit (lakhs)	294870	224494	159018
EPS	67.56	52.85	46.22
Total Assets/Liabilities(Crores)	222458.5	18320.77	133176.6

FIGURE 2: Graphical representation of post merger financial performance of HDFC bank



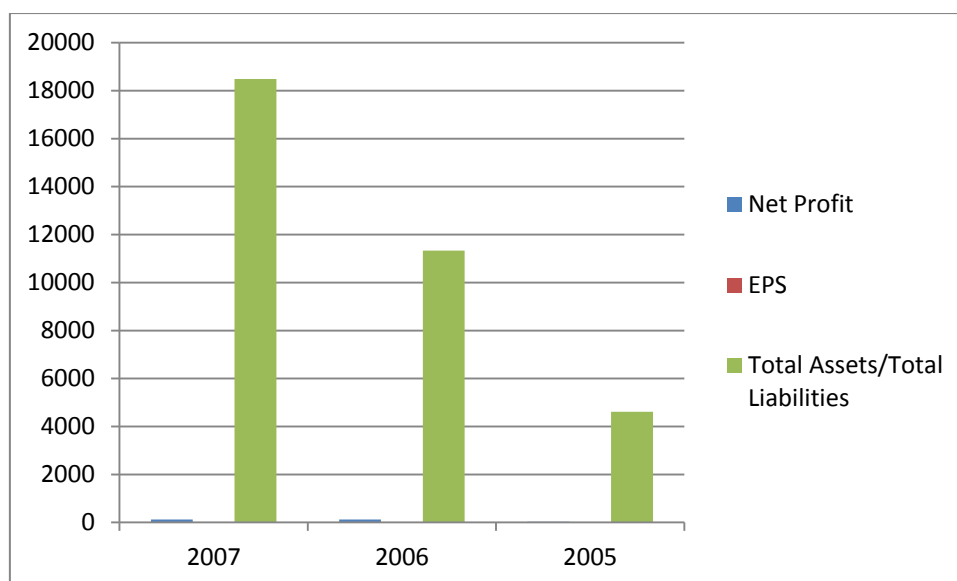
INTERPRETATION

- In the above table, the net profit is increasing year after year from 2008 to 2010. It also shows that the net profits even before and after merger are in increasing mode only.
- In case of EPS, before merger its value is decreasing over the years but after the merger has taken place the value of EPS has started increasing gradually.
- The same has happened in case of total assets and liabilities too. After the merger, the value of total assets and total liabilities has been started increasing gradually.

TABLE 4: Pre merger financial performance of CBOP bank

PARTICUALRS/YEARS	2007	2006	2005
Net Profit (Crores)	121.38	122.48	30.15
EPS	0.77	0.87	0.3
Total Assets/Liabilities (Crores)	18482.7	11330.19	4611.68

FIGURE 3: Graphical representation of pre merger financial performance of CBOP bank



INTERPRETATION

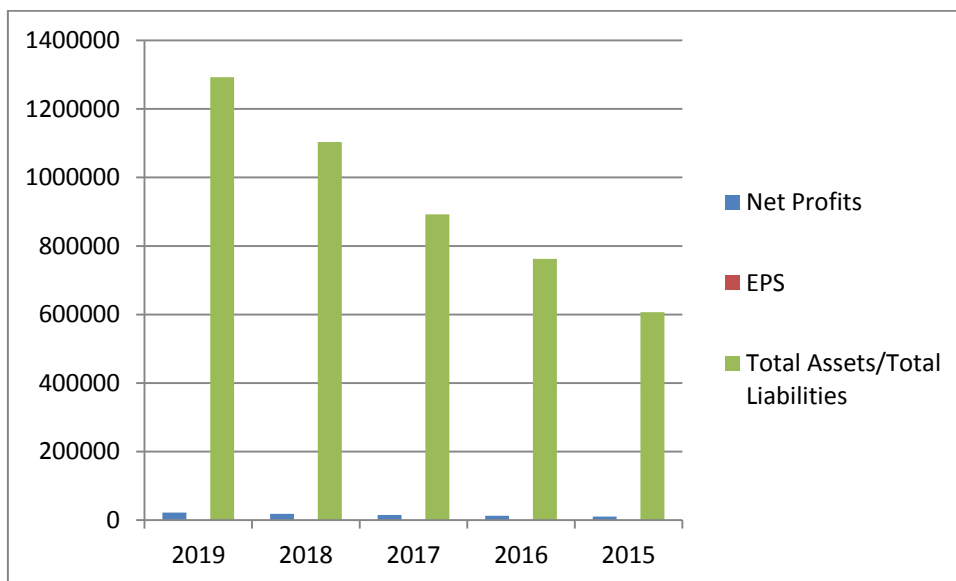
- In the above table, all the three particulars values have been increasing year after year. The net profit of CBOP has been increasing from 30.15 to 121.38 in three years.
- EPS, in the year 2005 is 0.3 later it has been increased to 0.87 in the year of 2006 and then it has decreased to 0.77 in the year of 2007
- Totals assets and liabilities have been increasing every year from 4611.68 in the year 2005 to 18482.78 in the year 2007.

TABLE 5: Recent year's financial performance of HDFC bank

PARTICULARS/YEARS	2019	2018	2017	2016	2015
Net Profits (lakhs)	22332	18510	15280	12801	10689
EPS	82	71.33	59.53	48.61	40.95
Total Assets/Liabilities (Crores)	1292806	1103233	892463	762307	607169



FIGURE 4: Graphical representation of financial performance of HDFC bank



INTERPRETATION

- Over the years from 2015 to 2019, the net profit of HDFC bank has been increasing gradually. It raised from 10689 in the year 2015 to 22332 in the year 2019. Here it can be observed even before and after merger the value of net profit has been in stage of increasing only.
- In case of EPS, before merger its values are decreasing but after the merger has taken place the value of earnings per share has been increasing from 40.95 to 82.
- As usual the value of total assets and liabilities are also increasing over the years from 607169 to 1292806 in the year of 2019.

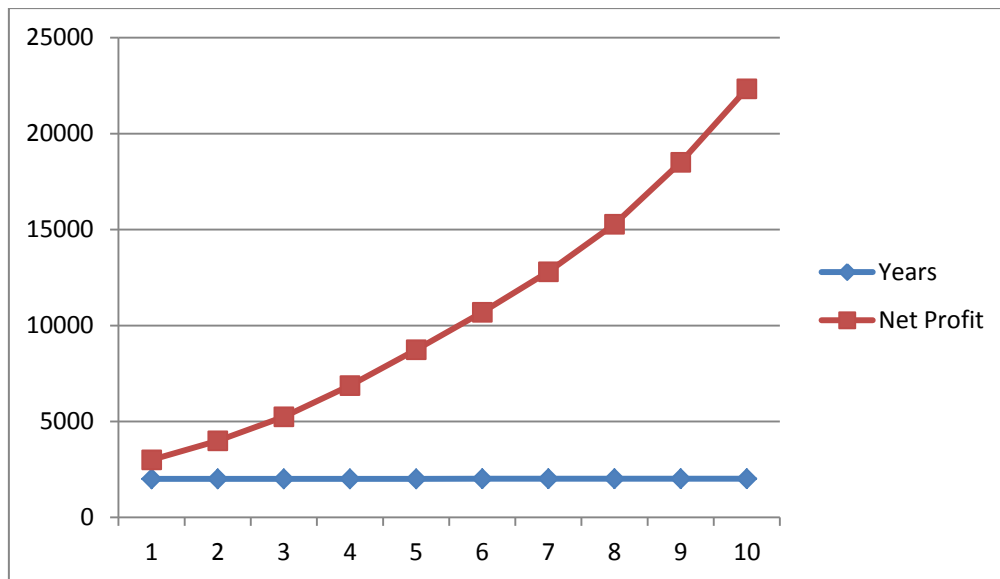
4.3. TREND ANALYSIS OF HDFC BANK FOR 10 YEARS

TABLE 6: Net profits of HDFC bank for 10 years

(in Rs. Lakhs)

Years	Net Profit
2010	3004
2011	3992
2012	5247
2013	6870
2014	8743
2015	10689
2016	12801
2017	15280
2018	18510
2019	22332

FIGURE 5: Graphical representation of net profits of HDFC bank for 10 years



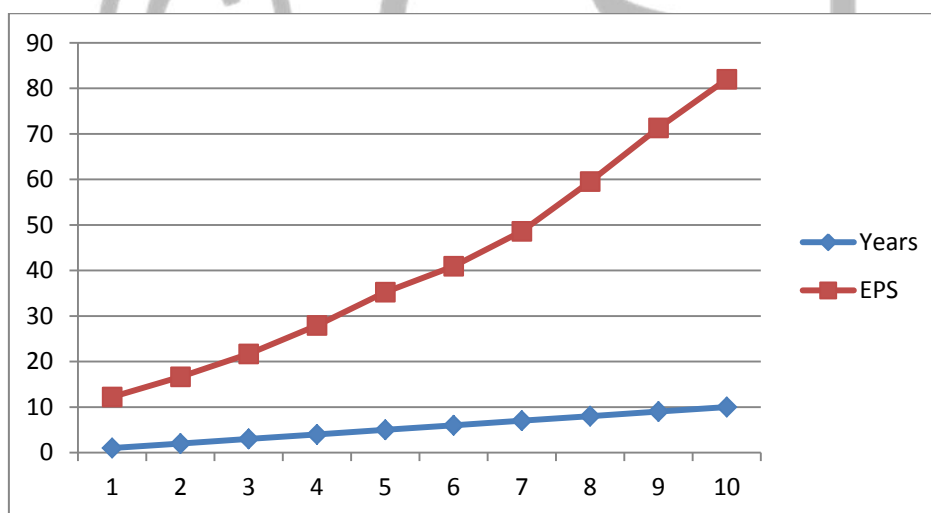
INTERPRETATION

- The above graph represents the trend analysis of HDFC bank for 10 years.
- X- Axis represents number of years and Y- axis represents net profit values.
- In the above graph red line represents net profits and blue line represent liner trend line.
- The graph slopes upward left to right which indicates that net profit is increasing year by year.

TABLE 7: EPS of HDFC bank for 10 years

Years	EPS
2010	12.72
2011	16.63
2012	21.66
2013	27.93
2014	35.26
2015	40.95
2016	48.61
2017	59.53
2018	71.33
2019	82

FIGURE 6: Graphical representation of EPS of HDFC bank for 10 years



INTERPRETATION

- The above graph represents the trend analysis of HDFC bank for 10 years.
- X- Axis represents number of years and Y- axis represents EPS values.
- In the above graph blue line represents EPS values and red line represents EPS trend line.
- Even the slope of EPS is also upward left to right indicating that the values are increasing every year.

4.4. BENEFITS OF MERGER

- The deal created an entity with an asset size of Rs 1,09,718 crore (7th largest in India), providing massive scale economies and improved distribution with 1,148 branches and 2,38 ATMs (the largest in terms of branches within the personal sector).
- CBOPs strong SME relationships complemented HDFC banks bias towards high rated corporate entities.
- CBOP management had relevant experience with larger banks (as evident in the centurion bank and BOP integration earlier) managing business of the size commensurate with HDFC bank.
- For CBOP, HDFC bank would exploit its underutilized branch network that had the requisite expertise in retail liabilities, transaction banking and third party distribution.
- The combined entities of HDFC-CBOP would improve productivity levels of CBOP branches by leveraging HDFC banks brand name.
- For HDFC bank, this merger would provide an opportunity to add scale, geography (northern and southern states) and management bandwidth. In addition, there exists a potential of business synergy and cultural fit between two organizations.

CHAPTER V - FINDINGS, SUGESTIONS AND CONCLUSION

5.1. FINDINGS

- The primary objective behind the idea of merger is to attain growth at the strategic level in terms of size and customer base. This, in turn, will increase the credit-creation capability of the incorporated bank staggeringly.
- The main reason behind merger is, HDFC Bank was looking for an appropriate merger opportunity that would add scale, geography and experienced staff to its franchise. The bank believes that CBOP Bank of geographic area would be the correct slot in terms of culture, strategic intent and approach to business.
- The combined entity of HDFC-CBOP would have a nation-wide network of 1,148 branches, the largest among private sector banks, a strong deposit base of around Rs. 120,000 crore and net advances of around Rs. 85,000 crore. The balance-sheet size of the combined entity would be over Rs. 150,000 crore.
- As of 30 September 2017, the HDFC bank's distribution network was at 4729 branches and 12259 ATMs across 2669 cities and towns.

- The swap quantitative relation for merger is around 29 shares of Re 1 of CBOP; an investor will get one share of Rs 10 of HDFC Bank.
- In the year 2014, HDFC Bank first launched the missed call banking service allowing customers to use banking services without having to visit the Bank or connect online.
- On 16 June 2015 HDFC Bank launched the 10-second personal loan approval service thereby becoming the first in the retail lending space to fully automate the process of loan approval and disbursement.
- In 2016 HDFC Bank introduced loans at ATMs as the country's first innovation to turn ATMs into Loan Dispensing Machines (LDMs) further extending the functionality of the Bank's ATMs.
- In recent times, India has witnessed entry of many international banks like CITI Bank, YES Bank etc which poses an external entrant threat to HDFC Bank – as this Banks are identified for his or her art of operating and maintain high standards of client service.

5.2. SUGGESTIONS

- If compared with the EPS of other private sector banks, HDFC bank has the highest earnings per share with a max price of 80.62. So it suggested maintaining the same position in the list of highest EPS by following good techniques and standards.
- The P/E of HDFC bank was decreased after the merger, so the bank requires concentration on policy more attractive so as to create interest among investors in the stock.
- HDFC bank stands with 4,729 branches and 12,259 ATMs across the world. But if observed SBI stands in first position holding 16,333 branches and 54,560 ATMs, so it is suggested that HDFC bank can explore its business by increasing more number of branches to increase its productivity.

5.3. CONCLUSION

Firstly, Merger is the useful tool for growth and expansion in Indian Banking Sector. It is useful for survival of weak banks by merging into larger bank. This study shows that impact of merger on monetary performance of Indian Banking sector. For this the largest merger in the private banking sector i.e. merger of HDFC and CBOP banks has been chosen. It laid down a comparison in between pre and post merger performance examined in terms of net

profit margin, earnings per share (EPS), trend analysis for 10 years of net profit and EPS data has shows the improvement after the merger as specified for the purpose and objective of the study. The most important thing is to notice the actual success of merger is laid at generating net higher profit after the merger in order to justify the decision of merger undertaken by the management to the shareholders. Having a sight on data analysis, it can be noticed that in pre and post merger data the post merger data results are satisfactory. It is ended that the monetary performance of bank has accumulated once merger.

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