

PERFORMANCE ANALYSIS OF SELECTED PUBLIC AND PRIVATE SECTOR BANKS IN INDIA

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Abstract

Banks are a fundamental component of the financial structure, and are also active players in financial markets. It plays a key role in mobilizing the nation's savings and in channelizing them into high investment priorities and better utilization of available resources. Contribution of banking industry is highly remarkable and is indispensable in a modern society. The banking industry like many other financial service industries is facing a hastily changing Market, new technologies, economic fears, ferocious competition, and especially more Demanding customers; and the changing environment has presented an unparalleled set of Challenges. It has become very mandatory to study and to make a comparative analysis of Public sector Banks and Private Sector banks. This study tries to analyse the performance of largest public sector bank and largest private sector bank. The study takes four largest bank in terms of market capitalization SBI, BOB, HDFC and ICICI bank period of study is from 2011-2016. The Performance of a bank is measured by a number of key indicators with reference to Total Deposits, Total Advances, Investment, Net Worth and Net Profit etc.

Keywords: Public Sector Bank, Private Sector Bank, Financial Structure, Market Capitalization, Net Worth.

Introduction

The Banking system, the backbone of the country's economy, has helped the nation survive various national and worldwide economic shocks and meltdowns. Banking plays a silent, yet keyrole in our day-to-day lives. The performance of any economy to a large extent is dependent on the performance of the banking sector. The banking sector's performance is seen as the replica of economic activities of the nation as a healthy banking system acts as the base of social, economic and industrial growth of a nation. It has become very mandatory to study and to make a comparative analysis of Public sector Banks and Private Sector banks. This study tries to analyse the performance of largest public sector bank (State Bank of India, Bank of Baroda) and largest private sector bank (HDFC Bank, ICICI Bank).

Objectives of the Study

- To analyse the performance of selected public and private banks of India
- To study and calculate the specified key parameters of performance of selected banks.
- To make the comparative study on selected the public sector and private sector banks in India.

Research Methodology

The present study is secondary data based collected from various journals, reports of RBI and annual reports of banks, websites of the banks etc. Data is presented with the help of graphs, charts and tables etc. The study period is limited, from 2011-12 to 2015-16.

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