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REVIEW OF LITERATURE
NEED/IMPORTANCE OF THE STUDY
STATEMENT OF THE PROBLEM
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HYPOTHESIS (ES)
RESEARCH METHODOLOGY
RESULTS & DISCUSSION
FINDINGS
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FINANCIAL PERFORMANCE OF SELECTED PUBLIC AND PRIVATE SECTOR BANKS IN INDIA BY USING CAMEL MODEL

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ABSTRACT
CAMEL model analysis is a vital tool to analyze the banks and financial institutions. The financial performance is to suggest the necessary measures for its improvement where it is required. Indian banks the two public and private banks were selected to analyze the performance of banks five years period from 2015 to 2019. The financial performance of banks analyzed by using five parameters of CAMEL model Capital Adequacy, Asset Quality, Management Efficiency, Earnings Ability and Liquidity are considered.

KEYWORDS
public and private sector banks, financial performance.

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1. INTRODUCTION
Banks are as the backbone to development of the Indian economy. The primary objective of the bank is to accept deposits and provide loans to those who need money based on the banking norms. The efficiency of the bank in mobilizing the savings in the productive channel and strengthens of the Indian economy. The banks will have to perform and function well for the free flow of money in the entire system of the country for which regular inspections and rating the given based on different models. The CAMEL system is used in India throughout the world to assign each bank. The camel stands for Capital Adequacy, Asset Quality, Management Efficiency, Earnings Ability and Liquidity. Based on the parameters the financial institutions are inspect the banks performance. Therefore, effective and efficient performance of the banks is necessary for economic development and even to compete globally.

2. REVIEW OF LITERATURE
Misra and Aspal (2013) evaluate the performance and financial wellbeing of State bank group encompassing State bank of India, State bank of Hyderabad, State bank of Patiala, State bank of Mysore, State bank of Bikaner and Jaipur and State bank of Travancore for a period of three years i.e. from 2009-2011. One way ANOVA is applied to determine whether significant difference exists between the means of CAMEL ratio. They bring out that State bank of India needs to focus on Capital adequacy and asset quality while State bank of Bikaner and Jaipur and state bank of Patiala have to work on improvement of management efficiency and earning quality respectively.
Gupta (2014) evaluates the performance of public sector banks in India using CAMEL approach for a period of five years from 2009 to 2013 and brings out that Andhra Bank stood at first position followed by Bank of Baroda and state bank of Hyderabad while United bank of India secured the least position. Singh (2015) analyses the overall profitability of four private sector banks i.e. AXIS Bank, ICICI bank, Karur Vysya Bank and Yes Bank. He measures the performance of the banks on the basis of profitability ratios like interest spread, return on long term funds, net profit margin, adjusted cash margin, return on assets and return on net worth. ANOVA is also applied to find out the significant relationship between interest spread, return on long term funds, net profit margin, adjusted cash margin, return on assets and return on net worth among selected private sector banks.
Garg and Kumari (2015) examine the different perspectives of profitability of five major private banks for ten years from 2004 to 2014 using ratio analysis and ANOVA technique. They conclude that HDFC Bank has been the excellent performer over the last decade.
Meena (2016) assesses the performance of different public sector and private sector banks by using CAMEL model. In his study, he also investigates the factors that affect the financial performance of the selected public sector and private sector banks and finds that the management of NPAs is the weakest area of private sector and public sector banks.
Srinivasan and Saminathan (2016) apply CAMEL model to rank the public sector, private sector and foreign banks on the basis of financial performance from 2012 to 2014.They also find out that significant difference lies between the mean values of Camel ratios of public sector, private sector and foreign banks during the period of study.
Purohit and Bothra (2018) compare the performance of SBI and ICICI Bank using CAMEL parameters. They conclude that ICICI bank needs to improve its position with regard to capital adequacy and asset quality while SBI need to improve its position with regard to management efficiency, earning quality and liquidity.

3. OBJECTIVES OF THE STUDY
1. To study the financial performance of select public and private sector banks in India.
2. To compare and rank select public and private sector banks through CAMEL model i.e., based on Capital Adequacy, Assets Quality, Management Efficiency, Earnings Ability and Liquidity.

4. SCOPE OF THE STUDY
1. The scope of this study is to analyze the performance of banking industry in India.
2. The performance of the banks is analyzed and examined by using CAMEL model ratios.

5. LIMITATIONS OF THE STUDY
1. This study is limited to only five select public and private sector banks each in India.
2. This study is made only by considering financial statements of the banks which could have undergone through window dressing.
3. This study is undertaken only for ten years.

6. RESEARCH METHODOLOGY

6.1 RESEARCH DESIGN

Sample size: 2 Public and 2 Private Sector Banks.

Time period: For 10 years i.e., from 2010 to 2019

6.2 ANALYTICAL TOOLS

To look at the financial soundness of the selected Public and Private sector banks in India, internationally accepted CAMEL rating parameters have been applied. CAMEL is an acronym for five parameters (capital adequacy, assets quality, management soundness, earnings and liquidity). CAMEL rating is a subjective model which assesses financial strength of a bank, whereas CAMEL ranking indicates the banks comparative position with reference to other banks. Ratios and averages have been used for analysis. Averages are calculated using MS-Excel.

7. DATA ANALYSIS AND INTERPRETATION

7.1 CAPITAL ADEQUACY RATIO

Capital adequacy ratio is the ratio of the banks against insolvency and protects banks against surplus leverages, insolvency and keeps them out of difficulty. It is defined as the ratio of banks capital in relation to its current liabilities and risk weighted assets. Resk weighted assets is a measure of amount of the bank's assets adjusted for risks. An appropriate level of capital adequacy confirms that the bank has adequate capital to increase its business, while at the same time its net worth is enough to absorb any financial slumps without becoming insolvent. It is the ratio which determines banks capacity to meet the time liabilities and other risks such as credit risk, market risk, operational risk etc. as per RBI norms Indian banks should have a CAR of 9%. The latest RBI norms public sector banks are to keep this ratio at 12%. The CAR can be calculated Tire I and Tire II Capital by aggregate of risk Weighted assets.

$$\textbf{Capital to risk Weighted Assets Ratio} = \frac{\textbf{Tier one capital + Tier Two Capital}}{\textbf{Risk Weighted Assets}}$$

TABLE 7.1: CAPITAL TO RISK-WEIGHTED ASSETS RATIO (CRAR)

	Public Sector Bank			Private Sector Bank		
YEAR/BANK	SBI	PNB	Public Sector Banks Avg.	ICICI	HDFC	Private Sector Banks Avg.
2019	12.72	9.73	11.225	16.89	17.11	17.00
2018	12.6	9.2	10.9	18.42	14.82	16.62
2017	13.11	11.66	12.385	17.39	14.55	15.97
2016	13.12	11.28	12.2	15.64	15.53	15.59
2015	12	12.89	12.445	17.02	16.79	16.91
2014	12.96	12.11	12.535	17.7	16.07	16.89
2013	12.92	12.72	12.82	18.74	16.8	17.77
2012	13.86	12.63	13.245	18.52	16.52	17.52
2011	11.98	12.32	12.15	19.54	16.22	17.88
2010	13.39	14.16	13.775	19.41	17.44	18.43
MEAN	12.87	11.87	12.37	17.93	16.19	17.06
SD	0.58	1.33	0.955	1.18	0.9	1.04
CV (%)	4.53	11.19	7.86	6.57	5.58	6.08

Source: Annual Reports, P/L and Financial Statements of banks

The above table 4.2.1 the position of Capital Adequacy Ratio of SBI, PNB, ICICI and HDFC banks has been measured with the help of Capital Adequacy Ratio. The table reveals that the Capital Adequacy Ratio of SBI in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 12.87% in the year 2010 and 12.72% in the year 2019. The average of the 10 years also good 12.87% which seems quite consistent as standard deviation is 0.58 and coefficient of variation is 4.83%. The Capital Adequacy Ratio of PNB in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 14.16% in the year 2010 and 9.73% in the year 2019. The average of the 10 years also good 11.87% which seems quite consistent as standard deviation is 1.33 and coefficient of variation is 11.19%. The Capital Adequacy Ratio of ICICI Bank in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 19.41% in the year 2010 and 16.89% in the year 2019. The average of the 10 years also good 17.93% which seems quite consistent as standard deviation is 1.18 and coefficient of variation is 6.57%. The Capital Adequacy Ratio of HDFC Bank in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 17.44% in the year 2010 and 17.11% in the year 2019. The average of the 10 years also good 16.19% which seems quite consistent as standard deviation is 0.90 and coefficient of variation is 5.58%.

7.2 DEBT EQUITY RATIO

Debt Equity Ratio in banks is a measure of the Quantum of banks business that is financed through the blend of debt and equity. It is measure of financial leverage of bank. It is calculated as proportion of total outside liabilities to Net worth. Outside liabilities includes total borrowing, deposits and other liabilities. Net worth includes equity capital and reserves and surplus. Higher ratio indicates less protection for the creditors and depositors in the banking system.

$$\textbf{Debt Equity Ratio} = \frac{\textbf{Total outside Liabilities}}{\textbf{Net Worth}}$$

TABLE 7.2: DEBT EQUITY RATIO (D/E RATIO)

	Public Sector Bank			Private Sector Bank		
Year /Bank	**SBI**	**PNB**	**Public Sector Bank Avg.**	**ICICI**	**HDFC**	**Private Sector Bank Avg.**
2019	16.90	17.40	17.15	6.97	7.77	7.37
2018	15.80	18.80	17.30	8.58	7.28	7.93
2017	15.10	17.40	16.25	8.02	6.58	7.30
2016	14.20	17.30	15.75	8.25	6.86	7.56
2015	13,9	14.50	14.50	8.00	6.64	7.32
2014	13.30	14.50	13.90	9.36	6.65	8.01
2013	13.90	13.80	13.85	9.09	6.57	7.83
2012	13.90	15.80	14.85	9.04	6.55	7.80
2011	16.20	17.20	16.70	8.79	6.08	7.44
2010	13.80	16.60	15.20	8.38	5.74	7.06
MEAN	14.22	15.58	14.90	8.93	6.32	7.63
SD	1.26	1.62	1.44	0.69	0.56	0.63
CV(%)	8.86	10.38	9.62	7.78	8.93	8.36

Source: Annual Reports, P/L and Financial Statements of banks

The above table 7.2 the position of Debt Equity Ratio of SBI, PNB, ICICI and HDFC banks has been measured with the help of Debt Equity Ratio. The table reveals that the Debt Equity Ratio of SBI in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 13.8% in the year 2010 and 16.9% in the year 2019. The average of the 10 years also good 14.22.87% which seems quite consistent as standard deviation is 1.26 and coefficient of variation is 8.86%. The Debt Equity Ratio of PNB in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 16.6% in the year 2010 and 17.4% in the year 2019. The average of the 10 years also good 15.8% which seems quite consistent as standard deviation is 1.62 and coefficient of variation is 10.3%. The Debt Equity Ratio of ICICI Bank in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 8.38% in the year 2010 and 6.97% in the year 2019. The average of the 10 years also good 8.93% which seems quite consistent as standard deviation is 0.69 and coefficient of variation is 7.78%. The Debt Equity Ratio of HDFC Bank in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 5.74% in the year 2010 and 7.77% in the year 2019. The average of the 10 years also good 6.32% which seems quite consistent as standard deviation is 0.56 and coefficient of variation is 8.93%.

7.3 NET NON-PERFORMING ASSETS TO NET ADVANCES RATIO

Net non performing assets to net advances ratio is a measure of overall quality of banks advances. The NPA are assets for which interest is overdue for more than three moths or ninety days. The higher ratio reflects rising bad quality of loans.

$$\textbf{Net Non Performing Asset to Net Advances Ratio} = \frac{\textbf{Net Non performing Assets}}{\textbf{Net Advances}}$$

TABLE 7.3: NET NON PERFORMING ASSES TO NET ADVANCES RATIO

	Public Sector Bank			Private Sector Bank		
Year	SBI	PNB	Public Sector Bank Avg.	ICICI	HDFC	Private Sector Bank Avg.
2019	3.01	6.56	4.79	0.39	2.06	1.23
2018	5.73	11.20	8.47	0.40	4,77	0.40
2017	3.71	7.81	5.76	0.33	4.89	2.61
2016	3.81	8.61	6.21	0.28	2.67	1.48
2015	2.12	4.06	3.09	0.20	1.61	0.91
2014	2.57	2.85	2.71	0.30	0.97	0.64
2013	2.57	2.35	2.46	0.20	0.77	0.49
2012	2.10	1.52	1.81	0.20	0.73	0.47
2011	1.82	0.65	1.24	0.79	1.11	0.95
2010	1.63	0.00	0.82	0.00	0.00	0.00
MEAN	2.14	1.47	1.81	0.30	0.72	0.51
SD	1.24	3.78	2.51	0.21	1.45	0.83
CV	57.81	256.29	157.05	68.83	202.42	135.63

Source: Annual Reports, P/L and Financial Statements of banks

The above table 7.3 the position of Net NPA Ratio of SBI, PNB, ICICI and HDFC banks has been measured with the help of Net NPA Ratio. The table reveals that the Net NPA Ratio of SBI in the last 10 years has been well of the above norms that is 20% level. This ratio has been increasing year after years 1.63 in the year 2010 and 3.01 in the year 2019. The average of the 10 years also good 2.14% which seems quite consistent as standard deviation is 1.24 and coefficient of variation is 57.81%. The Net NPA Ratio of PNB in the last 10 years has been well of the above norms that is 20% level. This ratio has been increasing year after years 0.00 in the year 2010 and 6.56 in the year 2019. The average of the 10 years also good 1.47 which seems quite consistent as standard deviation is 3.78 and coefficient of variation is 256.29%. The Net NPA Ratio of ICICI Bank in the last 10 years has been well of the above norms that is 20% level. This ratio has been increasing year after years 0.00% in the year 2010 and 0.39 in the year 2019. The average of the 10 years also good 0.30 which seems quite consistent as standard deviation is 0.21 and coefficient of variation is 68.83%. The Net NPA Ratio of HDFC Bank in the last 10 years has been well of the above norms that is 20% level. This ratio has been increasing year after years 0.00 in the year 2010 and 2.06 in the year 2019. The average of the 10 years also good 0.72 which seems quite consistent as standard deviation is 1.45 and coefficient of variation is 202.42%.

7.4 TOTAL EXPENDITURE TO TOTAL INCOME RATIO

The banks are too keen on the controlling its expenditure as it is an essential aspect to enhance the profits for the bank. It is justified that the banks keeping a close watch on expenditure would enable to enhance its return to its equity shareholders. The operating expense of the banks consist of salaries to employees, technical upgrading and branch rationalization. This expenditure to total income ratio in long term they help the bank in enhancing its return to equity shareholders. The lower ratio will enhance the profits of the bank and subsequently enhance returns to the stakeholders. The ratio gives investors a clear view of the bank efficiency.

$$\textbf{Total Expenditure to total Income Ratio} = \frac{\textbf{Total Expenditure}}{\textbf{(Net interest Income+ Noninterest Income)}}$$

TABLE 7.4: TOTAL EXPENDITURE TO TOTAL INCOME RATIO

	Public Sector Bank			Private Sector Bank		
Year	SBI	PNB	Public Sector Bank Avg.	ICICI	HDFC	Private Sector Bank Avg.
2019	1.14	1.33	1.23	1.75	0.87	1.31
2018	1.20	1.44	1.32	1.77	0.87	1.32
2017	1.20	1.17	1.18	1.67	0.87	1.27
2016	1.17	1.21	1.19	1.53	0.87	1.20
2015	1.15	1.06	1.11	1.41	0.86	1.14
2014	1.06	0.90	0.98	1.37	0.86	1.12
2013	1.02	0.88	0.95	1.43	0.86	1.15
2012	1.02	0.78	0.90	1.55	0.89	1.22
2011	1.09	0.56	0.83	1.84	0.85	1.35
2010	1.12	0.55	0.84	1.80	0.71	1.26
MEAN	1.04	0.74	0.89	1.60	0.87	1.24
SD	0.07	0.28	0.18	0.17	0.01	0.09
CV	6.96	37.95	22.46	10.75	1.25	6.00

Source: Annual Reports, P/L and Financial Statements of banks

The above table 7.4 the position of Total Expenditure to Total Income Ratio of SBI, PNB, ICICI and HDFC banks has been measured with the help of Total Expenditure to Total Income Ratio. The table reveals that the Total Expenditure to Total Income Ratio of SBI in the last 10 years has been well of the above norms that is 60%

level. This ratio has been increasing year after years 1.12 in the year 2010 and 1.14 in the year 2019. The average of the 10 years also good 1.04 which seems quite consistent as standard deviation is 0.07 and coefficient of variation is 6.96%. The Total Expenditure to Total Income Ratio of PNB in the last 10 years has been well of the above norms that is 60% level. This ratio has been increasing year after years 0.56 in the year 2010 and 1.13 in the year 2019. The average of the 10 years also good 0.74 which seems quite consistent as standard deviation is 0.28 and coefficient of variation is 37.95%. The Total Expenditure to Total Income Ratio of ICICI Bank in the last 10 years has been well of the above norms that is 60% level. This ratio has been increasing year after years 1.80 in the year 2010 and 1.75 in the year 2019. The average of the 10 years also good 1.60 which seems quite consistent as standard deviation is 0.17 and coefficient of variation is 10.75%. The Total Expenditure to Total Income Ratio of HDFC Bank in the last 10 years has been well of the above norms that is 60% level. This ratio has been increasing year after years 0.71 in the year 2010 and 0.87 in the year 2019. The average of the 10 years also good 0.87 which seems quite consistent as standard deviation is 0.01 and coefficient of variation is 1.25%.

7.5 NET PROFIT MARGIN

Net profit margin is an important criterion to measure the earnings quality in banks. Increasing the profit is best indicator that the bank can pay dividends due to which the share price will trend upward. It is explained as percentage of revenue that is residual after all operating expenses, interest, taxes and preferred stock dividends other than common stock dividend is deducted from the total income of the bank. The high net profit margin clears that the bank has stable and steady earnings.

$$\textbf{Net Profit Margin} = \frac{\textbf{Net profit After Taxes}}{\textbf{Total Income}}$$

TABLE 7.5: NET PROFIT MARGIN SELECTED PUBLIC AND PRIVATE SECTOR BANKS

	Public Sector Bank			Private Sector Bank		
Year	SBI	PNB	Public Sector Bank Avg.	ICICI	HDFC	Private Sector Bank Avg.
2019	0	-0.17	-0.085	0.03	0.26	0.145
2018	-0.02	-0.22	-0.12	0.06	0.26	0.16
2017	0.04	0.02	0.03	0.09	0.26	0.175
2016	0.04	-0.07	-0.015	0.1	0.25	0.175
2015	0.05	0.06	0.055	0.12	0.25	0.185
2014	0.05	0.07	0.06	0.12	0.25	0.185
2013	0.07	0.1	0.085	0.11	0.23	0.17
2012	0.07	0.12	0.095	0.1	0.22	0.16
2011	0.06	0.14	0.1	0.08	0.24	0.16
2010	0.06	0.16	0.11	0.07	0.21	0.14
MEAN	0.06	0.12	0.09	0.1	0.23	0.165
SD	0.03	0.13	0.08	0.03	0.02	0.025
CV	46.82	106.04	76.43	32.64	6.73	19.685

Source: Annual Reports, P/L and Financial Statements of banks

The above table 7.5 the position of Net Profit Margin Ratio of SBI, PNB, ICICI and HDFC banks has been measured with the help of Net Profit Margin Ratio. The table reveals that the Net Profit Margin Ratio of SBI in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 0.06 in the year 2010 and 0.00 in the year 2019. The average of the 10 years also good 0.06 which seems quite consistent as standard deviation is 0.03 and coefficient of variation is 346.82%. The Net Profit Margin Ratio of PNB in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 0.16 in the year 2010 and -0.17 in the year 2019. The average of the 10 years also good 0.12 which seems quite consistent as standard deviation is 0.13 and coefficient of variation is 106.04%. The Net Profit Margin Ratio of ICICI Bank in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 0.07 in the year 2010 and 0.03 in the year 2019. The average of the 10 years also good 0.10 which seems quite consistent as standard deviation is 0.03 and coefficient of variation is 32.64%. The Net Profit Margin Ratio of HDFC Bank in the last 10 years has been well of the above norms that is 10% level. This ratio has been increasing year after years 0.21 in the year 2010 and 0.26 in the year 2019. The average of the 10 years also good 0.23 which seems quite consistent as standard deviation is 0.02 and coefficient of variation is 6.73%.

7.6 CASH TO DEPOSIT RATIO

This is important parameters to measure liquidity as it evaluates the amount of cash that the bank has formed the deposits that it has generated. Cash being liquid of all the assets gives the complete picture of the liquidity of the bank. Banks need to maintain cash to deposit ratio so as to ensure that large volume of cash is not maintained as idle cash does not generate any returns and subsequently put in danger the earnings quality of the bank.

$$\textbf{Cash to Deposit Ratio} = \frac{\textbf{Cash}}{\textbf{Total Deposits}}$$

TABLE 7.6: CASH TO DEPOSIT RATIO

	Public Sector Bank			Private Sector Bank		
Year	SBI	PNB	Public Sector Bank Avg.	ICICI	HDFC	Private Sector Bank Avg.
2019	0.04	0.05	0.05	0.06	0.05	0.06
2018	0.05	0.04	0.05	0.06	0.13	0.10
2017	0.06	0.04	0.05	0.06	0.06	0.06
2016	0.07	0.04	0.06	0.06	0.06	0.06
2015	0.07	0.05	0.06	0.07	0.06	0.07
2014	0.07	0.05	0.06	0.06	0.07	0.07
2013	0.07	0.05	0.06	0.06	0.05	0.06
2012	0.06	0.05	0.06	0.07	0.06	0.07
2011	0.06	0.05	0.06	0.08	0.12	0.10
2010	0.12	0.08	0.10	0.12	0.09	0.11
MEAN	0.06	0.05	0.06	0.07	0.08	0.08
SD	0.01	0.00	0.01	0.01	0.03	0.02
CV	16.15	5.90	11.03	11.64	40.37	26.01

Source: Annual Reports, P/L and Financial Statements of banks

The above table 7.6 the position of Cash to Deposit Ratio of SBI, PNB, ICICI and HDFC banks has been measured with the help of Cash to Deposit Ratio. The table reveals that the Cash to Deposit Ratio of SBI in the last 10 years has been well of the above norms. This ratio has been increasing year after years 0.12 in the year 2010 and 0.04 in the year 2019. The average of the 10 years also good 0.06 which seems quite consistent as standard deviation is 0.01 and coefficient of variation is 16.15%. The Cash to Deposit Ratio of PNB in the last 10 years has been well of the above. This ratio has been increasing year after years 0.08 in the year 2010 and 0.05 in the year 2019. The average of the 10 years also good 0.05 which seems quite consistent as standard deviation is 0.00 and coefficient of variation is

5.90%. The Cash to Deposit Ratio of ICICI Bank in the last 10 years has been well of the above norms. This ratio has been increasing year after years 0.12 in the year 2010 and 0.06 in the year 2019. The average of the 10 years also good 0.07 which seems quite consistent as standard deviation is 0.01 and coefficient of variation is 11.64%.

FINDINGS

1. Age value of private banks higher to public sector banks. Private sector banks maintain the better capital to risk weighted assets comparing to public sector banks.
2. The average value of private banks higher to public sector banks. Private sector banks maintain the better Debt Equity Ratio comparing to public sector banks.
3. The average value of private banks higher to public sector banks. Private sector banks maintain the better Net NPA Ratio comparing to public sector banks.
4. The average value of private banks higher to public sector banks. Private sector banks maintain the better Total Expenditure to Total Income Ratio comparing to public sector banks.
5. The average value of private banks higher to public sector banks. Private sector banks maintain the better Net Profit Margin Ratio comparing to public sector banks.
6. The average value of private banks higher to public sector banks. Private sector banks maintain the better Cash to Deposit Ratio comparing to public sector banks.

SUGGESTIONS

- Banks should try to sustain their competitiveness and they must also focus on their performance. The study observed that banks are not utilizing their assets in the best possible way hence; they need to concentrate on the better and more utilization of assets which will increase their profitability.
- Banks financial performance can also be improved by having proper/ better portfolio management. Therefore, better portfolio management is needed to increase the earnings to reach an optimal balance between return and risk.
- Technology has affected all the sectors around the world. Banking sector is also affected in a big way by it. It not only improves the efficiency of services, but also reduced cost. There is a need for public sector banks and private sector banks were slow in adopting technology and cost reductions. Thus, there is a need for both the sector to adapt technology which will improve overall performance of banks and employees productivity.
- Banks should reduce their NPA by adopting various measures within the constraints of RBI guidelines. The banks should declare the trust area for loans and advances.
- Banks should also try to make the best use of their branch network.

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