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PROFITABILITY PERFORMANCE OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA

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ABSTRACT The banking sector is the lifeline of any modern economy. It is one of the important financial pillars of the financial sector, which pays a vital role in the functioning of an economy. The current process of transformation should be viewed as an opportunity to convert Indian banking into a sound, strong and vibrant system capable of playing its role efficiently on their own without imposing any burden on government. The research study based on secondary data related to the selected public and private sector where collected from websites for selected banking sector.

KEYWORDS : Banking Sectors, Profitability performance, private and public sector banks

INTRODUCTION

The banking sector is the lifeline of any modern economy. It is one of the important financial pillars of the financial sector, which plays a vital role in the functioning of an economy. It is very important for economic development of a country that it's financing requirements of trade, industry and agriculture are met with higher degree of commitment and responsibility.

The current process of transformation should be viewed as an opportunity to convert Indian banking into a sound, strong and vibrant system capable of playing its role efficiently and effectively on their own without imposing any burden on government.

IMPORTANCE OF THE STUDY

The banking sector was always deemed to be one of the most vital sectors for the economy to be able to function. Its importance as the "lifeblood" of economic activity, in collecting deposits and providing credits to states and people, households and businesses is undisputable.

The banking sector is an important sector for the stabilization of financial system. It plays a critical role in the economy of our country, It facilitates the flow of funds in our economy and ensures financial resources are allocated efficiently towards promoting economic development and growth.

OBJECTIVE

To analyze the profitability ratios of public and private sector in India.

METHODOLOGY

The study is analytical nature and executed using the data published by banking sector in India. The research study based on secondary data the financial data related to the selected public and private sector where collected from websites banking sector. The statistical analysis such as co-variance, mean and standard deviation. The period of the study taken from 2013-14 to 2017-18.
SAMPLING DESIGN

In this paper the sample based selection on convenient sample method. The sample of banking sector has been selected on the basis of availability of data and also these banking sector. There are

- State bank of India (SBI)
- Housing development finance corporation limited (HDFC)
- Industrial credit and investment corporation of India (ICICI)
- Punjab national bank (PNB)

ANALYSIS AND INTERPRETATION

Return on Asset

Years	SBI	HDFC	ICICI	PNB
2013-14	7.6735	8.9725	8.2332	7.4268
2014-15	7.7968	9.4465	9.5441	7.8058
2015-16	8.1372	9.5807	9.4440	8.0050
2016-17	8.5433	9.7317	9.4822	8.6529
2017-18	8.6406	9.9787	9.1830	8.6843
Mean	8.1582	9.5420	9.1773	8.1149
Std.dev.	0.4321	0.3747	0.5454	0.5465
C.V(%)	5.29	3.92	5.94	6.73

The above table highlight the Mean, Standard deviation, and C.V(%) of the SBI, HDFC, ICICI, and PNB during the period 2013-14 to 2017-18. In this study the mean for HDFC is more than one in four accounting periods out of five accounting years; It is highest the value of the mean was 9.5420 and lowest value of the Mean was 9.1773. So the overall performance of the mean reflects a satisfactory position over the study period. So for as the mean is concerned.

In the present study the C.V for SBI, HDFC, ICICI and PNB in the year from 2013-14 to 2017-18 of five accounting periods. In this study the C.V for PNB is more than one in four accounting periods out of five accounting years; It is highest value of the C.V was 6.7347 and lowest value of the C.V was 3.9269. So the overall performance of the C.V is poor.

In this study the standard deviation also calculate for SBI, HDFC, ICICI and PNB.

RETURN ON EQUITY

Years	SBI	HDFC	ICICI	PNB
2013-14	29.72	18.72	56.55	10.30
2014-15	26.47	16.00	63.50	13.23
2015-16	24.72	14.05	58.52	13.63
2016-17	23.45	11.49	52.86	14.11
2017-18	20.76	10.44	47.28	13.20
Mean	25.02	14.14	55.74	12.89
Std. dev.	3.3501	3.3599	6.0923	1.4963
C.V(%)	13.38	23.76	10.92	11.60

The above table highlight the Mean, Standard deviation, and C.V(%) of the SBI, HDFC, ICICI, and PNB during the period 2013-14 to 2017-18. In this study the mean for ICICI is more than one in four accounting periods out of five accounting years; It is highest the value of the mean was 55.742 and lowest value of the mean was 12.894. So the overall performance of the mean reflects a satisfactory position over the study period. So for as the mean is concerned.

In the present study the C.V for SBI, HDFC, ICICI and PNB of the past five accounting periods in the year from 2013-14 to 2017-18. In this study the C.V for PNB is more than one in four accounting periods out of five accounting years; It is highest value of the C.V was 23.7619 and lowest value of the C.V was 10.9295. So the overall performance of the C.V is poor.

In this study the standard deviation also calculate for SBI, HDFC, ICICI and PNB.

NET INTEREST MARGIN

Years	SBI	HDFC	ICICI	PNB
2013-14	0.022	3.769	2.619	1.949
2014-15	2.286	3.836	2.816	2.081
2015-16	2.426	3.725	2.945	2.294
2016-17	2.686	3.793	2.947	2.744
2017-18	2.749	3.760	2.771	2.933
Mean	2.033	3.776	2.819	2.400
Std. dev.	1.1403	0.0412	0.1365	0.4239
C.V(%)	56.07	1.091	4.842	17.66

The above table highlight the Mean, Standard deviation, and C.V(%) of the SBI, HDFC, ICICI, and PNB during the period 2013-14 to 2017-18. In this study the mean for HDFC is more than one in four accounting periods out of five accounting years; It is highest the value of the mean was 3.7766 and lowest value of the mean was 2.0338. So the overall performance of the mean reflects a satisfactory position over the study period. So for as the mean is concerned.

In the present study the C.V of SBI, HDFC, ICICI and PNB have taken for the past five accounting periods from 2013-14 to 2017-18. In this study the C.V for PNB is more than one in four accounting periods out of five accounting years; It is highest value of the C.V was 56.07016 and lowest value of the C.V was 1.091193. So the overall performance of the C.V is poor.

In this study the standard deviation also calculate for SBI, HDFC, ICICI and PNB.

CONCLUSION

By the present study the researcher concludes that State bank of India (SBI), Industrial credit and Investment Corporation of India (ICICI) have higher profitable performance when compared to housing development finance corporation limited (HDFC) and Punjab national bank in India (PNB). The working capital efficiency of public and private sector bank was satisfactory position was the over the study period.

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