

# Comparative Study About Public and Private Banking Sectors

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**Abstract-** *The financial institutions are more concentrate in the financial statements. Use of financial statements in growth of financial institutions and the banking sectors also, the financial statement affected in some variables are namely, working capital analysis, profitability analysis, activity analysis and the financial structure analysis. These variables are most using in this paper is studied about the comparative analysis of private and public banking sectors.*

one of the growing sectors in the Indian economy. The banking industry was growing at a high growth of 30% is increase and now is struggling for growth to achieve the 19% of growth.

Pooja Sharma, Hemlata (2014), explain the banks work, the bank is plays silent and crucial role in the economy. The term as banks work is financial intermediaries, pooling savings and channelizing them into investment, finally its helps to growth of economy of a country. The study was explores that the ICICI and the SBI banks are which is provide the better performance. ICICI is the able to generate more loans from its deposits to the customer better than SBI.

## I. INTRODUCTION

Financial performance is using the historical data it demonstrates the interrelationship between the income statement and balance sheet and describes the risk and Return trade-off underlying management decisions.

Financial performance indicators of the banks can be divided into two main categories, namely financial statement and non financial statement indicators. The financial statement indicators are related to the decisions which directly affect the items in a balance sheet and profit & loss accounts. On the non financial statement indicators involve those factors which do not have a direct impact on the financial statements. This part of financial performance is most important of all the financial sectors, particularly the banking sectors is very essential for the financial performance. This paper attempt the comparative for the private and public banking sectors based on the financial performance.

## II. LITERATURE REVIEW

Tadija Đukić, Bojana Novićević (2013), the financial reporting is the most important activity for providing related information to making business decisions. The bank's operations are efficiency then to crucial importance to provide the financial reporting. The growing need for the calculating performance is indicators information from balance sheets, income statements and the cash flow statements.

Jeevan Jayant Nagarkar(2015), this study was analyze the performance of financial parameters between the public, private and the foreign sectors banks. Banking sector is

G. Gabriel prabhu<sup>1</sup> & g. Chandrasekaran<sup>2</sup> (2015), this study was conducted in compared study in financial performance of State Bank of India (SBI) and ICICI Bank, based on the some ratios are included namely, credit deposit, net profit margin etc. the study had taken the sources based on the Bank performance from 2009-10 to 2013-14. Finally the SBI was based on performing is well good but the ICICI was financially very sound, then the context of deposits and expenditure are better managing the ICICI Bank than SBI.

C. Kandasamy<sup>1</sup>, C. Indirani (2013), this study was to provided financial services based on bank is a financial institution to their customers. The banking service should provide the fundamental banking services such as deposits, credits, provide loans, transactions, etc. The banking sector system is which offers cash management, service for customers, reporting the transactions of their accounts and portfolios throughout the day. The Indian banking system is past three decades has achieved several outstanding to its credit. The banking sectors are reached in every corner of India; it is also main participants of financial performance is one of the part of growth in India.

Table.1 Variables And Findings

AUTHOR NAME	OBJECTIVE	VARIABLES	TOOLS	FINDINGS
Pooja Sharma Hemlata	1. To compare the financial performance of SBI and ICICI Bank.	1.Credit deposit ratio 2.Operating expenses, 3.Net profit, Cash deposit, 4.return on equity.	Par chat	Operating funds and total funds study for analysis performing.
MD Aminul islam	1. To discussed the financial ratio measurement and analysis. 2. To measure profitability, liquidity and credit management 3. To analysis the balance sheet and income statement.	1.profitability, 2.liquidity, 3.assets credit quality,	Return on investment, return on equity, cost of income ratio, cash deposits ratio, net loans to total asset ratio, loan deposit ratio.	Profitability performance and overall financial performance effective measure.
Ms. Shikha Gupta	1.To assets the profitability 2. To assets short and long- term solvency 3. To judge the utilizations of	1.liquidity, 2.profitability, 3.leverage,	current ratio, quick ratio, debt ratio, debt equity ratio, earning per share, dividend	Assets quality and long run control overall leverage.

	its resources.		payout ratio,	
Abhay Jaiswal Chanchala Jain	<p>1.To find the percentage of debtors turns in to NPA (Bad debts).</p> <p>2. To explore the relationship between Total Income and PAT (Profit after tax).</p> <p>3. To study the market position of both the banks.</p>	<p>1.Various financial ratios (like profitability, leverage, activity, risk management etc.).</p> <p>Graphs (like bar charts and trend line diagrams)</p>	<p>1.Correlation ☞Regression</p>	<p>This study based on like annual reports for last 5 years generated by the banks which explore the comparative financial position of India's two leading banks From private and public sector. Comparative tables, graphs, Percentage analyzing.</p>
Dr. Anurag. B. Singh Ms. Priyanka Tandon	<p>1.To study the financial performance of SBI and ICICI Bank</p> <p>2. To banks.</p> <p>Financial analysis is mainly done to compare the growth,</p>	<p>1.Credit Deposit Ratio</p> <p>2.Interest Expenses to Total Expenses</p> <p>1. Interest Income to Total Income</p>	Par chart	<p>The mean value of total expenditure was higher in SBI bank in compared to ICICI bank in growth rate measuring.</p>

	profitability and financial soundness of the respective banks	2. Other Income to Total Income 3. Net Profit Margin		
Dr. Philosophy Eliza Sharma	1.To study the relationship of financial indicators with the performance of Indian 2. To study and measure the corporate social responsibility and its relationship with performance of banks. 3. To measure the customer satisfaction and its relationship with performance of banks	1.Liquidity 2.Profitability 3.Efficiency 4.Asset Quality 5.Capital Adequacy	T –test ANOVA	An analysis of employee satisfaction in banks revealed that the job-specific factors, management behavior, working environment, training & development opportunities, interpersonal relationship and compensation
C. Kandasamy1, C. Indirani	1. To examine the growth of deposit and advances of selected banks. 2. To ascertain the profitability of	1.Credit deposit ratio 2.Net profit, cash deposit, 3.return on equity	1.Debt equity ratio 2.Proprietary ratio	Banking constitutes an important link in several socio-economic

	chosen banks			activities. Therefore, the banking industry must be on a sound footing, while in India, there is stress on the social responsibility of banks
Mohammad Kamrul Ahsan	<ol style="list-style-type: none"> <li>The main objectives of this research paper is to analyze</li> <li>the financial performance of selected Islamic Banks in Bangladesh based on CAMEL Rating Analysis.</li> </ol>	<ol style="list-style-type: none"> <li>Capital Adequacy</li> <li>Asset Quality</li> <li>Management quality</li> <li>Earning Performance</li> <li>Liquidity</li> </ol>	<ol style="list-style-type: none"> <li>Equity to Asset</li> <li>Investment Loss Reserve</li> <li>cost of income                             <ol style="list-style-type: none"> <li>Net profit total assets</li> <li>Net profit total equity</li> </ol> </li> </ol>	To uplift the economy of the country, financial sector is required to be developed. In this connection, the banking sector must be given priority to attain sustainability in financial sector.

**III. IMPORTANT OF BANKING SECTOR**

- Financial performance in broader sense refers to the degree to financial objectives accomplished.
- Most important aspects are here in the financial risk management.

- It is the process of measuring the results of a firm’s policies and operations in monetary terms.

**IV. FINANCIAL PERFORMANCE ANALYSIS**

- Working capital analysis
- Financial structure analysis

3. Activity analysis
4. Profitability analysis

### Working Capital

Working capital is a measure of both a company's efficiency and its short-term financial health. Working capital is calculated as,

$$\text{Working capital} = \text{current assets} - \text{current liabilities.}$$

### Financial Structure

Financial structure refers to the specific mixture of long-term debt and equity that a company uses to financial its operations.

### Activity

Evaluating and identifying an activity and its operational impact. It tells what is being done people needed, time, resource, data, and the value exerted on the organization. Refer to job analysis, performance analysis, and task analysis.

### Profitability

Profitability analysis is a component of enterprise resource planning (ERP) that allows administrations to forecast the profitability of a proposal of an optimized the profitability of an existing.

## V. DISCUSSION AND THE CONCLUSION

The term financial performance is very essential for all financial institutions. Including the banking sectors are mostly used the financial performance because the working capital, financial structure, Activity and the profitability are occupying the main part of growth. These variables are affected to banking sector by means private and public banks. These variables are explained the growth of public and private banking sectors. This paper is comparative study to public and private banks and it is who the best manage and then more improve for the other aspects.

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