IJARSCT
ISSN (Online) 2581-9429
IJARSCT
International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
Impact Factor: 7.53
Volume 4, Issue 3, December 2024

A Comparative Financial Performance Analysis of Selected Public and Private Sector Banks using Eagles Model

Mr. Kiran S[1], Mr. Chandan L[2] and Sharath H R[3]
Research Scholar, Department of MBA[1,2]
Student, Department of MBA[3]
RNS Institute of Technology, Bengaluru, Karnataka, India

Abstract: *This study assesses the financial performance of public and private sector banks using the EAGLES model, a comprehensive framework for evaluating bank stability, growth, and profitability. Investors, focused on a firm's earnings and future prospects, benefit from understanding the likelihood of bankruptcy or failure through financial analysis. The EAGLES model aids in this by analyzing key financial ratios, providing insights into a bank's operational efficacy and resilience. It serves as an early warning system, identifying potential risks before they escalate, enabling timely interventions. This research analyzes the financial statements of five public and private sector banks over a five-year period (2018-19 to 2022-23) to evaluate their relative efficiency and growth. The findings offer valuable insights for strategic planning, resource allocation, and performance improvement.*

Keywords: Investors, EAGLES Model, financial performance, banking stability, bankruptcy prediction, financial ratios, public and private sector banks, risk assessment, strategic planning.

I. INTRODUCTION

The banking sector is crucial for economic development, playing a central role in financial intermediation, facilitating business transactions, and supporting growth. A well-functioning banking system enhances economic efficiency by channeling savings into productive investments and is essential for the stability and growth of any economy. In India, the banking industry has evolved significantly, from its early beginnings in the 18th century to the liberalization reforms of the 1990s, leading to the development of a diverse and competitive banking landscape.

Banks, both public and private, operate with the core objective of maximizing profitability, but they also vary in terms of their operational goals and strategies. Financial performance analysis is critical for assessing the stability and profitability of banks, with models such as CAMELS and EAGLES providing structured frameworks for evaluation. The EAGLES model, developed by Sir John Wong, offers a comprehensive approach, focusing on key parameters: Earnings Ability, Asset Quality, Growth, Liquidity, and Strategy. This model is particularly effective in predicting bankruptcy risk and evaluating the overall financial health of banks.

This research aims to conduct a comparative financial performance analysis of selected public and private sector banks in India using the EAGLES model. By analyzing the financial statements of these banks, the study seeks to provide insights into their relative efficiency, growth, and risk management over a defined period, contributing valuable knowledge to stakeholders and investors.

II. OBJECTIVES

- To assess the overall, intermediation and profitability efficiencies of the selected banks.
- To compare and analyze the operational efficiency changes over the 5 years' period.
- To find out is there any significant difference between the performances of these banks on the basis of EAGLES model.
- To give suitable recommendations for the improvement in efficiency and financial performance of selected bank.

III. LITERATURE REVIEW

Dr. Ahmed Arif Almazari (2012): This study evaluates the financial performance of the Jordanian Arab Commercial Bank from 2000-2009 using the DuPont system, which breaks performance into net profit margin, total asset turnover, and equity multiplier. Despite challenges from the global financial crisis, the Arab Bank maintained stable financial performance with minimal volatility in return on equity, highlighting its resilience in the Middle Eastern banking sector.

Haider (2016): This paper challenges the assumption that large asset bases lead to inefficiency in financial performance. A comparative analysis of Bank of Baroda (public sector) and HDFC Bank (private sector) using the DuPont model reveals that HDFC Bank is more efficient in managing financial resources, suggesting superior profitability and operational efficiency.

Biswas and Bhattacharya (2020): Using the CAMEL framework, this study assesses the performance of India's new-generation private banks, focusing on selective ratios over a five-year period. The study finds Bandhan Bank leading in performance, followed by HDFC Bank. Significant variation in performance across banks is observed, with findings relevant for stakeholders' decision-making.

Singh and Milan (2020): This article examines factors influencing the performance of public sector banks in India, using the CAMEL model to analyze financial data of all public sector banks over 11 years. The study identifies key determinants of performance, offering valuable insights for improving the efficiency of public sector banks.

Sathavara and Christian (2021): The study uses the EAGLES model to evaluate the financial performance of leading private sector banks in India (Axis Bank, HDFC Bank, ICICI Bank, IndusInd Bank, Kotak Mahindra Bank) over a 10-year period. HDFC Bank emerged as the top performer, followed by Kotak Mahindra Bank, with ANOVA tests revealing significant variance among the financial variables of the banks.

Hymavathi (2021): This research compares the financial, operational, and managerial performance of selected public and private sector banks using the CAMEL model over a five-year period (2015-2019). The study finds HDFC Bank and ICICI Bank outperforming others in terms of key financial ratios, with significant implications for stakeholders.

Hothur and Reddy (2022): This study assesses the impact of DuPont factors on Return on Equity (ROE) for three Maharatna public sector enterprises over a 10-year period. It concludes that net profit margins have the greatest influence on ROE, with GAIL (India) Ltd showing the most consistent ROE, making it a preferred investment choice.

Ganta (2023): This study uses the EAGLES model to evaluate the financial performance of banks from South and North India over nine years. The results show that North Indian banks, particularly HDFC Bank, outperformed their Southern counterparts in key financial metrics, with ANOVA tests revealing significant differences in performance.

IV. RESEARCH METHODOLOGY

This study compares the financial performance of public and private sector banks in India using the EAGLES model. It aims to identify the strengths, weaknesses, and risks in the banking system, offering insights for improved regulatory policies and better operational efficiency. Data from 2018-2023 is analyzed using ANOVA to assess performance differences, highlighting areas where public banks can learn from private banks.

STATISTICAL TOOLS

For the Present study, various tools are techniques adopted to evaluate the financial Performance. It can be divided as:

Accounting Tools/ Techniques: Ratio Analysis has been used as an accounting technique (according to the need of study) for the study & analysis of financial performance of various banks.

SAMPLE OF STUDY

For Present Study I selected ten banks among ten banks five banks from public sector and five banks from private sector.

Public Sector Bank	Private Sector Bank
Bank of Baroda	Axis Bank
Canara Bank	HDFC Bank
Punjab National Bank	ICICI Bank

IJARSCT

ISSN (Online) 2581-9429

International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.53

Volume 4, Issue 3, December 2024

State Bank of India	IndusInd Bank
Union Bank of India	Kotak Mahindra Bank

Table-1: Selected Sample Banks

V. DISCUSSION AND RESULTS

Return on Asset ratio of Public and Private Banks

ROA	**Public Banks**					**Private Banks**				
BANK / YEAR	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	0.06	0.05	-1.29	0.02	-0.60	0.58	1.69	0.35	1.19	1.56
2019-20	0.05	-0.31	0.04	0.37	-0.53	0.18	1.72	0.72	1.44	1.65
2020-21	0.07	0.22	0.16	0.45	0.27	0.66	1.78	1.32	0.78	1.82
2021-22	0.57	0.46	0.26	0.64	0.44	1.11	1.79	1.65	1.15	2.00
2022-23	0.97	0.79	0.17	0.91	0.66	0.73	1.79	2.01	1.61	2.23
Mean	0.34	0.24	-0.13	0.48	0.05	0.65	1.75	1.21	1.23	1.85
SD	0.41	0.41	0.65	0.33	0.57	0.33	0.05	0.68	0.32	0.27
CV	120.91	170.82	-499.65	68.84	1161.95	51.09	2.57	55.92	25.66	14.65
Rank I	2	3	5	1	4	5	2	4	3	1
Rank II	7	8	10	6	9	5	2	4	3	1

KOTAK Bank has the highest ROA (1.851%), while PNB's negative ROA (-0.130%) signals poor asset use. HDFC Bank shows the most stability, with low variability in ROA, while UNION Bank’s returns are highly volatile. Stable returns in banks like HDFC and KOTAK boost investor confidence, but high ROA alone doesn’t ensure better performance without considering risk and capital structure.

Return on Net worth ratio of Public and Private Banks

RONW	**Public Banks**					**Private Banks**				
YEAR / BANK	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	0.94	0.96	-22.27	0.39	-11.13	7.01	14.13	3.10	12.38	11.34
2019-20	0.76	-5.69	0.54	6.24	-8.58	1.92	15.36	6.81	12.99	12.13
2020-21	1.08	4.34	2.22	8.04	4.51	6.48	15.27	10.98	6.54	10.93
2021-22	8.47	8.59	3.62	11.31	7.41	11.32	15.39	13.71	9.67	11.83
2022-23	14.36	14.41	2.51	15.33	10.77	7.66	15.74	15.95	13.54	13.11
Mean	5.12	4.52	-2.68	8.26	0.60	6.88	15.18	10.11	11.02	11.87
SD	6.11	7.60	11.01	5.60	9.83	3.36	0.61	5.19	2.91	0.83
CV	119.34	168.16	-411.47	67.75	1649.18	48.85	4.05	51.36	26.42	7.01
Rank I	2	3	5	1	4	5	1	4	3	2
Rank II	7	8	10	5	9	6	1	4	3	2

HDFC Bank leads with the highest RONW (15.179%), indicating strong profitability, while PNB has the lowest at -2.676%, reflecting negative returns. HDFC also shows the most stability, with low standard deviation (0.045) and coefficient of variation (2.572), while UNION Bank’s high volatility (coefficient of variation: 1161.951) signals inconsistent returns. The top banks—HDFC, KOTAK, and INDUS IND—offer stable returns, boosting investor confidence. However, high RONW doesn't guarantee better performance, as risk and capital structure are also key factors.

IJARSCT
ISSN (Online) 2581-9429
International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
Impact Factor: 7.53
Volume 4, Issue 3, December 2024

Net Non-Performing Asset ratio of Public and Private Banks

NNPAs	Public sector banks					Private sector Banks				
YEAR / BANKS	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	5.49	5.37	6.56	3.01	6.85	2.06	0.40	2.06	0.48	0.80
2019-20	3.13	4.22	5.78	2.23	5.49	1.56	0.36	1.41	0.91	0.70
2020-21	3.09	3.82	5.73	1.50	4.62	1.05	0.40	1.24	0.69	1.20
2021-22	1.72	2.65	4.80	1.02	3.68	0.73	0.32	0.81	0.64	0.60
2022-23	0.89	1.73	2.72	0.67	1.70	0.39	0.27	0.51	0.59	0.40
Mean	2.86	3.56	5.12	1.69	4.47	1.16	0.35	1.21	0.66	0.74
SD	1.75	1.41	1.48	0.94	1.94	0.66	0.06	0.59	0.16	0.30
CV	61.04	39.64	28.89	55.95	43.38	57.28	15.91	49.29	24.01	40.09
Rank I	2	3	5	1	4	4	1	5	2	3
Rank II	7	8	10	6	9	4	1	5	2	3

HDFC Bank leads with the lowest Net NPA ratio of 0.350%, indicating strong and stable asset quality, followed by INDUS IND and KOTAK with low Net NPAs (0.662% and 0.740%). In contrast, PNB (5.118%) and UNION (4.468%) face significant challenges with bad loans. BOB has a higher Net NPA (2.864%) and the highest volatility (61.036), ranking seventh. Overall, private sector banks (HDFC, INDUS IND, KOTAK) outperform public banks in Net NPA management and stability.

Govt Securities to Total Investments ratio of Public and Private Banks

GSTTI	Public sector banks					Private sector Banks				
YEAR / BANKS	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	0.89	0.89	0.80	0.80	0.76	0.69	0.83	0.72	0.82	0.82
2019-20	0.90	0.92	0.85	0.78	0.70	0.80	0.83	0.77	0.88	0.82
2020-21	0.89	0.92	0.88	0.79	0.73	0.81	0.79	0.81	0.94	0.81
2021-22	0.88	0.93	0.87	0.80	0.76	0.82	0.81	0.86	0.94	0.75
2022-23	0.89	0.95	0.90	0.81	0.77	0.79	0.85	0.86	0.92	0.74
Mean	0.89	0.92	0.86	0.80	0.75	0.78	0.82	0.80	0.90	0.79
SD	0.01	0.02	0.04	0.01	0.03	0.05	0.02	0.06	0.05	0.04
CV	0.91	2.28	4.31	1.11	3.81	6.91	2.61	7.41	5.65	5.18
Rank I	2	1	3	4	5	5	2	3	1	4
Rank II	3	1	4	7	10	9	5	6	2	8

Canara Bank leads with the highest ratio of government securities to total investments (0.925) and the lowest coefficient of variation (2.275), indicating conservative and consistent performance. UNION Bank ranks last with the lowest ratio (0.746) and the second-highest coefficient of variation (3.813). HDFC Bank shows the lowest standard deviation (0.021), while PNB has the highest standard deviation (0.037) and coefficient of variation (4.308), signaling higher volatility. Canara, INDUS IND, and BOB rank highest, while AXIS, UNION, and PNB are at the bottom.

IJARSCT

ISSN (Online) 2581-9429

International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.53

Volume 4, Issue 3, December 2024

Advances Growth ratio of Public and Private Banks

Advances	Public sector banks					Private sector Banks				
YEAR	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	9.68	12.06	5.65	12.97	2.83	12.54	24.47	14.49	28.59	21.20
2019-20	47.20	1.04	2.96	6.38	6.10	15.49	21.27	10.00	10.94	6.83
2020-21	2.34	47.87	42.90	5.34	87.58	9.15	10.82	13.71	2.81	1.79
2021-22	10.03	10.10	8.00	11.61	11.85	13.46	24.30	17.08	12.44	21.26
2022-23	21.08	18.06	14.10	17.02	15.26	19.44	16.93	18.70	21.28	17.92
Mean	18.07	17.83	14.72	10.66	24.72	14.02	19.56	14.79	15.21	13.80
SD	17.61	17.87	16.28	4.83	35.47	3.80	5.76	3.34	9.94	8.95
CV	97.45	100.25	110.57	45.29	143.47	27.11	29.46	22.61	65.36	64.82
Rank I	2	3	4	5	1	4	1	3	2	5
Rank II	3	4	7	10	1	8	2	6	5	9

PNB has the highest investment-to-asset ratio (0.283), indicating a more aggressive strategy, while INDUS IND ranks last (0.192), reflecting a conservative approach. ICICI Bank shows the most stable performance with the lowest standard deviation (0.006) and coefficient of variation (2.690). AXIS Bank has the highest coefficient of variation (11.592), signaling the most volatility. KOTAK has the greatest absolute variability in its ratio (0.024). The top three banks are PNB, SBI, and UNION, while the bottom three are HDFC, INDUS IND, and AXIS. A higher ratio can indicate better performance, depending on the bank's strategy and risk appetite.

Revenue Growth ratio of Public and Private Banks

REVENUE	Public sector banks					Private sector Banks				
YEAR BANKS	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	11.45	10.77	3.18	5.49	2.13	20.03	22.14	7.64	26.68	19.94
2019-20	53.93	6.30	7.47	8.19	10.25	14.76	18.42	17.11	28.04	13.15
2020-21	-3.99	48.95	48.34	2.02	88.52	0.40	5.79	7.50	-0.49	-0.01
2021-22	-1.80	1.64	-6.80	2.39	0.46	5.24	7.67	6.94	7.48	3.39
2022-23	22.43	20.11	11.57	16.68	18.53	23.08	22.60	23.04	16.52	23.78
Mean	16.40	17.55	12.75	6.95	23.98	12.70	15.32	12.45	15.65	12.05
SD	23.54	18.83	21.03	5.99	36.79	9.65	8.04	7.28	12.28	10.27
CV	143.50	107.27	164.92	86.13	153.45	75.99	52.47	58.50	78.48	85.19
Rank I	3	2	4	5	1	3	2	4	1	5
Rank II	3	2	6	10	1	7	5	8	4	9

Union Bank leads with the highest growth rate of 23.975%, but also has the highest volatility (standard deviation: 36.790, coefficient of variation: 153.450). SBI ranks last with the lowest growth rate (6.951%) but exhibits stable growth (coefficient of variation: 86.133). HDFC has the most consistent revenue growth (coefficient of variation: 52.469). The top three banks are Union, Canara, and BOB, while the bottom three are KOTAK, ICICI, and SBI. High growth must be balanced with stability, and banks with lower coefficients of variation, like HDFC and ICICI, show more predictable performance for long-term planning.

IJARSCT
ISSN (Online) 2581-9429
International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
Impact Factor: 7.53
Volume 4, Issue 3, December 2024

Liquid Assets to Total Deposits ratio of Public and Private Banks

LATD	Public sector banks					Private sector Banks				
YEAR / BANKS	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	0.14	0.11	0.11	0.08	0.10	0.12	0.09	0.12	0.08	0.11
2019-20	0.13	0.11	0.11	0.08	0.12	0.15	0.08	0.15	0.08	0.20
2020-21	0.12	0.18	0.10	0.09	0.09	0.09	0.09	0.14	0.22	0.14
2021-22	0.12	0.17	0.12	0.10	0.12	0.14	0.10	0.16	0.23	0.14
2022-23	0.08	0.12	0.12	0.07	0.10	0.11	0.10	0.10	0.17	0.09
Mean	0.12	0.14	0.11	0.08	0.11	0.12	0.09	0.14	0.16	0.14
SD	0.02	0.03	0.01	0.01	0.01	0.02	0.01	0.02	0.07	0.04
CV	19.49	23.88	6.95	14.34	11.58	19.96	11.52	17.43	48.24	31.50
Rank I	2	1	3	5	4	4	5	3	1	2
Rank II	6	2	7	10	8	5	9	4	1	3

INDUS IND Bank leads with the highest liquid asset-to-deposit ratio (0.155) but has the most volatile performance (standard deviation: 0.075, coefficient of variation: 48.238). SBI ranks last with the lowest ratio (0.083). PNB shows the most consistent liquidity management, with the lowest standard deviation (0.008) and coefficient of variation (6.950). The top three banks are INDUS IND, Canara, and KOTAK, while the bottom three are HDFC, UNION, and SBI. Banks with lower coefficients of variation, such as PNB and HDFC, demonstrate more stable liquidity management.

CAR	Public sector banks					Private sector Banks				
YEAR / BANKS	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	13.42	11.90	9.73	12.72	11.78	12.54	17.11	16.90	14.16	17.50
2019-20	13.30	13.65	14.14	13.06	12.81	17.53	18.52	16.10	15.04	17.90
2020-21	14.99	13.18	14.32	13.74	12.56	19.12	18.79	19.10	17.38	22.30
2021-22	15.84	14.90	14.50	13.83	14.52	18.54	18.90	19.20	18.42	22.70
2022-23	16.24	16.68	15.50	14.68	16.04	17.64	19.26	18.30	17.86	21.80
Mean	14.76	14.06	13.64	13.61	13.54	17.07	18.52	17.92	16.57	20.44
SD	1.35	1.82	2.25	0.76	1.72	2.62	0.83	1.37	1.86	2.53
CV	9.18	12.91	16.48	5.58	12.68	15.33	4.48	7.66	11.25	12.36
Rank I	1	2	3	4	5	4	2	3	5	1
Rank II	6	7	8	9	10	4	2	3	5	1

Capital Adequacy Ratio of Public and Private Banks

KOTAK Bank leads with the highest Capital Adequacy Ratio (CAR) at 20.44%, indicating a strong capital position. UNION Bank has the lowest CAR at 13.54%, reflecting a smaller capital cushion. HDFC Bank shows the most consistent CAR with the lowest coefficient of variation (4.48), while PNB has the highest volatility (16.478). The top three banks are KOTAK, HDFC, and ICICI, while the bottom three are SBI, PNB, and UNION. While higher CARs indicate stronger loss absorption, excessive ratios may suggest inefficient capital use.

IJARSCT
ISSN (Online) 2581-9429
International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
Impact Factor: 7.53
Volume 4, Issue 3, December 2024

Net Interest Margin Ratio of Public and Private Banks

NIM	Public sector banks					Private sector Banks				
YEAR / BANKS	BOB	Canara	PNB	SBI	UNION	AXIS	HDFC	ICICI	INDUS IND	KOTAK
2018-19	2.72	2.63	2.41	2.95	2.28	3.43	4.30	3.42	3.80	4.27
2019-20	2.73	2.29	2.30	3.19	2.36	3.51	4.30	3.73	4.14	4.59
2020-21	2.71	2.75	2.88	3.26	2.51	3.53	4.10	3.69	4.17	4.41
2021-22	3.03	2.82	2.71	3.12	2.71	3.43	4.00	3.96	4.11	4.69
2022-23	3.31	2.95	3.06	3.37	2.90	4.02	4.10	4.48	4.27	5.36
Mean	2.90	2.69	2.67	3.18	2.55	3.58	4.16	3.86	4.10	4.66
SD	0.27	0.25	0.32	0.16	0.25	0.25	0.13	0.40	0.18	0.42
CV	9.16	9.33	11.87	4.95	9.96	6.92	3.23	10.32	4.32	9.04
Rank I	2	3	4	1	5	5	2	4	3	1
Rank II	7	8	9	6	10	5	2	4	3	1

KOTAK Bank leads with the highest NIM (4.664%) but also shows higher volatility, while UNION Bank has the lowest NIM (2.552%). SBI has the most stable NIM, with the lowest standard deviation and second-lowest coefficient of variation. INDUS IND exhibits the most consistent NIM. PNB has the highest coefficient of variation, indicating greater volatility. Higher NIMs don't always equate to better performance, as risk and asset quality are key factors.

VI. KEY FINDINGS

EARNINGS:

Return on Assets (ROA):

KOTAK leads with 1.851%, followed by HDFC (1.753%) and INDUS IND (1.234%). KOTAK has the lowest coefficient of variation (14.65), indicating high risk-adjusted returns. PNB has the lowest return (-0.130%) and the highest volatility (1161.95%).

Return on Net Worth (RONW):

HDFC tops with 15.179%, followed by KOTAK (11.869%) and INDUS IND (11.022%). PNB has the lowest at -2.676%. HDFC also has the lowest volatility and best risk-adjusted returns, while UNION Bank ranks the worst.

ASSET QUALITY:

Net NPAs:

HDFC has the lowest Net NPA ratio (0.350%), indicating superior asset quality. INDUS IND and KOTAK also show strong performance with low NPAs, while PNB and UNION have higher NPAs. Private sector banks generally outperform public ones in NPA management.

Govt Securities to Total Investments:

Canara Bank leads with the highest ratio (0.925) and lowest volatility (2.275). UNION Bank has the lowest ratio (0.746) and high volatility. ICICI has the least consistent performance (CV 7.412).

GROWTH:

Advances Growth Ratio:

Union Bank leads in growth (24.724%) but with high volatility. AXIS Bank shows the most consistent growth, while SBI has the lowest growth (10.665%) but consistent performance.

Revenue Growth Ratio:

Union Bank leads in revenue growth (23.975%) but is volatile. SBI shows consistent growth despite having the lowest rate (6.951%). HDFC, ICICI, and AXIS show more stable revenue growth.

IJARSCT
ISSN (Online) 2581-9429
International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
Impact Factor: 7.53
Volume 4, Issue 3, December 2024

LIQUIDITY RATIOS:

Liquid Asset to Total Deposits:

INDUS IND has the highest ratio (0.155) but with high volatility. PNB has the most consistent liquidity management. SBI has the lowest ratio (0.083), indicating weaker liquidity.

EQUITY RATIO:

Capital Adequacy Ratio (CAR):

KOTAK leads with the highest CAR (20.440%) but with some volatility. SBI and HDFC show the most stable CARs. UNION Bank has the lowest CAR (13.542%).

STRATEGIC ASSESSMENT:

Net Interest Margin (NIM):

KOTAK has the highest NIM (4.664%) but with high volatility. UNION Bank has the lowest NIM (2.552%), indicating inefficient management. SBI and INDUS IND show stable NIMs with low volatility, signaling reliable income generation.

VII. CONCLUSION

The analysis of selected public and private sector banks in India reveals a significant performance gap, with private banks like HDFC, KOTAK, and INDUS IND outperforming public banks in profitability, asset quality, and operational efficiency. These banks excel in metrics like ROA, RONW, and low NPA ratios, thanks to effective risk management and operational strategies. In contrast, public banks such as PNB and Union Bank struggle with higher NPAs and lower profitability, highlighting the need for reforms. While private banks show strong performance, they also face increased volatility. Larger banks like SBI demonstrate more consistent but slower growth. This analysis underscores the need for public sector reforms, better liquidity management, and a balanced approach to growth and risk for long-term stability.

VIII. LIMITATIONS

This study relies on secondary data from sources like annual reports, journals, and websites, which have inherent limitations. The analysis is based only on accounting ratios, restricting its scope. Due to time constraints, the EAGLES Model used a limited set of ratios. Additionally, the study focuses on just five public and five private sector banks, limiting the generalizability of the findings.

REFERENCES

[1]. AlAli, M. S. (2019). The Use of DuPont Modified Financial Model in Evaluating the Financial Performance of Kuwaiti Banks. Journal of Banking and Financial Dynamics, 3(1), 1–9. https://doi.org/10.20448/journal.525.2019.31.1.9

[2]. Almazari, A. A. (2012). Financial Performance Analysis of the Jordanian Arab Bank Using the DuPont System. International Journal of Economics and Finance, 4(4). https://doi.org/10.5539/ijef.v4n4p86

[3]. Bhatt, V. (2020). Evolution and Challenges of the Indian Banking Industry. RESEARCH REVIEW International Journal of Multidisciplinary.

[4]. Biswas, S., & Bhattacharya, M. (2020). Financial Performance Analysis of New Generation Private Banks: A CAMEL Approach. Journal of Commerce & Accounting Research, 37–44.

[5]. Dadhich, M., Pahwa, M. S., Goswami, S., & Rao, S. S. (2021). Financial Wellbeing of Public and Private Banks: A CAMEL Approach. https://doi.org/10.1109/eti4.051663.2021.9619424

[6]. Dadresha, N. M. V. (2023). Financial Performance of Merger Banks in India: An EAGLES Approach. EPRA International Journal of Multidisciplinary Research, 92–98. https://doi.org/10.36713/epra14630

[7]. Debnath, P. (2024). Financial Performance Appraisal of Indian Banks Using the EAGLES Approach. ResearchGate. https://www.researchgate.net/publication/378480480