

**A STUDY OF THE TOP PUBLIC SECTOR BANKS IN INDIA:
A COMPARATIVE ANALYSIS OF THE FINANCIAL
PERFORMANCE OF STATE BANK OF INDIA AND PUNJAB
NATIONAL BANK**

Mr. SHEMPHANG WANN LYGDOH*

ABSTRACT

Indian Banking system had played an important role in the economic growth of India. RBI is the main authority of public sector banks, private banks, financial and non-financial institutions. Banking system is classified into scheduled bank and non-scheduled bank. The banking system of India consists of a large network of bank branches across the country which serves the people by providing various kinds of financial services. State Bank of India, popularly known as SBI is the largest bank of public sector in India. SBI has 420 million customers, more than 24,000 branches and 59,000 ATMs in India. Punjab National Bank, also known as PNB is second largest public sector in India. The Bank has over 80 million customers, 6,937 branches and 10,681 ATMs in India. The purpose of the study is to examine the financial performance of the two largest public sector banks in India, SBI and PNB. The research is descriptive and analytical in nature. The data used for the study was entirely secondary in nature. The present study is conducted to compare the financial performance of SBI and PNB Bank on the basis of ratios such as credit deposit, net profit margin etc. The period of study taken is from the year 2012-13 to 2016-17. The study found that SBI is performing well and financially sound than PNB Bank but in context of expenditure PNB bank has better managing efficiency than SBI.

KEYWORDS: Credit Deposit Ratio, Net Profit Margin, Return on Equity, Deposits, Advances, SBI, PNB.

* **Assistant Professor, CVS, University of Delhi, Sheikh Sarai, New Delhi, India**

INTRODUCTION

An efficient banking system is recognized as basic requirement for the economic development of any economy. Banks mobilize the savings of the people into productive investments. The banking system of India is featured by a large network of bank branches, serving many kinds of financial needs of the people.

STATE BANK OF INDIA-PROFILE

State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. It is a government-owned corporation with its headquarters in Mumbai, Maharashtra. It consist of 278,000 employees, 420 million customers, and more than 24,000 branches and 59,000 ATMs. It has 198 offices in 37 countries, 301 correspondents in 72 countries. The company is ranked 232nd on the Fortune Global 500 list of the world's biggest corporations as of 2016. SBI has 20% market share in deposits and loans among Indian commercial banks.

The roots of the State Bank of India rest in the first decade of 19th century, when the Bank of Calcutta later on renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843. The Presidency banks amalgamated on 27 January 1921, and renamed Imperial Bank of India. The Imperial Bank of India remained a joint stock company.

The State Bank of India was constituted on 1st July 1955, pursuant to the State Bank of India Act, 1955 (the "SBI Act") for the purpose of creating a state-partnered and state-sponsored bank integrating the former Imperial Bank of India. In 1959, the State Bank of India (Subsidiary Banks) Act was passed, enabling the Bank to take over eight former state associated banks as its subsidiaries.

The State Bank of India's is largest bank, with approximately 9,000 branches in India and 54 international offices. Its Associate Banks have a domestic network of around 4,600 branches, with strong regional ties. The Bank also has subsidiaries and joint ventures outside India,

including Europe, the United States, Canada, Mauritius, Nigeria, Nepal, and Bhutan. The Bank has the largest retail banking customer base in India.

On 1st April, 2017, State Bank of India, which is India's largest Bank merged with five of its Associate Banks (State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore) and Bharatiya Mahila Bank with itself. This is the first ever large scale consolidation in the Indian Banking Industry. With the merger, State Bank of India will enter the league of top 50 global banks with a balance sheet size of Rs. 33 trillion.

PUNJAB NATIONAL BANK-PROFILE

Punjab National Bank (PNB) is an Indian multinational banking and financial services company. It is a state-owned corporation based in New Delhi, India. The bank was founded in 1894. As of 31 March 2017 the bank has over 80 million customers, 6,937 branches, and 10681 ATMs across 764 cities.

PNB has a banking subsidiary in the UK (PNB International Bank, with seven branches in the UK), as well as branches in Hong Kong, Kowloon, Dubai, and Kabul. It has representative offices in Almaty (Kazakhstan), Dubai (United Arab Emirates), Shanghai (China), Oslo (Norway), and Sydney (Australia). In Bhutan it owns 51% of Druk PNB Bank, which has five branches. In Nepal PNB owns 20% of Everest Bank Limited, which has 50 branches. Lastly, PNB owns 84% of JSC (SB) PNB Bank in Kazakhstan, which has four branches.

Punjab National Bank was registered on 19 May 1894 under the Indian Companies Act, with its office in Anarkali Bazaar, Lahore, Pakistan. The founding board was drawn from different parts of India professing different faiths and of varying back-ground with, the common objective of creating a truly national bank that would further the economic interest of the country. PNB's founders included several leaders of the Swadeshi movement such as Dyal Singh Majithia and Lala Harkishen Lal, Lala Lalchand, Kali Prosanna Roy, E. C. Jessawala, Prabhu Dayal, Bakshi Jaishi Ram, and Lala Dholan Dass. Lala Lajpat Rai was actively associated with the management of the Bank in its early years. The bank opened for business on 12 April 1895 in Lahore.

PNB has the distinction of being the first Indian bank to have been started solely with Indian capital that has survived to the present.

OBJECTIVE OF THE STUDY

- To study the financial performance of SBI and PNB Bank.
- To compare the financial performance of SBI and PNB Bank.

RESEARCH METHODOLOGY

In the present study, an attempt has been made to measure, evaluate and compare the financial performance of SBI and PNB Bank which are both public sector banks. The study is based on secondary data that has been collected from annual reports of the respective banks, magazines, journals, documents and other published information. The study covers the period of 5 years i.e. from year 2012-13 to year 2016-17. Ratio Analysis was applied to analyse and compare the trends in banking business and financial performance. Mean and Compound Growth Rate (CGR) have also been deployed to analyse the trends in banking business profitability.

LIMITATION OF THE STUDY

Due to constraints of time and resources, the study is likely to suffer from certain limitations. Some of these are mentioned here under so that the findings of the study may be understood in a proper perspective.

The limitations of the study are:

- The study is based on the secondary data and the limitation of using secondary data may affect the results.
- The secondary data was taken from the annual reports of the SBI and PNB Bank. It may be possible that the data shown in the annual reports may be window dressed which does not show the actual position of the banks.

Financial analysis is mainly done to compare the growth, profitability and financial soundness of the respective banks by diagnosing the information contained in the financial statements. Financial analysis is done to identify the financial strengths and weaknesses of the two banks by properly establishing relationship between the items of Balance Sheet and Profit & Loss Account. It helps in better understanding of banks financial position, growth and performance by analysing the financial statements with various tools and evaluating the relationship between various elements of financial statements.

FOR THIS PURPOSE THE FOLLOWING PARAMETERS HAVE BEEN STUDIED

1. Credit Deposit Ratio
2. Interest Expended to Interest Earned
3. Net Profit Margin
4. Return on Equity
5. Percentage Change in Net Profits
6. Percentage Change in Total Income
7. Percentage Change in Total Expenditure
8. Percentage Change in Deposits
9. Percentage Change in Advances

CREDIT DEPOSIT RATIO:-

Credit-Deposit Ratio is the proportion of loan-assets created by a bank from the deposits received. Credits are the loans and advances granted by the bank. In other words it is the amount lent by the bank to a person or an organization which is recovered later on. Interest is charged from the borrower. Deposit is the amount accepted by bank from the savers and interest is paid to them.

TABLE 1.1 - CREDIT DEPOSIT RATIO (in percentage)

YEAR	SBI	PNB
2012-13	85.17	78.13
2013-14	86.84	78.06
2014-15	84.47	76.60
2015-16	83.56	75.19
2016-17	80.38	70.81
MEAN	84.08	75.76
CGR (Compound Growth Rate)	-5.62	-9.37

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

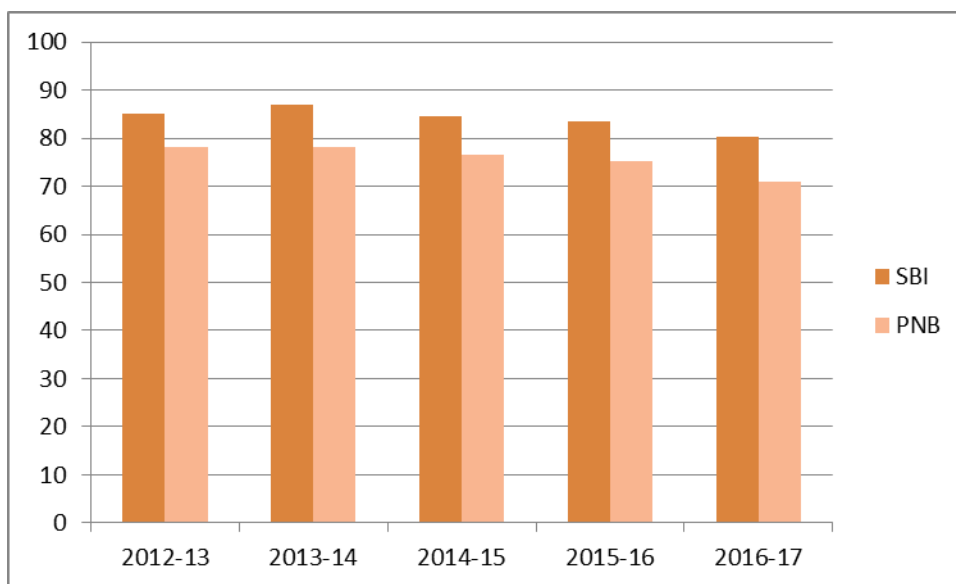
FIG. NO. 1.1:- CREDIT DEPOSIT RATIO

Table 1.1 depicts that over the course of five financial periods of study the mean of Credit Deposit Ratio in SBI was higher (84.084%) than in PNB (75.758%). The Compound Growth Rate in PNB lowers (-9.369%) than in SBI (-5.624%). In case of SBI the credit deposit ratio was highest in 2013-14 and lowest in 2016-17. But in case of PNB credit deposit ratio was highest in 2012-13 and lowest in 2016-17. This shows that SBI has created more loan assets from its deposits as compared to PNB.

INTEREST EXPENDED TO INTEREST EARNED:-

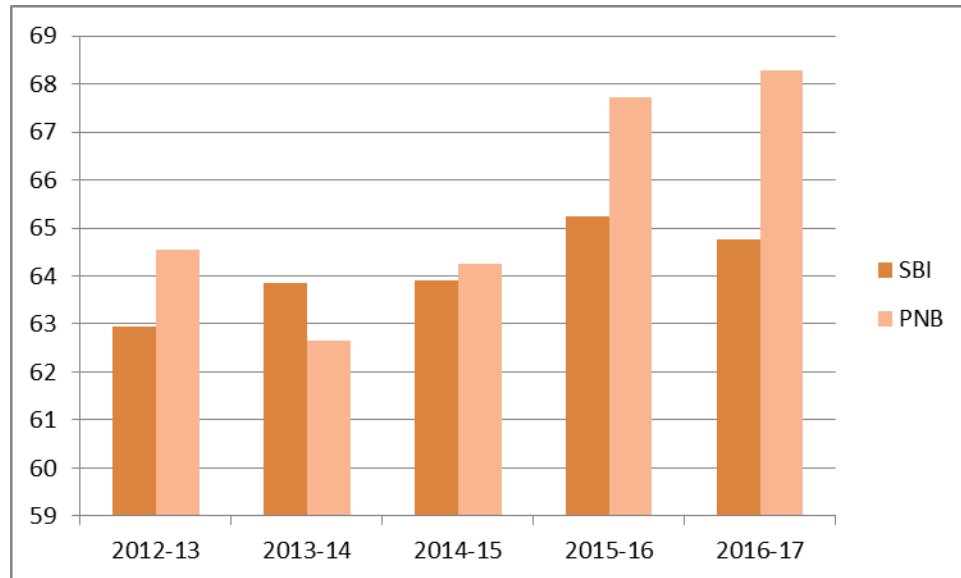
Banks accept deposits from savers and pay interest on these accounts. This payment of interest is known as interest expenses. Banks also loan the deposits to borrowing customers and charge interest on these loans. This receipt of interest is known as interest income. Interest Expended to Interest Earned reveals the percentage of expenses incurred on interest in relation to interest earned.

TABLE 1.2:- INTEREST EXPENDED TO INTEREST EARNED (in percentage)

YEAR	SBI	PNB
2012-13	62.95	64.54
2013-14	63.86	62.65
2014-15	63.90	64.25
2015-16	65.25	67.71
2016-17	64.76	68.29
MEAN	64.14	65.49
CGR	2.88	5.81

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

FIG.NO.1.2:- INTEREST EXPENDED TO INTEREST EARNED



The table 1.2 shows that the ratio of interest expended to interest earned in SBI has increased steadily from the year 2012-13 up to 2014-15, from 62.95% to 63.90% which is an increase of 1.5% over the two year period. But, in the year 2015-16 the ratio increase to 65.25% compared to the previous year 2014-15 which is 63.90% which is a much higher growth rate at 2.11%. However, in the year 2016-17 the ratio has decreased to 64.76% which is a 0.75% decrease compared to 2015-16 rate of 65.25%.

The ratio of interest expended to interest earned in PNB has decreased in the year 2013-14 as compared to 2012-13 from 64.54% to 62.65% which is a decrease of 2.9%. But in the

succeeding years the ratio has grown dynamically in an increasing pattern as seen above the table 1.2. The increase in the ratio from the year 2013-14 to 2016-17 is from 62.65% to 68.29% which is a 9% increase. It has been found that the share of interest expended to interest earned was higher in case of PNB as compared to SBI, which shows that people prefer to invest their savings and take loans and advances from SBI than PNB.

NET PROFIT MARGIN:-

Net profit margin is the percentage of revenue left after all expenses have been deducted from sales. The measurement reveals the amount of profit that a business can extract from its total

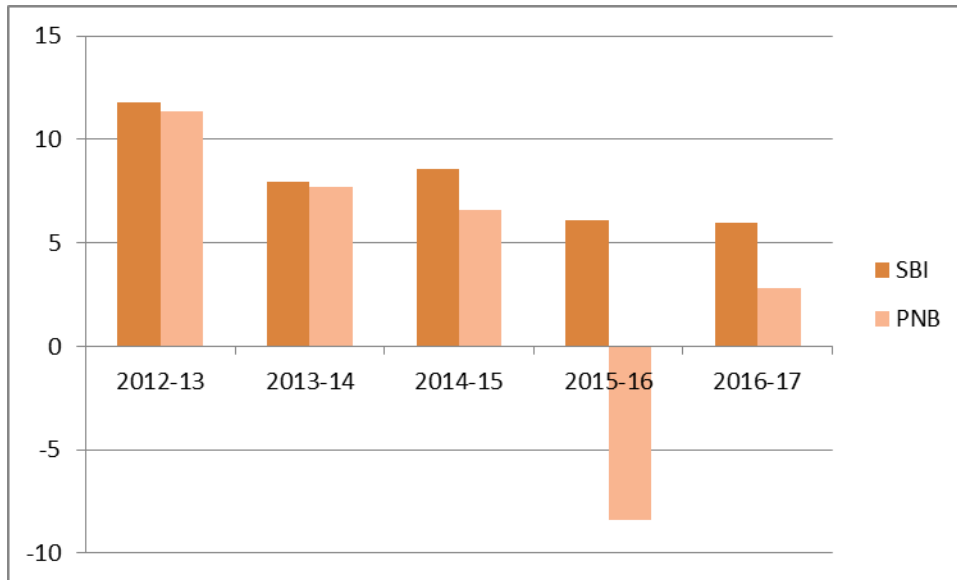
sales. The net sales part of the equation is gross sales minus all sales deductions, such as sales allowances. Net Profit Margin reveals the financial results of the business activity and efficiency of management in operations. The table 1.3 shows the net profit margin in SBI and PNB during the Period 2012-13 to 2016-17.

TABLE-1.3:-NET PROFIT MARGIN IN SBI AND PNB (in percentage)

YEAR	SBI	PNB
2012-13	11.78	11.33
2013-14	7.98	7.73
2014-15	8.59	6.61
2015-16	6.07	-8.38
2016-17	5.97	2.80
MEAN	8.08	4.02
CGR	-49.32	-75.29

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

FIG. NO.1.3 NET PROFIT MARGIN IN SBI AND PNB



The table 1.3 reveals that the ratio of net profit margin of SBI has decreased over the 5 year period (2012-13 to 2016-17) from 11.78% to 5.97%. It can be seen that the net profit margin in the year 2013-14 has decreased from 11.78% to 7.98% (a 32.26% decrease), in the year 2014-15 the profit margin has increased to 8.59% (a 7.64% increase), from 2015-16 onwards there has been a consistent decrease in the net profit margin, showing an average net profit margin of 8.08%. In case of PNB, the net profit margin has also consistently decreased in the 5 year period (2012-13 to 2016-17) from 11.33% to 2.80%. However, in the year 2015-16 there has been a net loss margin of 8.38% resulting in an average net profit margin of 4.02% which is 49.75% of the net profit margin of SBI. Thus, the PNB has shown comparatively lower operational efficiency than SBI.

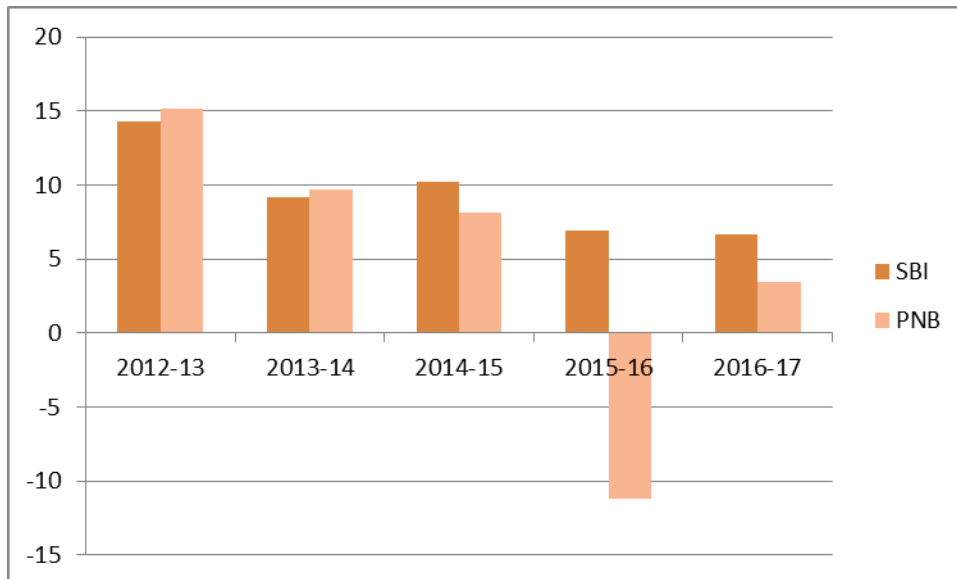
RETURN ON EQUITY:-

Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

TABLE 1.4 RETURN ON EQUITY (in percent)

YEAR	SBI	PNB
2012-13	14.26	15.19
2013-14	9.20	9.69
2014-15	10.20	8.12
2015-16	6.89	-11.20
2016-17	6.69	3.47
MEAN	9.45	5.05
CGR	-53.09	-77.16

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

FIG.NO.1.4 RETURN ON EQUITY

The table 1.4 reveals that the ratio of return on equity of SBI has decreased over the 5 year period (2012-13 to 2016-17) from 14.26% to 6.69%. It can be seen that the return on equity in the year 2013-14 has decreased from 14.26% to 9.20% (a 35.48% decrease), in the year 2014-15 it increased to 10.20% (a 10.87% increase), from 2015-16 onwards there has been a consistent decrease in the return on equity, showing an average return on equity of 9.45%. In case of PNB, the return on equity has also consistently decreased in the 5 year period (2012-13 to 2016-17) from 15.19% to 3.47%. However, in the year 2015-16 there has been a negative return on equity of -11.20% resulting in an average return on equity of 5.05% which is 53.44% of the return on equity of SBI. Thus, SBI has utilised its resources more efficiently as compared to PNB.

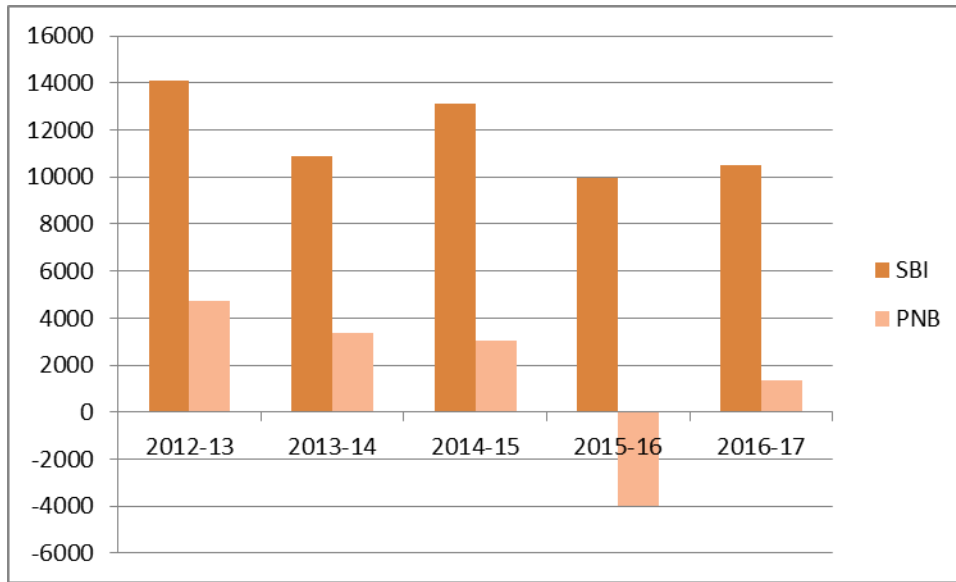
PERCENTAGE CHANGE IN NET PROFITS:-

Net Profit reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized. It is calculated by dividing net profit by net sales multiplied by 100. It establishes the relationship between the net profit and sales.

TABLE 1.5 PERCENTAGE CHANGE IN NET PROFITS IN SBI AND PNB (in crores)

YEAR	SBI		PNB	
	PROFIT	% CHANGE	PROFIT	% CHANGE
2012-13	14,105		4,748	
2013-14	10,891	-22.78	3,343	-29.60
2014-15	13,102	20.30	3,062	-8.41
2015-16	9,951	-24.05	-3,974	-229.82
2016-17	10,484	5.36	1,325	-133.33
MEAN	11,706		1,700	
CGR	-25.67		-72.10	

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

FIG.NO.1.5 PERCENTAGE CHANGE IN NET PROFITS IN SBI AND PNB

The table 1.5 highlights that the mean value of net profit was higher in SBI (Rs. 11,706 crores) as compared to that in PNB (Rs. 1,700 crores) during the 5 year period (2012-13 to 2016-17). From the table above we can also see that there has been a huge decrease in the profits of SBI and PNB over the 5 year period in study, which has resulted in a compound growth rate of -25.67% for SBI and -72.10% for PNB. The table also shows that the annual growth rate of profit in SBI has varied from positive to negative over the 5 year period in study and was highest in the year 2014-15 (20.30%) and lowest in the year 2015-16 (-24.05%). In PNB, the annual growth rate of profit was negative for all the 5 year period in study. The highest negative figure was in the year 2015-16 (-229.82%) and was lowest negative figure was in the year 2014-15 (-8.41%). This shows that SBI has performed well as compared to PNB.

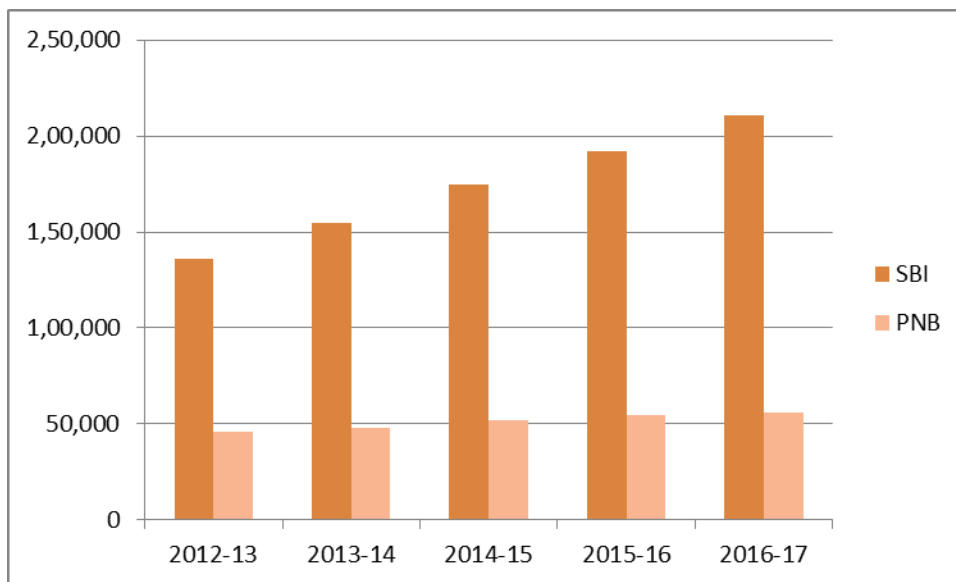
PERCENTAGE CHANGE IN TOTAL INCOME:-

Total income is the sum of all money received by an organisation, including income interest on loans and other financial services provided by the bank, revenue from sales, income from dividends, or other sources. Percentage change in total income aims to identify the growth pattern of the total income of the organisation.

TABLE 1.6 TOTAL INCOME OF SBI AND PNB (in crores)

YEAR	SBI		PNB	
	INCOME	% CHANGE	INCOME	% CHANGE
2012-13	1,35,692		46,109	
2013-14	1,54,904	14.16	47,800	3.67
2014-15	1,74,973	12.96	52,206	9.22
2015-16	1,91,844	9.64	54,301	4.01
2016-17	2,10,979	9.97	56,227	3.55
MEAN	1,73,678		51,329	
CGR	55.48		21.94	

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

FIG.NO.1.6 TOTAL INCOME OF SBI AND PNB

The table 1.6 highlights that the mean value of total income was higher in SBI (Rs. 1,73,678 crores) as compared to that in PNB (Rs. 51,329 crores) during the 5 year period (2012-13 to 2016-17). The rate of growth regarding total income was higher in SBI (55.48 %) than in PNB (21.94 %) during the period of study. This shows that the total income of SBI is more than triple of PNB.

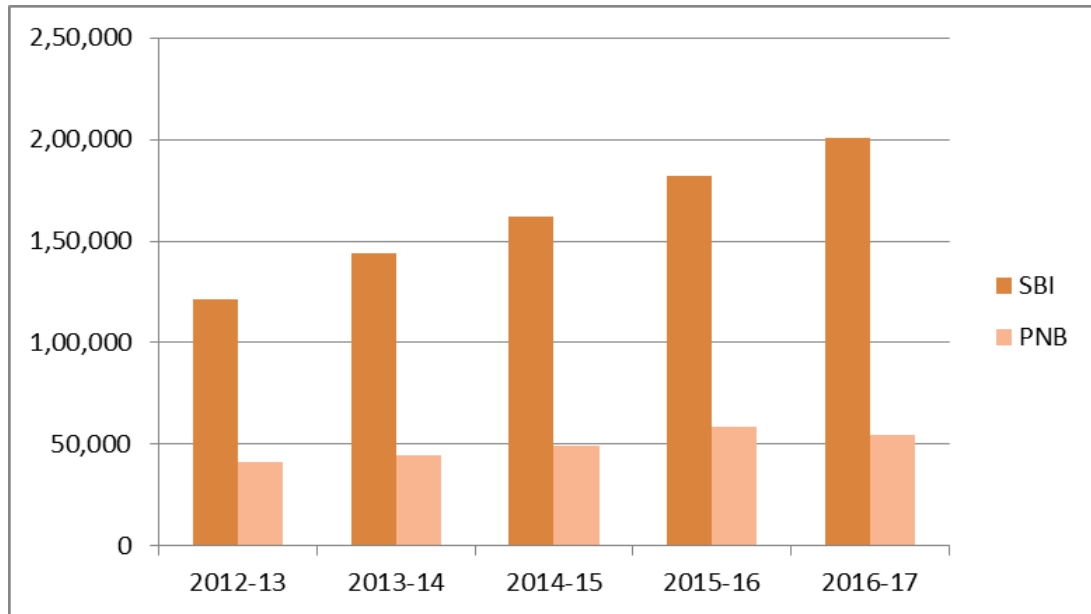
PERCENTAGE CHANGE IN TOTAL EXPENDITURE:-

Total expenditure is the sum of all money expended by an organisation, including payment of interest on savings and other deposits and other services purchased by the bank. Percentage change in total expenditure aims to identify the growth pattern of the total expenditure of the organisation. The total expenditure reveals the proportionate share of total expenditure spent on the development of staff, interest expended and other overheads.

TABLE 1.7:- TOTAL EXPENDITURE OF SBI AND PNB (in crores)

YEAR	SBI		PNB	
	EXPENDITURE	% CHANGE	EXPENDITURE	% CHANGE
2012-13	1,21,587		41,362	
2013-14	1,44,013	18.44	44,457	7.48
2014-15	1,61,871	12.40	49,145	10.54
2015-16	1,81,893	12.37	58,276	18.58
2016-17	2,00,495	10.23	54,903	-5.79
MEAN	1,61,972		49,628	
CGR	64.90		32.74	

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

FIG.NO.1.7 TOTAL EXPENDITURE OF SBI AND PNB

The table 1.7 discloses that the mean value of total expenditure was higher in SBI (Rs. 1,61,972 crores) as compared to that in PNB (Rs. 49,628 crores) during the 5 year period (2012-13 to 2016-17). The compound growth rate regarding expenditure in SBI was 64.90 % and PNB 32.74% during the same period. It is clear that PNB is successful in decreasing their total expenditure as compared to SBI. The table also highlights that the annual growth rate of expenditure in SBI was highest (18.44%) in the year 2013-14 and was lowest (10.23%) in the year 2016-17. In PNB, the annual growth rate of expenditure was highest (18.58%) in the year 2015-16 and negative (-5.79%) in the year 2016-17. Hence it is clear that PNB is more efficient as compared to SBI in terms of managing expenditure. However, the compound growth of income has been more for SBI (55.48%) than PNB (21.94%) for the 5 year period in study which makes it reasonable for SBI to have such a high total expenditure.

PERCENTAGE CHANGE IN DEPOSITS:-

Bank deposits consist of money placed into banking institutions for safekeeping. These deposits are made to deposit accounts such as savings accounts, current account, fixed deposits, recurring deposits, etc. Percentage change in deposits aims to identify the growth pattern of the deposits of the organisation.

TABLE 1.8-TOTAL DEPOSITS OF SBI AND PNB (in crores)

YEAR	SBI		PNB	
	DEPOSITS	% CHANGE	DEPOSITS	% CHANGE
2012-13	12,02,740		3,91,560	
2013-14	13,94,409	15.94	4,51,397	15.28
2014-15	15,76,793	13.08	5,01,379	11.07
2015-16	17,30,722	9.76	5,53,051	10.31
2016-17	20,44,751	18.14	6,21,704	12.41
MEAN	15,89,883		5,03,818	
CGR	70.01		58.78	

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

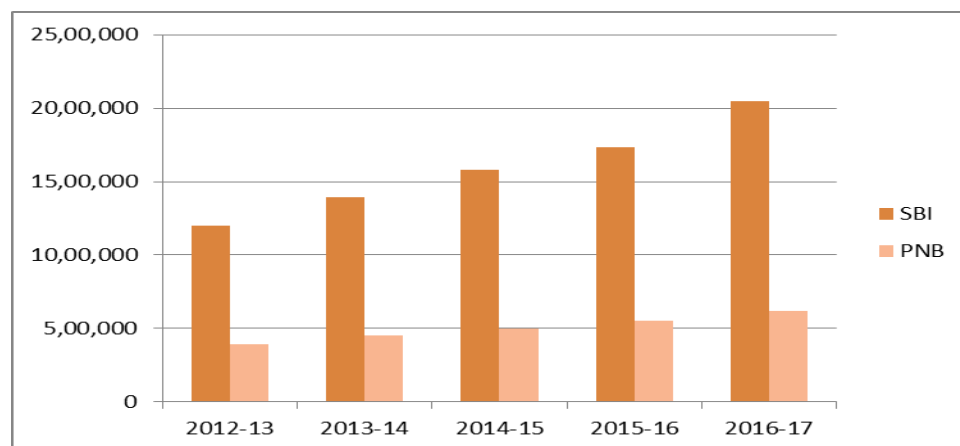
FIG. NO.1.8:- TOTAL DEPOSITS OF SBI AND PNB

Table 1.8 presents that the mean of Deposits of SBI was higher (Rs. 15,89,883 crores) as compared to mean of deposits of PNB (Rs. 5,03,818 crores). The rate of growth was higher in

SBI (70.01%) than that in PNB (58.78%) during the 5 year period (2012-13 to 2016-17). The table also shows the percentage change in deposits over the period of 5 year (2012-13 to 2016-17). In case of SBI deposits were fluctuating continuously over the period of study with the highest (18.14%) in the year (2016-17) and lowest (9.76%) in the year 2015-16. The deposits in PNB were also fluctuating continuously over the 5 year period (2012-13 to 2016-17) of study with the highest (15.28%) in the year 2013-14 and lowest (10.31%) in the year 2015-16. This shows that SBI has more deposits from its customers than PNB during the 5 years of study.

PERCENTAGE CHANGE IN ADVANCES:-

Advances are the credit facility granted by the bank. In other words it is the amount borrowed by a person from the Bank. It is also known as Credit granted where the money is disbursed and recovery of which is made later on. Percentage change in advances aims to identify the growth pattern of the advances of the organisation.

TABLE 1.9- TOTAL ADVANCES OF SBI AND PNB (in crores)

YEAR	SBI		PNB	
	ADVANCES	% CHANGE	ADVANCES	% CHANGE
2012-13	10,45,617		3,08,725	
2013-14	12,09,829	15.70	3,49,269	13.13
2014-15	13,00,026	7.46	3,80,534	8.95
2015-16	14,63,700	12.59	4,12,326	8.35
2016-17	15,71,078	7.34	4,19,493	1.74
MEAN	13,18,050		3,74,070	
CGR	50.25		35.88	

Source: www.moneycontrol.com and Annual Reports of SBI and PNB from 2012-13 to 2016-17

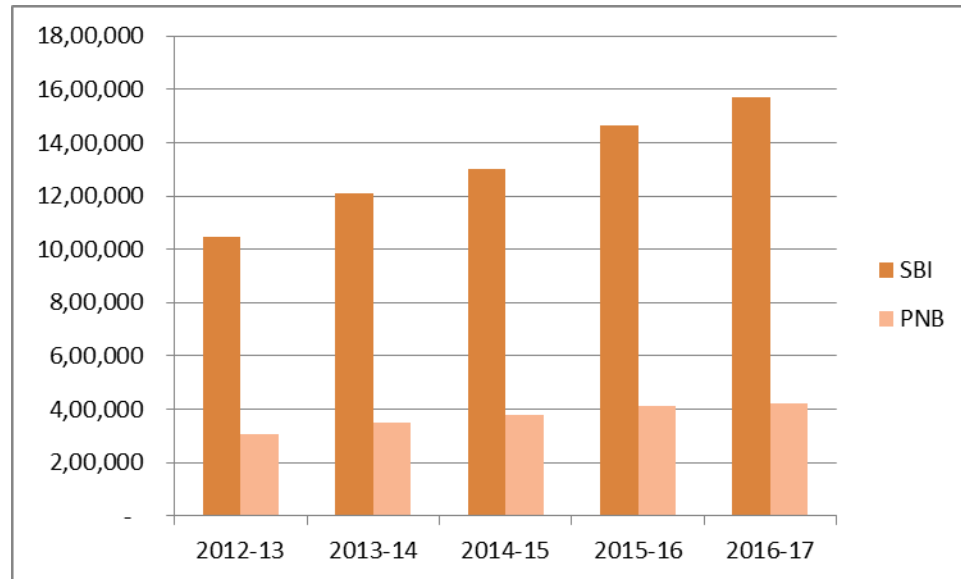
FIG.NO.1.9- TOTAL ADVANCES OF SBI AND PNB

Table 1.9 presents that the mean of Advances of SBI was higher (Rs. 13,18,050 crores) as compared to mean of Advances of PNB (Rs. 3,74,070 crores). Rate of growth was also higher in SBI (50.25%) than in PNB (35.88%). In case of SBI Advances can be seen to be increasing in a varying growth rate. The annual growth rate was varying in a decreasing trend over the 5 year period with the highest (15.70%) annual growth rate in the year 2013-14 and lowest (7.34%) in the year 2016-17. In the case of advances in PNB, it can be seen that there has been a consistent increase over the 5 year period. However, the annual growth rate was in a decreasing trend with the highest (13.13%) annual growth rate in the year 2012-13 and the lowest (1.74%) in the year 2016-17. This shows that SBI was lending more than PNB during these 5 years (2012-13 to 2016-17).

FINDINGS AND CONCLUSIONS:-

1. The study found that the mean of Credit Deposit Ratio in SBI (84.08%) was higher than PNB (75.76%). This shows that SBI Bank has created more loan assets from its deposits as compared to PNB.

2. The mean of Interest Expended to Interest Earned in PNB (65.49%) is higher as compare to SBI (64.14%) which shows that people prefer to invest their savings and take loans and advances from SBI than PNB.
3. The mean of Net Profit Margin of SBI (8.08%) is higher than PNB (4.02%) which shows that SBI has shown comparatively better operational efficiency than PNB.
4. The mean of Return on Equity of SBI (9.45%) is higher than PNB (5.05%) which indicates that SBI has utilised its resources more efficiently as compared to PNB.
5. The mean of Net Profits in SBI (Rs. 11,706 crores) with a compound growth rate of -25.67% which is higher than PNB (Rs. 1,700 crores) and compound growth rate of -72.10%. This shows that SBI has performed well as compared to PNB.
6. The mean value of Total Income in SBI (Rs. 1,73,678 crores) is higher as compared to that of PNB (Rs. 51,329 crores) which shows that the total income of SBI is more than triple of PNB.
7. The mean value of Total expenditure in SBI (Rs. 1,61,972 crores) is higher as compared to that of PNB (Rs. 49,628 crores) and the compound growth rate of expenditure in SBI (64.90%) is higher than PNB (32.74%). Hence it is clear that PNB is more efficient as compared to SBI in terms of managing expenditure. However, the compound growth of total income has been more for SBI (55.48%) than PNB (21.94%) for the 5 year period in study which makes it reasonable for SBI to have such a high total expenditure.
8. Deposits in SBI have continuously increased (in a fluctuating trend) with the compound growth rate of 70.01%. The deposits in PNB have increased (in a fluctuating trend) with compound growth rate of 58.78%. This shows that SBI has more deposits from its customers than PNB.
9. In case of SBI Advances were continuously increased (with a fluctuating declining trend) with the compound growth rate of 50.25%. The advances in PNB were increasing (with a continuous declining trend) with a compound growth rate of 35.88%. It shows that PNB has suffered with funds or avoid providing more advances through 2014-15 to 2016-17. It also shows that SBI was lending more than PNB during the 5 years (2012-13 to 2016-17).

Hence, on the basis of the above study and analysis it is shown that banking customer has more preference and trust on SBI compared to PNB in the public sector banks in India.

REFERENCES:-

- Maheshwari & Maheshwari, Banking Law and Practices, Himalaya Publishing Pvt Ltd, Allahabad, pp.152.
- Pandey, I.M. Financial Management, Vikas Publishing. House Pvt. Ltd. 2002, pp. 633.
- Study material, Financial Management Unit 17, IGNOU, New Delhi. pp.6
- Trend and progress of banking, RBI, pp.22-23
- Gaylord A Freeman, “ The Problem of Adequate bank Capital”, quoted by Howard D. Crosse in his book on Management Policies for Commercial Banks, pp. 158.
- SBI annual report 2013-17
- PNB annual report 2013-17.
- www.wikipedia.com
- www.worldlistmania.com
- www.businessdictionary.com
- www.moneycontrol.com