1.1 Introduction

The Indian financial landscape is dominated by the banking sector with banking-flows accounting for over half of the total financial flows in the economy. Banks play a major role in not just purveying credit to the productive sectors of the economy but also as facilitators of financial inclusion. Although the Indian banking sector exhibited considerable resilience in the immediate aftermath of the global financial crisis, it has been impacted by the global and domestic economic slowdown over the last two years. The year 2011-12, against the backdrop of a muted domestic growth, witnessed a slowdown in the overall growth of the banking sector coupled with deterioration in asset quality and lower profitability. The performance of the banking sector in 2012-13 too was conditioned by a further slowdown of the domestic economy, although there was some respite from inflationary pressures leading to an environment of lower interest rates.¹

Banking sector being an integral part of Indian Financial system has undergone dramatic changes reflecting the ongoing economic and financial sector reforms. Main objectives of these reforms have been to strengthen the banking system against international best practices and standards which will have lasting effects on the entire fabric of Indian financial system. These financial sector reforms have stimulated greater competition, convergence and consolidation in

¹ RBI, Report on Trend and Progress of Banking in India – 2012-13
Indian Banking industry. Banking industry which had been highly regulated in pre-reform period is reorienting itself to face new challenges emerging in the financial sector globally. Basic factors responsible for poor performance of public sectors banks were stringent regulation, administered interest rates, directed and concessional lending, deteriorated portfolio, poor recovery process and above all lack of competition. Against this background, the committee under the chairmanship of M. Narshiman committee laid down the foundation of banking sector reform in 1991 which entailed several proposals relating to the structure, organization, functions and procedures of financial system. Broadly these reforms were related to dismantling of interest rate, prudential regulation and supervision norms, restructuring of distressed banks, entry of new generation private and foreign banks and liberalized branch licensing policy. This report recommended a broad structure of the banking system with the primary objectives of having a strong and reliant banking system. These recommendations have induced greater competition with enhanced application of information technology, specialized skills, greater portfolio diversification, better risk management practices and diversified ownerships.²

The banking system in India is significantly different from that of other Asian nations because of the country’s unique geographic, social, and economic characteristics. India has a large population and land size, a diverse culture and extreme disparities in income, which are marked among its regions. There are high levels of illiteracy among a large percentage of its population but, at the same time, the country has a large reservoir of managerial and technologically advanced talents. Between about 30 and 35 percent of the population resides in metro and urban cities and the rest is spread in several semi-urban and rural centers. The country’s economic policy framework combines socialistic and capitalistic features with a heavy bias towards public sector investment. India has followed the path of growth-led exports rather than the “export led growth” of other Asian economies, with emphasis on self-reliance through import substitution. These features are reflected in the structure, size, and diversity of the country’s banking and financial sector. The banking system has had to serve the goals of economic policies enunciated in successive five year development plans, particularly concerning equitable income distribution, balanced regional economic growth, and the reduction and elimination of private sector monopolies in trade and industry.³

Today, banks have diversified their activities and are getting into new products and services that include opportunities in credit cards, consumer finance,

wealth management, life and general insurance, investment banking, mutual funds, pension fund regulation, stock broking services, custodian services and private equity. Further, most of the leading Indian banks are going global, setting up offices in foreign countries, by themselves or through their subsidiaries.

A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people. A bank is a financial intermediary that accepts deposits and channels those deposits into lending activities. Banks are a fundamental component of the financial system, and are also active players in financial markets. The essential role of a bank is to connect those who have capital (such as investors or depositors), with those who seek capital (such as individuals wanting a loan, or businesses wanting to grow). Banks play an important role in the economic development of every nation. They have control over a large part of the supply of money in circulation. Through their influence over the volume of bank money, they can influence nature and character of production in any country. Economic development is a dynamic and continuous process. Banks are the main stay of economic progress of a country, because the economic development highly depends upon the extent of mobilization of resources and investment and on the operational efficiency of the various segments (i.e. Trade, Industrial Development,
and Agriculture) of the economy. Thus, in the modern economy, banks have become a part and parcel of all economic activities in India.\(^4\)

For a greater part of the twentieth century, the role of the financial system was perceived as mobilising the massive resource requirements for growth. Since 1970, development economics underwent a paradigm shift. The financial system is no longer viewed as a passive mobiliser of funds. Efficiency in financial intermediation i.e., the ability of financial institutions to intermediate between savers and investors, to set economic prices for capital and to allocate resources among competing demands is now emphasised. Developments in endogenous growth theory since the late 1980s indicate that efficiency in financial intermediation is a source of technical progress to be exploited for generating increasing returns and sustaining high growth. These changes have provided the rationale for many developing countries to undertake wide-ranging reforms of their financial systems so as to prepare them for their true resource allocation function. As important financial intermediaries, banks have a special role to play in this new dispensation.\(^5\)

Macroeconomic conditions deteriorated during 2012-13, posing several

---

\(^4\) Dr. M. Dhanabhakyam and M. Kavitha, Financial Performance of Selected Public Sector Banks In India, International Journal of Multidisciplinary Research Vol.2 Issue 1, January 2012.

challenges in 2013-14. Growth slowed further in 2012-13, due to structural constraints and weak external demand. Also, vulnerabilities surfaced with the widening current account deficit (CAD), high fiscal deficit earlier in the year and deterioration in asset quality. Reflecting these developments, the Reserve Bank undertook calibrated monetary easing, allowing transmission to complete from the past two years of monetary tightening. Consequently, headline inflation moderated in the later part of the year, helped in part by the negative output gap. Concerted efforts in the second half of the year helped correct fiscal deficit to a significant extent. However, macroeconomic risks have since amplified, as the global interest rate cycle is reversing following the US Fed’s indications of likely tapering of quantitative easing (QE). Emerging market economies, particularly those with CAD, have come under pressure due to capital outflows. The Reserve Bank and the Government have taken several steps to address volatility in the foreign exchange market and narrow the CAD. However, global risks coupled with domestic structural impediments have dampened prospects of a recovery in 2013-14 and posed immediate challenges for compressing CAD and staying on the fiscal consolidation path. In this milieu, it is important to preserve macro-financial stability to rebuild growth on a sustainable basis.\(^6\)

---

In order to improve the economic status of the country, the Government of India has been fielding a number of measures in the field of financial system. In this process, the banks are playing a vital role especially the public sector banks. The success of any business institutions is depending on the efficient, effective and economical utilization of the financial resources. The financial management of any companies consists of planning, organizing, distributing and controlling of available financial resources so as to fulfil the expectations of the investors and for that reason each and every company wants to know its financial performance by comparing the results periodically. As the banks are dealing with financial resources mobilized from various sources especially from the common man, it is essential to study the financial performance of its own on continuous basis so that the stakeholders to know the financial status of the banking company. In this background, the present study is aimed to study the financial performance of State Bank of India and its Associate Banks.

1.2 Statement of the Problem

In recent time, it is witnessed that the World Economy is passing through some intricate circumstances as bankruptcy of banking and financial institutions, debt crisis in major economies of the world and euro zone crisis. The scenario has become very uncertain causing recession in major economies like US and Europe. This poses some serious questions about the survival, growth and maintaining the
sustainable development. However, amidst all this turmoil India’s Banking Industry has been amongst the few to maintain resilience. The tempo of development for the Indian banking industry has been remarkable over the past decade. It is evident from the higher pace of credit expansion, expanding profitability and productivity similar to banks in developed markets, lower incidence of non-performing assets and focus on financial inclusion have contributed to making Indian banking vibrant and strong. Indian banks have begun to revise their growth approach and re-evaluate the prospects on hand to keep the economy rolling. Developing countries like India, still have a huge number of people who do not have access to banking services due to scattered and fragmented locations. But if we talk about those people who are availing themselves of banking services, their expectations are raising as the level of services is increasing due to the emergence of Information Technology and competition. Since, foreign banks are playing in Indian market, the number of services offered has increased and banks have laid emphasis on meeting the customer expectations.\(^7\)

In addition to the problem of mounting bad loans, the Indian banking sector also faces the issue of limited penetration into the countryside. The Indian rural

\(^7\) Dr. Krishna and A. Goyal, Indian Banking Industry: Challenges And Opportunities, International Journal of Business Research and Management (IJBRM), Volume (3) : Issue (1) : 2012
population is known for keeping cash savings and has little tendency to borrow. This reduces the incentives for commercial banks to extend their services into rural regions since they are not profitable. Along with the lack of financial services in the countryside, informal money lenders continue to thrive in India – only about 35 percent of adults in India have bank accounts according to the Economist. In the long run, as India’s rural economy develops, there will need to be more secure, systematic financial services. As the Indian economy expands, a state-dominated banking sector fraught with problems such as the accumulation of Non-Performing Assets (NPA) will ultimately be unable to keep pace with demands for capital investments in public or private projects, and public-private partnerships (PPP). This discrepancy is especially problematic for infrastructure projects and other long-term development initiatives. If a private entrepreneur experiences a capital shortage in the middle of an infrastructure project and needs another loan, the banking sector may not be able to fulfil this demand. As a result, a private enterprise may be forced to seek alternative financing sources, namely in corporate bond and equity markets, to reduce investment risks. Because of this, the current banking system is less competitive vis-a-vis other financial institutions in attracting potentially-profitable clients.  

The Indian banking sector continues to face some structural challenges. India has relatively large number of banks, some of which are sub-optimal in size and scale of operations. On the regulatory front, alignment with global developments in banking supervision is a focus area for both regulators and banks. The new international capital norms require a high level of sophistication in risk management, information systems, and technology which would pose a challenge for many participants in the Indian banking sector. The deep and often painful process of restructuring in the Indian economy and Indian industry has resulted in asset quality issues for the banking sector; while significant progress is being made in this area, a great deal of work towards resolution of these legacy issues still needs to be done. The Indian banking sector is thus at an exciting point in its evolution. The opportunities are immense – to enter new businesses and new markets, to develop new ways of working, to improve efficiency, and to deliver higher levels of customer service. The process of change and restructuring that must be undergone to capitalize on these opportunities poses a challenge for many banks.9

---

The Indian banking sector has faced multiple and concurrent challenges such as increased competition, rising customer expectations, and diminishing customer loyalty. The banking industry is also changing at a phenomenal speed. While at the one end, India has millions of savers and investors who still do not use a bank, another segment continues to bank with a physical branch and at the other end of the spectrum, the customers are becoming familiar with ATMs, e-banking, and cashless economy. This shows the immense potential for market expansion. The exponential growth for the industry comes from being able to handle as wide a range of this spectrum as possible. In this complex and fast changing environment, the only sustainable competitive advantage is to give the customer an optimum blend of technology and traditional service at their door step.

Indian Banking system is one of the largest systems in the world which provides financial services to the vast population of this country through its branches and networks. Primarily, the entire banking system is under the direct monitoring of Reserve Bank of India and each and every operation of the banks has been continually scrutinized by the Reserve Bank of India for the smooth functioning of financial system in the country. In India, both private and public sector banks are playing key role for the development of economy of the country. The survival and continuous service of the bank depends on the financial status of
the bank. Though the services of the banks are more or less same in India but the performance of the bank varies from bank to bank which entirely depends on efficiency in its operations. Considering these facts, now every bank has been promoted variety of initiatives to compete with other banks to get maximum financial results.

The State Bank of India and its Associate Banks namely, State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore are the largest banking service providers in India through its thousands of branches and lakhs of employees. This bank enjoys high level reputation among the people who are directly or indirectly associated with the bank. It is the fact that all those people who are having association with State Bank of India and its Associate Banks closely monitor its periodical progress by assessing the financial reports published by the bank. The policy of the government is also determinate for the performance of the banking company in India including State Bank of India and its Associate Banks. Though the State Bank of India and its Associate Banks are the trend setters in the banking sector and also professionally managed but these banks are also facing many problems with regards to deposits, borrowings, lending, recovery and investments. These components also influence the financial performance of the bank in larger extent. As the State Bank of India with its Associate Banks is the market leader in
the banking industry and the volume of business involved is very high, it is necessary to study the financial performance of the banks continuously for the interest of the stakeholders of the bank. In this context, the present study focuses on the Financial Performance of State Bank of India and its Associate Banks in India.

1.3. Scope of the Study

A study on the financial performance of State Bank of India and its associate banks in India since 2003 is undertaken for the analysis. A period of eleven years from 2003 to 2013 is taken for the study. The present study is undertaken by reviewing and analysing the financial performance of the State Bank of India and its associate banks in India by using six parameters namely, capital adequacy, asset quality, management efficiency, earning assets, liquidity and profitability. The present study is approached in the point of view of State Bank of India and its associate banks in India and does not include others.

1.4. Significance of the Study

Though a number of studies are available on banking industry in general, there is no comprehensive academic study on the financial performance of the State Bank of India and its associate banks. A review of the available literature on banking reveals that no exclusive study on the financial performance of the State Bank of India and its associate banks has so far been attempted in India. In this
context, the present study may fill the gap to an extent. Further, it would throw some light on the performance of the State Bank of India and its associate banks on the basis of the Banking Sector Reforms introduced in the country since 1992-93. The findings of the study would be useful for the various agencies related to banking industry in India especially management, investors, customers and the Government to formulate the policies for the further strengthening the financial status of the bank.

1.5. Objectives of the Study

The following are the objectives of the present study

i. To review the existing literature in the field of Banking Sector in India.

ii. To analyse the growth and the development of the banking Sector in India

iii. To study the profile of the State Bank of India and its Associate Banks

iv. To evaluate the management efficiency and earning quality of the State Bank of India and its associate banks in India.

v. To analyse the financial performance of State Bank of India and its associate banks in India.
vi. To offer valuable suggestions to strengthen the financial performance of the State Bank of India and its associate banks.

1.6. Methodology

Methodology is a systematic way, which consists of series of action steps, necessary to effectively carry out research and the desired sequencing to these steps. The research process consists of formulating the objective of the study, designing the methods of data collection, selecting the sample plan, collecting the data, processing and analyzing the data and summarizing, interpreting and reporting the findings. After observing the various performance evaluation studies and assessing the gap that exists in this study is to evaluate and assess the study on financial performance of the State Bank of India and its associate banks. The following are the six important basic parameters used in the study to evaluate the financial performance of the individual State Bank of India and its associate banks.

i. Capital adequacy

ii. Asset quality

iii. Management efficiency

iv. Earning quality
v. Liquidity position

vi. Profitability.

The researcher, after much deliberations has attempted to convert the broad objectives of the State Bank of India and its associate banks in terms of certain specific parameters to facilitate the evaluation of study on the financial performance. The study is completely based on secondary data and the required data were collected from various sources including annual reports of the study units and official websites of the both respective banks and the Reserve Bank of India.

1.7. Collection of Data

The data required for the study were collected from secondary sources. The financial performance analysis of banks is based on reports published by the annual reports of the State Bank of India and its associate banks, publications from the Reserve Bank of India, Indian Banks Association, Bombay, the Indian Institute of Bankers, Bombay, the National Institute of Bank Management, Pune and the Individual Banks.

1.8. Period of Study
The present study covers the period of 11 years ranging from 2003 to 2013.

1.9. Operational Concepts and Definitions

The main concepts and definitions are as follows

1.9.1 Paid-up Capital

Paid-up Capital is that part of the subscribed capital which the subscribers are actually called upon to pay. Generally, only a part of the subscribed capital is called up to be paid and the other part is kept as a reserve. The Paid-up Capital means the amount of capital paid by the shareholders of the State Bank of India and its Associate Banks.

1.9.2. Reserve Fund

Every bank maintains a reserve fund. This fund is generated by the accumulated profits of the bank. It is used by the bank to offset its unexpected losses in certain years. Reserve fund means the amount of fund retained by the State Bank of India and its Associate banks after meeting its provisions and obligations.
1.9.3. Deposits

This includes those deposits which are received by the State Bank of India and its associate banks from the public time-to-time in different types of schemes offered by the banks.

1.9.4. Advances from other Banks

It means that the amount of advances borrowed from State Bank of India and its associate banks and any other banks including Reserve Bank of India.

1.9.5. Bills Payable

It means that bills that the State Bank of India and its Associate Bank have the responsibility to pay from its resources.

1.9.8. Contingent Liabilities

Under this head, the bank shows those liabilities which are not known in advance or which are unforeseeable. Every bank makes some provision for these liabilities in its balance sheet. It means the provisions made by the State Bank of India and its Associate Banks.

1.9.9 Net Profit
The amount of Profit is shown in the profit and loss account of the State Bank of India and its Associate Banks.

1.9.10 Cash

Every bank has to keep some cash with itself to meet the requirements of its depositors. In addition, the bank also maintains some cash reserve with the other banks or with the Central Bank of the country. It means the amount of cash maintained by the State Bank of India and its Associate Banks.

1.9.14 Investments

The bank shows the total amount of its profit-yielding assets. The different types of investments are shown separately in the balance sheet. The amount invested in government and non-government securities is also indicated separately. It means the amount of money invested in various investment instruments by the State Bank of India and its Associate Banks.

1.9.15 Loans and Advances

It means the loans and advances sanctioned by the State Bank of India and its Associate Banks to borrowers through various schemes.

1.10. Framework of Analysis
For the purpose of analysing the financial data, the following metrics have been used. Financial Performances of the State Bank of India and its associate banks are measured by using the 51 financial ratios to measure the capital adequacy, asset quality, management efficiency, earning quality, liquidity and profitability of the State Bank of India and its Associate Banks. The formulas used for calculation of different ratios are presented below.

**Cash in Hand + Balances with RBI**

i. Cash-Deposit Ratio = \( \frac{\text{Cash in Hand} + \text{Balances with RBI}}{\text{Deposit}} \times 100 \)

ii. Credit-Deposit Ratio = \( \frac{\text{Total Advances}}{\text{Total Deposit}} \times 100 \)

iii. Investment-Deposit Ratio = \( \frac{\text{Total Investment}}{\text{Total Deposit}} \times 100 \)

iv. (Credit + Investment) - Deposit Ratio = \( \frac{\text{Total Advances + Total Investment}}{\text{Total Deposit}} \times 100 \)

v. Deposit to Total Liabilities Ratio = \( \frac{\text{Total Deposit}}{\text{Total Liabilities}} \times 100 \)
vi. Term Deposit to Total Deposit Ratio = \frac{\text{Term Deposit}}{\text{Total Deposit}} \times 100

vii. Priority Sector Advances to Total Advances Ratio = \frac{\text{Priority Sector Advances}}{\text{Total Advances}} \times 100

viii. Term Loan to Total Advances Ratio = \frac{\text{Term Loan}}{\text{Total Advances}} \times 100

ix. Secured Advances to Total Advances = \frac{\text{Secured Advances}}{\text{Total Advances}} \times 100

x. Investments in Non-Approved Securities to Total Investment Ratio = \frac{\text{Advances Secured by Tangible Assets + Advances covered by Bank or Govt. Guarantees}}{\text{Total Investments}} \times 100

xi. Interest Income to Total Assets Ratio = \frac{\text{Total Income}}{\text{Total Assets}} \times 100

xii. Net Interest Margin to Total Assets Ratio = \frac{\text{Interest Income} - \text{Interest Expenses}}{\text{Total Assets}} \times 100

Non-Interest Income
xiii. Non Interest Income to Total Assets Ratio = \frac{\text{Non Interest Income}}{\text{Total Assets}} \times 100

xiv. Intermediation Cost to Total Assets Ratio = \frac{\text{Payment to and Provisions for Employees}}{\text{Total Assets}} \times 100

xv. Wage Bills to Intermediation Cost Ratio = \frac{\text{Payment to and Provisions for Employees}}{\text{Operating Expenses}} \times 100

xvi. Wage Bills to Total Expenses Ratio = \frac{\text{Payment to and Provisions for Employees}}{\text{Total Expenses}} \times 100

xvii. Wage Bills to Total Income Ratio = \frac{\text{Payment to and Provisions for Employees}}{\text{Total Income}} \times 100

xviii. Burden to Total Assets Ratio = \frac{\text{Operating Expenses} - \text{Other Income}}{\text{Total Assets}} \times 100

xix. Burden to Interest Income Ratio = \frac{\text{Operating Expenses} - \text{Other Income}}{\text{Interest Income}} \times 100

xx. Operating Profit to Total Assets Ratio = \frac{\text{Operating Profit}}{\text{Total Assets}} \times 100
xxi. Return on Assets Ratio = \( \frac{\text{Net Profit}}{\text{Average Assets}} \times 100 \)

xxii. Return on Equity Ratio = \( \frac{\text{Net Profit}}{\text{Capital + Reserves and Surplus}} \times 100 \)

xxiii. Cost of Deposits Ratio = \( \frac{\text{Interest Paid on Deposits}}{\text{Deposits}} \times 100 \)

xxiv. Cost of Borrowings Ratio = \( \frac{\text{Interest Paid on Borrowings from RBI and Other Agencies}}{\text{Borrowings}} \times 100 \)

xxv. Cost of Funds Ratio = \( \frac{\text{Interest Paid on Deposits + Interest Paid on Borrowings from RBI and Other Agencies}}{\text{Deposits + Borrowings}} \times 100 \)

xxvi. Return on Advances Ratio = \( \frac{\text{Interest Earned on Advances and Bills}}{\text{Advances}} \times 100 \)

xxvii. Return on Investments Ratio = \( \frac{\text{Interest Earned on Investments}}{\text{Investments}} \times 100 \)

xxviii. Return on Advances Adjusted = Return on Advances – Cost of Funds to Cost of Funds Ratio
xxix. Return on Investments Adjusted = Return on Investments – Cost of Funds to Cost of Funds Ratio

xxx. Business Per Employee Ratio = \frac{\text{Total Deposits + Total Advances}}{\text{Number of Employees}} \times 100

xxx. Profit Per Employee Ratio = \frac{\text{Net Profit}}{\text{Number of Employees}} \times 100

xxxii. Capital Adequacy Ratio = \frac{\text{Capital}}{\text{Risk Weighted Assets}} \times 100

xxxiii. Capital Adequacy Ratio -Tier 1 = \frac{\text{Tier 1 Capital}}{\text{Risk}} \times 100

xxxiv. Capital Adequacy Ratio -Tier 2 = \frac{\text{Tier 2 Capital}}{\text{Risk}} \times 100

xxxv. Net NPA to Net Advances Ratio = \frac{\text{Net NPA}}{\text{Net Advances}} \times 100

xxxvi. Capital to Reserve Ratio = \frac{\text{Capital}}{\text{Reserve}} \times 100

xxxvii. Statutory Reserve to Total Reserve Ratio = \frac{\text{Statutory Reserve}}{\text{Total reserve}} \times 100
xxxviii. Saving Bank to Total Deposit Ratio = \frac{\text{Saving Bank Deposit}}{\text{Total Deposit}} \times 100

xxxix. Term Deposit to Total Deposit Ratio = \frac{\text{Term Deposit}}{\text{Total Deposit}} \times 100

xl. Deposit to Borrowings Ratio = \frac{\text{Deposit}}{\text{Borrowings}}

xli. Capital to Total Liabilities Ratio = \frac{\text{Capital}}{\text{Total Liability}} \times 100

xlii. Total Deposit to Total Liability Ratio = \frac{\text{Total Deposit}}{\text{Total Liability}} \times 100

xliii. Total Borrowings to Total Liability Ratio = \frac{\text{Total Borrowings}}{\text{Total Liability}} \times 100

xliv. Total Deposit to Total Advance Ratio = \frac{\text{Total Deposit}}{\text{Total Advance}}
xliv. Cash in Hand to Balance with RBI = \[\frac{\text{Cash in Hand}}{\text{Balance with RBI}} \times 100\]

xlvi. Deposit to Investment Ratio = \[\frac{\text{Deposit}}{\text{Investment}}\]

xlvii. Borrowings to Advance Ratio = \[\frac{\text{Borrowings}}{\text{Advances}} \times 100\]

xlviii. Investment to Total Asset Ratio = \[\frac{\text{Investment}}{\text{Total Asset}} \times 100\]

xl ix. Investment to Advance Ratio = \[\frac{\text{Investment}}{\text{Advance}} \times 100\]

l. Advances in Priority to Public Sector Ratio = \[\frac{\text{Advances in Priority Sector}}{\text{Advances in Public Sector}}\]

li. Fixed Asset to Total Asset = \[\frac{\text{Fixed Asset}}{\text{Total Asset}} \times 100\]

1.11. Scheme of the Report
The First Chapter “Introduction and Design of the Study” deals with introduction, statement of the problem, scope of the study, significance of the study, objectives of the study, methodology and data collection, operational definitions and concepts, framework of analysis and scheme of the report.

The Second Chapter “Review of Literature” reviews the existing studies available in the field of present research. It deals with various studies related to financial performance of banks with special reference to the State Bank of India and its associate banks in India. It covers introduction, review of literature and summary.

The third chapter “Growth and Development of Banking Sector in India” presents the growth and development of banking sector in India. It covers introduction, overview of banking in India, origin and development of Reserve Bank of India and its major functions, developments in various banks in India and reforms in the banking sector in India and summary.

The fourth chapter “Profile of State Bank of India and its Associate Banks in India” reviews the history of the State Bank of India and its associate banks. It covers introduction, origin and growth of the State Bank of India and its associate banks, profile of the State Bank of India, profile of the associate banks of the State Bank of India and summary.