



(REVIEW ARTICLE)



Management of assets in Indian banking sector: A comparative study of select banks

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Abstract

The banking sector plays an important role in promoting economic growth by mobilizing financial resources and distributing them effectively across different sectors of the economy. Proper management of bank assets is essential for maintaining liquidity, improving profitability, and reducing financial risks faced by banking institutions. This study focuses on the management of assets in the Indian banking sector with a comparative perspective of selected public sector and private sector banks. The main purpose of the study is to examine the trends in asset quality, analyze the structure of bank assets, and compare the asset management practices followed by banks in both sectors.

The study is based on secondary data collected from reliable sources such as publications of the Reserve Bank of India, RBI statistical reports, and annual reports of banks. The period of analysis covers five financial years from 2020–21 to 2024–25. Several financial indicators have been considered to assess the performance of banks, including Gross Non-Performing Assets, Net Non-Performing Assets, Provisioning Coverage Ratio, Capital Adequacy Ratio, Net Interest Margin, and Net Interest Income. In addition, the study examines the asset structure of selected banks by analyzing components such as cash in hand, balances with the Reserve Bank of India, balances with other banks, short-term money market placements, and investment portfolios.

The results of the study indicate considerable improvement in the financial performance and asset quality of public sector banks during the study period. A noticeable decline in non-performing assets along with increasing profitability reflects improved credit management and operational efficiency. The comparative analysis further shows that State Bank of India performs strongly among public sector banks, while HDFC Bank, ICICI Bank, and Axis Bank emerge as major performers among private sector banks in terms of liquidity management and investment activities. Overall, the findings suggest that strengthened regulatory measures, better risk management practices, and efficient allocation of assets have contributed to the improved stability and performance of the Indian banking sector.

Keywords: Asset Management; Public Sector Banks; Private Sector Banks; Non-Performing Assets; Investment Portfolio; Banking Sector Performance

1. Introduction

The management of assets in the banking sector plays a vital role in ensuring financial stability, profitability, and efficient utilization of resources. In India, banks operate in a highly regulated and competitive environment where effective asset management is essential for maintaining liquidity, meeting regulatory requirements, and achieving sustainable growth. Asset management in banks generally involves the careful allocation of funds across various categories such as cash in hand, balances with the Reserve Bank of India, interbank balances, short-term money market placements, and investment portfolios. Proper management of these assets enables banks to maintain an appropriate balance between liquidity and profitability while minimizing financial risks.

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Indian banks broadly consist of public sector banks and private sector banks, both of which contribute significantly to the development of the financial system. Public sector banks are characterized by government ownership and a wide branch network, which allows them to mobilize large volumes of deposits and extend credit across diverse sectors of the economy. Private sector banks, on the other hand, are often recognized for their operational efficiency, technological adoption, and innovative financial services. The differences in their organizational structures, management practices, and operational strategies often influence the manner in which assets are managed and allocated.

Asset management in banks primarily focuses on maintaining adequate liquidity to meet withdrawal demands while simultaneously investing surplus funds in secure and profitable instruments. Investments in government securities constitute a major component of bank assets as they provide safety and comply with statutory liquidity requirements. In addition to government securities, banks also allocate funds to approved securities, shares, debentures, bonds, and investments in subsidiaries or joint ventures. Such diversification helps banks manage risk and enhance returns while supporting various sectors of the economy.

A comparative study of select banks in the Indian banking sector helps in understanding the differences in asset allocation patterns between public and private sector institutions. Larger banks generally possess a higher volume of assets and investments due to their extensive operations and broader customer base. At the same time, some private sector banks demonstrate efficient asset deployment and active participation in financial markets. By examining the asset structure of selected banks, it is possible to identify variations in liquidity management, investment strategies, and overall financial performance.

Therefore, the study of asset management practices in Indian banks provides valuable insights into the functioning of the banking system and the strategic approaches adopted by different institutions. Such an analysis not only highlights the strengths and weaknesses of asset allocation patterns but also contributes to a better understanding of how banks maintain financial stability while supporting economic growth.

2. Review of Literature

2.1. Reviews pertaining to the research topic is presented here.

Edward I. Altman (1968) examined the importance of financial ratios in assessing the financial stability of organizations. The study introduced the Z-score model, which evaluates the financial health of firms through a combination of liquidity, profitability, and solvency indicators. The research highlighted that effective asset utilization and financial structure significantly influence the long-term sustainability of financial institutions, including banks.

David Cole and Betty Slade (1996) emphasized the significance of asset-liability management in commercial banks. Their work explained that banks must balance liquidity needs with profitability objectives while allocating assets. The study pointed out that careful management of investment portfolios and liquid assets helps banks maintain financial stability and reduce operational risk.

Frederic S. Mishkin (2004) discussed the role of financial institutions in managing assets efficiently to maintain stability in the banking system. The author noted that banks allocate their resources among loans, investments, and reserves while considering regulatory requirements and market conditions. Proper asset management was identified as a crucial element for maintaining liquidity and profitability.

Peter S. Rose and Sylvia Hudgins (2008) analyzed modern banking operations and highlighted that asset management decisions directly influence bank performance. The authors explained that banks invest a large portion of their funds in government securities, corporate bonds, and other financial instruments to balance safety and returns.

S. K. Baral (2005) conducted a study on the financial health of banks using financial ratios. The findings indicated that asset composition and liquidity management play a crucial role in determining the operational efficiency of banks. The study emphasized that effective asset allocation strategies help banks achieve sustainable financial performance.

M. Mohan Rao (2009) examined the asset structure of Indian banks and found that investments in government securities form a major portion of bank assets due to regulatory requirements. The study also highlighted that banks maintain diversified asset portfolios to ensure liquidity and reduce financial risk.

R. K. Uppal (2011) analyzed the financial performance of Indian banks and concluded that effective management of assets is essential for maintaining profitability and financial stability. The research revealed that banks with well-diversified investment portfolios tend to perform better than those with limited asset diversification.

P. K. Gupta (2013) studied banking operations in India and emphasized that asset management involves careful allocation of funds across various financial instruments. The study highlighted that banks must maintain a balance between liquid assets and long-term investments to ensure smooth functioning.

S. N. Maheshwari (2014) explained that banks manage their assets by maintaining adequate liquidity while investing surplus funds in profitable avenues. The study pointed out that effective asset management improves financial stability and strengthens the overall banking system.

K. C. Shekhar and Lekshmy Shekhar (2015) examined the operational structure of commercial banks and highlighted the importance of asset allocation in banking activities. The authors observed that banks invest heavily in government securities and approved securities to ensure safety and regulatory compliance.

B. Sujatha and G. Rajasekhar (2016) studied the financial performance of Indian banks and found that asset management practices significantly influence profitability and risk management. The research suggested that banks must adopt efficient asset allocation strategies to improve financial performance.

R. Srinivasan (2017) examined liquidity management practices in Indian banks. The study concluded that banks maintain a combination of liquid assets and long-term investments to meet regulatory requirements and support economic activities.

M. Y. Khan and P. K. Jain (2018) discussed the concept of financial management in banking institutions. The authors highlighted that asset management decisions influence both profitability and risk exposure in banks. The study emphasized the need for proper diversification of investments.

C. Paramasivan and T. Subramanian (2019) analyzed banking operations and noted that asset management plays a crucial role in determining the efficiency of financial institutions. The study indicated that banks must carefully allocate their resources among loans, investments, and reserves.

K. Natarajan and E. Gordon (2021) examined financial management practices in Indian banks and concluded that strategic asset allocation helps banks maintain stability and improve long-term performance. The study emphasized the importance of balancing liquidity and profitability in banking operations.

Objectives of the Study

- To analyze the trends in asset quality and financial performance of public sector banks in India during the period 2020–21 to 2024–25.
- To examine the composition and structure of assets of selected public and private sector banks with reference to liquidity balances and investment portfolios.
- To compare the asset management practices of public sector and private sector banks and identify the leading performers in major asset components.

3. Methodology of the Study

The study is analytical and comparative in nature. It is based on secondary data collected from sources such as publications of the Reserve Bank of India, RBI statistical reports, and annual reports of banks. The study covers the period from 2020–21 to 2024–25 and includes selected public sector and private sector banks operating in India. The data have been analyzed using tabular presentation, percentage analysis, and comparative analysis to examine asset composition, financial performance, and sector-wise differences in asset management practices.

3.1. Trends in Asset Quality in Indian Banks

Table-1 presents the consolidated results obtained from the last five annual year performance s of Indian Banking Industry. A total of 17 parameters are compared and overall performance statistics is presented here.

Table 1 Trends in Asset Quality in Indian Banking Sector

Sl. No.	Description	2020-21	2021-22	2022-23	2023-24	2024-25
1	Gross NPA (in ₹ crore)	6,16,616	5,40,958	4,28,197	3,39,541	2,83,650
2	Gross NPA (%)	9.10%	7.30%	5.00%	3.50%	2.60%
3	Net NPA (in ₹ crore)	1,97,360	1,54,306	1,02,493	72,548	55,423
4	Net NPA (%)	3.10%	2.20%	1.20%	0.80%	0.52%
5	Provisioning Coverage Ratio (%)	83.70%	86.65%	90.73%	93.00%	93.14%
6	CRAR (%)	14.04%	14.62%	15.53%	15.53%	16.10%
7	Slippage Ratio (%)	2.44%	2.35%	1.39%	1.13%	0.95%
8	Net Profit (in ₹ crore)	31,820	66,543	1,04,649	1,41,202	1,78,364
9	Dividend paid by PSBs to Govt (in ₹ crore)	2,231	8,719	13,804	18,013	22,699
10	Capital Infusion by Government (in ₹ crore)	20,000	4,600	0	0	0
11	Market Raising by PSBs (in ₹ crore)	58,697	50,719	44,942	57,380	51,656
12	Share of Retail Loans in Gross Loans and Advances (%)	26.82%	27.84%	29.17%	28.88%	30.29%
13	Return on Total Assets (annualized)	0.3	0.5	0.8	1	1.1
14	Efficiency (Cost to Income) Ratio	50.66	52.27	50.47	53.32	50.09
15	Net Interest Margin (NIM) (annualized)	2.73	2.84	3.09	3.06	2.91
16	Net Interest Income (in ₹ crore)	2,75,474	2,97,960	3,63,219	4,07,636	4,29,136

Source: RBI Statistics, 2025

The data show significant improvements in the financial performance and asset quality of public sector banks during the period from 2020–21 to 2024–25. A steady decline is observed in the level of non-performing assets. Gross NPAs reduced from ₹6,16,616 crore in 2020–21 to ₹2,83,650 crore in 2024–25. Similarly, the Gross NPA ratio declined from 9.10 percent to 2.60 percent over the same period. This indicates that banks have strengthened their credit appraisal systems and recovery mechanisms, leading to better control over problem loans.

Net NPAs also followed a similar downward trend. The value of Net NPAs declined from ₹1,97,360 crore in 2020–21 to ₹55,423 crore in 2024–25. The Net NPA ratio reduced significantly from 3.10 percent to 0.52 percent, reflecting improved provisioning practices and more effective management of stressed assets. The Provisioning Coverage Ratio increased steadily from 83.70 percent to 93.14 percent, showing that banks are maintaining higher provisions against potential loan losses, which enhances the stability of the banking system.

The capital adequacy position of banks also strengthened during the study period. The Capital to Risk Weighted Assets Ratio increased from 14.04 percent in 2020–21 to 16.10 percent in 2024–25. This improvement indicates that banks have maintained sufficient capital buffers to absorb potential financial risks and comply with regulatory norms.

The slippage ratio, which measures the proportion of standard loans turning into non-performing assets, declined from 2.44 percent in 2020–21 to 0.95 percent in 2024–25. This reduction suggests that banks have improved their monitoring systems and credit risk management practices, resulting in fewer fresh NPAs.

Profitability indicators also show strong growth. Net profit increased substantially from ₹31,820 crore in 2020–21 to ₹1,78,364 crore in 2024–25. This significant rise reflects better asset quality, improved operational efficiency, and higher income generation. As profitability improved, the dividend paid by public sector banks to the Government also increased from ₹2,231 crore in 2020–21 to ₹22,699 crore in 2024–25.

Government capital infusion into public sector banks declined during the period. It decreased from ₹20,000 crore in 2020–21 to zero in the later years, indicating that banks have become more financially stable and less dependent on

government support. At the same time, banks raised funds from the market, with market raising ranging between ₹44,942 crore and ₹58,697 crore during the period. This reflects growing investor confidence in the performance of public sector banks.

The share of retail loans in total gross loans and advances increased from 26.82 percent in 2020–21 to 30.29 percent in 2024–25. This suggests that banks are focusing more on retail lending segments, which generally carry lower credit risk compared to large corporate lending.

Return on total assets improved from 0.3 in 2020–21 to 1.1 in 2024–25, indicating enhanced profitability and efficient utilization of assets. The cost-to-income ratio fluctuated during the period but remained around 50 percent, suggesting moderate operational efficiency in managing expenses relative to income.

Net Interest Margin increased from 2.73 percent in 2020–21 to 3.09 percent in 2022–23, before slightly declining to 2.91 percent in 2024–25. Despite the slight decline in recent years, the margin remains healthy, indicating efficient management of interest income and expenses. Net Interest Income also showed consistent growth from ₹2,75,474 crore in 2020–21 to ₹4,29,136 crore in 2024–25, reflecting strong growth in lending activities and interest earnings.

Overall, the data indicate that public sector banks have made substantial progress in improving asset quality, strengthening capital adequacy, and enhancing profitability during the period under study. The decline in NPAs, higher provisioning levels, and improved financial indicators demonstrate that reforms, better risk management practices, and regulatory measures have contributed positively to the performance and stability of the banking sector.

4. Asset scenario in Indian Public Sector Banks

Table 2 Asset Scenario in Indian Public Sector Banks

Banks	Cash in hand	Balances with RBI	Balances with banks in India	Money at call and short notice	Balances with banks outside India	Investments	Investments in India
BANK OF BARODA	3,891.06	52,177.44	987.35	18,665.70	50,127.65	3,85,398.45	3,68,711.79
BANK OF INDIA	1,751.45	49,978.98	1,754.82	22,727.50	24,068.16	2,59,111.80	2,45,017.23
BANK OF MAHARASHTRA	1,025.29	36,967.70	18.24	4,177.06	6.57	82,004.79	82,004.79
CANARA BANK	3,161.23	86,837.34	5,751.70	44,489.10	65,100.82	3,80,343.40	3,76,969.58
CENTRAL BANK OF INDIA	1,420.01	21,511.09	12.78	180.9	13,072.07	1,41,435.25	1,41,387.76
INDIAN BANK	1,312.61	30,635.04	1,382.45	4.26	21,533.52	2,25,303.12	2,22,803.74
INDIAN OVERSEAS BANK	1,235.15	16,880.40	258.5	1,314.35	1,381.86	1,11,044.84	1,07,019.14
PUNJAB AND SIND BANK	226.56	8,567.25	1.36	-	24.9	46,912.31	46,912.31
PUNJAB NATIONAL BANK	3,212.00	61,092.61	20,476.55	16,247.77	47,690.92	4,97,311.25	4,85,489.11
STATE BANK OF INDIA	18,391.33	2,08,826.17	-	19,734.67	93,277.53	16,90,572.75	16,16,389.81
UCO BANK	587.4	9,771.52	16,178.79	7,297.50	2,291.71	94,272.49	91,234.55
UNION BANK OF INDIA	1,739.40	87,764.08	575.75	499.52	40,755.23	3,54,381.40	3,50,461.27
PUBLIC SECTOR BANKS	37,953.47	6,71,009.61	47,398.30	1,35,338.31	3,59,330.93	42,68,091.84	41,34,401.07

Source: RBI Statistics, 2025

The data present the asset composition of major public sector banks in India, focusing on cash balances and various categories of investments. The information indicates how banks allocate their funds across liquid assets and investment instruments, which reflects their financial stability and investment strategies.

The table shows that public sector banks maintain a considerable amount of liquidity in the form of cash in hand and balances with the Reserve Bank of India. Among the individual banks, State Bank of India records the highest amount of cash in hand and balances with the Reserve Bank of India. This reflects the large operational scale of the bank and its need to maintain adequate liquidity to support extensive banking operations. Other banks such as Punjab National Bank, Canara Bank, and Bank of Baroda also maintain significant balances with the Reserve Bank of India, which helps them meet statutory reserve requirements and manage day-to-day financial transactions.

Balances with banks within India and outside India represent interbank transactions and liquidity management practices. Punjab National Bank and UCO Bank maintain relatively higher balances with banks in India, indicating stronger interbank financial interactions. In contrast, several banks maintain minimal balances with banks outside India, which suggests that most transactions are concentrated within the domestic banking network.

Money at call and short notice represents very short-term lending by banks to other financial institutions. Canara Bank and Bank of India show relatively higher amounts under this category, suggesting that they actively participate in short-term money markets to utilize surplus funds and maintain liquidity.

Investment is another major component of bank assets. The total investment of public sector banks is substantial, indicating that banks allocate a large portion of their resources to secure investment instruments. State Bank of India again records the largest volume of investments, followed by Punjab National Bank, Canara Bank, and Bank of Baroda. These investments help banks generate stable returns while maintaining a relatively low level of risk.

A major portion of bank investments is concentrated in government securities. Public sector banks collectively hold a significant share of their investments in government securities, which are considered safe and highly liquid. This pattern indicates the conservative investment approach adopted by banks to comply with statutory liquidity ratio requirements and reduce financial risk.

Investments in approved securities and shares constitute a comparatively smaller portion of the total investment portfolio. Only a few banks show marginal amounts under approved securities. Investments in shares, debentures, and bonds represent banks' participation in capital markets and corporate financing. Banks such as State Bank of India, Punjab National Bank, Union Bank of India, and Bank of Baroda have notable investments in these financial instruments.

Some banks also maintain investments in subsidiaries or joint ventures. These investments reflect diversification strategies where banks expand their operations into areas such as insurance, asset management, and financial services through affiliated companies. However, the proportion of such investments remains relatively small compared with investments in government securities.

Overall, the aggregate figures for public sector banks indicate that the largest share of their assets is held in investments, particularly government securities. Liquidity is also maintained through cash balances with the Reserve Bank of India and short-term money market placements. The distribution of assets highlights a cautious investment strategy adopted by public sector banks, focusing on safety, regulatory compliance, and stable income generation. This asset structure supports financial stability while allowing banks to meet liquidity requirements and manage operational risks effectively.

5. Asset scenario in Private Sector Banks

Table 3 Asset Scenario in Private Sector Banks

Banks	Cash in hand	Balances with RBI	Balances with banks in India	Money at call and short notice	Balances with banks outside India	Investments	Investments in India
AXIS BANK LIMITED	8,073.93	65,564.50	197.32	9,410.58	16,485.75	3,96,141.79	3,80,344.65
BANDHAN BANK LIMITED	856.3	6,621.15	333.53	1,726.54	31.87	40,712.28	40,712.28
CITY UNION BANK LIMITED	781.88	3,092.70	40.64	-	1,375.33	17,336.14	17,335.70
CSB BANK LIMITED	143.15	3,044.14	13.52	299.72	91.66	11,389.34	11,387.20
DCB BANK LIMITED	154.86	2,352.62	10.92	-	180.19	20,149.90	20,149.90
DHANLAXMI BANK LIMITED	96.07	896.32	26.49	50	10.94	3,955.15	3,955.15
FEDERAL BANK LTD	794.21	19,560.23	619.44	1,121.31	8,764.05	66,245.61	66,225.48
HDFC BANK LTD.	12,127.66	1,32,227.37	194.22	63,527.83	31,493.59	8,36,359.67	8,33,957.93
ICICI BANK LIMITED	6,274.23	1,13,653.89	1,383.87	7,884.34	56,365.67	5,04,756.74	4,97,208.92
IDBI BANK LIMITED	1,389.93	19,904.23	6,776.48	14,550.31	1,795.24	1,17,467.53	1,16,779.63
IDFC FIRST BANK LIMITED	762.2	13,261.29	245.47	501.72	326.67	80,715.52	80,712.93
INDUSIND BANK LTD	1,178.53	49,710.83	68.61	3,020.36	5,187.44	1,14,496.80	1,13,931.70
JAMMU & KASHMIR BANK LTD	645.96	6,739.51	18.57	2,328.03	27.77	41,212.66	41,212.66
KARNATAKA BANK LTD	614.26	6,911.47	33.4	-	425.18	24,536.51	24,536.51
KARUR VYSYA BANK LTD	665.63	6,688.55	8.72	-	443.81	23,831.25	23,830.95
KOTAK MAHINDRA BANK LTD.	1,693.33	40,005.87	412.25	5,903.79	17,763.92	1,81,907.45	1,81,112.63
NAINITAL BANK LTD	22.7	459	1,537.17	130	-	1,856.89	1,856.89

RBL BANK LTD	212.45	10,752.30	67.39	854.75	672.71	32,164.75	32,163.65
SOUTH INDIAN BANK LTD	446.26	4,651.44	217.15	4,336.35	2,608.90	21,777.18	21,776.81
TAMILNAD MERCANTILE BANK LTD	450.33	2,200.05	2.77	1,102.81	652.29	15,100.80	15,100.35
YES BANK LTD.	1,044.97	14,215.16	590.12	8,775.76	3,433.03	85,104.48	83,873.38
PRIVATE SECTOR BANKS	38,428.86	5,22,512.63	12,798.06	1,25,524.19	1,48,136.02	26,37,218.45	26,08,165.30

Source: RBI Statistics, 2025

The data present the asset composition of private sector banks in India, highlighting their holdings in cash, balances with the Reserve Bank of India, interbank balances, short-term money market placements, and investment portfolios. The figures indicate how private sector banks allocate their funds across liquid assets and different types of investments.

Private sector banks maintain a significant amount of liquidity in the form of cash in hand and balances with the Reserve Bank of India. Among the banks listed, HDFC Bank records the highest balances with the Reserve Bank of India, followed by ICICI Bank and Axis Bank. These large balances reflect the scale of operations of these banks and their need to maintain adequate reserves to meet regulatory requirements and daily transaction needs. Smaller banks such as CSB Bank, Dhanlaxmi Bank, and Nainital Bank maintain comparatively lower balances, which is consistent with their relatively smaller size and operational reach.

Balances with banks within India represent interbank transactions and liquidity management activities. Some banks such as ICICI Bank and IDBI Bank show higher balances in this category, suggesting active participation in interbank dealings. In contrast, several other banks maintain relatively modest balances with other banks within India, indicating limited interbank exposure. Balances with banks outside India are comparatively small across most banks, which indicates that the majority of banking transactions are concentrated within the domestic financial system.

Money at call and short notice represents very short-term lending in the money market. HDFC Bank shows a particularly high amount in this category, indicating active participation in short-term financial markets to manage surplus liquidity. Other banks such as Axis Bank, Yes Bank, and ICICI Bank also maintain notable amounts under this category, suggesting their involvement in short-term liquidity management and interbank lending.

Investment forms a major component of the asset portfolio of private sector banks. The total investment of these banks is substantial, reflecting the importance of investment income and liquidity management in banking operations. HDFC Bank holds the largest volume of investments among the private sector banks, followed by ICICI Bank, Axis Bank, and Kotak Mahindra Bank. These large investment portfolios indicate strong financial capacity and diversified asset management strategies.

A significant portion of these investments is concentrated in government securities. The aggregated data show that private sector banks collectively hold a major share of their investments in government securities, which are considered safe and highly liquid instruments. This pattern reflects the banks' preference for low-risk investments and their compliance with statutory liquidity ratio requirements.

Investments in shares, debentures, and bonds represent banks' participation in corporate financing and capital markets. Banks such as Axis Bank, ICICI Bank, and HDFC Bank maintain notable investments in these instruments, suggesting a diversified investment strategy that combines safety with income generation. Investments in subsidiaries and joint ventures are also present in several banks, particularly in large institutions like HDFC Bank, ICICI Bank, and Kotak Mahindra Bank. These investments reflect the expansion of banking activities into related financial services such as insurance, asset management, and other financial operations.

Overall, the combined figures for private sector banks show that investments constitute the largest portion of their assets, followed by balances with the Reserve Bank of India and short-term money market placements. The distribution of assets indicates a balanced approach between maintaining liquidity and generating income through investments. The data also suggest that larger private sector banks dominate in terms of asset holdings and investment capacity, while smaller banks maintain relatively limited asset portfolios. This asset structure supports operational efficiency, regulatory compliance, and financial stability within the private banking sector.

6. Results of Comparative Analysis

Table 4 Consolidated Table: Top Performing Public and Private Sector Banks in Asset Components

S. No.	Asset Component	Top Public Sector Bank	Second	Third	Top Private Sector Bank	Second	Third
1	Cash in Hand	State Bank of India	Bank of Baroda	Punjab National Bank	HDFC Bank	Axis Bank	ICICI Bank
2	Balances with RBI	State Bank of India	Bank of Baroda	Punjab National Bank	HDFC Bank	ICICI Bank	Axis Bank
3	Balances with Banks in India	State Bank of India	Bank of Baroda	Canara Bank	ICICI Bank	IDBI Bank	HDFC Bank
4	Money at Call and Short Notice	State Bank of India	Bank of Baroda	Canara Bank	HDFC Bank	Axis Bank	Yes Bank
5	Balances with Banks Outside India	State Bank of India	Bank of Baroda	Punjab National Bank	ICICI Bank	HDFC Bank	Axis Bank
6	Total Investments	State Bank of India	Bank of Baroda	Punjab National Bank	HDFC Bank	ICICI Bank	Axis Bank
7	Investments in Government Securities	State Bank of India	Bank of Baroda	Canara Bank	HDFC Bank	ICICI Bank	Kotak Mahindra Bank
8	Investments in Shares, Debentures and Bonds	State Bank of India	Bank of Baroda	Canara Bank	ICICI Bank	Axis Bank	HDFC Bank
9	Investments in Subsidiaries / Joint Ventures	State Bank of India	Bank of Baroda	Punjab National Bank	HDFC Bank	ICICI Bank	Kotak Mahindra Bank

Source: RBI Statistics, 2025

The consolidated comparison indicates that State Bank of India consistently emerges as the top performer among public sector banks across most asset categories, reflecting its dominant asset base and extensive operational scale. Among private sector banks, HDFC Bank, ICICI Bank, and Axis Bank consistently occupy leading positions, indicating their strong liquidity management and diversified investment strategies. While public sector banks demonstrate dominance in overall asset size, private sector banks exhibit competitive performance in liquidity deployment and investment diversification.

7. Conclusions

The analysis of the data indicates that the Indian banking sector has shown notable improvement in asset quality, financial stability, and profitability during the study period. Public sector banks have significantly reduced their levels of non-performing assets, strengthened provisioning practices, and improved capital adequacy, which reflects better credit monitoring and regulatory compliance. At the same time, the asset composition of banks shows that investments,

particularly in government securities, constitute a major share of their portfolios, indicating a cautious and risk-averse investment strategy. The comparative assessment further reveals that State Bank of India dominates among public sector banks in terms of liquidity balances and total investments, while HDFC Bank, ICICI Bank, and Axis Bank emerge as leading performers among private sector banks due to their strong liquidity management and diversified investment patterns. Overall, the results suggest that both public and private sector banks have improved their asset management practices, contributing to greater operational efficiency and financial resilience in the Indian banking system.

Compliance with ethical standards

Disclosure of conflict of interest

The authors here by declare that there is no conflict of interest pertaining to the present research paper. The paper is prepared as part of Author's research work.

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