

PERFORMANCE OF INDIAN BANKS AFTER GLOBAL FINANCIAL CRISIS OF 2008

Angana Deb

Assistant Professor, Naba Barrackpur Prafulla Chandra Mahavidyalaya, Kolkata, West Bengal, India

Received: 10 Feb 2019

Accepted: 21 Feb 2019

Published: 28 Feb 2019

ABSTRACT

This paper explored the impact of one of the greatest global financial crises of recent times on the performance of the Indian banks. Performance of banks in this paper had been measured by their Pareto-Koopmans technical efficiency scores estimated using the Data Envelopment Analysis (DEA). The study period spanned from 2005 to 2016. It had been found that overall, Indian banks performed steadily well throughout the study period indicating that the crisis had either little or no effect on Indian banks or the policies measures to combat crisis situation worked well for them to have a stable performance while performance of the banks of many other countries suffered gravely during this crisis period. Bank group-wise analysis revealed that the foreign banks operating in India were the most efficient banks in India followed by the public sector banks but they were more prone to be adversely affected by the crisis than the public sector and domestic private sector banks. Further assessments showed that the gaps in the performance levels of these bank groups have declined in the post crisis period. The three bank groups of India had a trend of convergence in terms of their performance throughout the study period.

KEYWORDS: *Commercial Banks, Data Envelopment Analysis, Efficiency*