

A STUDY ON THE ASSET-LIABILITY MANAGEMENT OF TOP FIVE PUBLIC SECTOR BANKS – A CRAMEL ANALYSIS

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ABSTRACT

Public Sector Banks (PSBs) are today the bed-rock of Indian financial system. With the Reserve Bank of India as its regulator, the Indian Banking system is at the fore-front of implementing the various schemes of the new government viz. Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Atal Pension Yojana (APY) to name a few. Together with this, the international BASEL III norms are also supposed to be implemented by March 2019. As a result, the banks will have to focus on sound financial management with the increasing volatile macro-economic scenario. This paper tries to identify and analyze the asset-liability management of top five PSBs: State Bank of India (SBI), Bank of Baroda (BOB), Punjab National Bank (PNB), Bank of India (BOI) and Canara Bank (CB). The CRAMEL analysis has been used to test the liquidity and solvency of these banks. The data collected is of secondary nature from the Annual Reports of the respective banks for the accounting period 2009-14. Finally, a comparative analysis has been drawn between the selected banks to understand asset-liability situation over the previous five years.

KEYWORDS: Public Sector Banks, Reserve Bank of India, Asset-Liability, CRAMEL