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IMPACT OF NON-PERFORMING ASSETS (NPA): COMPARATIVE ANALYSIS OF STATE BANK OF INDIA VS. BANK OF BARODA

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Abstract

This study ventures out to evaluate the impact of NPA on the financial performance of banks by analyzing the past data of two large public sector banks in India, namely State Bank of India (SBI) and Bank of Baroda (BOB), along with measuring the strength of the correlation between NPA and profitability of the banks. For this study, correlation & trend analysis has been applied to measure the relationship between SBI and BOB, and ANOVA, the statistical tool, has been employed to measure the strength of this relationship. The study concluded that NPA has an adverse relationship with the profitability of the banks during the period of study i.e. 2009-10 to 2018-19, which is also evident from the fact that NPAs have steadily increased and profits have sharply reduced during the period of study.

Author Keywords

ANOVA, Bank of Baroda, Correlation, NPA, State Bank of India

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