



## Impact of New Financial Products on Financial Performance of Public Sector Banks in India

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### Abstract

In this paper, we analyze the performance of public sector banks in India during the period 1999-2000 to 2008-09. This period covers the old financial products period and new financial products period. Specifically, the paper examines the impact of new financial products on financial performance of public sector banks in India. The empirical results show that impact of new financial product on public sector banks has intensified. The financial performance of public sector banks is greater in new financial products than the old financial products period.

**Key words:** Banking; Public sector banks; New financial products period; Old financial products period

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### INTRODUCTION

The word “Bank” is said to be derived from French word “Bancus” or “Banque”, i.e., a bench. It is believed that the early bankers, the Jews of Lombardy, transacted their business on benches in the marketplace. Others believe it is derived from German word “Back” meaning a Joint Stock Fund.

Banking in India originated in the last decades of the 18th century. The first banks were The General Bank of India, which started in 1786, and Bank of Hindustan, which started in 1790; both are now defunct. The oldest bank in existence in India is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. For many years the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India in 1955.

### 1. NEW FINANCIAL PRODUCTS IN THE RECENT YEARS

ICICI Bank has launched ‘Global Indian Credit Card’ for NRIs. It is an international credit card denominated in Indian rupees and will cater to NRIs visiting India. It can be issued in both India and overseas. The card is available in two variants — Silver with maximum credit limit of Rs 1,00,000 and Gold with maximum credit limit of Rs 3,00,000. The cards also provide insurance, which includes household insurance, baggage insurance and hospitalisation benefits for both primary and add-on cards up to Rs 20 lakh. The card will be accepted at 22 million merchant establishments and the re-payment for purchases can be made through an automatic debit of the customer's savings account.

Bank of Rajasthan (BoR) has launched international credit card operations in December 2005. Bank has joined hands with Visa International to facilitate real-time transaction through Visa gateway. Bank of Rajasthan will offer three types of international credit cards - Silver Card, Gold Card and Platinum card. Their features

include hospitalisation expenses covered up to Rs 50,000, baggage insurance expenses up to Rs 30,000, purchase protection up to Rs 40,000 and 30 per cent credit limit against cash advance. It has also tied up with Electra Card Services (ECS) to provide complete back-end support for the bank's credit card business.

SBI Card in March 2005 launched a credit card, SBI Social Card, the first affinity card in the country to feature four non-governmental organizations (NGOs). The social card allows the cardholder to donate to the NGOs every time they use it. The card will earn the customers double reward points. While one half will go to the NGOs. SBI Card will donate 20 per cent of the annual fees or renewal fees to the NGOs. Moreover, customers also have the option to issue standing instructions for a fixed amount to be donated to any of the NGOs.

The non-governmental organisations that have the tie-up with SBI Card are Cancer Patients Aid Association, National Association for the Blind, SOS Children's Villages of India and World Wildlife Fund, India.

National Securities Depository Ltd (NSDL) and IDBI Bank have launched country's first online direct tax payment facility. This facility will enable individuals as well as corporate tax payers, to make payments for income tax, corporation tax, gift tax, tax deducted at source (TDS) etc over internet. The details entered by the assessee would be validated by NSDL and control would be passed to IDBI bank through a secure payment gateway. The bank will debit the customer account after authentication and completes the payment of tax to the government as an agency bank for which it will be paid a service charge.

IDBI bank also plans to migrate this facility to other channels like mobile phones and ATMs. State Bank of India (SBI), Corporation Bank, Punjab National Bank and Bank of India are expected to soon roll out online direct tax payment facility.

List of Public sector banks in India:

#### Nationalised Banks

- (1) Allahabad Bank
- (2) Andhra Bank
- (3) Bank of Baroda
- (4) Bank of India
- (5) Bank of Maharashtra
- (6) Canara Bank
- (7) Central Bank of India

- (8) Corporation Bank
- (9) Dena Bank
- (10) IDBI Bank Ltd.
- (11) Indian Bank
- (12) Indian Overseas Bank
- (13) Oriental Bank of Commerce
- (14) Punjab & Sind Bank
- (15) Punjab National Bank
- (16) Syndicate Bank
- (17) UCO Bank
- (18) Union Bank of India
- (19) United Bank of India
- (20) Vijaya Bank

#### State Bank Group

- (21) State Bank of Bikaner & Jaipur
- (22) State Bank of Hyderabad
- (23) State Bank of India
- (24) State Bank of Indore
- (25) State Bank of Mysore
- (26) State Bank of Patiala
- (27) State Bank of Travancore

## 2. OBJECTIVE OF THE STUDY

The objective of the study is to find the impact of new financial products on performance of public sector banks in India.

## 3. RESEARCH METHODOLOGY

The present paper is concerned with the Indian banking industry. Total 27 public sectors banks have been selected for to know the impact of new financial products on performance of public sector banks. The period of the study is for 10 years i.e from 1999-00 to 2008-09. The period is divided into old financial products period from 1999-00 to 2004-05 and new financial products period from 2005-06 to 2008-09.

**Table 1**  
**Reserves and Surplus of Public Sector Banks, Nationalized Banks, State Bank Group and Its Trend Percentages from 1999-00 to 2008-09.**

(Amount in Crores)

Year	Public Sector Banks	Trend in percentage	Nationalized Banks	Trend in percentage	SB Group	Trend in percentage
1999-00	31,818.73	100	17,334.98	100	14,483.75	100
2000-01	35,358.25	111.12	18,998.94	109.59886	16,359.31	112.949
2001-02	42,276.10	132.87	23,253.09	134.1397	19,023.01	131.34
2002-03	51,407.16	161.56	29,310.14	169.0809	22,097.02	152.564
2003-04	64,566.94	202.92	37,853.46	218.3646	26,713.48	184.438
2004-05	79,139.46	248.72	47,411.18	273.50006	31,728.28	219.061
2005-06	1,02,714.03	322.81	60,441.49	348.66778	36,624.28	252.865
2006-07	1,23,210.48	387.23	73,729.42	425.32163	41,905.56	289.328
2007-08	1,61,721	508.26	93,484	539.27954	60,140	415.224
2008-09	1,94,762	612.1	1,14,721	661.78905	71,341	492.559
Total	8,86,974.15		4,01,816.70		3,40,415.69	
Mean	88,697.415	278.76	40,181.67	231.79531	34,041.56	235.033

The above table exhibits the Reserves and surplus of Public sector Banks, Nationalized Banks, State Bank Group and its Trend Percentages from 1999-00 to 2008-09. Public sector banks show continuous increase in reserves and surplus amounts from 31,818.73 crores in the year 1999-00 with the 100 trend in percentage to 194,762 crores in the year 2008-09 with the 612.1 trend in percentage. During the old financial products period from 1999-00 to 2004-05 Reserves and surplus are below the mean of 278.76 and in the new financial products period from 2005-06 to 2008-09 Reserves and surplus are above the mean of 278.76 for the public sector banks.

Nationalized banks show continuous increase in reserves and surplus from 17,334.98 crores in the year 1999-00 with 100 trend percentage to 1,14,721 crores in the year 2008-09 with the 661.79 trend percentage. During

the old financial products period from 1999-00 to 2004-05 reserves and surplus are below the mean of 231.79 and in the new financial products period from 2005-06 to 2008-09 reserves and surplus are above the mean of 231.79 for the nationalized banks.

On the other hand, the State bank Group also shows continuous increase in reserves and surplus from 14,483.75 crores in the year 1999-00 with 100 trend in percentage to 71,341 crores in the year 2008-09 with the 492.55 trend in percentage. During the old financial products period from 1999-00 to 2004-05 reserves and surplus are below the mean of 235.03 and in the new financial products period from 2005-06 to 2008-09 reserves and surplus are above the mean of 235.03 for the State bank Group.

**Table 2**  
**Borrowings of Public Sector Banks, Nationalized Banks, State Bank Group and Its Trend Percentages from 1999-00 to 2008-09.**

(Amount in Crores)

Year	Public Sector Banks	Trend in percentage	Nationalized Banks	Trend in percentage	SB Group	Trend in percentage
1999-00	19,425.33	100.00	8,864.93	100.00	10,560.40	100
2000-01	20,084.40	103.39	8,679.36	97.91	11,405.04	107.9982
2001-02	19,363.03	99.68	9,311.23	105.03	10,051.80	95.18389
2002-03	22,431.04	115.47	10,838.48	122.26	11,592.56	109.7739
2003-04	30,256.50	155.76	13,441.07	151.62	16,815.43	159.231
2004-05	42,874.14	220.71	19,398.71	218.83	23,475.43	222.2968
2005-06	1,15,250.06	593.30	30,635.56	345.58	37,084.29	351.1637
2006-07	1,21,772.60	626.88	31,045.30	350.20	48,322.92	457.5861
2007-08	1,56,357	804.91	47,943	540.82	64,591	611.634
2008-09	1,58,305	814.94	51,647	582.60	62,240	589.3716
Total	7,06,119.10		2,31,804.64		2,96,138.87	
Mean	70,611.91	363.50	23,180.46	261.48	29,613.88	280.4238

The above table exhibits the borrowings of Public sector Banks, Nationalized Banks, State Bank Group and its Trend Percentages from 1999-00 to 2008-09. Public sector banks show increase in borrowings from 19,425.33 crores in the year 1999-00 with the 100 trend in percentage to 158,305 crores in the year 2008-09 with the 814.94 trend in percentage even there is a slight decrease of 19,363.03 crores in the year 2001-02 with the 99.68 trend in percentage. During the old financial products period from 1999-00 to 2004-05 borrowings are below the mean of 363.50 and in the new financial products period from 2005-06 to 2008-09 borrowings are above the mean of 363.50 for the public sector banks.

Nationalized banks show continuous increase in borrowings from 8,679.36 crores in the year 2000-01 with 97.91 trend in percentage to 51,647 crores in the

year 2008-09 with trend in percentage 582.60. During the old financial products period from 1999-00 to 2004-05 borrowings are below the mean of 261.48 and in the new financial products period from 2005-06 to 2008-09 borrowings are above the mean of 261.48 for the nationalized banks.

On the other hand, the State bank Group also shows continuous increase from the year 1999-00 with the borrowings amount of 10,560.40 crores with the 100 trend in percentage to 62,240 crores in the year 2008-09 with 589.37 trend in percentage. During the old financial products period from 1999-00 to 2004-05 borrowings are below the mean of 280.42 and in the new financial products period from 2005-06 to 2008-09 borrowings are above the mean of 280.42 for the State bank Group.

**Table 3**  
**Total liabilities of Public Sector Banks, Nationalized Banks, State Bank Group and Its Trend Percentages from 1999-00 to 2008-09**

(Amount in Crores)						
Year	Public Sector Banks	Trend in percentage	Nationalized Banks	Trend in percentage	SB Group	Trend in percentage
1999-00	8,90,600.05	100.00	5,54,205.72	100	3,36,394.33	100
2000-01	10,29,769.59	115.63	6,26,892.12	113.115	4,02,877.47	119.763
2001-02	11,55,397.68	129.73	7,06,109.02	127.409	4,49,288.66	133.56
2002-03	12,85,235.70	144.31	7,91,281.43	142.778	4,93,954.27	146.838
2003-04	14,71,077.38	165.18	9,21,953.66	166.356	5,49,123.72	163.238
2004-05	16,92,578.55	190.05	10,65,503.85	192.258	6,27,074.70	186.411
2005-06	20,14,874.09	226.24	12,34,462.40	222.744	6,91,846.91	205.665
2006-07	24,39,985.92	273.97	15,30,351.44	276.134	8,05,795.15	239.539
2007-08	30,21,924	339.31	18,80,271	339.273	10,10,959	300.528
2008-09	37,66,716	422.94	23,14,102	417.553	12,80,212	380.569
Total	1,87,68,158.96		1,16,25,132.64		66,47,526.21	
Mean	18,76,815.89	210.74	11,62,513.26	209.762	6,64,752.62	197.611

The above table exhibits the total liabilities of Public sector Banks, Nationalized Banks, State Bank Group and its Trend Percentages from 1999-00 to 2008-09. Public sector banks show continuous increase in its total liabilities from 890,600.05 crores in the year 1999-00 with the 100 trend in percentage to 3766,716 crores in the year 2008-09 with 422.94 trend in percentage. During the old financial products period from 1999-00 to 2004-05 total liabilities is below the mean of 210.74 and in the new financial products period from 2005-06 to 2008-09 total liabilities is above the mean of 210.74 for the public sector banks.

Nationalized banks show continuous increase in total liabilities from 554,205.72 crores in the year 1999-00 with 100 trend in percentage to 2314,102 crores in the

year 2008-09 with trend in percentage 417.53. During the old financial products period from 1999-00 to 2004-05 total liabilities are below the mean of 209.76 and in the new financial products period from 2005-06 to 2008-09 total liabilities are above the mean of 209.76 for the nationalized banks.

On the other hand, the State bank Group also shows continuous increase from the year 1999-00 with the total liabilities of 336,394.33 crores with the 100 trend in percentage to 1280,212 crores in the year 2008-09 with 380.56 trend in percentage. During the old financial products period from 1999-00 to 2004-05 total liabilities are below the mean of 197.61 and in the new financial products period from 2005-06 to 2008-09 total liabilities are above the mean of 197.61 for the State bank Group.

**Table 4**  
**Cash and Balances with RBI of Public Sector Banks, Nationalized Banks, State Bank Group and Its Trend Percentages from 1999-00 to 2008-09**

(Amount in Crores)

Year	Public Sector Banks	Trend in percentage	Nationalized Banks	Trend in percentage	SB Group	Trend in percentage
1999-00	70,791.53	100.00	45,577.96	100.00	25,213.57	100
2000-01	69,866.39	98.69	45,341.37	99.48	24,525.02	97.2691
2001-02	71,407.46	100.87	44,120.06	96.80	27,287.40	108.225
2002-03	65,166.62	92.05	46,054.48	101.05	19,112.14	75.801
2003-04	84,241.76	119.00	58,079.66	127.43	26,162.10	103.762
2004-05	87,616.41	123.77	62,396.21	136.90	25,220.20	100.026
2005-06	1,12,769.50	159.30	79,060.86	173.46	31,028.55	123.063
2006-07	1,42,211.48	200.89	91,977.73	201.80	44,827.28	177.79
2007-08	2,29,679	324.44	1,48,271	325.31	74,714	296.325
2008-09	2,24,141	316.62	1,41,443	310.33	74,107	293.917
Total	11,57,891.15		7,62,322.33		3,72,197.26	
Mean	1,15,789.11	163.56	76,232.23	167.26	37,219.72	147.618

The above table exhibits the cash and balances with RBI of Public sector Banks, Nationalized Banks, State Bank Group and its Trend Percentages from 1999-00 to 2008-09. Public sector banks show fluctuations in its cash and balances with RBI from 70,791.53 crores in the year 1999-00 with the 100 trend in percentage to 65166.62 crores in the year 2002-03 with 92.05 trend in percentage and then it show a continuous increase in its cash and balances with RBI till 2007-08 with the amount 229,679 crores with the trend in percentage 324.44. During the old financial products period from 1999-00 to 2004-05 cash and balances with RBI is below the mean of 163.56 and in the new financial products period from 2005-06 to 2008-09 cash and balances with RBI is above the mean of 163.56 for the public sector banks.

Nationalized banks show decrease in cash and balances with RBI from the year 1999-00 to 2001-02 and there is a continuous increase from the year 2002-03 with the cash and balances with RBI amount of 46054.48 crores with

trend in percentage of 101.05 to 141,443 crores in the year 2008-09 with trend in percentage of 310.33. During the old financial products period from 1999-00 to 2004-05 cash and balances with RBI is below the mean of 167.26 and in the new financial products period from 2005-06 to 2008-09 cash and balances with RBI are above the mean of 167.26 for the nationalized banks.

On the other hand, the State bank group has very less cash and balances with RBI in the year 2002-03 with 26,162.10 crores and the 75.80 trend in percentage and it shows a continues increase from the year 2003-04 to 2008-09 with the cash and balances with RBI amount of 74,107 crores with 293.91 trend in percentage. During the old financial products period from 1999-00 to 2004-05 cash and balances with RBI are below the mean of 147.61 and in the new financial products period from 2005-06 to 2008-09 cash and balances with RBI are above the mean of 147.61 for the State bank Group.

**Table 5**  
**Fixed Assets of Public Sector Banks, Nationalized Banks, State Bank Group and its Trend Percentages from 1999-00 to 2008-09**

(Amount in Crores)

Year	Public Sector Banks	Trend in percentage	Nationalized Banks	Trend in percentage	SB Group	Trend in percentage
1999-00	10,019.73	100.00	7,126.45	100.00	2,893.28	100
2000-01	10,456.26	104.36	7,411.10	103.99	3,045.16	105.249
2001-02	10,440.08	104.20	7,551.19	105.96	2,888.89	99.8483
2002-03	10,592.98	105.72	7,667.66	107.59	2,925.32	101.107
2003-04	11,531.49	115.09	8,181.99	114.81	3,349.50	115.768
2004-05	12,552.02	125.27	9,088.12	127.53	3,463.90	119.722
2005-06	14,668.92	146.40	9,907.32	139.02	3,950.71	136.548
2006-07	20,195.16	201.55	13,455.22	188.81	3,961.58	136.923
2007-08	28,797	287.40	21,440	300.85	4,591	158.678
2008-09	33,743	336.77	25,407	356.52	5,512	190.51
Total	1,62,996.64		1,17,236.05		36,581.34	
Mean	16,299.66	162.68	11,723.60	164.51	3,658.13	126.435

The above table exhibits the fixed assets of Public sector Banks, Nationalized Banks, State Bank Group and its Trend Percentages from 1999-00 to 2008-09. Public sector banks show continuous increase in its fixed assets from 10,019.73 crores in the year 1999-00 with the 100 trend in percentage to 33,743 crores in the year 2008-09 with 336.77 trend in percentage. During the old financial products period from 1999-00 to 2004-05 fixed assets are below the mean of 162.68 and in the new financial products period from 2005-06 to 2008-09 fixed assets are above the mean of 162.68 for the public sector banks.

Nationalized banks show continuous increase in fixed assets from 7,126.45 crores in the year 1999-00 with 100 trend in percentage to 25,407 crores in the year 2008-09 with trend in percentage 356.52. During the old financial products period from 1999-00 to 2004-05 fixed assets

are below the mean of 164.51 and in the new financial products period from 2005-06 to 2008-09 fixed assets are above the mean of 164.51 for the nationalized banks.

On the other side, the State bank group also shows continuous increase from the year 1999-00 with the fixed assets of 2,893.28 crores with the 100 trend in percentage to 5,512 crores in the year 2008-09 with 190.51 trend in percentage even though there is some decrease in the years 2001-02 and 2002-03 and there is a very less fixed assets in the year 2001-02 with the amount of 2888.89 with the trend in percentage of 99.84. During the old financial products period from 1999-00 to 2004-05 fixed assets are below the mean of 126.43 and in the new financial products period from 2005-06 to 2008-09 fixed assets are above the mean of 126.43 for the State bank Group.

**Table 6**  
**Other Assets of Public Sector Banks, Nationalized Banks, State Bank Group and Its Trend Percentages from 1999-00 to 2008-09**

(Amount in Crores)						
Year	Public Sector Banks	Trend in percentage	Nationalized Banks	Trend in percentage	SB Group	Trend in percentage
1999-00	57,717.59	100.00	31,667.21	100.00	26,050.38	100
2000-01	57,860.11	100.25	37,029.00	116.93	20,831.11	79.9647
2001-02	59,462.32	103.02	38,075.24	120.24	21,387.08	82.0989
2002-03	57,299.91	99.28	33,221.50	104.91	24,078.41	92.4302
2003-04	58,308.21	101.02	34,332.05	108.42	23,976.16	92.0377
2004-05	60,483.70	104.79	35,593.35	112.40	24,890.35	95.547
2005-06	73,174.63	126.78	36,673.43	115.81	32,199.70	123.605
2006-07	78,360.13	135.76	38,552.10	121.74	33,804.30	129.765
2007-08	1,02,619	177.80	43,426	137.13	55,039	211.279
2008-09	1,04,707	181.41	49,984	157.84	49,840	191.322
Total	7,09,992.60		3,78,553.88		3,12,096.49	
Mean	70,999.26	123.01	37,855.38	119.54	31,209.64	119.805

The above table exhibits the other assets of Public sector Banks, Nationalized Banks, State Bank Group and its Trend Percentages from 1999-00 to 2008-09. Public sector banks show continuous increase in its other assets from 57,717 crores in the year 1999-00 with the 100 trend in percentage to 104,707 crores in the year 2008-09 with 181.41 trend in percentage and even there is a decrease in other assets in the year 2002-03 with the amount 57,299.91 crores with the trend in percentage of 99.28. During the old financial products period from 1999-00 to 2004-05 other assets is below the mean of 123.01 and in the new financial products period from 2005-06 to 2008-09 other assets are above the mean of 123.01 for the public sector banks.

Nationalized banks show continuous increase in other assets from the year 1999-00 to 2002-03 and there was some decrease in other assets in the year 2003-04 with amount 33,221.50 crores with the trend in percentage of

104.91 and then show a continuous increase in other assets till the year 2008-09 with the amount of 49,984 crores with the trend in percentage of 157.84. During the old financial products period from 1999-00 to 2004-05 other assets is below the mean of 119.84 and in the new financial products period from 2005-06 to 2008-09 other assets are above the mean of 119.84 for the nationalized banks.

On the other hand, the State bank group shows decrease in other assets from the year 1999-00 to 2004-05 with the amount of 24,890.35 in the year 2004-05 with the trend in percentage of 95.54 and then show a continues increase in other assets till the year 2008-09 with amount of 49,840 crores with the trend in percentage of 191.32. During the old financial products period from 1999-00 to 2004-05 other assets are below the mean of 119.80 and in the new financial products period from 2005-06 to 2008-09 other assets are above the mean of 119.80 for the State bank Group.

**Table 7**  
**Total Assets of Public Sector Banks, Nationalized Banks, State Bank Group and Its Trend Percentages from 1999-00 to 2008-09**

(Amount in Crores)						
Year	Public Sector Banks	Trend in percentage	Nationalized Banks	Trend in percentage	SB Group	Trend in percentage
1999-00	8,90,600.05	100.00	5,54,205.72	100.00	3,36,394.33	100
2000-01	10,29,769.59	115.63	6,26,892.12	113.12	4,02,877.47	119.763
2001-02	11,55,397.68	129.73	7,06,109.02	127.41	4,49,288.66	133.56
2002-03	12,85,235.70	144.31	7,91,281.43	142.78	4,93,954.27	146.838
2003-04	14,71,077.38	165.18	9,21,953.66	166.36	5,49,123.72	163.238
2004-05	16,92,578.55	190.05	10,65,503.85	192.26	6,27,074.70	186.411
2005-06	20,14,874.09	226.24	12,34,462.40	222.74	6,91,846.91	205.665
2006-07	24,39,985.92	273.97	15,30,351.44	276.13	8,05,795.15	239.539
2007-08	30,21,924	339.31	18,80,271	339.27	10,10,959	300.528
2008-09	37,66,716	422.94	23,14,102	417.55	12,80,212	380.569
Total	1,87,68,158.96		1,16,25,132.64		66,47,526.21	
Mean	18,76,815.89	210.74	11,62,513.26	209.76	6,64,752.62	197.611

The above table exhibits the total assets of Public sector Banks, Nationalized Banks, State Bank Group and its Trend Percentages from 1999-00 to 2008-09. Public sector banks show continuous increase in its total assets from 890,600.05 crores in the year 1999-00 with the 100 trend in percentage to 3766,716 crores in the year 2008-09 with 422.94 trend in percentage. During the old financial products period from 1999-00 to 2004-05 total assets was below the mean of 210.74 and in the new financial products period from 2005-06 to 2008-09 total assets was above the mean of 183.83 for the public sector banks.

Nationalized banks show continuous increase in total assets from 554,205.72 crores in the year 1999-00 with 100 trend in percentage to 2314,102 crores in the year 2008-09 with trend in percentage of 417.55. During the old financial products period from 1999-00 to 2004-05 total assets are below the mean of 209.76 and in the new financial products period from 2005-06 to 2008-09 total assets are above the mean of 209.76 for the nationalized banks.

On the other side, the State bank group also shows continuous increase in total assets from the year 1999-00 with the amount 336,394.33 crores with the 100 trend in percentage to 1280,212 crores in the year 2008-09 with 380.56 trend in percentage. During the old financial products period from 1999-00 to 2004-05 total assets are below the mean of 197.61 and in the new financial products period from 2005-06 to 2008-09 total assets are above the mean of 197.61 for the State bank Group.

## CONCLUSION

Economic development of any country is mainly influenced by the growth of the banking industry in that country. The current study has been conducted to examine the impact of new financial products on performance of public sector banks in India during the period 2000-09. The study revealed that

- The public sector banks, nationalized banks and state bank group have fewer reserves and surplus amounts in the old financial products period and during the new financial products have more reserves and surplus amounts.
- The public sector banks, nationalized banks and state bank group have less borrowing in old financial products period and during the new financial products have more borrowings amounts.
- The public sector banks, nationalized banks and state bank group have less total liabilities amounts in old financial products period and during the new financial products have more total liabilities amounts.
- The public sector banks, nationalized banks and state bank group have less cash and balances with RBI amounts during the old financial products period and during the new financial products have more cash and balances with RBI amounts.
- The analysis during the old financial products period the public sector banks, nationalized banks and state bank group have less fixed assets amounts and during the new financial products period have more fixed assets amounts.
- The analysis during the old financial products period the public sector banks, nationalized banks and state bank group have less other assets amounts and during the new financial products period have more other assets amounts.
- The analysis during the old financial products period the public sector banks, nationalized banks and state bank group have less total assets amounts and during the new financial products period have more total assets amounts.

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