

# Relationship between Bank-Specific Factors and Non-Performing Assets of Indian Banks during post Global Financial Crisis Era<sup>1</sup>

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## Abstract

The study aims to analyze the relationship between Bank-specific factors and Non-Performing Assets (NPAs) of the Indian banks. The sample of the study consists of 21 public sector and 19 private sector banks which accounted for 96.42% of banking operation in India and were continuously in existence for the study period of 10 years i.e. from 2009-10 to 2018-19. The study considered NPAs as dependent variable and used bank-specific indicators as independent variables. The study found concentration of NPAs and advances in public sector banks and higher concentration in private sector bank. Further, based on stability based classification, the study found IndusInd bank; Nainital bank and Yes Bank are the highly unstable banks in Indian banking sector. Using panel data regression approach, the result shows that NPAs can be managed efficiently by improving Return on Assets and Credit Deposit Ratio.

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**Keywords :** NPA, Banks, Bank-specific factors, Regression, Stability, Regulation, Crisis, India

## I. Introduction

BANKING SECTOR IS one of the vital pillars of the financial system which play imperative role in the economic growth. There has been increased debate about the credit management and continued deterioration in the asset quality of banks during the post financial crisis era among researchers. The deterioration in asset quality is reflected in rising NPAs which further affect the performance of the banking sector by reducing the profitability

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