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10. A STUDY ON PERFORMANCE ANALYSIS OF IDFC FIRST BANK



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A Study on Performance Analysis of IDFC First Bank

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Abstract

Banking sector plays a vital role in the growth process of any country IDFC first bank is one of the emerging private sector bank in India today. The study focuses on the performance of IDFC first bank during the period of 2015-2022. The data used in the study is secondary data which collected from official IDFC first bank website and other sources. CAMEL analysis and some key indicators analysis is used in the study to measure the performance of the bank. The study shows that CAMEL components such as capital adequacy, asset quality, management quality's overall situation is good apart from some indicator such as earnings, liquidity, Net profit, CASA and NPA which need to be checked. Though the company is reporting repeated profits, it is not paying out dividend. Moreover, Bank is also generating low interest coverage ratio which is not good for its stability.

Key-Words: CAMEL Analysis, IDFC First Bank, Management, Performance.

Introduction

Banking sector is the backbone and lifeline of any modern economy. It is one of the important pillars of the financial sector, which plays a vital role in the functioning of an economy. It is very important for economic development of any country, that it's financing requirements of trade; industry and agriculture are met with higher degree of commitment and responsibility. Thus, the development of a country is integrally linked with the development of the banking sector. In a modern economy, banks are to be considered not as dealers in money but as the leaders of development. They play an important role in the mobilization of deposits and disbursement of credit to various sectors of the economy. The banking system reflects the economic health of the country. The strength of an economy depends on the strength and efficiency of the financial system, which in turn depends on a sound and solvent banking system.

Commercial banks are broadly classified into two categories public sector banks and private sector banks. Public sector banks are those banks in which more than 50% of share in the hands of government whereas private sector banks majority of the bank's equity is owned by a private company or a group of individuals. One of the emerging private sector banks in India is IDFC first bank which came into existence in the year 2015. It has more than 600 branches all over the India till 2021. It provides product and services related to retail banking, wholesale banking, investment banking, home loans etc.

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