# Dummy variable regression with Fixed and Random effects models for Indian Public and Private Sector Banks.

P. Viswanatha Kumar and **B. Sarojamma***

Department of Statistics, S. V. University, Tirupati-517501, Andhra Pradesh, India

*Author for correrpandence:saroja14397@gmail.com

## Abstract

We are taking three types of variables called predicted variable, predictor variable and dummy independent variables. Predicted variables are Return on Asset (ROA), Return on Equity (ROE), Net Interest Margin (NIM) and Operating Profit to Total Assets (OPTA), predictor variables are capital to risk weighted Assets Ratio (CRAR) and size, Dummy independent variables are Dbasel2, Dbasel3 and daqr. The study considered for annual data from 39 banks, 585 observations under two ownership structures, Public and Private Sector Banks, for a time period of 15 years from 2005 to 2019 and employed the Dummy variable regression with Fixed and Random effects models using the STATA package. The CRAR was discovered to have a positive impact on the profitability and efficiency of Indian banks.

Keywords: capital to risk weighted Assets Ratio, Dummy variable regression, Banks, STATA.