

**Comparative Study on the Ownership, Financial Performance and Financial Efficiency of Private License Commercial Banks in Sri Lanka**

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**Abstract**

This study examines the relationship between ownership and financial performance and financial efficiency of private license commercial banks in Sri Lanka during the period of 2010-2014. The ownership is divided into domestic banks and foreign banks. To measure the financial performance, this study used return of assets, return on equity and to measure financial efficiency this study used capital adequacy and cost to income ratios. The study has used the secondary data obtained from annual reports from particular banks, Central Bank of Sri Lanka, web site of the banks, etc. By applying the panel data this study identified significant relationships of domestic banks with the financial performance and financial efficiency of the banks. The results of this study show domestic banks performed better compared to foreign banks in Sri Lanka.

**Key Words:** *Domestic Banks, Foreign Banks, Ownership, Financial Performance, Financial Efficiency*