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An Examination of Syndicate Bank's Financial Health, Performance, and Liquidity

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ABSTRACT

The banking business in India is the backbone of the country's economy. The Indian banking sector includes cooperative, commercial, nationalised, private, and internationalised banks. The goal of this study is to apply the CAMEL model to analyse the Syndicate Bank's financial performance. The CAMEL model is a widely used method for evaluating the performance of banking units in the United States and throughout the globe. Outside the subcontinent of India In the United States, the CAMEL rating system was developed to categorise supervisory rating systems. The overall status of the bank This model evaluates the performance of financial institutions (approximately). On all main factors such as capital adequacy, assets, and liquidity, 8,000 entities (primarily banks) were evaluated. The first five components are quality, management efficiency, earning quality, and liquidity, with market risk as the sixth. It was added in 1997. The study is based on secondary data from the annual reports of Syndicate Bank. The data from FIVE years is analysed with the purpose of assessing it by calculating various ratios. Average, standard deviation, coefficient of variation, and other statistical tools, according to the CAMEL rating. A correlation is also calculated. The Syndicate bank's total capital adequacy level was found. The managerial effectiveness was also excellent. However, the bank's total earning capacity was excellent. The liquidity position was bad in general.

Keywords: Banking, Efficiency, Camel Model, Financial Performance

INTRODUCTION

Finance is defined as money supply when needed. Every company requires financing to start and operate. Finance is an organization's vital blood. Finance should thus be properly handled.

In all contemporary financial systems, banks play a key role. Banks must be safe and regarded as such to do it successfully. The only major guarantee is that the economic value of a bank's assets considerably exceeds its obligations. The difference is a cushion of "capital" to offset any type of loss. However, the current financial crisis highlighted the significance of a second kind of buffer, the "liquidity" of unintended cash withdrawals, by banks. A bank may be solvent, having in economic and accounting manner assets that surpass its obligations, yet nevertheless suffer a sudden death if its depositors and other funds lose faith in the organization.

Liquidity of a bank is a measure of its capacity to find easily the cash needed to fulfill its needs. Liquidity may be obtained through direct cash holdings in currency or on the Federal Reserve or

other central bank account. It is more usual to own securities that can easily be sold with little losses.

This usually implies highly credible assets with short-term maturities, especially government bills. The bank may just wait for them to repay the principal at maturity, in fact, if their maturity is short enough. Short-term, highly secure securities also prefer to trade in liquid markets, which mean that high volumes may be sold at cheap transactions (often based upon an offer/work distribution between the price dealers, the offer will pay for the purchase and the sale of the request).

However, the liquidity condition of a bank, especially in times of crisis, will not just impact its cash reserve and highly liquid securities. The age of its liquid assets will also be important since some of them may mature, therefore providing an extra source of funding before the cash crisis passes. Or they may be sold, even though this might lead to a significant loss in a fire selling scenario when the bank has to accept whatever price it can

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get. On the other hand, banks frequently have contingent obligations to pay out funds, in particular via loans provided to its retail and corporate clients. (The home stock line is a retail example whereas many companies have credit lines that enable them to borrow at any time under certain limitations.) The greatest contingent obligation, of course, in most instances is to have to reimburse the depositor at any moment.

Banks may multiply their liquidity, each at a usual cost, including:

- Shorten maturity of assets
- Improve average asset liquidity
- Extended maturities for liabilities
- Issuing further equity
- Reduce contingent liabilities
- Protection of liquidity

The liquidity position of a bank will be considerably more impacted, in particular in a crisis, than simply that cash and highly liquid securities. The age of its liquid assets will also be important since some of them may mature, therefore providing an extra source of funding before the cash crisis passes. Or they may be sold, even though this might lead to a significant loss in a fire selling scenario when the bank has to accept whatever price it can get. On the other hand, banks frequently have contingent obligations to pay out funds, in particular via loans provided to its retail and corporate clients. (The home stock line is a retail example whereas many companies have credit lines that enable them to borrow at any time under certain limitations.) The greatest contingent obligation, of course, in most instances is to have to reimburse the depositor at any moment.

LITERATURE REVIEW

Gopinathan Thachappilly (2009), He discussed Financial Ratio Analysis for Performance Assessment in these papers. It is usually carried out to make sense of the enormous number given in the financial analysis of companies. It helps to assess a company's performance so that investors can determine whether to invest in it. Here we examine the many types of ratios in distinct sections concerning different performance elements, such as profitability, liquidity ratios, debt ratios, performance ratios and investment assessment ratios.

Jenkins Lucia (2009), Understanding the usage of different financial measures and methods may contribute to a more comprehensive view of a company's financial perspective. He believes that fixed costs and variable costs are the most essential factor. Fixed costs are the costs, always there, irrespective of how much or how little is sold. For example, rents, insurance and wages are fixed expenses. The expenses that rise or decrease in sales percentage is variable costs.

In his research on the performance of Indian banks During Financial Liberalization, Petya Koeva (July 2003) says that fresh empirical data on Indian commercial banks' financial liberalisation impacts. The study focuses on the behavior and causes of the cost and profitability of bank intermediation during a time of liberalization. Empirical findings indicate that ownership has substantial effects on certain performance measures and that the observed rise in competition during the period of financial liberalization was linked with reduced intermediation costs and Indian banks' profitability.

Selman Ade and Hendrawan Riko (2009) Banks have recognised their financial liquidity to have a fluctuating capital structure. The study aims at investigating the effect of the capital structure, using a profit efficiency method, on the performance of two bank groups, conventional and Islamic banks. Two steps have been taken. In the first step, each bank in Indonesia has a profit efficiency score for 2002-2008 utilizing a distributor free method (DFA). We use the capital ratio of banks in the second phase to evaluate their effect on performance. In contrast, the highest score is 0.78. About 0.18 Indonesian banks still have space to enhance their performance. The result also shows that Islamic banks in Indonesia are able to position themselves at the top 20% profit efficiency rate. The second phase results show that the capital ratio of the bank has a negative impact on its profit effectiveness. In addition, the negative impact of the Islamic bank group was greater than the traditional bank.

Rae D South Korea (2008) The main purpose of this research is to evaluate the influence on the effectiveness, profitability and overall performance of banks taking public and private sector banks between 1992 and 1993. To assess banks' performance, six efficiency measures and five profitability indicators are used. The performance analysis is conducted in two ways: time and period analysis. The reform actions have a beneficial effect on the profitability, efficiency and overall performance of all bank groups. Banks improved their financial health owing to prudential standards. New private sector banks performed better than previous private and public sector banks.



RESEARCH METHODOLOGY

The search for facts, as well as answers to questions and solutions to problems, is what research entails. It's an investigation carried out by a group with the objective of explaining incomprehensible situations, clarifying ambiguous statements, and correcting misinformation. A comprehensive study or examination, particularly in the discovery of new facts in any subject of competence, is characterised as research.

THE PLAN FOR RESEARCH

The formulation of the research project design, often known as the 'RESEARCH DESIGN,' is a major issue after the process of identifying the research topic. A research design includes the elements of what, where, when, and how much, as well as an inquiry or a research project.

INTRODUCTION TO THE CONFLICT

In today's business environment, money is critical to a company's competitive strategy. A profit and loss account and a balance sheet are used in financial analysis to show the company's financial difficulties and strengths. The past, present, and future financial circumstances of any organisation influence its long-term success or failure. As a result, it's critical to investigate the link between these assertions and present profitability levels. As a consequence, financial statements as well as the fundamentals of the company's financial performance must be analysed. The goal of the research is to understand more about the company's financial prospects. To analyse the company's financial situation, the topic is explored utilising a number of financial methodologies.

COLLECTION OF INFORMATION

SYNDICATE BANK's finance department, the bank's annual report, several authors' publications, and websites were used to compile the data.

SOURCE OF INFORMATION

The following are the primary data sources:

From the beginning, information

secondary data sources

IMPORTANT INFORMATION

"Primary data" refers to information that is collected for the first time. A direct interview and conversation with SYNDICATE BANK management provided the key data for this investigation.

INFORMATION IN ADVANCE

Secondary data is information that has previously been gathered by someone else and is being used by someone else for additional research. The secondary data comes from the past five years' annual reports of the firm (2015-2016, 2016-17, 2017-18, 2018-19 & 2019-20)

- The goal is to examine the bank's financial performance and liquidity in order to determine how it made financial choices.
- The financial state, liquidity position, and strength are calculated using several methods.
- assessing the company's performance and comparing its present financial status to its previous financial situation.
- The corporation has had a liquidity difficulty for some time.

THE STUDY'S LIMITATIONS

Due to time and resource restrictions, the research is likely to have certain limitations. Some of them are discussed in further depth lower down to assist put the study's results in context.

The research is based on secondary data, which involves limitations that might affect the findings.

The secondary data was taken from the syndicate Bank's yearly reports. The information in yearly reports is most likely skewed and does not accurately reflect the bank's current situation.

It is solely dependent on the interpretation of statistical data and overlooks elements such as management style, employee motivation, and leadership, to name a few.

THE STUDY'S OBJECTIVES

It is critical to maintain track of the banking system's performance in light of the various changes that are occurring in the Indian financial sector. Policymakers, corporate leaders, and others who rely on the banking system may benefit from the study on 15 bank efficiency. The bank's performance has drawn the attention of a wide range of stakeholders, including regulators, customers, investors, and the general public. Policymakers may use bank performance analysis to determine if a bank will succeed or fail, as well as devise effective measures for success. A bank performance review is a useful tool for identifying a bank's financial situation and taking the necessary steps to turn a financially failing bank into a successful one. It's also crucial to figure out if the Indian banking sector's efficiency and performance meet regulatory standards. Data about a company's financial performance may be used to predict, compare, and analyse its profits potential. It also assists in making financial and investment decisions. The firm provides financial data in the form of financial statements and reports. Examining the data included in a bank's annual reports may also be used to assess the bank's financial performance. By acting as a conduit for specialised financial intermediation, the banking industry assists modern businesses. Banks convert a variety of inputs into a variety of financial products. Banks' macroeconomic stability enables them to change their overall preferences, which is important for fiscal policy strengthening. Banking was disseminated in a systematic and efficient manner, which aided economic development. Performance review is critical in the development of a successful and efficient financial sector. The banking sector's efficiency is critical to the economy's overall strength and stability.

INDUSTRY PROFILE

Indian banking is the lifeblood of the nation and its people. Banking has aided the growth of important economic sectors and brought India into a new era. Millions of people have been able to realise their aspirations and objectives thanks to the sector. It had to travel through miles of hard terrain, face humiliations from other powers, and undergo the pains of division in order to do so.

Indian banks can now successfully compete with sophisticated foreign financial institutions. Prior to the twentieth century, usury, or lending money at a high interest rate, was quite common in rural India. Many firms have been saved from the clutches of Indian money lenders, who have continued to operate but are no longer as threatening as they once were. Cooperative banks function alongside commercial banks in India's banking system to offer needs-based financing, mostly for agriculture, cattle, milk, hatcheries, personal finance, and other small industrial sectors and self-employment-driven activities. Cooperative banks are generally governed by state legislatures that have enacted particular cooperative statutes. The RBI, on the other hand, has been in charge of banks since 1 March 1966, when the 1949 Law of Banking Regulation was revised and the RBI began to regulate them. In order to fund SSI units to state cooperative banks, the Reserve Bank is responsible for authorising banks and branches and monitoring lending constraints on behalf of the major cooperative banks.

With the creation of the General Bank of India in 1786, banking in India started in the first decade of the 18th century. The Hindustan Bank was the next to arrive. These two banking institutions have closed their doors. Following that, the Indian government established three presidential banks around the country. The first of the three banks to be granted a licence was the Bank of Bengal, which acquired one in 1809. The other two Presidents' Banks, the Bank of Bombay and the Bank of Madras, were established in 1840 and 1843, respectively. The Imperial Bank of India (IBI) Act of 1920 consolidated the three Presidential Banks into the Imperial Bank of India (IBI), which is today known as the State Bank of India. International banks, such as Credit Lyonnais, started

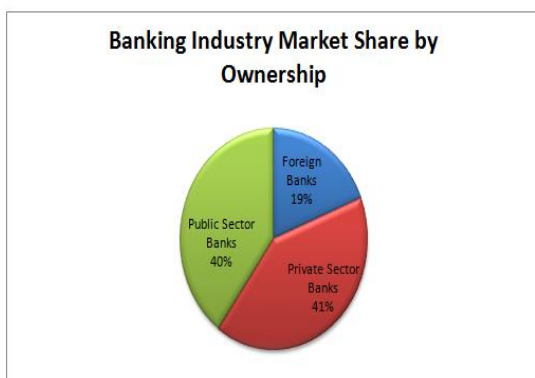
operating in Calcutta a few decades later, in the 1850s. Calcutta was the busiest commercial port at the time due to the British Empire's commerce and the fact that financial activity had taken root and developed there. In 1865, the Allahabad Bank became the first wholly Indian bank. The market grew in the 1900s with the establishment of organisations such as the Punjab National Bank in Lahore in 1906 and the Bank of India, both under private ownership. In 1935, the Reserve Bank of India took control of the Indian financial sector. Following India's independence in 1947, the Reserve Bank of India was nationalised and granted increased powers.

Financial institutions are increasing and becoming more complex as a result of deregulation, innovation, and technological improvements; striking a balance between efficiency and stability is critical. The financial and banking markets have altered substantially in the 45 years following nationalisation, thanks to financial sector reforms (1969). To fulfil their consumers' expanding demands, banks have innovated, modernised, and supplied new types of services in addition to their usual operations. Banks have had greater leeway in establishing their own rules. Rapid technical advancement has resulted in significant cost savings, portfolio diversification, and improved bank credit quality. Prudential regulations have been set in order to promote and boost bank efficiency in conformity with international norms. The process of institution growth has been hastened by several stages in the fields of debt recovery, asset reconstruction and securitization, consolidation, convergence, mass banking, and so on.

Despite this tremendous progress, the banking industry's decreased productivity, efficiency, and profitability have been a source of serious concern. As the quality of its loan portfolio has worsened, the bank has been collecting money and increasing its capital reserves. Inadequate loan loss provisions have been combined with a capital deficiency, causing depositors and investors to lose faith in the bank. As a consequence of the government's reaction, the Narasimham Committee was established to investigate the allegations, and the committee's recommendations led to the transformation of the previously heavily regulated and bureaucratic banking system into a market-driven and highly competitive one. Banking's huge and quick expansion and diversification has not been without its challenges. As the banking industry enters a new age, non-banks will become more competitive, not only in local but also worldwide markets. During the next decade, India's functioning structure is expected to change dramatically.

The private banking industry has grown and diversified as a result of the establishment of new private banks with a focus on wholesale and retail banking. The incumbent banks have a large branch network and are expanding internationally, but the emerging private banks have considerable capital, a lean workforce, and expertise in building complicated financial products and technological applications. Gradual deregulation, carried out while fostering competition, would allow for mutually beneficial exchanges, enhancing the quality and content of banking. Finally, due to the combined efforts of cooperative banks, regional rural banks, and development banks, India's banking sector will be able to account for itself over the next two decades, with enough effective retail outlets to handle increasing socioeconomic challenges. The financial industry has been changed by the modern age, resulting in very quick electronic money transactions. Electronic banking, on the other hand, has created new sources of risk, such as data security and integrity, demanding the creation of new risk management solutions. Cooperative (mutual) banks are an integral feature of many financial systems. In many countries, they are recognised as one of the main financial institutions. In addition, the number of co-operative banks has expanded in recent years; in the Advisory and Emerging Market Sample considered for this research, co-operative banks' percentage of total banking assets grew from about 9 percent in the mid-1990s to over 14 percent in 2004.

Market share



MACRO ECONOMIC DEVELOPMENTS

During FY 2014-15, however, global economic activity rebounded slightly with different rates among countries. Although most Emerging Market Economies (EMEs) are slowing, Advanced Economies (AEs) contend with inflation concerns that prevent the United States. This has led to the AEs and EMEs continuing unorthodox monetary measures to combat inflationary/inflationary circumstances accordingly. As a result, significant changes have occurred in exchange rates and other asset values. All in all, the AE has yet to recover from the aftermath of the global financial crisis, with EMEs facing increasing negative output gaps and declining growth potential, which has reduced global economic recovery in fiscal year 2014-45.

INDIAN BANKING SECTOR SCENARIO PRESENT

According to the KPMG-CII analysis, India's banking and finance industry is rapidly expanding, with the potential to become the world's fifth largest banking corporation by 2020 and the third largest by 2025. The Indian banking industry is now worth Rs 81 billion (US\$ 1, 31 trillion), and banks are increasingly adopting cutting-edge technologies, such as the internet and mobile devices, to conduct business with the public.

There are 26 public sector banks, 20 private sector banks, 43 foreign banks, 61 regional rural banks, and over 90,000 credit cooperatives in India's banking system.

Factors that encourage the growth of banking and financial services.

The Reserve Bank of India (RBI) now has the authority to make final recommendations for the issuing of new bank licences, according to a law passed by Parliament in 2012. Furthermore, the Indian government's involvement in the growth of the banking system is critical. The RBI's new policies are aimed at reducing shady borrowers' activities and simplifying the country's credit sector. In the not-too-distant future, India will see an expansion in the number of banks, as well as a shift in the types of businesses that may emerge as a result of the integration of contemporary technology into the sector.

Another emerging trend in the banking business is the use of social media platforms like as Facebook to attract customers. ICICI Bank launched the 'Pockets' customer convenience' face-book account payment and transfer service in September 2013.

'BSFI adoption of IT in India' is expected to reach USD 3.5 billion by the financial year 2014, according to Zinnia, a globalisation and market development organisation. As technology is seen as a producer of corporate value, the research also highlighted the improved maturity of Indian BFSI organisations in IT adoption. Technology businesses may explore many opportunities in the BFSI industry, which accounts for 8% of India's GDP.

PROFILE OF THE COMPANY

"It is a lack of willpower, not a lack of strength or knowledge, that distinguishes a successful person from the others."

History:

Syndicate Bank was created in 1925 by three geniuses: businessman Shree Upend Anent Pay, engineer and doctor Sri Kaman Kava, and TMA. Pay a doctor who has shown a strong commitment to his or her patients' social well-being. Their major purpose was to generate small amounts of money for local weavers who had been affected by a decline in the handloom business. In 1928, the bank was collected every two years by its agents under its pigmy deposits at the depositors' entrances. This plan is now the bank's brand stock, and rs.2 Core collects it every day as part of the programme.

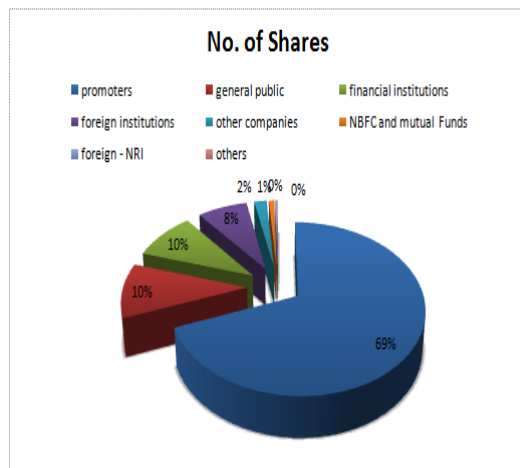
The growth of Syndicate Bank paralleled India's progressive banking era. The Bank has built a solid customer base that spans two or three generations as a result of its more than 80 years of pioneering expertise. The Bank's vision for the future of India was rooted in rural India and recognised local realities. It supported financial advancements and was open to new ideas while remaining true to its socioeconomic and cultural identity. The Bank and the community have reaped enormous benefits from their cooperative development model. The Bank has acted as a driver for national progress, concentrating on the everyday man as well as rural and semi-urban areas.

The bank is regarded for providing excellent customer service. The bank is committed to providing exceptional customer service and promptly resolving client issues.

After the collapse of the palely central bank in 1961, which rocked the banks to their core, the RBI attempted to eliminate smaller banks and pushed mergers. As a consequence, 18 banks and trade union banks combined.

SHARE HOLDING OF THE BANK

	No. Of shares	Percentage
Promoters	458,394,888	69.24
General Public	69,306,466	10.47
Financial Institutions	63,082,059	9.53
Foreign Institutions	50,588,533	7.64
Other Companies	12,684,778	1.92
NBFC and Mutual Funds	5,612,333	0.85
Foreign – NRI	1,657,444	0.25
Others	732,671	0.11



PRODUCT PROFIL:

A. ACTIVITIES BANKING: This activity includes:

1. The Global Debit Card of Syndicate Bank
2. The Global Credit Cards Syndicate Bank

B. BANCASSURANCE: The bank offers Bajaj Allianz's insurance services.

1. Products of Life Insurance
2. Life insurance not included



1. INVESTGAIN
2. CASHGAIN
3. CHILDGAIN
4. RISKCARE
5. TERMCARE
6. LIFETIMECARE
7. SWARNA-VISHRANTI
8. UNITGAIN
9. LOAN PROTECTOR
10. SYNDDRIVER

Some of its products for life insurance in conjunction with Bajaj Allianz are:

3. Cash Management (SCMS)

C. DEPOSIT SCHEMES:

1. Synd 400 Plus and Synd 500 Plus
2. Savings Deposit Account:
3. Special Premium Savings Accounts
4. Fixed Deposit Scheme:
5. Vikas Cash Certificate:
6. Social Security Deposit:
7. Senior Citizen's Security Deposit
8. Syndicate Suvidha Deposit
9. Cumulative SyndTaxshield Deposit Scheme
10. Pigmy Deposit
11. Super Premium Savings Bank Account
12. Synd Samanya Savings Bank Account (No Frills Account) :
13. syndFlexi Current Account

D. SYND BANK SERVICES (BPO):

It is a fully owned syndicate bank subsidiary. This is the first nationalised bank BPO outfit. This PO Company does the following services, which enable clients to submit income tax returns and to perform back office functions

for bank debit/credit card/banc assurance.

G. OTHER SERVICES:

1. Tele Banking
2. Internet Banking
3. Any Branch Banking
4. Synd Bill Pay
5. On-Line Collection of Direct Taxes
6. On-line Railway Ticket Booking
7. Western Union Money Transfer
8. syndInstant - (RTGS System for instant transfer of funds)
9. Electronic Funds Transfer (EFT) System
10. Syndicate Gift Cheques
11. Insurance Cover for Deposits
12. Stop Payment Facility
13. Dormant Accounts
14. Safe Deposit Lockers

MILESTONES:

Memorable milestones during a journey of 82 years:

Services Syndbank (BPO)

"Syndbank Services Limited (BPO)" was launched by the bank as a fully owned subsidiary of the trade union bank. The following activities are undertaken by this BPO company:

- ❖ Enable consumers to submit their returns of income tax,
- ❖ Functions of Undertaking Back Office with Bank debit/credit card
- ❖ Functions related to government transactions and interest/dividend bonds issuance.
- ❖ Follow up on retail loan delinquent accounts by issuing a Notice/SMS
- ❖ Messages and telephone calls to keep retail credit strong
- ❖ Provide advice and retention of the PF, Pension and Gratuity trust records.

1925	On 10.11.1925 the business of the bank commenced in udupi with the name "Canada Industrial and Banking Syndicate Ltd.", a joint stock company with just one employee.
1928	First branch of the Bank opened at Brahmavar in Dakshina Kannada District.
1937	Bank became member of the clearing House for the first time at Bombay.
1946	29 branches opened in a single day in rural areas.
1953	Took over the assets and liabilities of 2 local banks viz. Maharashtra Apex Bank Ltd. And southern India Apex bank Ltd. 20 banks merged with the bank during the period 1953-1964.
1957	100 th branch opened at ilkal in Karnataka
1962	Entered foreign exchange business by opening foreign exchange department at Bombay.
1963	Name of the bank changed from "canara industrial and banking

1966	Economic research department set up. One of the first few banks to emphasize on research in banking even before nationalization.
1969	Bank had 306 branches at the time of nationalization of which 66% were in rural and semi urban centers. Opened a branch at port bliar in Andaman and nicobar ice lands.
1970	First staff training college started at head office
1971	First specialized branch in foreign exchange opened at Delhi.
1972	Opened a branch at Lakshadweep islands
1976	First overseas branch opened at London on 17.08.1976
1983	Took up the management of al shabbier finance and exchange co. In Doha
1984	1000 th branch opened at Delhi hauz khas
1984	Took up management of musandam exchange co. In Muscat
1989	1500 th branch opened at kanukambi
1991	First specialized industrial finance branch opened in Mumbai.
1995	First specialized housing finance branch opened at Mangalore



1999	Bank raised capital of Rs. 125 Crore in oct.1999 from more than 4 lakh shareholders
2000	First specialized capital market services branch opened at Mumbai
2001	First branch under CBS (core banking solution) started operation at Bangalore.
2002	Centralized banking solution under the brand name "syndicate e-banking" launched at Delhi, Mumbai, Bangalore and manipal.
2003	Toll free voice mail system for redressal of grievances introduced.
2004	Bank ties-up with united India insurance co. Ltd. For distribution of non-life insurance products.
2004	Utility bill payment services through internet banking introduced.
2005	Introduced on-line reservation of railway tickets through Indian railway catering and tourism corporation ltd. (IRCTC) for internet banking customers of our banking.
2005	Implementation of venture capital scheme of small farmer's agri-business consortium (SFAC) entered into moU with SFAC for promoting of investments in agri-business products.
2006	2000 th branch of syndicate bank opened at tondiarpet, Chennai on 23.03.2006.
2006	Inauguration of syndbank services limited, the 1 st BPO outfit of a nationalized bank, by Honorable union minister of finance, Sri p Chidambaram on 24.03.2006 at Bangalore
2007	Global business crossed Rs.1,60,400 crores
2008	2200 bank branches including 2000 CBS Branches.

Pioneer in rural development



1926	Established in a rural milieu to financially assist handloom weavers
1964	First bank to venture into agriculture financing when the banking system considered it risky and unconventional.
1966	Promoted syndicate agriculture foundation – a voluntary organization of farmers – to disseminate scientific farming techniques.
1967	Agri-card a ready credit facility for farmers-launched
1989	Bank adopted service area villages to bring about all-round development
1998	Kisan credit card launched
2001	Syndicate laghu udyami credit card launched.
2004	SKSCC: Syndicate kisan samrudhi credit card- a new product launched for meeting production and investment credit needs of farmers for agriculture and allied activities and also to meet their consumption requirements.
2005	Scheme for financing commercial horticulture projects under the schemes of national horticulture board has been launched to encourage farmers to go in for diversification in agriculture essential for increasing their income level. Scheme for financing Sc/St for rain water harvesting has launched.

2006	Syndicate general purpose credit card launched. Syndkisan: a hassle free term lending scheme has been launched for the benefits of the farmers, to meet their entire farm related investements, contingent investements related to farming, including repayment of high cost private debt and consumption needs to meet pressing social obligations.
2007	“Syndsmallcredit”- an innovative scheme with doorstep banking facility to provide need-based credit to entrepreneurs of small means. “Financial inclusion”- launched a campaign to achieve 100% financial inclusion. A booklet containing comprehensive guidelines to augment the process of total financial inclusion released.

CORPORATE SOCIAL RESPONSIBILITY:

1. During the quarter, the Bank conducted several CSR initiatives, including 2. Water coolers distributed to Govt.
3. Donation to social and humanitarian organizations to distribute grains to impoverished families on the eve of the day of the Republic
4. Society donation for the promotion of culture & heritage
5. Temple donation and trust for the purchase of restaurants using Annasantharpane tools
6. Donation for toilet-making in the government schools of Swachh Bharat Abhiyan, donation for refurbishment of flood victims in Jammu & Kashmir
7. Donated at Vishakhapatnam in support of the flood (Hudhud), contribution to buy banks and desks, and building of an auditorium for schools;
8. Ambulance gift to medical schools and hospitals, donation to city corporations
9. RO Water Purifier gift to college/institutes, special school donation to mentally handicapped, etc.

COMPETITORS

1. Indian bank
 2. Corporation bank
 3. Dena bank
 4. Allahabad bank
 5. Vijaya Bank
 6. Andhra Bank
 7. Canara Bank
 8. Bank of Maharashtra
 9. State Bank of India
-

DATA ANALYSIS:

Preparing financial performance and liquidity is not an end goal. This statement is intended to be used for decision making. The statement becomes a tool to plan and forecast for the future.

Table 4.1 showing the comparative analysis of the year 2016-2020

----In Rs. Cr. ----

Particular	Increase (decrease) from 2016 to 2020			
	Mar'16	Mar'20	Amount change	Percent(%)
<i>Capital and liabilities</i>				
<i>Equity Share Capital</i>	573.29	601.95	28.66	5.00
<i>Preference Share Capital</i>	0	0	0	
<i>Reserves</i>	6,083.66	7,433.79	1350.13	22.19
			0	
<i>Deposits</i>	135,596.08	157,941.06	22344.98	16.48
<i>Borrowings</i>	9,527.64	10,589.91	1062.27	11.15
			0	
<i>Other Liabilities & Provisions</i>	4,364.22	4,895.95	531.73	12.18
<i>Total Liabilities</i>	156,144.89	181,462.66	25317.77	16.21
<i>Assets</i>				
<i>Cash & Balances with RBI</i>	10,443.12	8,808.63	-1634.49	-15.65
<i>Balance with Banks, Money at Call</i>	1,522.53	5,075.64	3553.11	233.37
<i>Advances</i>	106,781.92	123,620.18	16838.26	15.77
<i>Investments</i>	35,067.62	40,815.06	5747.44	16.39
<i>Gross Block</i>	677.04	1,327.85	650.81	96.13
<i>(-)Revaluation Reserves</i>	393.9	1,005.41	611.51	155.24
<i>Net Block</i>	283.14	322.44	39.3	13.88
<i>Capital Work In Progress</i>	15.69	23.74	8.05	51.31
<i>Other Assets</i>	2,030.87	2,796.97	766.1	37.72
<i>Total Assets</i>	156,144.89	181,462.66	25317.77	16.21

Interpretation

In 2020, the equity share capital stood at 573.29 Cr and rose by 5% to 601.95 Cr in 2017. The company's share capital is on an increasing trend. It shows that the bank issued its share. The company's reserves and surplus funds depend on its previous year's profit. Here, the reserve has been increasing by 22.19%, showing that the Bank did not use previous year's reserves and surplus to pay dividends to shareholders. Deposits have increased by 16.48% and progress by 15.77%, even in the year 2020 there has been an increase in deposits and advances. Deposits are more than advances for both years. It demonstrates that interest payable is more than interest payable. Borrowing increased by 11.5% Cash and RBI balance are on a decline of -15,65% Current liabilities in the year 2020 are more than current assets and have increased by 2020. Working capital is not sufficient to finance the bank's investment because current liabilities are exceeded by current assets.

TABLE

Table showing the comparative analysis of the year 2016-2019

Particular	Increase (decrease) from 2016 to 2019			
	Mar'11	Mar'14	Amount change	Percent
<i>Capital and liabilities</i>				
<i>Equity Share Capital</i>	573.29	624.58	51.29	8.95
			0	
<i>Share Application Money</i>	0	0	0	
<i>Preference Share Capital</i>	0	0	0	
<i>Reserves</i>	6,083.66	10,273.04	4189.38	68.86
			0	-
<i>Deposits</i>	135,596.08	212,343.30	76747.22	56.60
<i>Borrowings</i>	9,527.64	19,224.51	9696.87	101.78
			0	
<i>Other Liabilities & Provisions</i>	4,364.22	8,449.46	4085.24	93.61
<i>Total Liabilities</i>	156,144.89	250,914.89	94770	60.69
<i>Assets</i>			0	
<i>Cash & Balances with RBI</i>	10,443.12	12,711.99	2268.87	21.73
<i>Balance with Banks, Money at Call</i>	1,522.53	2,295.13	772.6	50.74
<i>Advances</i>	106,781.92	173,912.41	67130.49	62.87
<i>Investments</i>	35,067.62	55,539.38	20471.76	58.38
<i>Gross Block</i>	677.04	1,433.08	756.04	111.67
<i>(-) Revaluation Reserves</i>	393.9	946.57	552.67	140.31
<i>Net Block</i>	283.14	486.51	203.37	71.83
<i>Capital Work In Progress</i>	15.69	35.75	20.06	127.85
<i>Other Assets</i>	2,030.87	5,933.72	3902.85	192.18
<i>Total assets</i>	156,144.89	250,914.89	94770	60.69

INTERPRETATION

- The share capital grew by 8.95%
- Reserves have risen by 68.86%. Between 2016 and 2019, there is a steady development. Where the bank profits well.
- The banks retain greater deposits and less advances in 2016. During 2019, deposits grew by 56.60% and progress increased by 62.87% from 2016 and 2019.
- Current obligations exceed existing assets
- RBI cash and balances rose by 21.73% It indicates that CRR is properly maintained by the bank in 2019

TABLE

Table Showing the comparative analysis of the year 2016-2020

----In Rs. Cr. ----

Particular	Increase (decrease) from 2016 to 2020			
	Mar'11	Mar'15	Amount change	percent
<i>Capital and liabilities</i>				
<i>Equity Share Capital</i>	573.29	662.06	88.77	15.48
			0	
<i>Share Application Money</i>	0	0	0	
<i>Preference Share Capital</i>	0	0	0	
<i>Reserves</i>	6,083.66	11,478.24	5394.58	88.67
			0	
<i>Deposits</i>	135,596.08	255,388.10	119792.02	88.34
<i>Borrowings</i>	9,527.64	26,502.99	16975.35	178.17
			0	
<i>Other Liabilities & Provisions</i>	4,364.22	8,185.39	3821.17	87.56
<i>Total Liabilities</i>	156,144.89	302,216.78	146071.89	93.55
<i>Assets</i>			0	
<i>Cash & Balances with RBI</i>	10,443.12	11,974.54	1531.42	14.66
<i>Balance with Banks, Money at Call</i>	1,522.53	11,856.81	10334.28	678.76

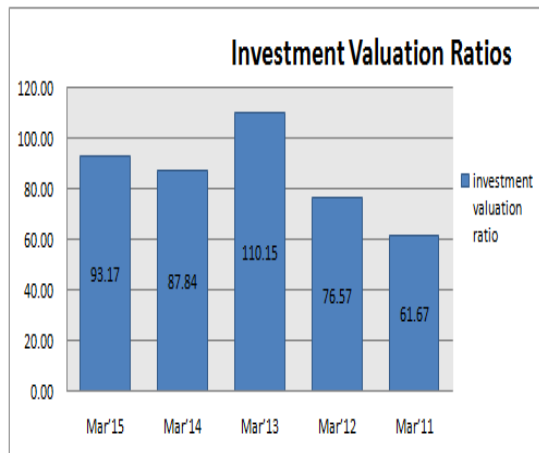
<i>Advances</i>	106,781.92	202,719.82	95937.9	89.84
<i>Investments</i>	35,067.62	69,339.67	34272.05	97.73
<i>Gross Block</i>	677.04	1,510.72	833.68	123.14
<i>(-)Revaluation Reserves</i>	393.9	918.48	524.58	133.18
<i>Accumulated Depreciation</i>	0	0	0	
<i>Net Block</i>	283.14	592.24	309.1	109.17
<i>Capital Work In Progress</i>	15.69	97.64	81.95	522.31
<i>Other Assets</i>	2,030.87	5,636.06	3605.19	177.52
<i>Total Assets</i>	156,144.89	302,216.78	146071.89	93.55

Interpretation

The share capital rose by 15.48% Reserves have constantly grown by 88.67 percent between 2016 and 2020 Borrowing is growing year by year. It grew by 178.17 percent there is a steady rise in advances and deposits from 2016 to 2020. As seen in the table above, progress is lower and deposits are higher when expenditure exceeds the bank's revenue. Existing liabilities are greater than existing assets.

Investment valuation Ratio:

GRAPH - 4.1 Graphical representations of investment ratios from 2016 to 2020

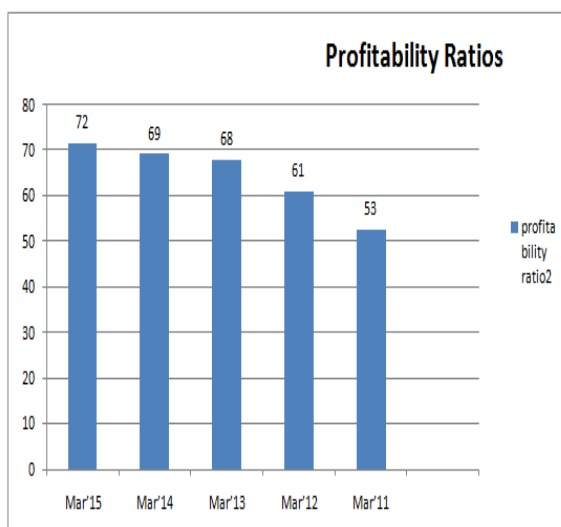


INTERPRETATION:

1. Investment valuation ratios rely on net profit changes that influence the valuation ratios of investment.
2. There were greater variations in the average overall investment value ratio, from 61, 69 to 110, and 14 from 2016 to 2018.
3. Over the last five years, the ratio's face value has not changed by 10 percent.
4. As Net Operations by Share decreased, the investment value ratio decreased to 19 in 2018 and increased again in 2016 to 2020.

GRAPH Graphical representations of profitability ratios from 2016 to 2020

PROFITABILITY RATIO:



INTERPRETATION

Returns depend on net income, assets, borrowing, and interest rates. The total net profit ratio is the measure of the bank's capacity to convert every rupee of service revenue into net profit. The bank's net profit declined, as service revenues dropped, and the rise resulted in a small increase in the ratio of 2017 and 2018 in relation to 2019 and 2020, but the overall average profitability ratio grew well. The profitability ratio increased due to the decrease in interest rates.

FINDINGS:

1. In five years, borrowing is constantly raised from 9527.64 to rs.26502.99.
2. The capital stock is continuously increased, which implies that the bank issues shares.
3. Progressively healthy reserves are maintained, which are a clear sign of excellent earnings.
4. From 2016 to 2020, investment grew substantially.
5. The contingent liabilities have also constantly grown for five years.
6. Where deposits are greater than advances, there is no continual growth in revenue; interest spent is more than interest earned.
7. Total income increases continuously throughout the five years.
8. The ratio analysis, trend analysis and cash flow statement analysis indicate that the financial condition of the union bank is excellent. Profitability of the bank is rising, although not at a significant pace.

Analysis of the ratio:

1. In the debt coverage ratio, the healthy cash deposit ratio is rising from 2016 to 2020.
2. Dividend per share ratio of 2016 has risen to 3.70, while dividend declined in 2019 and 2020, as net profit fell from Rs. 2004.42 to 1522.93 in those two years.
3. In the five years 2016-2020, the profitability ratios have grown well.
4. Over the five years, the management efficiency ratio has gone down.
5. The profit and loss a/c ratios constantly rose between 2016 and 2020
6. Balance sheet ratios have not reduced in strong growth between 2018 and 2020.
7. There is a good trend in the debt coverage ratio from 2016 to 2020.
8. Liquidity ratios continue to increase consistently over the last five years, i.e. 2016 to 2020.
9. The income per share fluctuates further in the ratios the average total ratios indicate a reduction of the ratios between 2019 and 2020

Suggestions

1. Over the years, the bank's operating income has fallen and operating income is recommended to be improved by lowering costs.
2. The EPS is slightly impacted by the rise from 100 percent to 115 percent in the number of equity shares. In the future, it is preferable to use bonds or debentures to raise financial resources.
3. Bank focus should be paid to profitability and liquidity.
4. To raise the bank's profit, the bank should reduce its operating costs and increase its revenue.

5. To raise capital, either go to the IPO or seek government re-capitalization.
6. The assessment of performance should not only include financial factors, i.e. quantitative but also qualitative components.
7. The situation of bank liquidity is acceptable, but not excellent, since bank spends more on current assets than in liquid assets. The bank should thus pay attention to its profitability and liquidity.
8. The investment valuation ratio fluctuates.

CONCLUSION

I can finish the assignment by concluding the bank's overall performance.

Firstly, by lowering expenditures the bank may increase operational revenue to better obtain financial resources via bonds and debentures.

Secondly, either go to the IPO or seek recapitalization from Got to enhance capital strength.

Third, performance measures should include not only quantitative but also qualitative elements of the financial issues.

Finally, the position of liquidity of the Bank is acceptable but not excellent, since the bank invests more in current assets than in liquid assets. The bank should thus pay attention to its profitability and liquidity.

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