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"AN ANALYSIS OF NON-PERFORMING ASSETS AND PROFITABILITY OF BANKS- A SELECTIVE STUDY"

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Abstract

The important phrase for banking firms is Non-Performing Assets. Non-Performing Assets (NPA's) are a measure of a bank's efficiency. The amount that the bank does not get in exchange for loans made is known as non-performing assets. Non-Performing Assets have an impact on not only the banking industry, but also the whole financial system and, as a result, the country's economy.

As a result, a selective study of selected public sector banks in India was conducted to assess the link between Non-Performing Assets and public sector bank profitability. We studied the relationship between Net Non-Performing Assets and Net Profit of seven nationalized public sector banks: Bank of Baroda (BOB), Punjab National Bank (PNB), Bank of India (BOI), Canara Bank (CB), Central Bank of India (CBI), Indian Bank (IB) and Union Bank of India (UBI).

Keywords: Non Performing Assets, Gross NPA, Net NPA, Net Profit, Correlation, Credit.

1.0 Introduction

Various market experts have argued that a robust financial system allows for a smooth movement of reserve cash, which aids in financial development. Many economists believe that strong economic growth requires a strong financial system that allows for easy flow of credit as well as credit creation. A healthy financial system can aid in the efficient allocation of assets by reducing concerns such as market erosion and other factors. The presence of a few Non-Performing Assets (NPA's) is one of the well-known characteristics of a well-functioning financial system.

NPA's beyond a certain threshold, on the other hand, become a source of concern for everyone. NPA's have an impact on credit flow, which in turn has an impact on the economy's development and growth. As a result, adequate credit flow is critical. Banks not only grow assets by accepting new deposits, but they also reuse assets received from borrowers. As a result, when a client does not repay the money, a Non-Performing Assets (NPA) is created, which has an impact on credit origination and reuse. NPA's can have an impact on bank profitability because they force them to set aside more money for questionable and bad loans.

As a result, the issue of Non-Performing Assets (NPA's) is a concern not just for lenders, but also for strategy makers who are interested in contributing to financial development on the road to success.

The Indian financial industry saw several changes, and the concept of Non-Performing Assets (NPA) was established in India in 1991 as a result of the recommendations of the Narasimham Committee, which was followed by the establishment of a suitable accounting system.

1.1 Non Performing Assets – The Concept

An asset turns into a Non-Performing Asset when it stops generating income for the bank. As per RBI, as asset becomes an NPA when:

- In case of a Term Loan - When interest or installment of principal or both remains unpaid by the due date for a period of more than 90 days.
- In case of Overdraft or Cash Credit (OD/CC) – When the account remains out of order for a period of more than 90 days. An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit / drawing power.
- In case of Bills – When the bill remains unpaid by the due date for a period of more than 90 days.
- In case of other Accounts – When any amount to be received remains unpaid by the due date for a period of more than 90 days.
- In case of direct agricultural loans:
  - ➢ A loan granted for short duration crops - if the installment of principal or interest remains unpaid by the due date for two crop seasons.
  - ➢ A loan granted for long duration crops - if the installment of principal or interest remains unpaid by the due date for one crop season.

1.2 Asset Classification

As per Reserve Bank of India, Banks should classify their assets into the following broad groups-

- **Standard Assets:** These are assets with no problems and do not carry more than normal risk attached to the business.
- **Sub-standard Assets:** An asset that has remained NPA for a period less than or equal to 12 months.
- **Doubtful Assets:** An asset that has remained NPA for more than 12 months.

1.3 Provisioning Norms for NPAs

- Loss Assets: 100% provision.
- Doubtful Assets
  - ➢ For unsecured portion - 100% of the extent to which the advance is not covered by the realizable value of the security.
  - ➢ For the secured portion-

Tier I and Tier II Banks	
Period for which the advance has remained in 'doubtful' category	Provision Requirement
Up to one year	20%
One to three years	30%
Advances classified as 'doubtful for more than three years' on or after April 1, 2010	100%

Source: Reserve Bank of India

- Sub-Standard Assets - 10% on total outstanding amount.
- Provision on Standard Assets - a minimum of 0.25% on standard assets.

1.4 Causes of NPAs

- Willful Defaults - When a borrower fails to make their repayment commitments to the banks while having the ability to do so. Willful defaults include syphoning or diverting payments, deception, account falsification, and fraudulent transactions.
- Political pressure on loan approval.
- Governments and policies are changing.
- A lack of due diligence when it comes to loan approvals.
- Inadequate application verification and screening.
- Relaxed lending standards, particularly for corporations whose financial situation and credit rating have not been thoroughly assessed.
- Domestic and international economic situations.
- Natural disasters.
- Pandemics like as Covid-19
- Project permissions have been delayed on a number of occasions.
- Corporate aggressive expansion during a high-growth era, for example.
- Defects in the bank's recovery system.
- Lending to priority industries.
- Loans made as a result of a social duty.

2.0 Review of Literature

Researchers looked at a brief "Review of Literature" on Non-Performing Assets and Profitability available in the form of research articles and papers published in journals, magazines, and websites. Many scholars have looked at the topic and its linked topics, as well as its importance and economic impact. The purpose of this research is to look at the analysis of Non-Performing Assets (NPAs) and Profitability of a selected public sector banks.

Kankrecha S., Pancholi R., Thakkar A. (2021), consider a research that compares two private sector banks, ICICI and HDFC, on the basis of Gross Non-Performing Assets (NPA's), Net Non-Performing Assets (NPA's), and Net Profit over the period 2015-16 to 2019-20. The researcher compares the NPA positions of chosen banks as well as measures of association between NPA and profitability of selected private sector banks over a period of time in this study.

Sharma, S., Kothari, R., Rathore, D.S., Prasad, J. (2020), State Bank of India, United Bank of India, Central Bank of India, Punjab and Sind Bank, Punjab National Bank, Indian Overseas Bank, IDBI Bank, Bank of Baroda, and three private sector banks- ICICI Bank, Axis Bank, and Dhanlaxmi Bank-were examined for non-performing assets and profitability. The research is based on secondary data over a 13-year period, from the financial year 2006 to 2019. Using correlation and regression, this study looked at the relationship between Net Profit and Gross NPA.

Bhandari, M. (2019), the goal of this study was to determine how well public and private sector banks handle Non-Performing Assets (NPAs). They look into the position of Non-Performing Assets (NPAs). They collect data from 2005-06 to 2017-18 for this purpose. They employ a supplementary way to acquire data. Finally, NPAs in the banking industry have an impact on the economy. And various measures, such as credit risk management, credit monitoring, handling corporate governance issues, strict NPA recovery, and asset reconstruction companies, are essential to keep NPAs under control.

Sharma, S., Rathore, D. S., and Prasad, J. (2019), the handling of Non-Performing Assets (NPA) in public and private sector banks was evaluated. They recommended that NPA's be closely monitored in all types of financial institutions, as well as checking for future account slippage in the NPA category.

Singh, H. (2018), through correlation, the relationship between Gross NPA and Net Profit of four banks was investigated: State Bank of India, Nationalized Bank, Private Bank, and Foreign Banks. According to the findings, there was a negative association between Gross NPA and Net Profit in all of the institutions. The researcher found that Non-Performing Assets (NPA's) harm financial institutions' financial and psychological performance, and that public sector banks, in particular, must focus on NPA management to increase their profitability.

Chellasamy P., Prema A.S.A. (2018), this study aims to examine the impact of Non-Performing Assets (NPA's) on the profitability of a sample of public and private sector banks in India. The study's goals are to assess the link between Non-Performing Assets (NPAs) and bank profitability, as well as the impact of NPA's on net profit. Five public and private sector banks were chosen for the study using a purposive sample strategy based on market capitalization. To quantify the link, the researchers used correlation analysis, and regression analysis to estimate the influence of NPA on profitability. During the research period, the study discovered that NPA had a considerable influence on net profits in a number of public sector banks.

Sukul, B. (2017), examined and found that Non-Performing Assets (NPAs) are increasing by leaps and bounds in ICICI Bank in his study "Non-Performing Assets (NPAs): A Comparative Analysis of Selected Private Sector Banks." He also stated that proper project evaluation and adherence to proper credit appraisal techniques will lead to a reduction in NPA.

Samanta, P.K., Roy, P. (2017), studies their work "Analysis of Non-Performing Assets in Public Sector Banks of India," They examined and discovered that there is a high correlation between Gross NPA and Net Profit, and that transparency in disclosure norms should be adhered to maintain investor trust.

Miyan, M. (2017), In India, a statistical comparison of public and private sector banks' Non-Performing Assets (NPA) was conducted. NPA's have been on the decline during the study period, although PSB NPA's are still greater than private sector banks, according to the researchers. As a result, PSU banks performed poorly when compared to private sector bank.

Kiran, K.P., and Jones, T.M. (2016), the impact of Non-Performing Assets (NPA's) on bank profitability has been calculated using Gross Non-Performing Assets (NPA's) and Net Profit (Bank Profit). However, each year's Gross NPA includes the previous year's NPA as well as bad loan recovery. As a result, the researcher used technique to create a link between Gross NPA and Net Profit in this study, as well as examine the performance of the top five public sector banks.

Jaiswal, A., Jain, C. (2016), studies in their work "A Comparative Study of Financial Performance of SBI and ICICI Banks in India," They analyzed and discovered that SBI has smaller bad debts than ICICI bank because SBI has more branches, which allows it to cover the advance issued, lowering SBI's bad debts.

Shah, V., & Sharma, S. (2016), the research paper examines how nonperforming assets (NPAs) operate in private sector banks and how to reduce NPAs. They do this by using ratio analysis to see if the bank's gross Non-Performing Assets (NPA) is increasing or not. NPA provides insight on a bank's performance. Also, explain why a loan has become non-performing. They look at ICICI and HDFC bank data. And we discover that no one has control over NPA, but we can limit it by good policy evaluation and oversight.

Garg, A. (2015), this was a descriptive study that relied on secondary data. They utilize information from 2001 to 2011. The analysis of the nature, breadth, and scale of NPAs in public sector banks, private sector banks, and foreign banks is a primary emphasis. And see whether there's a link between this bank's profitability and its NPA numbers. They employ T-test Hypothesis Testing for their analysis. The test is used to determine whether there is a link between net nonperforming assets (NPA) and net profit in public, private, and foreign sector banks. And they discovered that foreign banks and private sector banks had lower NPAs, whereas public sector banks had higher NPAs. And they propose that NPA can be controlled by efficient management.

Parmer, R. (2014), managing Non Performing Assets (NPA’s) is a difficult undertaking for any financial institution. NPA’s have a wide range of effects on a bank's status and performance. Willful defaulters, sloppy loan processing, and other factors contribute to NPA’s.

Narula, S. and Singhla, M. (2014), Punjab National Bank's Non-Performing Assets were studied, as well as their influence on profitability and the relationship between total advances, net profits, gross and net non-performing assets. The study used data from 2006-2007 to 2011-2012. The fall of nonperforming assets (NPA’s) is necessary for the bank's profitability to increase, it was noted here. They came to the conclusion that PNB's Net Profit and NPA had a favorable relationship. Profit is also growing on one hand as a result of greater advances, but NPA’s are increasing on the other hand as a result of inadequate follow-up.

Mohnani, P., & Deshmukh, M. (2013), the purpose of this study is to assess the operational performance of a few public and private banks in India. They also look at how well those banks handle their nonperforming assets. They gather secondary data for analysis. It consists of NPA-related articles and papers from various business journals, periodicals, and newspapers, as well as data from the internet, were utilized. They gather data from SBI and PNB banks in the public sector, as well as ICICI and HDFC banks in the private sector. They analyze the data using measures of central tendency, frequency distribution, standard deviations, and coefficients of variation. And draw the conclusion that NPAs have a variety of effects on operations, including increased cost of capital, lower return on investment, and a negative impact on bank profitability. NPA’s indicate poor bank performance, hence they must be reduced.

3.0 Statement of the Problem

A healthy banking industry is critical to the economy's growth. The banking business is expanding at a breakneck pace, as is the hardship that comes with it. In reality, the quantity of Non-Performing Assets in Indian banks is a measure of the industry's and trade's health. Non-recovery of loans, as well as interest, is a key stumbling block in the credit cycle. While it is impossible to completely eliminate such losses, banks may always strive to minimize them to a minimum. Non-Performing Assets (NPAs) have been extensively debated in relation to the global financial system.

The flow of money in the banking business is harmed when a bank is unable to recover a loan or does not receive regular interest on such a loan. NPA growth necessitates the use of provisions, lowering total profitability and shareholder value. The collapse of the banking industry might have a negative influence on related and unrelated industries. The problem of Non-Performing Assets (NPA's) is causing concern not just among banks, but also among the country's total wealth. It represents the banks' reputation and performance. If the number of Non-Performing Assets (NPA's) is significant, there is a greater risk of credit defaults, which can hurt a bank's profitability and net worth while also eroding the asset's value.

In light of this, the current research looked at the amount of Non-Performing Assets (NPA's) and how they relate to bank profitability.

3.1 Objectives of the Study

The present study has the following objectives:

- To highlight the trend of Gross NPA's, Net NPA's and Net Profit of selected public sector banks.
- To established a link between Net NPA's and Net Profit of selected public sector banks.

3.2 Research Methodology

The goal of this study is to look at the trends in NPA's in terms of Gross NPA's, Net NPA's, and Net Profit. Several research studies on Non-Performing Assets (NPA's) in the Indian banking sector are available; the studies confirmed the NPA problem utilizing secondary data. The major focus of this study is on examining Non-Performing Assets held by selected public sector banks in India from 2010-11 to 2020-21. The current research is a descriptive investigation on the link between Non-Performing Assets and Net Profits. We utilized the tool correlation using SPSS in the final analysis. The document is made up of secondary data that was gathered from a variety of sources, including papers, journals, articles, and websites. The empirical findings show that there is a negative association between profitability and Non-Performing Assets (NPA's) utilizing observational methods and statistical tools such as correlation and data representation techniques.

4.0 Data Analysis

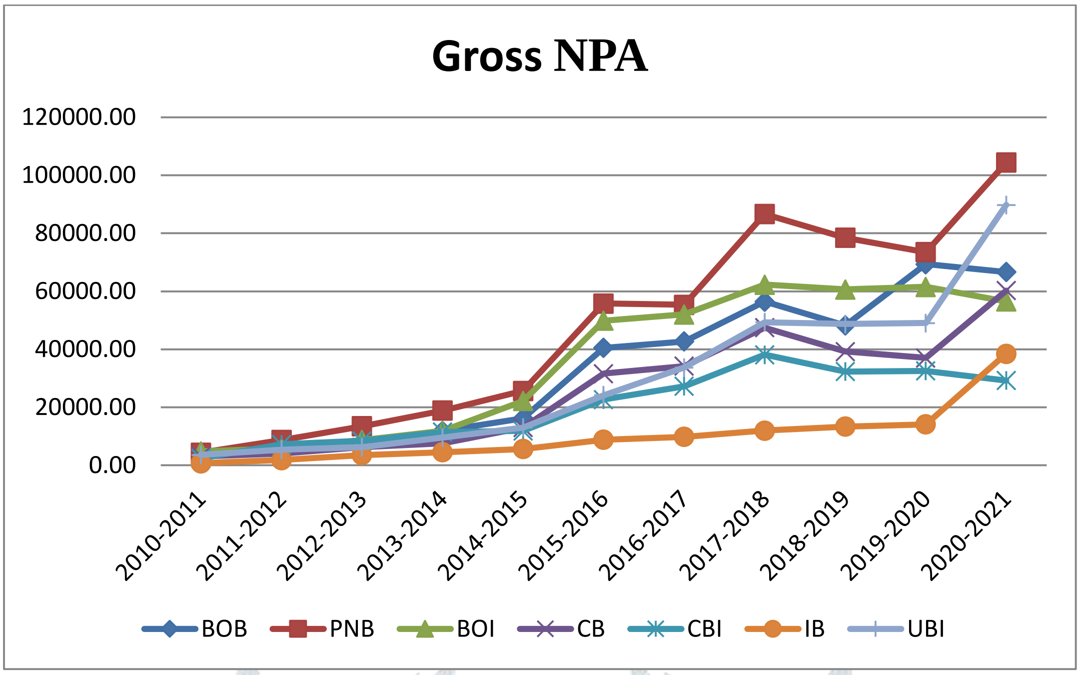
Data has been collected from the websites, annual reports of the respective selected public sector banks.

Year	Gross NPA						
	BOB	PNB	BOI	CB	CBI	IB	UBI
2010-2011	3152.50	4379.39	4811.55	3089.21	2,394.53	740.31	3,622.82
2011-2012	4464.75	8719.62	5893.97	4031.75	7,273.46	1,850.77	5,449.86
2012-2013	7982.58	13465.79	8765.25	6260.16	8,456.18	3,565.47	6,313.83
2013-2014	11875.90	18880.06	11868.60	7570.21	11,500.01	4,562.20	9,563.72
2014-2015	16261.45	25694.86	22193.24	13039.96	11,873.06	5,670.44	13,030.87
2015-2016	40521.04	55818.33	49879.12	31637.83	22,720.88	8,827.04	24,170.89
2016-2017	42718.70	55370.45	52044.52	34202.04	27,251.33	9,865.14	33,712.28
2017-2018	56480.39	86620.05	62328.46	47468.47	38,130.70	11,990.14	49,369.93
2018-2019	48232.77	78472.70	60661.12	39224.12	32,356.04	13,353.45	48,729.15
2019-2020	69,381.43	73,478.76	61,549.93	37,041.15	32,589.08	14,150.84	49,085.30
2020-2021	66,670.99	104,423.42	56,534.95	60,287.84	29,276.96	38,455.35	89,788.20

Average	33431.14	47756.68	36048.25	25804.79	20347.48	10275.56	30257.90

Source: moneycontrol.com

Table 1: Year Wise Gross NPA of Selected PSB's (Rs. in Crore)



Graph 1: Year Wise Gross NPA of Selected PSB's (Rs. in Crore)

Table and Graphical Trend of Gross NPA of Selected Public Sector Banks

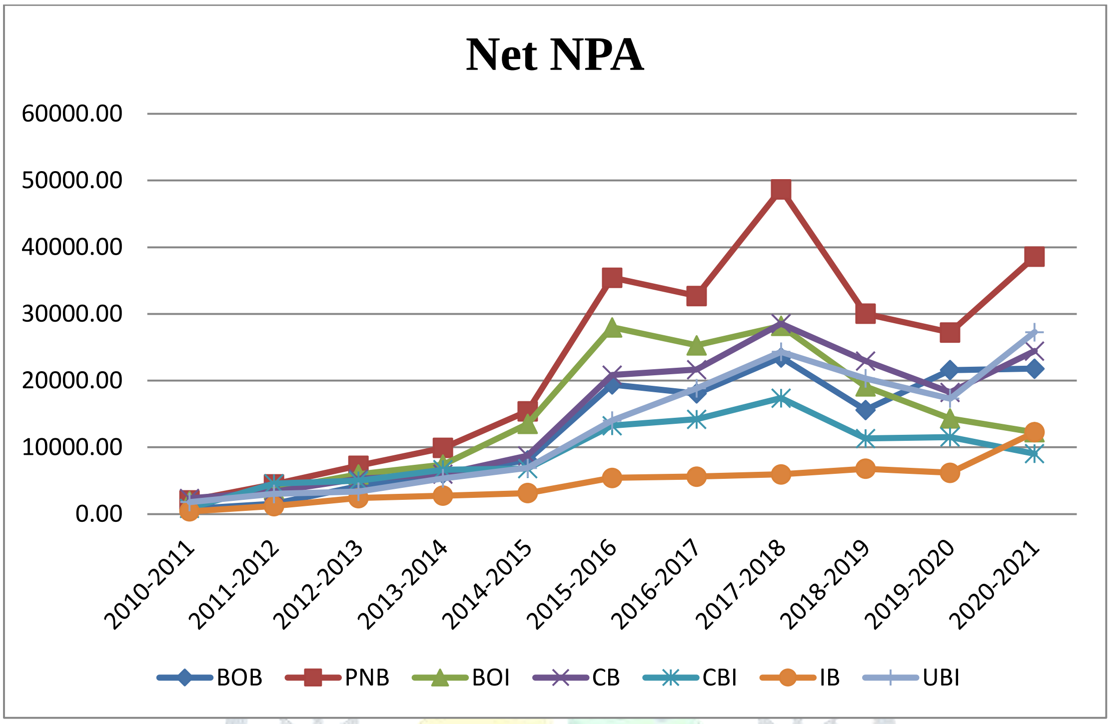
From the Table 1 the Gross NPA is plotted on the graphs for all the selected public sector banks. From the graphs, the trend of Gross NPA of selected public sector banks from 2010-11 to 2020-21 is shown. From the Table 1 it is observed that all banks Gross NPA continue increasing from starting of study period but later on it is fluctuating after changes in government policies to control it but as an exception case the Indian Bank Gross NPA continue increasing. Recovery in NPA accounts and also there seems to be again slippage of some account to NPA category. It shows that overall functioning of the bank on the front of controlling NPA's does not appear to be satisfactory and there is a need to have a systematic approach towards tackling the problem of NPA's.

Year	Net NPA						
	BOB	**PNB**	**BOI**	**CB**	**CBI**	**IB**	**UBI**
2010-2011	790.88	2038.63	1944.99	2347.33	847.29	397.04	1,803.44
2011-2012	1543.64	4454.23	3656.42	3386.31	4,556.77	1,196.83	3,025.03
2012-2013	4192.02	7236.50	5947.31	5278.07	4,987.55	2,384.30	3,353.38
2013-2014	6034.76	9916.99	7417.23	5965.46	6,648.56	2,763.64	5,340.08
2014-2015	8069.49	15396.50	13517.57	8740.09	6,807.45	3,146.96	6,918.97
2015-2016	19406.46	35422.57	27996.39	20832.91	13,241.80	5,419.40	14,025.94
2016-2017	18080.18	32702.11	25305.05	21648.98	14,217.83	5,606.57	18,832.10
2017-2018	23482.65	48,684.29	28207.27	28542.40	17,377.87	5,959.57	24,326.31
2018-2019	15609.50	30037.66	19118.95	22955.11	11,333.24	6,793.11	20,332.42

2019-2020	21,576.59	27,218.89	14,320.10	18,250.95	11,534.46	6,184.24	17,303.14
2020-2021	21,799.88	38,575.70	12,262.03	24,442.07	9,036.46	12,271.13	27,280.52
Average	12780.55	22880.37	14517.57	14762.70	9144.48	4738.44	12958.30

Source: moneycontrol.com

Table 2: Year Wise Net NPA of Selected PSB's (Rs. in Crore)



Graph 1: Year Wise Net NPA of Selected PSB's (Rs. in Crore)

Table and Graphical Trend of Net NPA of Selected Public Sector Banks

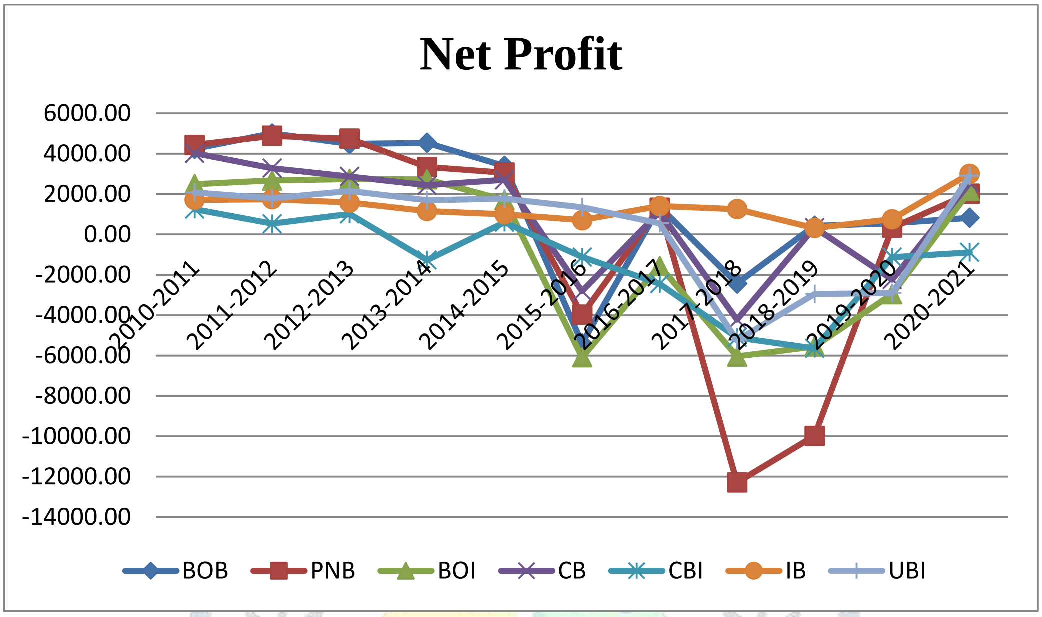
From the Table 2 the Net NPA is plotted on the graphs for all the selected public sector banks. From the graphs, the trend of Net NPA of selected public sector banks from 2010-11 to 2020-21 is shown. From the Table 2 it is observed that all banks Net NPA continue increasing from starting of study period but later on it is fluctuating after changes in government policies to control it. Recovery in NPA accounts is not seems satisfactory. It shows that overall functioning of the bank on the front of controlling NPA's does not appear to be satisfactory and there is a need to have a systematic approach towards tackling the problem of NPA's.

Year	**Net Profit**						
	BOB	**PNB**	**BOI**	**CB**	**CBI**	**IB**	**UBI**
2010-2011	4241.68	4433.50	2488.71	4025.89	1,252.41	1,714.07	2,081.95
2011-2012	5006.96	4884.20	2677.52	3282.72	533.04	1,746.97	1,787.14
2012-2013	4480.72	4747.67	2749.35	2872.10	1,014.96	1,581.14	2,157.93
2013-2014	4541.08	3342.57	2729.27	2438.19	-1,262.84	1,158.95	1,696.20
2014-2015	3398.43	3061.58	1708.92	2702.63	606.45	1,005.17	1,781.64
2015-2016	-5395.55	-3974.39	-6089.21	-2812.82	-1,117.67	711.38	1,351.60

2016-2017	1383.13	1324.80	-1558.34	1121.92	-2,439.10	1,405.68	555.21
2017-2018	-2431.81	-12282.82	-6043.71	-4222.24	-5,104.90	1,258.99	-5,247.37
2018-2019	433.52	-9975.49	-5546.90	347.02	-5,641.48	321.95	-2,947.45
2019-2020	546.19	336.19	-2,956.89	-2,235.72	-1,121.35	753.36	-2,897.78
2020-2021	828.96	2,021.62	2,160.30	2,557.58	-887.58	3,004.68	2,905.97
Average	1548.48	-189.14	-698.27	916.12	-1288.01	1332.94	293.19

Source: moneycontrol.com

Table 3: Year Wise Net Profit of Selected PSB's (Rs. in Crore)



Graph 3: Year Wise Net Profit of Selected PSB's (Rs. in Crore)

Table and Graphical Trend of Net Profit of Selected Public Sector Banks

From the Table 3 the Net Profit is plotted on the graphs for all the selected public sector banks. From the graphs, the trend of Net Profit of selected public sector banks from 2010-11 to 2020-21 is shown. From the Table 3 it is observed that all banks Net Profit sometimes increasing and sometimes decreasing trend of study period. When the Net Profit is going to decrease, 2017-18 is the worst time for banks income almost all banks got the loss in financial year 2017-18 except the Indian Bank. Indian Bank profit also decreases then the last year but after all it got some profit. After financial year 2017-18 all banks change the policies of recovery of loans and it reflects on the net profit of the banks. After 2017-18 all banks recover the last year losses and got the profit of last year of the study. As an exception case Central Bank of India still got the loss but it is also recover the losses of last year. It shows that overall functioning of the banks on the front of controlling NPA's much better than the starting period of the study to the closing period of the study.

Correlation Analysis

- The Karl Pearson's correlation is use for measures relation between two variables.
- The values of correlation are in between -1 and +1.
- -1 means negative correlation, +1 means positive co-relation and 0 means no relationship.

Bank	Correlation	p-Value	Significant/ Non-Significant
Bank of Baroda	-0.815	0.002	Significant
Punjab National Bank	-0.759	0.007	Significant
Bank of India	-0.867	0.001	Significant
Canara Bank	-0.741	0.009	Significant
Central Bank of India	-0.786	0.004	Significant
Indian Bank	0.272	0.419	Non-Significant
Union Bank of India	-0.535	0.090	Non-Significant

Prepared by researcher

Table 4: Correlation between Net Profit and Net NPA and their Significance

It is fact that one of the components of the profitability of the banking sector is the recovery of loans on time. Performance of banking sector is measured in terms of effective management of NPA. The above correlation analysis shows that there is a negative correlation between Net Profit and Net NPA of all selected public sector banks except Indian bank. The value of correlation coefficient is also tested by using t-test, which shows that except Indian Bank and Union Bank of India all other show significant correlation between the two variables.

It is calculated by simple correlation method between Net Profit and Net NPA of selected public sector banks through SPSS.

5.0 Findings

The study unfolds the following:

- In the present study we found out Gross NPA, Net NPA and Net Profit of Bank of Baroda, Punjab National Bank, Bank of India, Canara Bank, Central Bank of India, Indian Bank and Union Bank of India.
- It was observed in the study that all selected public sector banks were able to contain NPA's in the selective study period.
- The level of Gross NPA, Net NPA and Net Profit of public sector banks increased gradually on year on year of selected period from 2010-11 to 2020-21.
- According to table 1 and table 2, among the selected public sector banks, Punjab National Bank recorded the highest Gross and Net NPA and Indian Bank recorded the lowest Gross and Net NPA than the other selected banks in the specific study period.
- According to table 3, among the selected public sector banks, Bank of Baroda recorded the highest Net Profit and Central Bank of India not got the profit after 2015-16 to till 2020-21 and recorded the maximum loss than the other selected banks in the specific study period.
- Correlation analysis of Net Profit and Net NPA reveals that all the selected public sector banks are negatively correlated but as an exception case Indian Bank is positively correlated.

- So, it is recommended to the regulators and respective bank officials take the necessary steps to reduce the NPA's and improve the recovery mechanism.

6.0 Conclusion and Suggestions

From 2010-11 through 2020-21, the evolution of Gross Non-Performing Assets (GNPA's), Net Non-Performing Assets (NNPA's), and Net Profit of selected public sector banks was analyzed. It may be inferred that Non-Performing Assets have a negative influence on the profitability of selected public sector banks. NPA's have an impact not just on bank financial performance but also on the economy's financial growth. Because our economic growth is dependent on the financial system, all sorts of financial institutions, such as banks and other financial institutions, as well as both the public and private sectors, should focus on NPA management to increase profitability.

A growing NPA indicates a large number of credit defaults, which has an impact on a bank's profitability, liquidity, and solvency. The problem of Non-Performing Assets (NPA's) has a significant impact on financial institutions, and this study focuses on the profit of public sector banks. As a result, rigorous steps must be adopted to address the NPA problem.

- Lending principles should be rigorously followed by banks.
- Banks should adhere to the most up-to-date accounting standards.
- Top management, the Board of Directors, and the Auditors should all be held accountable.
- There must be complete loan usage to ensure that no loan funds are syphoned.
- When a high-value account exhibits signs of delinquency, banks should be extremely cautious to avoid the account falling into the sub-standard category.
- Willful defaulters must face severe consequences.
- Political and government influence should be avoided when it comes to banks.
- For better credit decisions, corporate governance should be enhanced.
- Banks should have clear rules for debt compromise/settlement so that decisions may be made quickly.
- By implementing optimal banking standards, there should be total openness in credit decision-making and bank balance sheets.

Because the banking industry plays such an important part in the country's economic growth, the financial health of these institutions is critical in ensuring that financial services are provided to all sectors of the economy on a consistent basis.

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