



FINANCIAL PERFORMANCE ANALYSIS OF KARUR VYSYA BANK

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ABSTRACT

Banking sector is most essential sector to a country economic growth. With a large network of branches and a diverse range of financial services, India's banking system is large. The aim of this research is to study the financial analysis of Karur Vysya Bank. The financial performance of banks was analyzed using net profit, assets, liabilities, income, expense, margin ratio, and return on equity ratio. After evaluating financial data from 2017 to 2022, the study concluded that the private banks performed better than public banks. The results of this study will benefit bank, shareholders and customers, as well as bank management.

Key Word: Financial Performance, public banks, private banks, ratio analysis, Profit

I.INTRODUCTION

The banking sector is the economy's backbone and a prerequisite for the country's survival. It offers a wide range of financial services, including a savings account, a current account, an ATM, a deposit, a debit card, a credit card, internet banking, investment, financial advice, and other financial services. The banking industry's growth is dependent on the public's traditional services, such as deposits and loans. The banking sector's primary purpose is to collect money from depositors and lend it to those who are in need. Banks are the most prominent participants in the financial and stock markets. The fund is provided for the investment and economic development which contributes in the overall performance. It developed into a division of our society which included corporations as well as individual customers. The banking sector, as we all know, is the economy's backbone and has a direct impact on economic development. Customer service, deposit and loan facilities, and financial results are all factors that affect the bank's ability to grow.

Following the privatization of India's banking industry, the sector has experienced rapid growth, with public banks expanding their services and earnings. In terms of financial performance, private sector banks are thought to be better planned or structured than public or old private sector banks (Babu 2015).Public and private sector banks each have their own set of advantages and disadvantages, so before

making any financial decisions about a bank, it is vital to determine its financial efficiency, regardless of whether it is public or private. Due to Covid-19 pandemic the public sector banks and private sector banks are affected badly. As a result, financial performance review of public and private sector banks is recommended.

OBJECTIVE OF THE STUDY

- The objective of this study is to analyze the financial performance of KVB bank.
- The study also aims to identify the key factors that affect KVB bank performance

II. REVIEW OF LITERATURE

(Kumar & Kumar, 2016) studied and compared the output of four public sector banks from 2011 to 2015. They compared SBI to other public banks using a variety of financial ratios and came to the conclusion that SBI is superior. (Karri et al., 2015) used the CAMEL model and T-test to evaluate the financial strength of Bank of Baroda and Punjab National Bank. Based on 14 financial ratios, they discovered that Bank of Baroda outperformed Punjab National Bank on average.

(Chintala & Kumar, 2016) studied public and private bank's financial performance. SBI, BoB, PNB, CBI, IDBI, HDFC, ICICI, Kotak, and IndusInd bank's total income, interest income, and service income were analyzed for the five years i.e. from 2011 to 2016. They came to the conclusion that private sector banks were the most profitable and experienced the fastest growth. Similarly, (Koley, n.d.) analyzed the financial performance of State Bank of India and HDFC Bank from 2013 to 2018. After considering annual income, net interest income, operating profit, net profit, and the CAMEL model, it was concluded that HDFC outperformed the rest. The findings were supported when the financial performance of public and private sector banks in India was compared and evaluated from 2009 to 2012 (Goel and Rekhi 2013). The ratio analysis and correlation coefficient matrix showed that HDFC bank performed well when compared to SBI, BOB, PNB, ICICI, and Axis bank. (Nathwani 2011) examined into the financial performance of all commercial banks of India over a five-year period, from 1997-1998 to 2001-2002. The ANOVA table was applied to Interest Income to Average Working Funds Ratio, Non-Interest Income to Average Working Funds Ratio, and Capital Adequacy Ratio. He discovered that banks that adapt to change, evolve, and adopt new technology to meet the needs of their customers are more likely to succeed. Banks that have introduced new and creative business models will be well positioned to face the demands and perform successfully in the marketplace. These are the banks that will hit greater heights of success in the future.

66929 comparing public and private sector banks, it was found that private sector banks perform better in all of the selected parameters compared to public sector banks.

(Al-Kaseasbah, 2018) compared SBI and ICICI bank's financial results between 2012 and 2016. Financial ratio analyses and hypothesis testing were conducted, and it was concluded that the SBI registered a fluctuating trend while the ICICI bank struggled to handle an increasing trend. Similarly, (Mishra, 2015) analysed the financial data of private Indian banks over a nine-year period. Based on the standard deviation and variance analyses, it was calculated that three private banks, namely HDFC Bank, Kotak

Mahindra Bank, and Yes Bank, performed well as compared to all other private banks. In terms of profitability, the other private banks had fallen short of expectations. It was suggested that banks could improve their profitability in a competitive market by converting branches from transactional centres to relationship centres. (2018, Ns et al.) They used multiple regression analysis to analyse the financial performance of private commercial banks in India (HDFC, ICICI, and AXIS), and discovered that bank size, credit risk, operating quality, asset management, and debt ratio all have a major effect on internal performance, market performance, and bank

profits, which illustrates the financial performance of the three selected private commercial banks.

According to the literature review, the performance of private banks and public banks differ significantly in terms of time, profitability, credit risk, asset quality, return generating capability, and other factors. The financial output of banks was greatly influenced during this Covid-19. A comparison of private and public banks' financial results from 2016 to 2020 will aid in a deeper understanding of the effect of Covid-19 on financial performance and how it affected the overall banking industry.

III. RESEARCH METHODOLOGY

The data collected for the study is Secondary data from KVB website . The required data for the study were collected and compiled from KVB site. In addition, other required data were collected from various magazines and journals. This research is descriptive and quantitative in nature as it is studying the current financial status of KVB banks. The yearly financial data bank from 2017 to 2022 was collected from the financial websites. For the data analysis purpose the total net profit, total assets, total income, total expense, net profit ratio, and return to net-worth ratio was calculated and compared.

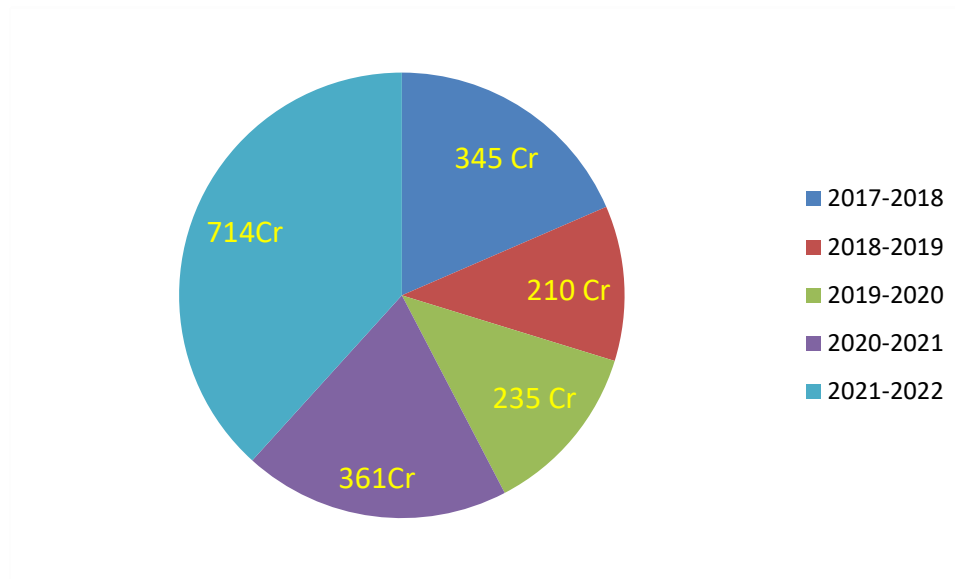
IV. DATA ANALYSIS

Table .1.NET PROFIT (Amount in Cr)

S.NO	YEAR	NET PROFIT
1	2017-2018	345
2	2018-2019	210
3	2019-2020	235
4	2020-2021	361
5	2021-2022	714

(Source : www.kvb.co.in)

In table No.1. As compared 2017 to 2022, it decreased in 2018, After increased in 2019,2020,2021 and 2022. KVB bank, on the other hand, controlled its profit after 2018 and raised its profit.KVB performed well in the private banking sector. Its profit has steadily increased over the last four years.

Chart .1.NET PROFIT (Amount in Rs. Cr)**Table .2 CAPITAL & LIABILITIES (Amount in Cr)**

S.NO	YEAR	CAPITAL & LIABILITIES
1	2017-2018	66929
2	2018-2019	69340
3	2019-2020	68278
4	2020-2021	74623
5	2021-2022	80043

(Source : www.kvb.co.in)

In table No.2. As compared 2017 to 2022, it Increased in 2018, After Decreased in 2019 and increased in 2020, 2021. KVB bank, on the other hand, maintains capital and liability in sufficient.

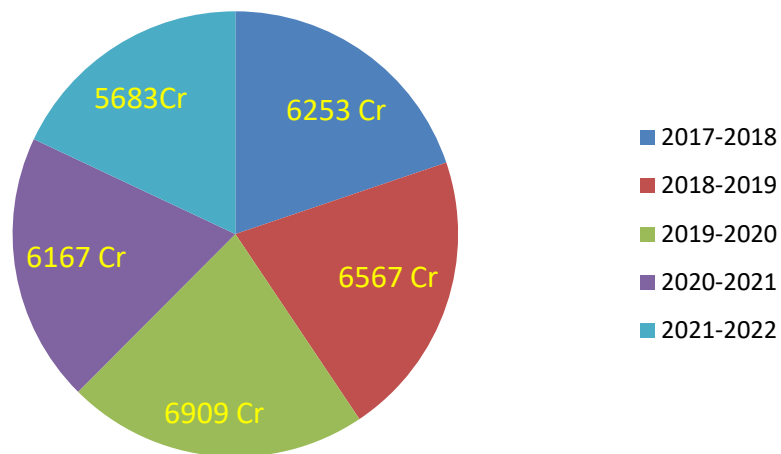


Table .3. TOTAL ASSETS (Amount in Cr)

S.NO	YEAR	TOTAL ASSETS
1	2017-2018	66929
2	2018-2019	69340
3	2019-2020	68278
4	2020-2021	74623
5	2021-2022	80043

(Source : www.kvb.co.in)

According to table 3, assets of KVB increased over a five-year period from 2017 to 2022. In comparison to fast five year, 2019 decreased but 2020 onwards increased KVB Assets.

Table .4. TOTAL INCOME (Amount in Cr)

S.NO	YEAR	TOTAL INCOME
1	2017-2018	6599
2	2018-2019	6778
3	2019-2020	7144
4	2020-2021	6527
5	2021-2022	6356

(Source : www.kvb.co.in)

According to table 3, total income of KVB increased over a five-year period from 2017 to 2022. In comparison 2017-2022, KVB bank's total income increased 2019-

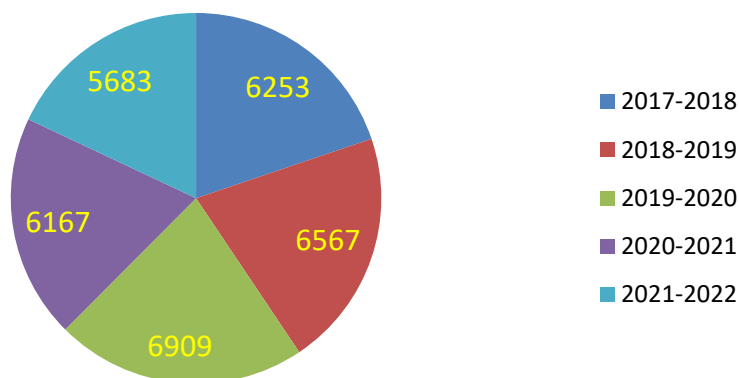
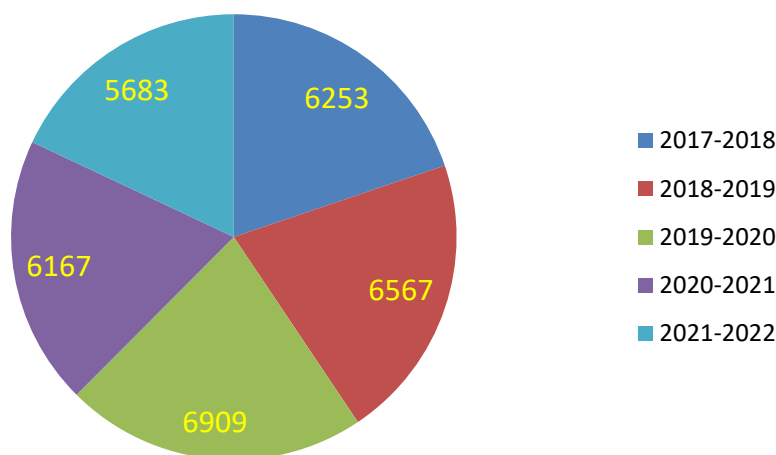


Table .5. TOTAL EXPENSE (Amount in Cr)

S.NO	YEAR	TOTAL EXPENSE
1	2017-2018	6253
2	2018-2019	6567
3	2019-2020	6909
4	2020-2021	6167
5	2021-2022	5683

(Source : www.kvb.co.in)

Total expenditures for KVB banks rose over a five-year period from 2017 to 2022, according to table 5. The KVB bank was found to be effective in its cost management.



V.CONCLUSION

The study focused at the financial performance of KVB last five years, from 2017 to 2022. The customer and banks are interdependent. The competitive era banks need profitability and consistency. The relationship between customer and bank is long term. The study also aimed to identify the main factors influencing bank success, as well as the best banks based on their financial results over a set period of

time. The net profit, total assets, total net income, total expenses,. Based on the data review, it is possible to conclude that private banks outperformed public sector banks. In the private sector, KVB Bank outperformed.

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