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Performance Evaluation of Private Sector Banks in India by Using Camels Model – A Study with Special Reference to Karnataka Bank Private Limited

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ABSTRACT
Performance evaluation of the Private sector banks by using CAMELS model is an effective measure and indicator to check the soundness of economic activities of an economy. In the present study an attempt has been made to evaluate the performance & financial soundness of selected Private Banks in India for the period 2011-12 to 2017-18. CAMEL approach has been used to examine the financial strength of the Karnataka Bank. Composite Rankings, Average, and Covariance has been applied here to reach conclusion through the comparative and significant analysis of different parameters of CAMEL.

Keywords: Banking, CAMELS, Performance, Hypothesis

BANKING INDUSTRY

Banking industry is playing an important role in creating banking habits among the peoples. The Banking sector has established for the purpose of providing services to all the people. It is an independent collaboration and to meet the customer‟s needs and wants because of earning good profit. Today banking industry is very important to people to cash turn over process. Reserve bank of India is Head of all the Banks it‟s provide good capital to all other financial institution and also instructions to updating modern technology and provide better services to our customers. Today banking industry has highly developed through online transaction and provides safety and security to our money. Indian banking industry includes 26 private sector banks, 27 public sector banks,46 foreign banks,56 regional rural banks, 1574 urban co-operative banks and 93913 rural co- operative banks daily working in our country. RBI provides unlimited fund transfer to our customer and also provides digital payment system and immediate payment services system in India.

KARNATAKA BANK

Shree Mahabaleshwara M S is managing director and CEO of KBL. It is one of "A‟ class scheduled bank in India. Is incorporated on 18th Feb. 1924 and its commenced business on 23rd may 1924 at Dongerkery, Mangalore. The bank over grow with combination of SringeriSharada bank Ltd, Chitradurga bank Ltd and Bank of Karnataka with over 9 decades experience of KBL is provide professional banking services and quality customer services with national presence with network of 838 branches, over 8000 employees, 146000 shareholders and 8.2 million customers include in KBL. Today KBL is one of the emerged leading financial institutions in India. KBL provides various types of Loans facilities, deposits and optimum returns on surplus. It‟s also more focuses on long term relationship with customers and try to match customer‟s expectations today or future.

LITERATURE REVIEWS

Dr.Elizabath M. samule(2018):The study is based on secondary data drawn from the annual report. This is used for evaluate the data‟s of five year(2011-16)before demonetization are analyzed by calculating 17 ratios

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related to camels rating model. The research makes an attempt to compare the performance of 3 different banks using camel model. They ranks the banks like syndicate bank, Canarabank, Indian overseas bank.

Lingeriya kengatharam (2018):This paper basically examines the impact of CAMEL rating system on performance of listed commercial banks in Sri lanka.. random sampling method was used to select the tens ample banks and data were collected from secondary data for the sixth year period from 2011-2016.this study highlights‟ significant impact of camel rating factors are performance interms of capital adequacy ratio and managerial facility.

P.Muralidhar and chokkalingam(2017): Bank can play a vital role in the running of the economy in any country worldwide.it can evaluate to fight through difficulties and inefficient faced by the banking sector. There are various financial tools and techniques to measure the performance.one of the most important one being the CAMEL model. Which lays prominence on all the aspects of the performance measurement?

Pardeep and Sakshi(2017):This paper undertake to analysis the performance of Sarva Haryana Garmin bank for aperiod of nine years ranges between 2005-14 using the camel model. In a nutshell sarva Haryana gramin bank performed but in the parameter of capital adequately managed by management quality. The bank was not performed well in the parameter of earning quality.

Dr. Devarajappas (2017):This paper examines the impact of mergers on financial performance of selected commercial banker in India by using CAMEL model. Total sixteen ratios were used in the study showed that there is a significant improvement in asset quality, management efficiency and liquidity of the selected banker and the capital adequacy of all public sector banker it conclude that overall financial performance of the banker improved after merger.

Maryam BintiBadrulMunir (2017): This article analyze about banks profitability performance on the based on camel model. The methodology used with samples of 114 from 10 banks in Malaysia and 9 banks in Indonesia this was used to descriptive method and multiple regression analysis. This indicates that bank is in good profitability and its performance is good based on the camel. Camel analysis used to measure the performance of banks the research limitation focuses between Malaysia and Indonesia.

OBJECTIVES OF THE STUDY

To understand the theoretical background of the CAMELS.

To approximate the performance of the Bank trend through technique of ratio analysis in CAMELS model.

To evaluate the firm liquidity positionthrough the calculation of ratios meant for eight years.

To statistically examine the relationship between the variables through the use of correlation co-efficient.

To offer suggestions based on the major findings.

HYPOTHESES

H 0=There is no significant relationship between debt and equity.

H 1= There is significant relationship between debt and equity.

H 0=There is no significant relationship between total income to Total assets.

H 1= There is significant relationship between total income to Total assets.

ANALYSIS AND INTERPRETATION

1. CAPITAL ADEQUACY

It Shows overall financial circumstance of bank and also the capacity to meet the institute needs. The subsequent ratios calculate capital adequacy.

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DEBT EQUITY RATIO

DER = DEBT / EQUITY

YEARS	DEBT(RsIn Cr)	EQUITY(RsIn Cr)	DER
2010-11	28422.78	2429.09	11.70:1
2011-12	32755.39	2598.21	12.61:1
2012-13	37635.98	2857.08	13.17:1
2013-14	42498.02	3052.20	13.92:1
2014-15	47046.37	3389.06	13.88:1
2015-16	51539.69	3690.59	13.96:1
2016-17	57565.73	5142.59	11.19:1
2017-18	63687.26	4993.94	12.75:1
Mean			**12.90:1**
SD			**1.09**
CV			**8.44%**

The above table Shows debt equity ratio of Karnataka bank limited in the year 2010-11 to 17-18. In the year 2010-11 debt equity ratio was 11.7 times and 2013-14 it"s increased to 13.92 times. And in 2016-17 it decreases to 11.19 times. So decreasing of debt equity ratio indicates better protection of their capital. The average debt equity ratio of KBL is 12.90 times. It indicates minimize its financial risk. The SD and CV"s are 1.09 and 8.44 times respectively.

2. TOTAL ADVANCES TO TATAL ASSETS RATIO

TATAR= TOTAL ADVANCES/ TOTAL ASSETS*100

Years	Total advances(RsIn Cr)	Total assets(RsIn Cr)	TATAR (%)
2010-11	17348.07	31693.01	54.74
2011-12	20720.70	36321.57	57.05
2012-13	25207.70	41526.38	60.70
2013-14	28345.49	47028.80	60.27
2014-15	31679.99	51836.60	61.11
2015-16	33902.45	56500.33	60.00
2016-17	37003.64	64126.55	57.70
2017-18	47251.75	69957.45	67.54
Mean	**59.89**		
SD	**14.31**		
CV	**23.89%**		

INTERPRETATION: The Karnataka bank limited maintains some average level of Total advances to total assets ratio. In this ratio shows deviation of increasing advances and investment level. In the year 2010-11

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TAR is 54.74 % and it increased to 61.11 % in 2014-15. So finally it"s reduce in 57.7 % in the year 2016-17. And in the year 2017-18 it increases to 67.54% the average of total advances to total assets ratio is 59.89 it shows Bank is running good profit. The SD and CV are 14.31 and 23.89 % respectively and it is near to difference and it"s good for the Bank.

ASSET QUALITY

1. Investment to total asset ratio

=TOTAL INVESTMENT/TOTAL ASSET*100

Years	Total investment(RsIn Cr)	Total assets (RsIn Cr)	TITAR (%)
2010-11	11506.34	31693.01	36.31
2011-12	12841.23	36321.57	35.35
2012-13	13432.48	41526.38	32.35
2013-14	15226.78	47028.80	32.37
2014-15	15988.06	51836.60	30.84
2015-16	16256.65	56500.33	28.77
2016-17	20219.73	64126.55	31.53
2017-18	15444.45	69957.45	22.08
Mean	**31.19**		
SD	**18.21**		
CV	**58.38%**		

INTERPRETATION: The above table and graph presents the total investments to total assets ratio. We can see that the above table Total investment to total assets ratio is declining year by year. In 2010-11 this ratio is 36.31 is continuously decreased to 2015-16 is 28.77%.and 2016-17 its increase 31.53%. And in the financial year 2017-18 it again decreased to 22.08%. The KBL investments which in turn to rising the total assets of the Bank. So this is desirable for the Bank. The mean of total investments to total assets ratio is 31.19% which is satisfactory. The variation in SD and CV are 18.21 and 58.38% respectively

2. INVESTMENT TURNOVER RATIO

=NET SALES/TOTAL INVESTMENT

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Years	Net sales (Rs In Cr)	Total Investment (Rs In Cr)	ITR
2010-11	2662.60	30851.87	0.08:1
2011-12	3447.27	35353.60	0.09:1
2012-13	4161..93	40493.06	0.10:1
2013-14	4694.41	45550.22	0.10:1
2014-15	5205.41	50432.43	0.10:1
2015-16	5535.07	55230.28	0.10:1
2016-17	5994.74	62708.32	0.09:1
2017-18	6378.09	68681.20	0.09:1
Mean		**0.09**	
SD		**0.00**	
CV		**0.00**	

INTERPRETATION: The above table and graph presents the net sales and total investment ratio. We observe that above graph was fluctuating year by year .From 2012-13 up to 2015-16 they maintain the sales constantly later there was a little decrease in 2016-18 because of increasing their investment. The mean of net sales and total investment is 0.09 and the SD and CV are 0.00 and 0.00%

MANAGEMENT EFFECIANCY

TOTAL ADVANCES TO TOTAL DEPOSIT RATIO

=TOTAL ADVANCES/TOTAL DEPOSITE*100

Years	Total advances (RsIn Cr)	Total deposit(RsIn Cr)	TATDR (%)
2010-11	17348.07	27336.45	63.46
2011-12	20720.70	31608.32	65.55
2012-13	25207.68	36056.22	69.91
2013-14	28345.49	40582.83	69.84
2014-15	31679.99	46008.61	68.85
2015-16	33902.45	50488.21	67.15
2016-17	37003.65	56733.11	65.22
2017-18	47251.75	62871.29	75.15
Mean			**68.14**
SD			**13.40**
CV	**19.67%**		

INTERPRETATION: From the above table shows continuously decrease in the total advances to total assets ratio. In the year 2010-11 is 63.46%. Their increases in the year 2012-13 is 69.91%. And it decreases in 2016-17 65.22%. And increases in the financial year 2017-18 to 75.15%. So in this table clearly represents decreasing order to total advances to total assets ratio of Karnataka bank Ltd. The meanof total advances to total deposits ratio is 68.19%. This represents that the KBL, is very much efficient to convert its deposits into the advances. The SD and CV of the Banks are 13.40 and 19.67% and the ratio is satisfactory

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RETURN ON NETWORTH RATIO

=PAT/TOTAL NETWORTH*100

Years	PAT (Rs In Cr)	Total networth (Rs In Cr)	RONWR (%)
2010-11	204.61	2429.09	8.42
2011-12	246.07	2598.21	9.47
2012-13	348.08	2857.08	12.18
2013-14	311.03	3052.00	10.19
2014-15	541.29	3389.06	13.32
2015-16	415.29	3690.59	11.25
2016-17	452.26	5142.59	08.79
2017-18	325.61	4993.94	06.52
Mean	**10.02**		
SD			**04.81**
CV	**48.00%**		

INTERPRETATION: The above table presents the difference of Return on net worth ratio of KBL is increasing except in the year 2014-15 since the profit completed by the Bank. That mean return on net worth ratio is 10.02% which shows the Bank is earning stable profit. The SD and CV of the KBL are 4.81 and 48% respectively.

ASSET TURNOVER RATIO

= NET SALES/AVERAGE TOTAL ASSETS

Years	Net sales (Rs In Cr)	Average total assets (Rs In Cr)	ATR
2010-11	2662.60	31693.01	0.08:1
2011-12	3447.27	36321.57	0.09:1
2012-13	4161.93	41526.38	0.10:1
2013-14	4694.41	47028.80	0.09:1
2014-15	5205.41	51836.60	0.09:1
2015-16	5535.07	56500.33	0.09:1
2016-17	5994.74	64126.55	0.09:1
2017-18	6378.09	69957.45	0.09:1
Mean			**0.09:1**
SD			**0.00**
CV			**0.00**

(SOURCE: Website)

INTERPRETATION: From the above graph and table shows the net sales and total asset ratio. In 2010-11 to 2012- 13 it‟sfluctuating little later on remaining years they maintain the constant sales and asset from the year 2010-11 to 2017-18. They maintain a better utilization of available assets its good for a bank the mean worth of asset 0.09 and its SD and CV was0.00 and 0.00%.

EARNINGS QUALITY

INTEREST INCOME TO WORKING FUND RATIO

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=INTEREST INCOME /WORKING FUND*100

YEAR	INTEREST INCOME(RsIn Cr)	WORKING FUND(RsIn Cr)	IIWFR (%)
2010-11	2370.85	28610.98	8.28
2011-12	3112.88	32943.68	9.44
2012-13	3764.29	37824.33	9.95
2013-14	4188.83	42686.44	9.81
2014-15	4698.42	47234.83	9.94
2015-16	4992.21	51728.16	9.65
2016-17	5185.40	57848.35	8.96
2017-18	5423.75	63969.88	8.47
Mean			**9.31**
SD			**3.08**
CV			**33.08%**

(SOURCE: Website)

INTERPRETATION: The above graph and table showing variable trend. The interest income to working fund ratio is high in the year 2012-13 which shows that the KBL have made improved earnings during this period. The standard interest to working fund ratio is 9.31%. The SD and CV of the society are 3.08 and 33.08% and it is satisfactory

NON-INTEREST INCOME TO WORKING FUND RATIO

=NON-INTEREST INCOME/WORKING FUND *100

YEARS	NON-INTEREST INCOME(RsIn Cr)	WORKING FUND(RsIn Cr)	NIIWFR (%)
2010-11	291.76	28610.98	1.02
2011-12	334.39	32943.68	0.01
2012-13	397.64	37943.68	0.01
2013-14	505.58	42686.44	1.18
2014-15	507.00	47234.83	1.07
2015-16	542.86	51728.16	1.05
2016-17	809.34	57848.35	1.40
2017-18	954.34	63969.88	0.01
Mean			**0.72**
SD			**2.51**
CV		**29.88%**	

(SOURCE: Website)

INTERPRETATION: From the above graph and table present the noninterest income to working fund ratio of KBL is unstable from 2012-13 to 2017-18. In the year 2017-18 is 8.47 % is decreased to compare other previous yearsand bank cannot use advances in this year. The average noninterest income to working fund ratio is 0.72%. The SD and CV are 2.51 and 29.88% respectively

INTEREST COVERAGE RATIO

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Interest coverage ratio = EBIT / Interest expenses

YEARS	EBIT (Rs in Cr)	INTEREST EXPENSES (Rs in Cr)	INTEREST COVERAGE RATIO
2010-11	2712.71	1758.36	1.5427:1
2011-12	3441.35	2368.87	1.4527:1
2012-13	4201.1	2860.56	14686:1
2013-14	4662.89	3132.76	1.4884:1
2014-15	5227.44	3529.57	1.4810:1
2015-16	5521.33	3689.34	1.4965:1
2016-17	5893.73	3694.74	1.5951:1
2017-18	5846.39	3566.10	1.6394:1
Mean			**1.59:1**
SD			**0.01**
CV			**15.9%**

(SOURCE: Website)

INTERPRETATION: From the above graph and table shows the EBIT and Interest expenses. Interest coverage ratio was fluctuating year to year from 2015-16 to 2018-19 it was increased to 1.6369% because EBIT was decreased and interest expenses increased. The average worth of interest coverage ratio is 1.59% The SD and CV is 0.01 and 15.9%.

LIQUIDITY

LIQUID ASSETS TO TOTAL ASSETS RATIO

= LIQUID ASSETS / TOTAL ASSETS * 100

Years	Liquid assets (Rs in Cr)	Total assets (Rs in Cr)	LATAR (%)
2010-11	31547.68	31693.01	99.54
2011-12	36169.34	36321.57	99.58
2012-13	41359.42	41526.38	99.59
2013-14	46831.32	47028.80	99.58
2014-15	51544.75	51836.60	99.44
2015-16	56193.69	56500.33	99.45
2016-17	63405.98	64126.55	98.87
2017-18	69612.07	69957.45	99.51
Mean	**99.45**		
SD	**0.06**		
CV	**0.06%**		

(SOURCE: Website)

INTERPRETATION: In the above the table shows KBL liquidity position. Liquid assets to total assets ratio is 99.54 in 2010-11, then it increased to 99.59 in 2012-13 then it is also increased to 98.87 in the year of 2016-17,and increases to 99.51 in the year 2017-18.Because of the adequately utilize their resources‟,

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because of economic disparity. The average of ratio is 99.45. The SD and CV are 0.06 and 0.06% respectively.

LIQUID ASSET TO TOTAL DEPOSITS RATIO

LATDR = LIQUID ASSETS / TOTAL DEPOSIT * 100

Years	Liquid assets (Rs in Cr)	Total deposits (Rs in Cr)	LATDR (%)
2010-11	31547.68	27336.45	115.40
2011-12	36169.34	31608.32	114.43
2012-13	41359.42	36056.22	114.70
2013-14	46831.32	40582.83	115.39
2014-15	51544.75	46008.61	112.03
2015-16	56193.69	50488.21	111.30
2016-17	63405.98	56733.11	111.76
2017-18	69612.07	62871.29	110.72
Mean			**113.22**
SD			**3.78**
CV	**3.33%**		

(SOURCE: Website)

INTERPRETATION: The table 4.5.2 represents to liquid assets to total deposit ratio is 115.4% in 2010-11, then it is increased to 115.39% in 2013-14, and in this year also decreased to 111.3% in 2015-16, but in next year was small decreased to 110.72% in 2017-18, because this bank have improved total deposit and due to more competitors.

CURRENT RATIO

CR = CURRENT ASSETS / CURRENT LIABILITIES

TABLE NO:4.5.3

Years	Current assets (Rsin Cr)	Current liabilities (Rsin Cr)	Current ratio
2010-11	707.01	841.14	0.84:1
2011-12	741.85	967.96	0.76:1
2012-13	765.46	1033.32	0.74:1
2013-14	921.65	1478.58	0.62:1
2014-15	1262.54	1401.18	0.90:1
2015-16	2989.67	1270.06	2.35:1
2016-17	2908.57	1418.23	2.05:1
2017-18	3314.86	1276.27	2.59:1
Mean			**1.36:1**
SD			**0.71**
CV	**52.20%**		

(SOURCE: Website)

INTERPRETATION: From the above graph and table presents the current asset and current liabilities. From the year 2010-11 to 2014-15 its keep on decreasing because company use more long term obligation in

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this year later its increased to 2.59% because use short term obligation than long term obligation it‟s an good for a company. The mean worth of current ratio is 1.36. The SD and CV was 0.71 and 52.20%

QUICK RATIO

QR = QUICK ASSETS / CURRENT LIABILITIES

Years	Quick assets (Rs in Cr)	Current liabilities (Rs in Cr)	Quick ratio
2010-11	707.01	841.14	0.84:1
2011-12	741.85	967.96	0.76:1
2012-13	765.46	1033.32	0.74:1
2013-14	921.65	1478.58	0.62:1
2014-15	1262.54	1401.18	0.90:1
2015-16	2989.67	1270.06	2.35:1
2016-17	2908.57	1418.23	2.05:1
2017-18	3314.86	1276.27	2.59:1
Mean			**1.36:1**
SD			**0.71**
CV		**52.20%**	

(SOURCE: Website)

INTERPRETATION: From the above graph and table presents the current asset and current liabilities. From the year 2010-11 to 2014-15 its keep on decreasing because company use more long term obligation in this year later its increased to 2.59% because use short term obligation than long term obligation it‟s an good for a company. The mean worth of current ratio is 1.36. The SD and CV was 0.71 and 52.20%

SENSITIVITY

SPREAD RATIO

SR = INTERREST EARNED – INTEREST PAID / WORKING FUND * 100

Years	Interest earned – Interest paid (Rs in Cr)	Working fund (Rs in Cr)	Spread ratio (%)
2010-11	612.49	28610.98	2.14
2011-12	744.01	32943.68	2.25
2012-13	903.73	37824.33	2.38
2013-14	1056.07	42686.44	2.47
2014-15	1168.85	47234.83	2.47
2015-16	1302.87	51728.16	2.52
2016-17	1490.62	57848.35	2.57
2017-18	1857.65	63969.88	2.90
Mean			**2.46**
SD			**0.05**
CV		**2.03%**	

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INTERPRETATION: The table 4.6.1 indicates the fluctuating trend of spread ratio may be due to the changes in the interest charge of KBL. The raise in the spread ratio indicates that the bank is competent to generate profit. The mean spread ratio of the bank is 2.46%. The SD and CV are 0.05 and 2.03% respectively. The spread ratio is satisfactory.

BURDEN RATIO

=NON-INTEREST EXPENSES – NON-INTEREST INCOME/WORKING FUND *100

YEAR	NON-INTEREST INCOME-EXPENSES(Rs in Cr)	WORKING FUND(Rs in Cr)	BURDEN RATIO (%)
2010-11	257.2	28610.98	0.89
2011-12	233.79	32943.68	0.70
2012-13	266.4	37943.68	0.70
2013-14	369.02	42686.44	0.86
2014-15	395.46	47234.83	0.83
2015-16	448.33	51728.16	0.86
2016-17	494.82	57848.35	0.85
2017-18	393.49	63969.88	0.60
Mean			**0.79**
SD			**0.08**
CV			**10.13%**

INTERPRETATION: From the table 4.6.2 it can be noticed that the burden ratio is changeable, decreasing and it is good for the bank. The burden ratio is decreased in the year 2011-12 and2017-18.Because of the decreasing the noninterest expenses. The average burden ratio of KBL is 0.79%. The SD and CV are 0.08 and 10.13% respectively. Burden ratio straightly affects the profitability of the institution and this ratio is satisfactory.

HYPOTHESIS TESTING

COMPUTATION OF CORRELATION BETWEEN DEBT AND EQUITY ASSETS OF KBL;

Years	Debt (X) (Rs in Crores)	Equity (Y) (Rs in Crores)
2010-11	28422.78	2429.09
2011-12	32755.39	2598.21
2012-13	37635.98	2857.08
2013-14	42498.02	3052.20
2014-15	47046.37	3389.06
2015-16	51539.69	3690.59
2016-17	57565.73	5142.59
2017-18	63687.26	4993.94
rxy		**0.95**

INTERPRETATION: The correlation (r) between debt and equity is 0.95. There is a positive correlation debt(x) and equity(y). Hence null hypothesis is rejected and alternative hypothesis is accepted

COMPUTATION OF CORRELATION BETWEEN TOTAL INCOME AND

TOTAL ASSET OF KBL

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YEARS	Total Income (X) (Rs in Crores)	Total Assets (Y) (Rs in Crores)
2010-11	2662.60	31693.01
2011-12	3447.27	36321.57
2012-13	4161.93	41526.38
2013-14	4694.41	47028.80
2014-15	5205.41	51836.60
2015-16	5535.07	56500.33
2016-17	5994.74	64126.55
2017-18	6378.09	69957.45
Rxy		**0.98**

INTERPRETATION: The correlation(r) between total income and total asset is 0.98 which indicates a strong positive correlation .income (x) and asset (y). Hence null hypothesis is rejected and alternative hypothesis is accepted.

FINDINGS

1. The debt equity ratio of KBL is decreased in the year 206-17 and 2017-18 because of decreasing in utilization of debt.
2. Total advances to total asset ratio of KBL is highest in the year 2017-18. These shows deviation of increasing advances and investment level.
3. Total investment to total asset ratio is declining year by year. It shows turn to rising to total assets of the bank.
4. Total advances to total deposits ratio of KBL is highest in the year 2017-18. These shows KBL are every effectively converting deposit into the advances.
5. Return on net worth of KBL is very lowest in the year 2015-16 to 2017-18. The bank is fails to maintain the profits in these years.
6. Interest income to working fund ratio of KBL is not sufficient in the year of 2016- 2017and 2017-18 because of due to providing various loans.
7. Non-interest income to working fund ratio of KBL is not sufficient in the year of 2011-12 and 2012-13.In the year of 2017-18 is reduced to 0.2% is reduced to compare to other previous years.
8. The return on net worth ratio of KBL is increasing except in the year 2017-18. Since the profit completed by the banks.
9. KBL have maintained good liquid assets to total assets ratio is highest in the year 2012-13 because of growing the Bank cash and bank balance.
10. KBL liquid assets to total deposits ratio is high up to the year 2013-14 and later it keep on fluctuating up to 2017-18
11. The spread ratio is increasing year by year. Because of increasing the working fund. The burden ratio is decreased in the year 2011-12 and 2017-18 because of decreasing the noninterest income.

SUGGESTIONS

1. KBL should maintain the proper debt-equity combinations in order to reduce the financial risk and it is good according to industry standard 1:2 it is recommended to continue the same.
2. KBL has very well in converting deposits in to advances it shows bank is running good profit it is suggested to maintain same level in next year‟s.

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3. KBL is very efficient to convert its deposits into the advances.
4. It is suggested that KBL have to maintain the stable profit in the bank.
5. KBL have made improved their earnings to maintain the sufficient profit.
6. KBL have to maintain a sufficient profit to overcome with the non-interest expenses bank cannot use any advances.
7. KBL is completed by the bank profit it will suggested that bank is earning stable profit.
8. Liquid assets of KBL are increasing because of the adequately utilize their resources, because of economic disparity.
9. Liquid asset to total deposit are fluctuated it is suggested that bank shouldimprove total deposits it is recommended to maintain the same.
10. It is recommended that bank have to maintain the same to generate profit hence spread ratio is satisfactory.
11. It is suggested that burden ratio is decreasing and it is good for a bank. So bank should recommended to continue the same.

CONCLUSION

KBL are playing the most important and unique role in the socio-economic development of the country. The KBL provide good financial services in overall India. The study was conducted to determine the financial performance of KBL, using CAMELS model. The capital adequacy, asset quality, management efficiency, earning quality, liquidity position is found satisfactory but the society is growing its burden hence it has to reduce its burden through taking right measures. The co-efficient of correlation are also considered to check relationship with in two variables. The bank can reduce its expenses and can earn much more profit through proper utilization of money and assets. From the study it is found that the KBL has better chance to grow in future as its profit is increasing continuously from year to year. The Bank can undergo business development through increasing its area of business and can make more profit.

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