



Sri Sharada College Basrur, Kundapura TQ Udupi Dist. Pin-576211

Canara Bank Analysis

Submitted To: Sandeep K

Name of the students: SHASHANK, SHIVAKUMAR, RAVINDRA, VIKIL

Register No: U05RS21C0015, U05RS21C0026, U05RS21C0021, U05RS21C0051

Project Supervisor: Sandeep K, HOD of Commerce

Index

Sl.No	Contents	Page No
1.	Index Page	2
2.	Permission Letter for pursuing student project signed by Principal and HOD	4
3.	Introduction	6-18
4.	Importance/Scope of the Study	19
5.	Methodology of Study	20-21
6.	Objectives of the study	22
7.	Analysis and Interpretation	23-26
8.	Conclusion	28
9.	Acknowledgment	30
10.	Reference	31

Permission Letter

This is certify that Shashank, Shivakumar, Ravindra, Vikil of 3rd B.Com bearing UUCMS No.UO5RS21C0015, U05RS21C0026, U05RS21C0021, U05RS21C0051 has been allotted the title of project work as Canara Bank analysis in completion of the B.com programme during the academic year 2023-24.

Principal name and signature

College Seal

HOD Name and Signature

CHAPTER-1

Introduction



FOUNDER OF CANARA BANK



**Sri Ammembai subba Rao Pai
(1852-1909)**

"A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people" - A. Subba Rao Pai.

HISTORY OF BANKING

Banking is nearly as old as civilization. The history of banking could be said to have started with the appearance of money. The first record of minted metal coins was in Mesopotamia in about 2500 B.C. the first European banknotes, which was handwritten appeared in 1661, in Sweden. Paper and printed paper money appeared in the 1700's and 1800's, with many banks created to deal with increasing trade.

Canara Bank is an Indian public sector bank based in Bangalore, India. Established in 1906 at Mangalore by Amambal Subba Rao Pai. The bank was nationalized in 1969. Canara Bank also has offices in London, Dubai and New York.

History of Canara Bank



Logo at Head Office of Canara Bank, Bengaluru. Amambal Subba Rao Pai, philanthropist, established the Canara Hindu Permanent Fund in Mangalore, India, on 1 July 1906.

Canara Bank's first acquisition took place in 1961 when it acquired Bank of Kerala. This had been founded in September 1944 and at the time of its acquisition on 20 May 1961 had three branches. The second bank that Canara Bank acquired was Seasia Midland Bank (Alleppey), which had been established on 26 July 1930 and had seven branches at the time of its takeover.

In 1958, the Reserve Bank of India had ordered Canara Bank to acquire G. Raghunathmul Bank, in Hyderabad. This bank had been established in 1870, and had converted to a limited company in 1925. At the time of the acquisition G. Raghunathmul Bank had five branches. The merger took effect in 1961. Later in 1961, Canara Bank acquired Trivandrum Permanent Bank. This had been founded on 7 February 1899 and had 14 branches at the time of the merger.

Canara Bank acquired four banks in 1963 the Sree Poornathrayeesa Vilasam Bank, Thrissur, Arad Bank, Tiruchirapalli, Cochin Commercial Bank, Cochin, and Pandyan Bank, Madurai. Sree Poornathrayeesa Vilasam Bank had been established on 21 February 1923 and at the time of its acquisition it had 14 branches. Arad Bank had been established on 23 December 1942 and at the time of its acquisition had only one branch. Cochin Commercial Bank had been established on 3 January 1936, and at the time of its acquisition had 13 branches.

The Government of India nationalised Canara Bank, along with 13 other major commercial banks in India, on 19 July 1969. Karkala Pulkeri Janardhan Prabhu (KPJ Prabhu) served as chairman of the bank post nationalisation. In 1976, Canara Bank inaugurated its 1000th branch. In 1985, Canara Bank acquired Lakshmi Commercial Bank in a rescue.

In 1996, Canara Bank became the first Indian Bank to get ISO certification for "Total Branch Banking" for its Seshadripuram branch in Bangalore. Canara Bank has now stopped opting for ISO certification of branches.

On 30 August 2019, Finance Minister Nirmala Sitharaman announced that Syndicate Bank would be merged with Canara Bank. The proposed merger would create the fourth largest public sector bank in the country with total business of ₹15.20 lakh crore (US\$190 billion) and 10,324 branches. The Board of Directors of Canara Bank approved the merger on 13 September. The Union Cabinet approved the merger on 4 March 2020. The merger was completed on 1 April 2020 with Syndicate Bank shareholders receiving 158 equity shares in the former for every 1,000 shares they hold.

Subsidiary companies

- Canfin Homes Limited (CFHL), with a network of 110 branches and 28 satellite offices throughout India
- Canbank Factors Limited
- Canbank Venture Capital Fund Limited
- Canbank Computer Services Limited
- Canara Bank Securities Limited
- Canara Robeco Asset Management Company Limited
- Canbank Financial Services Limited
- Canara HSBC Life Insurance Company Limited

Regional rural banks

Canara Bank sponsors four regional rural banks (RRB):

- Andhra Pragathi Grameena Bank
- Kerala Gramin Bank – Its headquarters are at Malappuram and it operates in all districts in Kerala. It was established in 1976 as a Scheduled Commercial Bank.
- Karnataka Gramin Bank has its headquarters at Bellary, Karnataka, and has 1119 branches spread over eleven districts¹
- Karnataka Vikas Grameena Bank was constituted on 12 September 2005 after amalgamation of four Regional Rural Banks (RRBs) – Malaprabha Grameena Bank, Bijapur Grameena Bank, Varada Grameena Bank and Netravathi Grameena Banks – following the recommendations of the Narasimhan Committee.

Canara Bank Business Loan

Canara Bank offers business loans to fulfil the credit requirements of its MSME borrowers engaged in manufacturing and service sector, against property mortgage or approved securities. The bank offers various business loan products to its MSME borrowers such as MSME Gold Loan, MSME CAN BEML, MUDRA Canara Atithi, Canara GST, Canara Udyog, Canara Vyapar, Canara MSME CAP, Doctor's Choice, Canara MSME Expo, etc.

Highlights of Canara Bank Business Loan	
Interest Rate	9.25%-11.55% p.a.
Loan Amount	Up to Rs 20 crore
Tenure	Up to 10 years
Processing Charges	Up to 75% of applicable charges

CANARA BANK CREDIT CARD

Canara Bank credit cards come along rewards and multiple benefits to customers, currently the bank offers to life time free credit cards, Canara Rupay platinum credit card and with this cards you can avail welcome benefits, insurance covers, cash back offers and concierge service among other benefits.

Features of Canara Bank credit cards

- Rewards programmes
- Cash back offers
- Travel benefits
- Contactless payments
- Online transactions
- Balance transfer facilities
- Easy EMS options

Canara Bank Debit Card

Canara Bank provides a variety of products and services, including debit cards. You may use your debit card to withdraw money at ATMs at any time and get cashback and discounts on movie tickets, travel, dining, and other leisure activities.

In December 2014, Canara Bank made its presence felt by opening 5641 branches throughout all geographical regions. Customer pleasure and convenience are their top priorities, and to that end, the bank has installed 7,599 Automated Teller Machines (ATMs) in 3,839 locations.

Benefits of Holding a Canara Bank Debit Card

- Canara Bank debit cards provide a lot of security as the cards are protected with EMV chip and PIN feature.
- Customers can withdraw cash, get mini statements, book railway tickets and recharge their mobile at the Canara Bank ATMs.
- Enjoy complimentary life insurance benefits worth up to Rs. 4 lakh and purchase protection worth Rs. 25000.
- Shop online using the E-Shoppe feature and avail special offers at select merchant outlets.
- Earn cash back for all your purchases and pay your utility bills easily.
- The Global Customer Access Service helps you while you are travelling and assists you with all the required information.
- The Emergency Medical Assistance and Prescription Assistance features are very helpful in case of a medical emergency and help you by delivering prescribed medicines to your location.
- Students can pay their fees using the Canara Bank debit card and can make use of the other features too.

Canara Bank offers a gold loan scheme called Swarna Loan which can be availed by keeping gold as security, primarily designed to meet any financial emergencies. Gold is returned on repayment of a loan, making it a temporary contingency plan during financial hardships.

Features of Canara Bank Gold Loan (Swarna Loan)

- **Immediate assistance** - Canara Bank has minimised the paperwork for this loan, making it hassle free and easy to avail.
- **Competitive interest rates** - Swarna Loan comes at competitive interest rates, making a loan financially tenable.
- **Multipurpose** - This loan can be used to meet any genuine financial emergency, subject to certain conditions.
- **High loan amount** - Loan amounts ranging between Rs.5,000 and Rs.35 lakh can be availed under this scheme.
- **Low processing fee** - A low processing fee is charged by Canara Bank for this loan.

- **Flexible repayment** - Borrowers can repay the loan within a period of 1 year, with the interest payable only on maturity.
- **Guarantee** - This loan doesn't require a guarantor, easing application hassles.

Eligibility criteria to avail Canara Bank Swarna Loan

Individuals who wish to avail the Swarna Loan from Canara Bank need to satisfy a few basic criteria.

- **Income** - Applicants should be salaried/self-employed with a sufficient source of income.
- **Accountholder** - Applicants should have existing Savings Bank accounts with Canara Bank. Individuals without an account need to be introduced by trusted customers.

Documents required for Canara Bank Gold Loan (Swarna Loan)

Canara Bank has adopted a minimalist approach when it comes to documentation, with applicants expected to furnish a few basic documents.

- **ID/Address proof** - Valid government approved ID/address proof
- **Application form** - Duly filled and signed application form
- **Income proof** - Form 16 or Salary certificate from employer
- **Gold certificate** - Certificate from jeweller appraising quality of gold. This appraisal will be arranged by the bank.

Canara Bank Net Banking

One of the most popular services offered by Canara Bank is the Canara Bank net banking facility. This service allows customers to access their bank accounts 24x7 and carry out all their financial activities online.

Canara Bank account holders can also access the Canara Net banking app from the comfort of their own homes to make transactions and monitor the activity of the account. The app is a one-stop solution for a lot of banking needs.

Features Of Canara Bank Net Banking Facility:

Here are the main features of the Canara Net banking services:

- **Account Balance Enquiry:** Users can easily check their account balance online without visiting a bank branch.
- **Fund Transfer:** With Canara Bank internet banking, one can transfer funds to any bank account in India. One can also add and manage beneficiaries.

- Online Bill Payment: Users can pay bills for various services like electricity, gas, water, phone, and internet.
- Online Shopping: One can use net banking to make online purchases across various merchants.
- Net Banking App: The user can also download the Canara net banking app to check their account balance, transfer funds, pay bills, and more.
- E-statements: Canara net banking also provides the option to download e-statements online.
- Online Loan Application: Customers can apply for loans online and track the status of their application via net banking.
- Investment Services: Investing in financial products like mutual funds, fixed deposits, and insurance policies can be done through net banking.
- ATM Services: One can locate nearby Canara bank ATMs, check their ATM transactions, and block their ATM card through the net banking portal.
- Account Management: One can update their personal details, change passwords, and manage their accounts online.

Canara Bank Net Banking Registration

Here are some important details that are required to register for the Canara Internet banking services-

1. Your 13-digit account number
2. The Canara Bank ATM Card
3. Registered phone number
4. Canara Bank customer ID
5. Email ID that has been registered with the Canara Bank account

Steps to Register for Canara Bank Internet Banking

One can register for the Canara Bank Online Banking services through the following process:

- Go to the official website of Canara net banking (https://canarabank.com/NET_Banking.aspx) and click “Net Banking Login - Retail and Corporate”.
- On the login page, select 'New Registration.' The user will be led to the terms and conditions page. Go through the conditions and select ‘I agree’ to move to the next page.
- Enter all the details on the registration page correctly before the submission.

- The user will receive an OTP on the registered phone number for validation. After entering the OTP on the authentication page, click the 'Submit' button. The net banking service will now be activated.

How to Generate Canara Bank Internet Banking Login ID?

After successful registration, users can follow these steps to generate their Canara Bank Net Banking Login ID:

- Visit the Canara Bank website (www.canarabank.in) and click the "Net Banking" option.
- Select "Register Online" to begin the registration process.
- Enter your account details, including your account number, registered mobile number, and date of birth.
- Create a login password and confirm it.
- The user will receive an OTP (One Time Password) on their registered mobile number. Enter the OTP to verify the account.
- After verifying the account, the user will be directed to create a Customer ID. Follow the instructions to create a unique ID that is easy to remember.
- Once they have created their Customer ID, it can be used to log in to the Net Banking account.

Note: The exact process may differ depending on the specific policies and procedures of Canara Bank. It is recommended to contact the bank's customer support team for any further assistance.

Canara Bank Internet Banking Login:

Follow the steps mentioned below for Canara Bank net banking login process-

1. Visit <https://netbanking.canarabank.in/entry/ENULogin>
2. Enter the user ID and the password created during registration.
3. Enter the captcha details.
4. Click on the 'Sign in' option.

Note - You can unlock your User ID by clicking on the option that says - 'Unlock User ID'. And if you forgot the user ID, you can also click on the option that you forgot the User ID.

Canara Bank Home Loan

Canara Bank Home Loan Highlights	
Interest Rate	Floating Rates: 8.40%-11.25% p.a. Fixed Rates: 9.75%-12% p.a.
Loan Amount	Depending on the applicant's profile
Loan Tenure	Up to 30 years
Processing Charges	NIL

Canara Bank offers home loans at interest rates starting from 8.40% p.a. onwards for tenures of up to 30 years. It also offers a special home loan scheme for agriculturists and people engaged in allied activities like poultry/dairy, plantation, horticulture, etc. Canara Kuteer, a special home loan scheme, is offered to individuals and members of self-help groups having annual household income of up to Rs 3 lakh.

Types of Canara Bank Home Loan

Canara Bank Housing Loan

Purpose: Consumers can avail Canara Bank Housing Loan scheme for purchase or construction of house or flat, for purchase of site and construction of house thereon and for carrying out repair, renovation, expansion, upgradation and addition to the existing house. Existing home loan borrowers of Canara Bank can also purchase a second house when they already have a flat/house with or without a home loan.

Canara Bank also offers home loan balance transfer facility to existing home loan borrowers of other lenders for transferring their existing home loans to Canara Bank at lower interest rates.

Loan Amount:

- 6 times of gross annual income (as per last drawn monthly gross salary) for salaried applicants
- 6 times of average gross annual income of all 3 years immediately preceding current financial year for self-employed applicants or those engaged in business
- Up to 8 years gross salary/income for select loan cases
- For repair/renovation- Up to Rs 15 lakh

Tenure: Up to 30 years or up to 75 years of age, whichever is earlier

Canara Home Loan Plus

Purpose: Canara Home Loan Plus is a Home loan top-up scheme offered to existing home loan borrowers of Canara Bank to finance their domestic needs, medical expenses, education expenses and other emergencies.

Loan Amount:

- For Salaried- 24 months gross salary subject to maximum amount of up to Rs 50 lakh
- For Non-Salaried- Twice the average gross income of the applicant for 3 years subject to maximum amount of up to Rs 50 lakh

Tenure: Up to 15 years or remaining repayment period of existing home loan

Canara Bank Housing Loan to Agriculturists

Purpose: Canara Bank offers Housing Loan to Agriculturists and people engaged in allied activities like plantation, horticulture, dairy or poultry for purchasing or constructing house or flat and purchasing a site and carrying out construction thereon.

Such loans are sanctioned only for purchases/construction of houses in non-agricultural properties, preferably in urban or semi-urban areas and growing townships having valid documents.

Loan Amount:

- 6 times of gross annual income (as per last drawn monthly gross salary) for salaried applicants
- 6 times average gross annual income of last 3 years immediately preceding current financial year for self-employed applicants Up to Rs 15 lakh for repair/renovation.
- Net Take Home pay of the should be 25% of the applicant's income (at least Rs 10,000 per month) after deducting EMI of the proposed home loan

Canara Bank Savings Account

Canara Bank's savings account allows customers to save on a regular basis and earn interest of 2.90% p.a. on the funds deposited. The bank has a widespread network of branches and ATMs in the country and overseas.

Canara Bank holds a premier rank in the banking industry with an unbroken record of profits from its inception. The Canara Bank provides a range of benefits and services to its Saving Account customers.

Key Benefits of Canara Bank Savings Account:

- ATM/Debit card
- Passbook/Pass sheet
- Mobile Banking and Net banking
- Instant credit of outstation cheque up to Rs. 10,000.
- Joint account
- Minor/Senior citizen account
- Nomination facility
- 2 DDs free of charge to the amount of the minimum balance maintained for accounts with Rs. 10,000 and above. The maximum amount issued will be Rs. 25,000.

Canara Vehicle Loan

The main features and benefits of the Canara Vehicle are mentioned below:

- The interest rate that is charged is low.
- No hidden charges are levied.
- The processing charges that are levied are minimal.
- The monthly instalments can be chosen by the customer. The loan can be availed for a duration of up to 84 months.
- Individuals can avail a car loan for new cars as well as for used cars.
- The loan can be availed for all types of cars and does not depend on the car model and manufacturer.
- In the case of used cars, the tenure of the loan can be up to 60 months.
- No foreclosure charges are levied by the bank in case individuals wish to close the loan before the maturity date.
- Finance is provided by the bank for most of the car's value. Therefore, it is easy for an individual to own a car.

	MAR 24	MAR 23	MAR 22	MAR 21	MAR 20
BALANCE SHEET OF CANARA BANK (in Rs. Cr.)					
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	1,814.13	1,814.13	1,814.13	1,646.74	1,030.23
TOTAL SHARE CAPITAL	1,814.13	1,814.13	1,814.13	1,646.74	1,030.23
Revaluation Reserve	0.00	7,475.04	8,506.23	8,284.24	6,332.79
Reserves and Surplus	85,140.46	64,318.01	55,790.95	48,953.96	31,929.94
Total Reserves and Surplus	85,140.46	71,793.05	64,297.18	57,238.19	38,262.73
TOTAL SHAREHOLDERS FUNDS	86,954.59	73,607.18	66,111.31	58,884.93	39,292.96
Deposits	1,312,366.61	1,179,218.61	1,086,409.25	1,010,874.58	625,351.17
Borrowings	57,592.28	58,089.79	46,284.96	49,983.56	42,761.77
Other Liabilities and Provisions	34,627.24	34,816.67	28,174.15	33,931.96	16,468.84
TOTAL CAPITAL AND LIABILITIES	1,491,540.72	1,345,732.25	1,226,979.67	1,153,675.03	723,874.75
ASSETS					
Cash and Balances with Reserve Bank of India	71,068.18	54,988.45	51,602.91	43,111.62	22,570.14
Balances with Banks Money at Call and Short Notice	79,691.54	86,434.75	130,451.39	135,296.41	45,701.33
Investments	357,454.42	319,038.45	282,012.90	261,690.39	176,244.94
Advances	931,612.83	830,672.55	703,601.82	639,048.99	432,175.20
Fixed Assets	12,228.17	10,230.67	11,356.30	11,206.53	8,276.29

Other Assets	39,485.58	44,367.37	47,954.34	63,321.09	38,906.84
TOTAL ASSETS	1,491,540.72	1,345,732.25	1,226,979.67	1,153,675.03	723,874.75
OTHER ADDITIONAL INFORMATION					
Number of Branches	0.00	9,706.00	9,734.00	10,416.00	6,329.00
Number of Employees	0.00	84,978.00	86,919.00	88,213.00	58,632.00
Capital Adequacy Ratios (%)	16.28	16.68	14.90	13.18	13.65
KEY PERFORMANCE INDICATORS					
Tier 1 (%)	0.00	13.78	11.91	10.08	10.12
Tier 2 (%)	0.00	2.90	2.99	3.10	3.53
ASSETS QUALITY					
Gross NPA	40,604.57	46,160.00	55,652.00	60,288.00	37,041.15
Gross NPA (%)	4.23	5.00	8.00	9.00	8.00
Net NPA	11,822.83	14,349.00	18,668.00	24,442.00	18,250.95
Net NPA (%)	1.27	1.73	2.65	3.82	4.22
Net NPA To Advances (%)	1.01	2.00	3.00	4.00	4.00
CONTINGENT LIABILITIES, COMMITMENTS					
Bills for Collection	0.00	26,066.87	34,806.18	53,385.99	35,939.89
Contingent Liabilities	0.00	289,047.47	375,138.02	507,071.81	373,497.97

CHAPTER-2

Importance / Scope of the Study

To the researcher IT MARKED THE Beginning of our efforts to adding to existing knowledge world, this study has shed sum light on the leverage, capital structure and profitability issue which has discussed since the M & M proposition. The significance of this study is futher enhanced considering the fact that reasearch into capital structure of canra bank. For practitioners, this study is relavant and of much inyrest to financial controllers, managers , directors particularly those working in the firm to get to know about the leverage structure of canara bank.

A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people. Sound founding principles, enlightened leadership, unique work culture and remarkable adaptability to changing banking environment have enabled Canara Bank to be a frontline banking institution of global standards. The main aim of the study is to find out the financial performance of Canara Bank using leverage and profitability ratios.

Widely known for customer centricity, Canara Bank was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. The Bank has gone through the various phases of its growth trajectory over hundred years of its existence

The study mainly concentrated on the deposits accepted by Canara Bank and Karnataka Bank and the advances provided by the banks.

CHAPTER-3

Methodology of Study

Research Approach and Design

Research means search for knowledge. It aims at discovering the truth. It is an essential and powerful tool in leading men towards progress. It is an original contribution to the existing stock of knowledge. It is undertaken to discover answers to questions by applying scientific method. It is the search for knowledge through objective and systematic method of finding solution to problems. Therefore research is a process of systematic and in depth study of search of any particular topic, subject or area of investigation backed by collection, computation, presentation and interpretation of relevant data. For any research assignment, a proper planning is required and the same holds true in case of present study. Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his/her research problem along with the logic behind them. It is necessary for the researcher to know not only the research methods/techniques but also the methodology. Researchers not only need to know how to develop certain indices or tests, how to calculate the correlation, ratios, trend indices how to apply particular research techniques, but they also need to know which of these methods or techniques, are relevant and which are not, and what would they mean and indicate and why.

Researchers also need to understand the assumptions underlying various techniques and they need to know the criteria by which they can decide that certain techniques and procedures will be applicable to certain problems and others will not. All this means that it is necessary for the researcher to design his methodology for his problem as the same may differ from problem to problem. For example, an architect, who designs a building, has to consciously evaluate the basis of his decisions, i.e., he has to evaluate why and on what basis he selects particular size, number and location of doors, windows and ventilators, uses particular materials and not others and the like. Similarly, in research the scientist has to expose the research decisions to evaluation before they are implemented. He/she has to specify very clearly and precisely what decisions he/she selects and why he/she selects them so that they can be evaluated by others also. The methodology used in the study involves the collection of secondary data. Research Design A research design is a plan that specifies the source and type of information relevant to the research problem. It is a strategy specifying which approach will be used for gathering and analysing data. Descriptive, analytical, empirical and quantitative researches have been followed. Descriptive research includes surveys and fact finding enquiries of different kinds. The major purpose of descriptive design is the description of the state of affairs as it exists at present. In descriptive research design a researcher is interested in describing a situation or phenomena under his study. It is a theoretical type of researcher design based on the collection designing and presentation of the collected data. The main characteristic of this type of design is that the researcher has no control over the variables. In analytical research one has to use facts or information already available and analyze these to make a critical evaluation of leverage. Empirical research relies on experience or observation alone. In empirical research, the researcher has to first set up a hypothesis or guess as to the probable results. He then works out to get enough facts to prove or disprove his hypothesis. Quantitative research is

applicable to phenomena that are measurable so that they can be expressed in terms of quantity Various questions related to the organization were collected from the information available in the internet. Other details were collected from the annual report of Canara Bank that have published and also the books that are provided information on history and functioning of the organization. Discussions with employees working in different sections of the organization as well as referencing the annual report helped in understanding the impact of leverage

- Nature of Data: Secondary Data
- Area of Study: Canara Bank

CHAPTER-4

Objectives of the Study

OBJECTIVES:

- To evaluate the financial stability of Canara Bank.
- To make suggestion to management to improve the financial stability of the Bank institution.
- To find out the recent trend through the analysis of Canara Bank.

CHAPTER-5

Analysis and Interpretation

Canara Bank Income Statement Analysis

- Interest income during the year rose 21.6% on a year-on-year (YoY) basis.
- Interest expenses were up by 23.1% YoY during the same period.
- Operating expenses increased by 8.3% YoY during the year.
- The bank's net interest income (NII) increased by 19.3% YoY during the fiscal. Consequently, net interest margins (NIM) witnessed a growth and stood at 2.8% in FY23 as against 2.7% in FY22.
- Other income increased by 7.1% YoY during the year.
- Net profit for the year increased by 83.8% YoY.
- Net profit margins during the year increased to 13.1% in FY23 from 8.7% in FY22.

LIQUIDITY RATIO

Current Ratio

The year of 2018-2022 Current ratio of the bank is not in a good position because it does not maintain idle ratio. Bank should try to increase its current assets twice above the current liability. And the absolute liquid ratio. In 2019 the bank has gone below 0.10 but in the next year it shows an increasing trend and to become 0.11. Bank also should try to keep the ratio idle.

year	Current ratio	Absolute liquid ratio
2018	1.1:1	0.10:1
2019	1.1:1	0.11:1
2020	1.1:1	0.12:1
2021	1.1:1	0.9:1
2022	1.1:1	0.11:1

Source :(Secondary Data)

SOLVENCY RATIO

In debt equity ratio maintaining a good equity ratio. This clearly indicates that the long-term solvency position of the company is good. In the year 2018 and 2019 ratio was 0.7,0. 83 then ratio shows an increasing trend and it became

1.1:1.and the proprietary ratio having a low ratio which indicates that there will be a higher risk to the creditors. A low ratio indicates that the firm is more dependent on creditors or its working capital.

year	Debt equity ratio	Proprietary ratio
2018	0.07:1	0.05:1
2019	0.83:1	0.05:1
2020	1.14:1	0.05:1
2021	1.05:1	0.05:1
2022	1.08:1	0.05:1

Source :(Secondary Data)

PROFITABILITY RATIO

The return on investment not having sufficient return of capital employed. It's ideal ratio is 15%. In the year 2018,2020 and 2022 it has incurred net profit and shows the lower ROI, and in the year 2019 and 2021 it has incurred net loss. Overall, the bank's profitability is low and less in the efficient use of capital employed and the return on asset having less return on assets. It has the ideal ratio of 5% and the bank is having less than 5%. A low ROA indicates that the bank is not able to make maximum use of its assets for getting more profit.

year	Return on investment	Return on assets
2018	4.90%	0.5%
2019	-4.5%	-0.4%
2020	1.66%	0.21%
2021	-5.3%	-0.64%
2022	0.69%	0.07%

Balancesheet

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
Equity capital	753	1030	1647	1814	1814
Reseves	36936	40176	60763	68147	76240
Borrowings +	640166	668170	1060998	1132626	1237160
Other liabilities +	33928	32064	56132	56202	65816
Total liabilities	711783	741440	1179540	1258789	1381030
Fixed assets	8433	8323	11269	11447	10334
CWIP	0	0	2	2	0
Investments	168678	192645	286191	311347	352893
Other assets +	534672	540472	882077	935992	1017803
Total assets	711783	741440	1179540	1258789	1381030

Chart Title

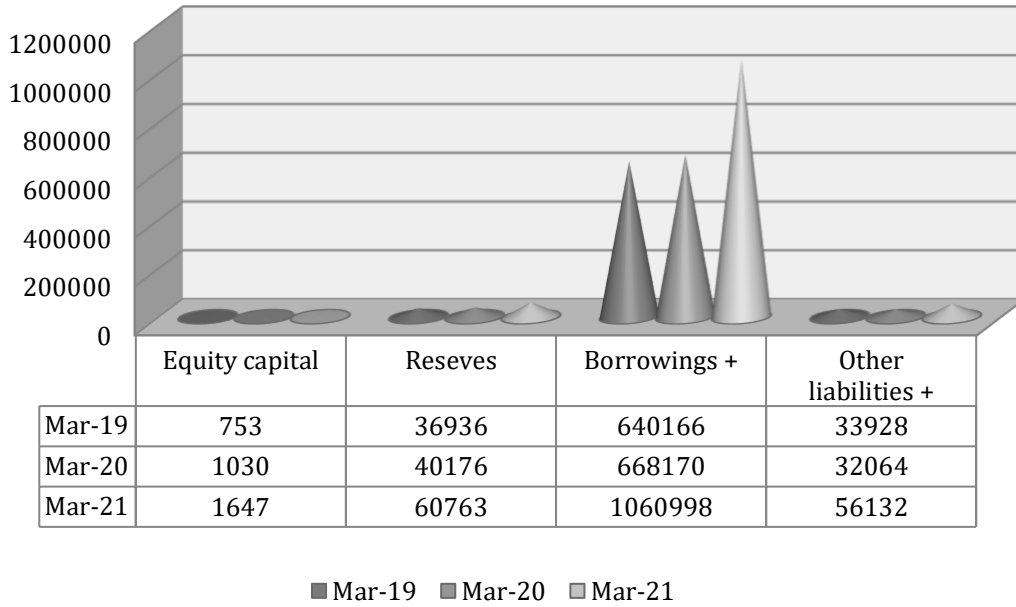


Chart Title



CHAPTER-6

Conclusion

On the basis of various techniques applied for the financial analysis of CANARA Bank we can arrive at a conclusion that the financial position and overall performance of the bank is satisfactory. Though the income of the bank has increased over the period but not in the same pace as of expenses. But the bank has succeeded in maintaining a reasonable profitability position. The bank has succeeded in increasing its share capital also which has increased around 50% in the last 5 years. Individuals are the major shareholders. The major achievement of the bank has been a tremendous increase in its deposits, which has always been its main objective. Fixed and current deposits have also shown an increasing trend. Equity shareholders are also enjoying an increasing trend in the return on their capital. Though current assets and liabilities (current liquidity) of the bank is not so satisfactory but bank has succeeded in maintaining a stable solvency position over the years. As far as the ratio of external and internal equity is concerned; it is clear that bank has been using more amount of external equity in the form of loans and borrowings than owner's equity. Bank's investments are also showing an increasing trend. Due to increase in advances, the interest received by the bank from such advances is proving to be the major source of income for the bank.

CHAPTER-7

Acknowledgments

I am thankfull for;

Sandeep K, HOD of Commerce, Sri Sharada College Basrur

Pramila N Nayak, Assistant Professor in Commerce

Raghavendra H, Assistant Professor in Commerce

CHAPTER-8

References

- Scribd.com
- En.m.wikipidia.org
- Paisabazaar.com
- www.canarabank.com
- Macfash.org
- Money Control.Com

