

DATA INTERPRETATION ON FINANCIAL PERFORMANCE USING CAMEL MODEL IN BANK

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Abstract

To study the bank financial performance using camel rating system.

INTRODUCTION

To access Bank financial performance using the available data for finding the elements of camel rating. Available data are Profit & Loss & Balance sheet. The study enable the Bank to know a about their financial health for continuing business.

DATA INTERPRETATION

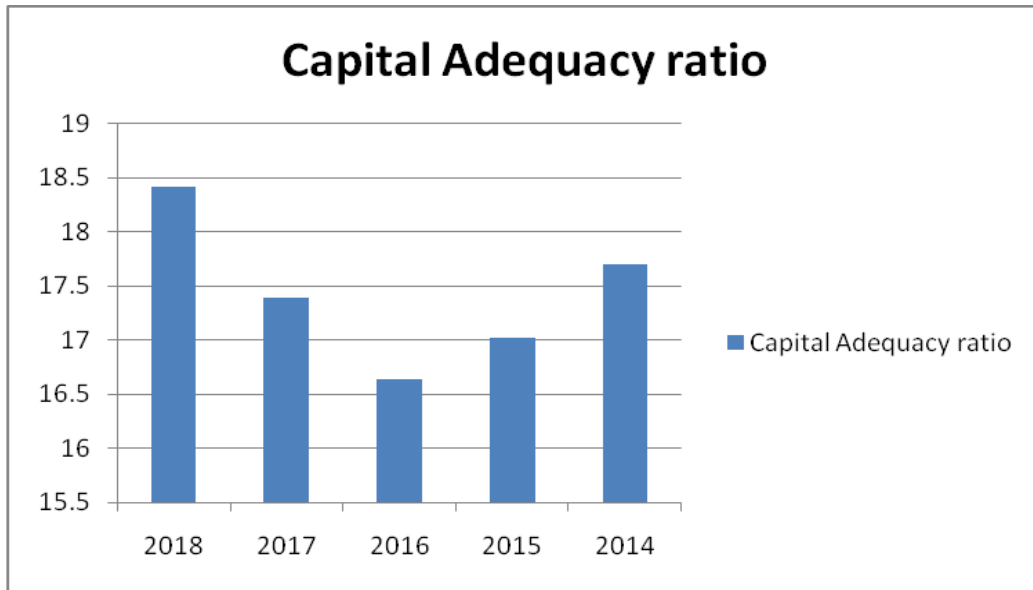
CAMEL RATING CAPITAL ADEQUACY (C)

$$\text{Capital Adequacy ratio} = \frac{\text{Capital}}{\text{Total rise weighted}}$$

TABLE - 1
(in crores)

Ratio	2018	2017	2016	2015	2014
Capital Adequacy ratio	18.42	17.39	16.64	17.02	17.70

CHART-1



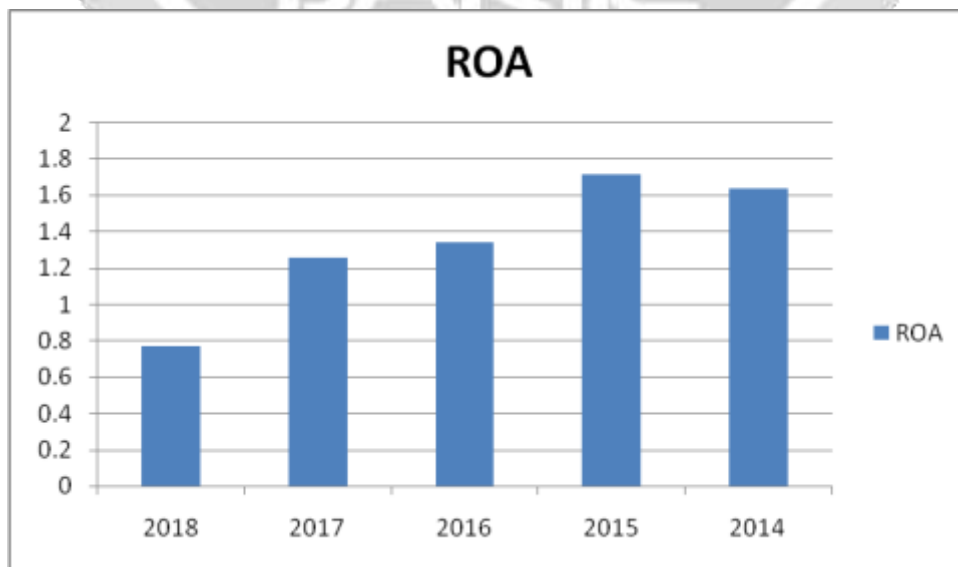
ASSET QUALITY (A)

ROA (Return on Asset):

TABLE – 2
(in crores)

Ratio	2018	2017	2016	2017	2016
ROA	0.77	1.26	1.34	1.72	1.64

CHART-2



Interpretation:

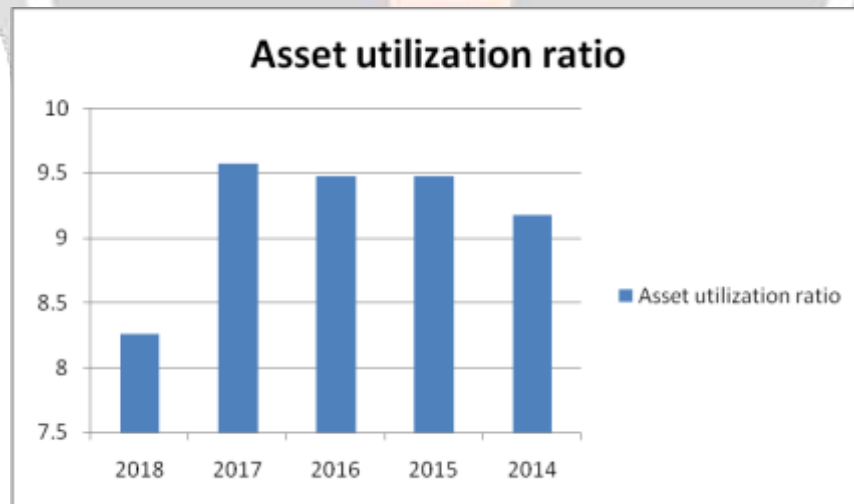
In 2018 ROA is 0.77, In 2017 is 1.26, In 2016 is 1.34, In 2015 is 1.72, In 2014 is 1.64. ROA is continuously decreasing till 2018.

Asset Utilization (AU):

$$\text{Asset utilization} = \frac{\text{Total Income}}{\text{Total Asset}}$$

TABLE - 3
(in crores)

Year	Total Income	Total Asset	Asset utilization ratio
2018	72385.32	876185.97	8.26
2017	73660.76	768749.32	9.58
2016	68062.49	717877.63	9.48
2015	61267.27	646129.29	9.48
2014	54606.02	594641.60	9.18

CHART-3**Interpretation:**

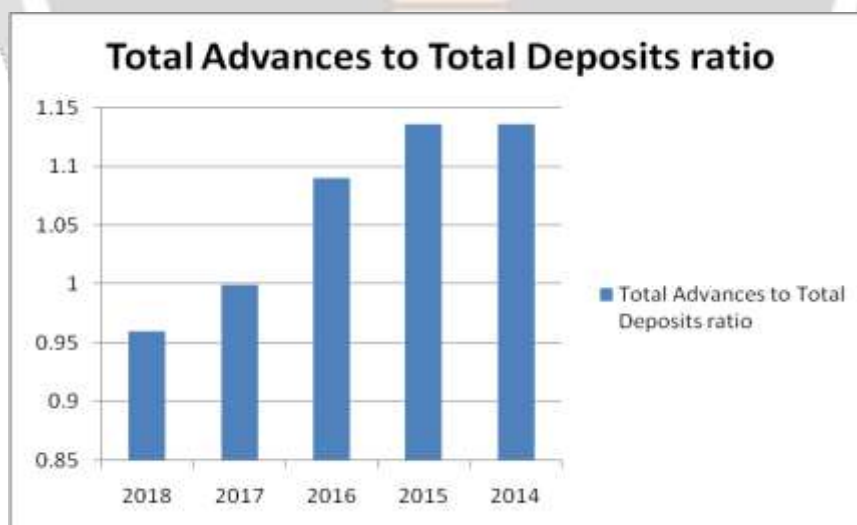
From the above chart. In 2014-15 AU is 1.1. In 2018 AU is 8.26. In 2017 AU is 9.58. In 2016 AU is 9.48. In 2015 AU is 9.48. In 2014 AU is 9.18. AU increasing but decreasing in 2018.

MANAGEMENT EFFICIENCY (M)**Total Advances to Total Deposits ratio :**

$$\text{Total Advances to Total Deposits ratio} = \frac{\text{Total Advance}}{\text{Total deposit}}$$

TABLE -4
(in crores)

Year	Total Advance	Total Deposits	Total Advances to Total Deposits ratio
2018	566854.22	585796.11	0.96
2017	515317.31	512587.26	1.00
2016	493729.11	451077.39	1.09
2015	438490.10	385955.25	1.136
2014	438490.10	385955.25	1.136

CHART-4**Interpretation:**

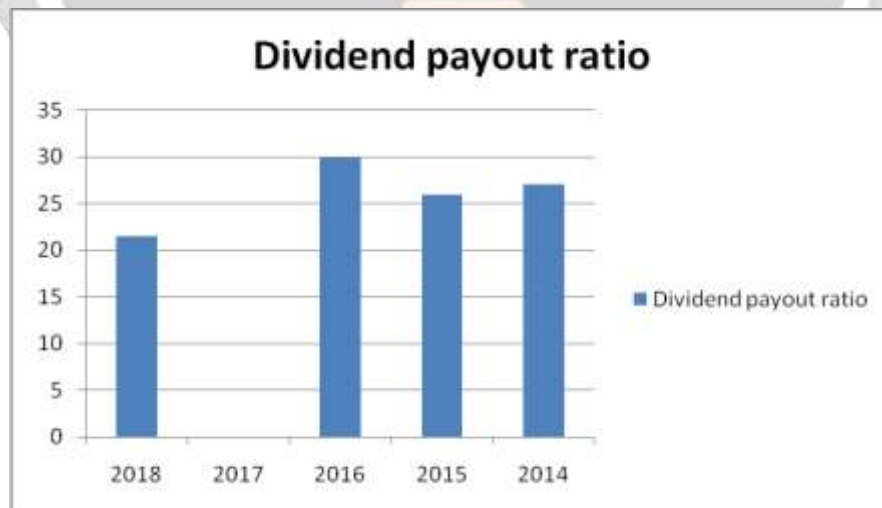
The management efficiency is continuously increasing in 2018 is 0.96 in 2017 is 1.00 in 2016 is 1.09 in 2015 is 1.136 in 2015 is 1.136. The management efficiency is satisfactory in Bank.

EARNING QUALITY (E)**11) Dividend payout ratio :**

$$\text{Dividend payout ratio} = \frac{\text{Dividend}}{\text{Net Profit}}$$

TABLE – 5
(in crores)

Year	Dividend payout ratio
2018	21.50
2017	0
2016	29.89
2015	25.93
2014	27.07

CHART-5**Interpretation:**

In 2018 dividend payout is 21.50%. In 2016 is 29.89%, in 2015 is 25.93, 2014 is 27.07. In Bank dividend payout ratio is continuously increasing from 2014 to 2016. Decreasing in 2018.

LIQUIDITY (L)**Cash to total deposit :**

$$\text{Cash to Total deposit} = \frac{\text{Cash}}{\text{Total Deposit}}$$

TABLE - 6
(in crores)

Year	Cash	Total deposit	Cash to Total deposit
2018	33272.6	585796.11	0.056
2017	31891.26	512587.16	0.062
2016	27277.56	451077.30	0.060
2015	25837.67	385955.25	0.066
2014	25837.67	385965.25	0.066

CHART-6**Interpretation:**

The cash to total deposit ratio in 2018 is 0.056, In 2017 is 0.062, In 2016 is 0.060, In 2015 is 0.066, In 2014 is 0.066. Cash to total deposit ratio is continuously increasing but decreasing in 2018.

SUGGESTIONS

- The bank has not invested in any Govt. securities and was not maintaining any demand deposits hence the liquid assets to demand deposits ratio could not be arrived at.
- There is a good hope on viewing the bank's performance that it would start investing more and more in securities and make investments in government bonds / shares etc.

CONCLUSION

- The bank activities are normal.
- Its capital Adequacy asset quality is analyzed and found good compared to other companies.
- Its Management Efficiency Earning Capacity is average and they must try to the capital.
- Bank Financial performance has been analyzed through the CAMEL Model.
- The Bank financial performance is overall satisfactory.

REFERENCES

- [1]. zinko, M. and Avci, E. (2008) BDK Banking and Fin. Markets Journal, 2, 25-49,1.
- [2]. Hays, F., Lurgio,S.D & Arthur, G (2009) J. of Fin. Account. , 2(1), 1-15. 2
- [3]. Sangmi, M. D and Nazir, T (2010) Pakistan J. of commerce and social science, vol. 4, no.1,pp.40-55,3.

