CHAPTER V

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From the analysis of the study, the researcher has found the following and present suitable suggestions in this chapter.

FINDINGS

1. The Solvency ratio indicates that the overall solvency of the bank is fair as it has consistency in maintaining the total assets to total liabilities.

2. The credit to deposit ratio shows increasing trend. It means the business of lending out of the deposits has shown an increasing trend.

3. The proprietary ratio indicates that more shareholders' funds are employed in towards fixed assets. The extent of shareholders' fund towards the total assets is lesser.

4. The Return on Shareholders' Fund shows the increasing trend except for the last two years. Hence, we can say that it is deceasing. However the Return On Total Capital employed shows consistency in its return. But the return is very poor.

5. Percentage of NPA on loans outstanding shows an increasing trend. This signals that NPA has to be reduced in order to
increase the profit. However; the percentage of NPA on total advances has been constant for all the years.

6. Hence, the overall solvency is fair but and profitability of the bank is very poor.

7. There should be some significant relationship between the capital employed and net profit earned by the bank. The hypothesis shows that there is no significant relationship between them. It shows that capitals should be efficiently utilized to generate incomes.

SUGGESTIONS

In the light of the foregoing analysis the researches would like to submit the following suggestions

1. The bank has to reduce the Non-Performing Assets so as to improve its profitability.

2. The working capital requirement has to be reduced considerably so as to employ less fund and to earn greater profits.

3. The borrowings from other banks should be reduced as more efficient lending would give greater profits and at the same time interest charges can be reduced. The debt-equity ratio shows that it has to be reduced to improve the profitability.

4. The interest and discounts income has to be improved by giving more advances to reliable customers.
5. The capitals should be made as remaining idle. It should be made to generate incomes. Hence, like other private sectors banks this bank should also go for innovative methods of banking. Now a day's retail banking is very popular.

6. The Non-performing assets should be reduced by taking effective steps to recover the money that is locked up.