ANALYSING FINANCIAL STRENGTH OF SELECTED BANKS

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ABSTRACT

With the development of the banking sector, it is interesting to know how the banks have performed. The objective of this paper is to analyze and compare the financial performance of J&K and South Indian Bank over a period of ten years (2005-2014).for the purpose of analysis financial ratios based on CAMEL approach and Independent t-test is applied. The analysis concludes that there is significant difference between the performances of J&K and South Indian Bank. But the performance of South Indian Bank is slightly less compared with J& K bank.

Key words: Financial performance, CAMEL, J& K bank (Jammu & Kashmir Bank) South Indian Bank, Banking Sector.

1. INTRODUCTION

Many different strategies have been adopted by the Public and Private sector banks. with the changing environment, many different strategies have been adopted by this sector to remain efficient and to surge at the forefront in the global arena and seen a tremendous amount of change in the post liberalization era i.e. in the early 1991. The policy makers and financial sector regulatory entities have made several notable efforts to improve regulation in the sector. The sector now compares favorably with banking sectors in the region on metrics like growth, profitability and non-performing assets (NPAs). The cost of banking intermediation in India is higher and bank penetration is far lower than in other markets. India's banking industry must strengthen itself significantly if it has to support the

modern and vibrant economy which India aspires to be. The main aim of management of banks is to maximize expected profits taking into account its unpredictability (risk).

This calls for an active management of the unpredictability (risk) in order to get the desired results. Risk management is therefore an attempt to reduce the volatility of profit which has the potential of lowering the value of shareholders' wealth. Therefore, study and analysis of financial soundness has been become the most important issue for the banks in the recent years. The origin of Jammu and Kashmir Bank Limited, more commonly referred to as J&K Bank, can be traced back to the year 1938, when it was established as the first state- owned bank in India. South Indian Bank Limited (SIB) is a private sector bank headquartered at Thrissur City in Kerala. The present study is devoted to analyze the financial performance of two important banks Jammu & Kashmir and South Indian Bank.

2.review Of Literature:

Lots of research works have been conducted, over the period to evaluate the financial position of the Indian and Foreign Banks. it is done through by various types of ratios, Inter-firm comparisons, and by applying various self designed Models. From the view point of lenders, investors, and creditors, financial ratio analysis has been used to assess profitability and Insolvency risk. M. Jaydev predicted that the result should be compared with the actual results and the weights assigned to the various financial parameters in the internal rating models. They have considered two models for comparison, Financial risk factor models and Internal rating models. Krishna Chaitanya (2005) used Z model to measure the financial distress of IDBI and concluded that IDBI is likely to become insolvent in the years to come. some study compares the performance of banks on the parameters of Z score. Agoraki et al. (2009) find that capital requirements reduce risk in general, but for banks with higher market power this effect is significantly weaker or can be reversed. Siva and Natarajan (2011) empirically tested the applicability of CAMEL norms and its consequential impact on the performance of SBI Groups. The study concluded that annual CAMEL scanning helps the commercial bank to diagnose its financial health and alert the bank to take preventive steps for its sustainability. Chaudhry and Singh (2012) analyzed the impact of the financial reforms on the soundness of Indian Banking through its impact on the asset quality. The study identified the key players as risk management, NPA levels, effective cost management and financial inclusion. In the study conducted by (Sheeba Kapil) the degree to which supervisory CAMELS ratings reflect the level of risk taken by banks and the risk-taking efficiency of those banks were examined. The study of Hirtle and Lopez captures the adequacy of CAMELS in projecting the overall performance of a bank. Gupta and Kaur (2008) assessed the performance of 20 old and 10 new Indian Private Sector Banks on the basis of Camel Model for the period of five years i.e., from 2003-07.very few study have been conducted on the performance of one Public and one private sector banks like Jammu & Kashmir Bank and South Indian Bank.

With the development of the banking sector, it is interesting to know how the selected banks have performed. The present study carried out a closed   analysis of financial strength of these two banks based on CAMEL parameters with some alteration.

3. Objectives Of The Study:

Objective of this study is to compare the financial strength of Jammu & Kashmir Bank and South Indian Bank.

4. Hypotheses:

Ho.1 There is no significant difference in Jammu & Kashmir Bank and South Indian Bank in terms of financial performance.

4.1 Research design-

The research objectives of the present study indicate that research design is descriptive. This study is descriptive in nature since draw some conclusions have been from the collected data.

4.2 Data collection-

Secondary sources of data collection have been used. The major source of data analyzed and interpreted in this study is collected from various publications of Reserve Bank of India and Reports on trends and progress of banking in India. Reports on Currency and Finance, Economic survey, Libraries of various research institutions, referred national and International journals, books on Indian banking association, annual reports of selected banks for the study and various Internet resources. Primary data has been collected only for projection.

4.3 Period Of The Study:

The study covers a period of ten years (2004-05-2013-14)

4.4 The Data Collection Tool:

In order to understand the basic interplay of the ratios analysis and performance analysis in banking sector, it is better to calculate various ratios shaping under CAMEL rating have been used for the purpose of present study (With modifications) CAMEL is an acronym for five components of bank safety and soundness: Capital adequacy, Asset quality, Management competency, Earning ability and Liquidity.

4.4.1 Capital Adequacy Ratio:

The basic approach of capital adequacy framework is that a bank should have sufficient capital to provide a stable resource to absorb any losses arising from the risks in its business. Capital is divided into tiers according to the characteristics/qualities of each qualifying instrument. For supervisory purposes capital is split into two categories: Tier I and Tier II. These categories represent different instruments' quality as capital. Tier I capital consists mainly of share capital and disclosed reserves and it is a bank's highest quality capital because it is fully available to cover losses. Tier II capital on the other hand consists of certain reserves and certain types of subordinated debt. The loss absorption capacity of Tier II capital is lower than that of Tier I capital. When returns of the investors of the capital issues are counter guaranteed by the bank, such investments will not be considered as Tier I/II regulatory capital for the purpose of capital adequacy. Keeping in view the Basel committee guidelines the Reserve bank of India has also framed certain guidelines regarding the Tier I and Tier II capital for banks operating in India.

4.4.2 Asset Quality Rating:

A review or evaluation assessing the credit risk associated with a particular asset. These assets usually require interest payments - such as a loans and investment portfolios. How effective management is in controlling and monitoring credit risk can also have an effect on the what kind of

credit rating is given. Many factors are considered when rating asset quality. For example,consideration must be put into whether or not a portfolio is appropriately diversified, what regulations or rules have been put in to place to limit credit risks and how efficiently operations are being utilized. Under the Assets quality measurement, following ratios have been calculated for the purpose of the present study.

2. Net Non Performing Assets To Net Advances = Net Npa /net Advances.
3. Net Non Performing Assets To Total Assets = Net Npa / Total Assets.
4. Gross Non Performing Assets To Net Advances = Gross Npa/ Net Advances.

4.4.3 Management Efficiency:

The bank management competence or efficiency is customer service, effective transactions and competent risk management. Under the management efficiency ratio, following ratios have been calculated for the purpose of the present study.

5. Loan To Deposit Ratio = Total Loan/total Deposit
6. Income Per Employee = Total Profit/total Employee.

4.4.4 Earning Ability:

This ratio measure the profitability or the operational efficiency of the banks. Employing more resources and making effective utilization of resources can increase absolute profits. The profitability ratios are calculated by relating the returns with the (i) Income of the banks (ii) Assets of the bank and (iii) the owner's contribution. Therefore, following ratios have been calculated for the purpose of present study.

7. Net Profit Margin = Profit After Tax/total Loan And Advance
8. Net Profit To Average Assets = Net Profit/ Average Assets
9. Earning Per Share = Profit After Tax/ Total Number Of Share
10. Roe = Net Profit/paid Up Capital + Free Reserves

4.4.5 Liquidity Ratios:

The liquidity refers to the maintenance of Cash in hand, and cash at bank and those assets which are easily converted into cash in order to meet the liabilities as and when arising. So, the liquidity ratios examine the bank's short term solvency and its ability to pay off liabilities.

11. Current Ratio: Current Assets / Current Liabilities
12. Quick Ratio: Quick Assets/current Liabilities.

4.5 Statisticl Tools:

Independent t-test have been used for the purpose of testing of hypothesis, analysis, interpretation and validation of results by using SPSS-17 Software.

5. Analysis, Interpretation, And Validation Of Hypothesis:

Table-5.1

CAPITAL ADEQUACY RATIO					
			Independent t-Test Assuming Equal variances		
Year	J & K BANK	S. INDIAN BANK		1.00	2.00
2005	15.15	9.89	Observations	10	10
2006	12.14	13.02	Mean	14.0490	13.0750
2007	13.24	11.08	Mean difference	.97400	.97400
2008	12.8	13.8	Hypothesized Mean diff.	0	
2009	14.48	14.76	Df	18	18
2010	15.89	15.39	t-statistic	1.297	
2011	13.72	14.01	P(T<t)two tail	.211	
2012	13.36	14			
2013	12.83	13.91			
2014	12.89	12.53			

5.1 Capital Adequacy ratio:

Capital base of financial institutions facilitates depositors in forming their risk perception about the organization. Capital Adequacy ratio prevents the bank from bankruptcy. RBI prescribes banks to maintain a minimum ratio of 9%.The average capital adequacy ratio of the J&K bank is banks for the study period (2004-13) are 12.7464 and 13.9931 respectively which is above limit. According to table-.5.1 it is evident that the selected banks have been able to confirm to the requirements Basel norms. Since the P- value of Capital Adequacy ratio is more than 0.05, (.211). Hence null hypothesis is not rejected; it means that, there is no significant difference in Capital Adequacy ratio of J &K Bank (Group-1) and South Indian Bank (Group-2).

Table-5.2

CURRENT RATIO			Independent t-Test Assuming Equal variances		
year	J & K BANK	SOUTH INDIAN BANK		1.00	2.00
2005	0.02	0.02	Observations	10	10
2006	0.02	0.03	Mean	.0160	.0910
2007	0.01	0.02	Mean difference	-07500	-.07500
2008	0.02	0.02	Hypothesized M diff	0	
2009	0.02	0.02	Df	18	
2010	0.02	0.02	t-statistic	-1.073	
2011	0.01	0.02	P(T<t)two tail	.298	
2012	0.01	0.02			
2013	0.01	0.72			
2014	0.02	0.02			

5.2 Current Ratio:

The above table: no.5.2 show all the results related to Current ratio The average Current ratio of the J&K bank and South Indian Bank for the study period are .0160 and 0.0910 times. Since the P-value of current ratio is more than 0.05, (0.298), hence null hypothesis is not rejected; it means that, there is no significant difference in Current ratio of J &K Bank (Group-1) and South Indian Bank (Group-

2). But South Indian Bank liquidity is good compared with J&K Bank.

Table-5.3

QUICK RATIO			Independent t-Test Assuming Equal variances		
Year	J & K BANK	SOUTH INDIAN BANK		1.00	2.00
2005	16.1	11.4	Observations	10	10
2006	17.65	11.86	Mean	22.4300	20.1510
2007	23.46	13.53	Mean difference	2.27900	
2008	20.5	15.67	Hypothesized M Diff	0	
2009	22.24	17.99	Df	18	
2010	22.12	24.96	t-statistic	.934	
2011	23.9	23.82	P(T<t)two tail	.363	
2012	23.02	26.58			
2013	27.06	27.57			
2014	28.25	28.13			

5.3 QUICK RATIO:

The above table: no.5.3 show all the results related to Quick ratio. The average Quick ratio of the J&K bank and South Indian Bank for the study period are 22.4300 and 20.1510times. Since the P-value of Quick ratio is more than 0.05,(0.363), hence null hypothesis is not rejected, it means that, there is no significant difference in Quick ratio of J &K Bank (Group-1) and South Indian Bank (Group-2). J &K Bank quick ratio is more compared with South Indian Bank.

Table-5.4

RETURN ON EQUITY			Independent t-Test Assuming Equal variances		
Year	J & K BANK	SOUTH INDIAN BANK			
2005	6.91	1.9	Observations	10	10
2006	9.91	8.8	Mean	15.8580	13.8380
2007	13.67	14.38	Mean difference	2.02000	
2008	15.78	13.27	Hypothesized M Diff	0	
2009	15.63	15.14	Df	18	18
2010	17.02	15.93	t-statistic	.926	
2011	17.69	17.25	P(T<t)two tail	.367	
2012	19.62	19.82			
2013	21.69	16.83			
2014	20.66	15.06			

5.4 Return On Equity:

The above table: no.5.4 show all the results related to Return on Equity. The average Return on Equity of the J&K bank and South Indian Bank for the study period are 15.8580 and 13.8380 percent. Since the P- value of Return on Equity is more than 0.05,(0.926), Hence null hypothesis is not rejected; it means that, there is no significant difference in Return on Equity of J &K Bank (Group-1) and South Indian Bank (Group-2).hence, J &K Bank performance is good compared with South Indian Bank.

Table-5.5

Year	INCOME PER EMPLOYEE		Independent t-Test Assuming Equal variances		
	J & K BANK	SOUTH INDIAN BANK		1.00	2
2005	0.01674	0.00242	Observations	10	10
2006	0.02609	0.01372	Mean	.0653	.0451
2007	0.04009	0.02692	Mean difference	.02020	.02020
2008	0.04763	0.0359	Hypothesized M Diff	0	0
2009	0.05374	0.04306	Df		
2010	0.06577	0.0481	t-statistic	1.439	
2011	0.0775	0.05207	P(T<t)two tail	.167	
2012	0.08676	0.07134			
2013	0.11224	0.08252			
2014	0.12618	0.07469			

5.5 Income Per Employee:

The above table- no.5.5 show all the results related to Income Per Employee. The average Income Per Employee of the J&K bank and South Indian Bank for the study period are .0653and .0451(Rupees in Crore). Since the P- value of Income Per Employee is more than 0.05,(0.167), hence null hypothesis is not rejected, it means that, there is no significant difference in Income Per Employee of J &K Bank (Group-1) and South Indian Bank (Group-2).hence, J &K Bank performance is more compared with South Indian Bank.

Table-5.6

Year	NET PROFIT MARGIN		Independent t-Test Assuming Equal variances		
	J & K BANK	SOUTH INDIAN BANK			
2005	7.93	1.25	Observations	10	10
2006	10.02	6.15	Mean	13.5590	9.0690
2007	13.44	9.71	Mean difference	4.49000	
2008	13.53	10.66	Hypothesized MDiff	0	0
2009	12.84	10.66	Df	18	
2010	14.58	10.69	t-statistic	3.441	
2011	15.23	11.1	P(T<t)two tail	.003	
2012	15.57	10.52			
2013	15.93	10.53			
2014	16.52	9.42			

5.6 Net Profit Margin:

The above table: no.5.6 show all the results related to Net Profit Margin. The average Net Profit Margin of the J&K bank and South Indian Bank for the study period are .0653and .0451(Rupees in Crore). Since the P- value of Net Profit Margin is less than 0.05,(0.003), hence null hypothesis is rejected, it means that, there is significant difference in Net Profit Margin of J &K Bank (Group-1) and South Indian Bank (Group-2).hence, J &K Bank performance is good compared with South Indian Bank.

Table-5.7

Year	EARNING PER SHARE		Independent t-Test Assuming Equal variances	1	2
	J & K BANK	SOUTH INDIAN BANK			
2005	23.74	1.82	Observations	10	10
2006	36.78	7.23	Mean	97.6090	9.1500
2007	56.62	14.79	Mean difference	88.45900	
2008	74.26	16.77	Hypothesized M Diff	0	0
2009	84.54	17.23	Df	18	18
2010	105.69	20.69	t-statistic	4.678	
2011	126.9	2.59	P(T<t)two tail	.000	
2012	165.69	3.54			
2013	217.65	3.75			
2014	84.22	3.09			

5.7 Earning Per Share:

The above table: no.5.7 show all the results related to Earning Per Share. The average Earning Per Share of the J&K bank and South Indian Bank for the study period are 97.6090 and 9.1500 percent. Since the P- value of Earning Per Share is less than 0.05,(0.000), hence null hypothesis is rejected, it means that, there is significant difference in Earning Per Share of J &K Bank (Group-1) and South Indian Bank (Group-2).hence, J &K Bank performance is very good compared with South Indian Bank. Mean difference (88.45900) of Earning per share is showing very high.

Table-5.8

Year	LOAN TO DEPOSIT RATIO		Independent t-Test Assuming Equal Variances	1	2
	J & K BANK	SOUTH INDIAN BANK			
2005	0.01476	0.00044	Observations	10	10
2006	0.01124	0.00008	Mean	0217	.0146
2007	0.02462	0.00266	Mean difference	.00709	
2008	0.02629	0.00182	Hypothesized MDiff	0	
2009	0.0302	0.01421	Df	18	
2010	0.02955	0.01438	t-statistic	1.191	
2011	0.02473	0.00977	P(T<t)two tail	.249	
2012	0.02326	0.01611			
2013	0.01674	0.02902			
2014	0.0155	0.0575			

5.8 Loan To Deposit Ratio:

The above table: no.5.8 show all the results related to Loan to Deposit Ratio. The average Loan to Deposit Ratio of the J&K bank and South Indian Bank for the study period are 0.0217 and 0.0146 times. Since the P- value of Loan to Deposit Ratio is more than 0.05,(0. 249), hence null hypothesis is not rejected, it means that, there is no significant difference in Loan to Deposit Ratio of J &K Bank (Group-1) and South Indian Bank (Group-2).hence, J &K Bank performance is good compared with South Indian Bank. Mean difference is (.00709).

Table-5.9

	NET NPA TO NET ADVANCE		Independent t-Test Assuming Equal variances		
Year	J & K BANK	SOUTH INDIAN BANK			
2005	0.14144	0.3806	Observations	10	10
2006	0.09245	0.18555	Mean	.0692	.0978
2007	0.11356	0.09825	Mean difference	-.02867	
2008	0.10772	0.03252	Hypothesized Mean Diff	0	0
2009	0.13736	0.02894	Df	18	18
2010	0.02789	0.03893	t-statistic	-.736	
2011	0.02031	0.02928	P(T<t)two tail	.471	
2012	0.0149	0.02815			
2013	0.01411	0.07842			
2014	0.02199	0.07775			

5.9 Net Npa To Net Advance Ratio:

The above table: no.6.9 show all the results related to Net NPA to Net Advance ratio. The average Net NPA to Net Advance ratio of the J&K bank and South Indian Bank for the study period are .0692 and 0.0978 times. Since the P- value of Net NPA to Net Advance ratio is more than 0.05,(0.471), hence null hypothesis is not rejected, it means that, there is no significant difference in Net NPA to Net Advance ratio of J &K Bank (Group-1) and South Indian Bank (Group-2). Hence we can say that the NPA of both the banks have decreased during the study period but J &K Bank NPAs are low compared with South Indian Bank. The efficiency of J&K Bank management is good in controlling NPAs

Table-5.10

	NET NPA TO TOTAL ASSETS		Independent t-Test Assuming Equal variances		
Year	J & K BANK	SOUTH INDIAN BANK		1	2
2005	0.06654	0.21546	Observations	10	10
2006	0.05063	0.10917	Mean	.0378	.0630
2007	0.06769	0.05699	Mean difference	-.02524	
2008	0.0621	0.01989	Hypothesized M Diff	0	0
2009	0.07627	0.06589	Df	18	18
2010	0.01511	0.02412	t-statistic	-1.187	
2011	0.01053	0.01828	P(T<t)two tail	.250	
2012	0.00818	0.01895			
2013	0.00771	0.05011			
2014	0.01297	0.05123			

5.10 Net Npa To Total Assets Ratio:

The above table: no.5.10 show all the results related to Net NPA to Total Assets ratio. The average Net NPA to Total Assets ratio of the J&K bank and South Indian Bank for the study period are 0 .0378 and 0. 0630 times. Since the P- value of Net NPA to Total Assets ratio is more than 0.05, (0.250), hence null hypothesis is not rejected, it means that, there is no significant difference in Net NPA to Total

Assets ratio of J &K Bank (Group-1) and South Indian Bank (Group-2). Hence we can say that the NPA of both the banks have changeable during the study period. But J &K Bank NPAs are very low compared with South Indian Bank. The efficiency of J&K Bank management is good because its Average NPAs is half of South Indian Bank.

Table-5.11

Year	GROSS NPA TO NET ADVANCE		Independent t-Test Assuming Equal variances		
	J & K BANK	SOUTH INDIAN BANK		1	2
2005	0.27524	0.68235	Observations	10	10
2006	0.25561	0.51458	Mean	.2237	.2602
2007	0.29379	0.40561	Mean difference		
2008	0.25696	0.18032	Hypothesized MDiff	0	0
2009	0.26722	0.21988	Df	18	18
2010	0.2005	0.13335	t-statistic	-.551	-.03655
2011	0.19806	0.1124	P(T<t)two tail	.588	
2012	0.15618	0.09794			
2013	0.16423	0.13638			
2014	0.16889	0.1194			

5.11 Gross Npa To Net Advance Ratio:

The above table: no.5.11 show all the results related to Gross NPA to Net Advances ratio. The average Gross NPA to Net Advance ratio of the J&K bank and South Indian Bank for the study period are 0.2237and 0.2602times. Since the P- value of Gross NPA to Net Advance ratio is more than 0.05,(0.588), hence null hypothesis is not rejected, it means that, there is no significant difference in Gross NPA to Net Advance ratio of J &K Bank (Group-1) and South Indian Bank (Group-2). Hence we can say that the NPA of both the banks have decreased during the study period. But J &K Bank NPAs are low compared with South Indian Bank. The efficiency of J&K Bank management is good because its Average NPAs are less than 0.5 during the study period.

Table-5.12

Year	NET PROFIT TO AVERAGE ASSETS		Independent t-Test Assuming Equal variances		
	J & K BANK	SOUTH INDIAN BANK		1	2
2005	0.005037	0.0009289	Observations	10	10
2006	0.0070014	0.0050135	Mean	.0135	.0084
2007	0.009964	0.00850653	Mean difference	.00510	
2008	0.029314	0.0098638	Hypothesized MDiff	0	0
2009	0.011635	0.010394	Df	18	18
2010	0.0127711	0.0181	t-statistic	1.919	
2011	0.0132222	0.01027	P(T<t)two tail	.071	
2012	0.014502	0.010975			
2013	0.0159848	0.000411			
2014	0.015728	0.009686			

5.12 Net Profit To Average Assets Ratio:

The above table: no.5.12 show all the results related to Net Profit to Average Assets ratio. The average Net Profit to Average Assets ratio of the J&K bank and South Indian Bank for the study period are 0 .0135and 0. 0084times. Since the P- value of Net Profit to Average Assets ratio is more than 0.05,(.071), hence null hypothesis is not rejected, it means that, there is no significant difference in Net Profit to Average Assets ratio of J &K Bank (Group-1) and South Indian Bank (Group-2). It clears that J &K Bank Net Profit ratio is more compared with South Indian Bank.

6. Summary Of Findings And Conclusion

Based on the above analysis, the following are the summary of findings and conclusion about the comparative financial performance of the J &K Bank and South Indian Bank are drawn:

6.1 Summary Of Findings:

1) The average capital adequacy ratio of the J&K bank is banks for the study period (2004-13) are 12.7464 and 13.9931 respectively which is above limit than the Basel Accord norms of 10 percent.

2) The average Current ratio of the J&K bank and South Indian Bank for the study period are .0160 and .0910 times. South Indian Bank liquidity is good compared with J&K Bank.

3) The average Quick ratio of the J&K bank and South Indian Bank for the study period are 22.4300 and 20.1510times.J &K Bank quick ratio is more compared with South Indian Bank.

4) The average Return on Equity of the J&K bank and South Indian Bank for the study period is 15.8580 and 13.8380 percent. Since the P- value of Return on Equity is more than 0.05,(0.926), J &K Bank performance is good compared with South Indian Bank.

5) The average Income Per Employee of the J&K bank and South Indian Bank for the study period are .0653and .0451(Rupees in Crore).&K Bank performance is more compared with South Indian Bank.

6) The average Net Profit Margin of the J&K bank and South Indian Bank for the study period are .0653and .0451(Rupees in Crore). J &K Bank performance is good compared with South Indian Bank.

7) The average Earning per Share of the J&K bank and South Indian Bank for the study period are 97.6090 and 9.1500 percent. J &K Bank performance is very good compared with South Indian Bank. Mean difference (88.45900) of Earning per share is showing very high.

8) The average Loan to Deposit Ratio of the J&K bank and South Indian Bank for the study period are 0.0217 and 0.0146 times. J &K Bank performance is good compared

9) The average Net NPA to Net Advance ratio of the J&K bank and South Indian Bank for the study

10) period are .0692 and 0.0978 times. NPA of both the banks have decreased during the study period. The average Net NPA to Total Assets ratio of the J&K bank and South Indian Bank for the study period are 0 .0378 and 0. 0630 times. NPA of both the banks have fluctuated changeable during the study period.

11) The average Gross NPA to Net Advance ratio of the J&K bank and South Indian Bank for the study period are 0.2237and 0.2602times. The efficiency of J&K Bank management is good because its Average NPAs are less than 0.5 during the study period.

12) The average Net Profit to Average Assets ratio of the J&K bank and South Indian Bank for the study period are 0 .0135and 0. 0084times. It clears that J &K Bank Net Profit ratio is more compared with South Indian Bank.

6.2 CONCLUSIONS:

From the analysis and interpretations it clears that the South Indian bank performance is

slightly less compared with J&K Bank.

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