



AN ANALYSIS OF URBAN CO-OPERATIVE BANKS: STRATEGIZING AND PLANNING FOR FINANCIAL SUCCESS

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ABSTRACT

Purpose: The study seeks to explore and evaluate the banking operations, particularly the financial performance, of Urban Cooperative Banks (UCBs) in India up to December 2024. The investigation employed data sourced from the Reserve Bank of India (RBI), with the analysis of results largely driven by the researcher's interpretations. The goal of the research is to assess the metrics derived from various chosen indicators that act as benchmarks for measuring UCBs' performance.

Methodology: This research includes critical statistical data and financial statements of Urban Cooperative Banks (UCBs) from 2020-21 to 2023-24. Urban Cooperative Banks have long faced challenges with low credit uptake. At the same time, commercial banks have been lowering interest rates on demand deposits, such as savings accounts, and time deposits, like fixed deposits. This trend has led some informed retail depositors to shift their savings to financially sound UCBs that offer more attractive interest rates on both demand and time deposits. Typically, well-performing UCBs would welcome such an increase in their deposit base. However, due to the weak demand for retail credit, these banks are finding it difficult to invest these deposits profitably enough to cover their servicing costs. The key question is whether UCBs can devise effective strategies and plans to address this challenge.

The researcher analyzed the performance of Shiva Cooperative Bank Ltd, Tarikere, a UCB, to ascertain whether it had effectively strategized and planned for this objective. To this end, the researcher reviewed the bank's financials for the period from FY 2020-21. It was discovered that the UCB had not consistently expanded its current accounts and savings accounts (CASA) base. The bank's profit margin also reflected this pattern. The correlation between the UCB's net income and CASA base displayed a negative 20 percent! This irregularity suggested the ineffective utilization of the low-cost CASA base by the UCB. Typically, one would anticipate the net income to rise whenever the CASA base increased. Additionally, the UCB struggled to maintain steady growth in its overall deposit base, with the ratio of the CASA base to the total deposit base varying significantly.

Paper Type: This paper is conducted using secondary data using a few basic formulas, hence it is Analytical research.

KEYWORDS: Camel model, UCBs, Key financial indicators, Growth rates.

1. INTRODUCTION

India has long encountered a deficit of capital, and in the pursuit of funding, small entrepreneurs, farmers, and individuals unable to provide collateral—such as artisans, small traders, women, and rural inhabitants—often miss opportunities (Anand, 2016). Cooperative banks were established to serve these particular segments. These groups constitute the largest portion of the population not reached by commercial banks, which struggle to operate in the country's most remote regions while remaining sustainable. Essentially, cooperative banks were intended as the initial



means for financial inclusion. They were expected to encourage savings at the grassroots level and extend credit to those overlooked by traditional banks. Due to their local character, they were also anticipated to possess a better understanding of the local business environment, thereby contributing to the economic development of the community. However, today, the cooperative banking sector finds itself at a pivotal point. On one hand, they have expanded considerably, though not optimally; they have established a significant deposit and credit foundation and represent a formidable presence in several states. On the other hand, as a group, cooperative banks are structurally fragile. Numerous failures have frequently underscored management inefficiencies; most cooperative banks are managed like family-run enterprises with inadequate corporate governance. Political meddling is prevalent, and the regulatory framework within which they function does not facilitate effective oversight by the RBI.

The structure of the cooperative network in India can be analyzed at two levels: urban cooperative banks and rural cooperatives. Urban cooperatives can be further classified into scheduled and non-scheduled banks. Both categories are subdivided into multi-state and single-state banks. Most of these banks fall into the non-scheduled and single-state classifications. The banking activities of urban cooperative banks are overseen by the RBI, while registration and management duties fall under the authority of the relevant Registrar of Cooperative Societies (RCS). These RCSs operate within a single state, while the Central RCS (CRCS) functions across multiple states.

2. STATEMENT OF THE PROBLEM

The operational effectiveness and profitability of urban cooperative banks are shaped by various factors. While some factors may be applicable to all banks, others may be unique to specific institutions. Certain banks may possess inherent advantages in their operational domains, while others may have advantages in profitability. Some banks may thrive in both aspects, whereas others may struggle in both. These variations can often be traced to several micro-level elements, which the bank may or may not have sufficiently addressed for different reasons, whether due to lack of awareness or intention. To pinpoint these issues, it is essential to analyze the banks' growth as indicated by key metrics. Since lending is one of the primary functions of the banks, such analysis should commence with a review of the banks' loan portfolios. The factors influencing the operational effectiveness and profitability of the banks need to be identified and examined. Given that this process may expose the banks to credit risk, strategies to mitigate this risk must also be established.

3. REVIEW OF LITERATURE:

The role of banks especially in both the urban and semi-urban areas plays a vital role. To support the people of tier 2 and tier 3 cities in their business and other agricultural activities UCBs play a major role by providing the required financial support (Biresh K. Sahoo(2007)[15]). Many studies have been conducted on UCB's performance, but not much was explored on the CAMEL model and CAGR approach. A Systematic literature search is conducted using the Google Scholar database to review papers published from 2005-2023 based on the availability of data and information through different sites.

Table 1: Contribution by Different Scholars

SI No	Field of research	Focus	Outcome/Observation	References
1	Financial Performance & Operational Efficiency	Credit management and loan appraisals	Financial performance is influenced by credit risk management, loan portfolio diversification, and asset quality.	Kannan (2015)
2		Technology implementation and diversified investment strategies	Operational efficiency is linked to the adoption of modern banking practices, investment in technology, and effective management practices.	Rai & Patil (2013)
3		Norms by regulatory bodies and their importance	Dual control by RBI and Registrar of Cooperative Societies leads to	Joshi (2018)



	Impact of Regulatory Framework		regulatory overlap and inefficiencies.	
4		Critical path in successful implementation of banking Norms	Effective supervision by RBI is critical for financial stability and integrity of UCBs.	Patel (2017)
5	Governance and Management Challenges	Personal banking and individual involvement guidelines	Many UCBs operate like family-owned businesses with inadequate governance structures and practices.	Gupta (2014)
6		Written documents on regular banking activities	Strong governance frameworks are needed to enhance accountability and transparency in UCBs.	Sharma & Kaur (2016)
7	Financial Inclusion & Economic Development	<i>Contribution of UCB's towards financial rotations</i>	UCBs promote financial inclusion by providing credit to underserved segments and mobilizing grassroots savings.	Anand (2016)
8		Financial infusion and its importance in building the strong country	UCBs contribute to local economic development by understanding the local business environment and supporting small enterprises.	Kumar & Singh (2019)
9	Challenges and Opportunities	Strong and dynamic qualities for efficient management	UCBs have grown in deposits and credit base but need to address management inefficiencies and improve corporate governance.	Mehta (2020)
10		Growth options in terms of involvement of technology in Banking operations	Adoption of modern banking technologies and practices is essential for enhancing operational efficiency and competitiveness.	Rao & Patel (2021)

4. RESEARCH GAP

The study considers few values and calculations as financial indicators, however, there may be other factors and analysis could be done to support the objectives of this study (M. Sangameshwari (2017),[16]). Observing and analyzing the overall UCB's performance will give a general opinion on the financial performance but any specific bank.

5. RESEARCH AGENDA

Despite the extensive studies on urban cooperative banks (UCBs) and their contribution to financial inclusion and economic development, several research gaps remain. Identifying these gaps is essential for deepening our understanding and developing effective strategies to improve the financial performance of UCBs.



1. Impact of Technological Integration

- **Existing Research:** Studies like those by Rai & Patil (2013) and Rao & Patel (2021) highlight the importance of adopting modern banking technologies for operational efficiency.
- **Gap:** There is limited empirical evidence on the specific types of technologies that have the most significant impact on the performance of UCBs and how these technologies can be optimally integrated into their operations.

2. Role of Governance and Management Practices

- **Existing Research:** Gupta (2014) and Sharma & Kaur (2016) discuss the governance challenges and the necessity for robust governance frameworks is crucial. Strong governance ensures transparency, accountability, and effective decision-making, which are vital for the sustainability and success of organizations, particularly in sectors like banking. By establishing clear policies and procedures, institutions can better manage risks, enhance stakeholder confidence, and foster long-term growth.
- **Gap:** More in-depth, case-specific studies are needed to understand how particular governance practices and managerial decisions affect the performance and sustainability of UCBs in different contexts.

3. Effectiveness of Regulatory Frameworks

- **Existing Research:** Joshi (2018) and Patel (2017) explore the regulatory challenges faced by UCBs due to dual control by the RBI and the Registrar of Cooperative Societies.
- **Gap:** There is a lack of comprehensive studies evaluating the effectiveness of current regulatory frameworks and proposing reforms to streamline regulation and supervision for improved performance of UCBs.

4. Financial Inclusion Impact Assessment

- **Existing Research:** Anand (2016) and Kumar & Singh (2019) emphasize the role of UCBs in promoting financial inclusion and local economic development.
- **Gap:** There is insufficient longitudinal data assessing the long-term impact of UCBs on financial inclusion and economic development, particularly in rural and underserved areas.

5. Comparative Performance Analysis

- **Existing Research:** Some studies provide a general overview of the performance of UCBs.
- **Gap:** Comparative performance analyses between UCBs and other financial institutions, as well as among UCBs in different regions or states, are lacking and would offer important insights into effective practices and identify areas that require enhancement.

By addressing these research gaps, future studies can offer a more thorough understanding of the challenges and opportunities encountered by urban cooperative banks, ultimately aiding their strategic planning and efforts toward financial success.

6. OBJECTIVES

- To evaluate the profitability of urban cooperative banks by analyzing the ratio of net profit to total loans disbursed.
- To assess the liquidity and risk management practices of urban cooperative banks through an analysis of the ratio of short-term loans to demand deposits.
- To investigate the relationship between the growth in different types of loans (gold loans, unsecured loans, and mortgage loans) and the net profit of urban cooperative banks.

7. RESEARCH DESIGN

Sources of Data

The data required for this research was sourced exclusively from secondary sources, particularly the Annual Reports of the participating banks. Additionally, the researcher engaged extensively with various stakeholders involved with urban cooperative banks (UCBs) in the country.

Period of the Study

This paper is based on financial statements for the years ending 2023 and 2024, as provided by the Reserve Bank of India. This two-year dataset offers a comprehensive view of the financial activities of UCBs in India.



Data Processing and Analysis Plan

The data has been meticulously processed and analyzed using advanced statistical techniques. Specifically, the correlation coefficient was employed to measure the strength and direction of relationships among various financial metrics. Additionally, the compounded annual growth rate (CAGR) was utilized to assess the mean annual growth rate of financial variables over the specified period, providing a clearer picture of long-term trends and performance. Together, these analytical methods offer a detailed and robust evaluation of the financial operations and performance of urban cooperative banks (UCBs).

8. GROWTH OF SHIVA CO-OPERATIVE BANK LTD ON VARIOUS METRICS

In the following paragraphs, the growth of Shiva Co-operative Bank Ltd, Tarikere, is analyzed across various metric

1.8.1 Growth in CASA deposits of the bank for the period FY 2020-FY 2024

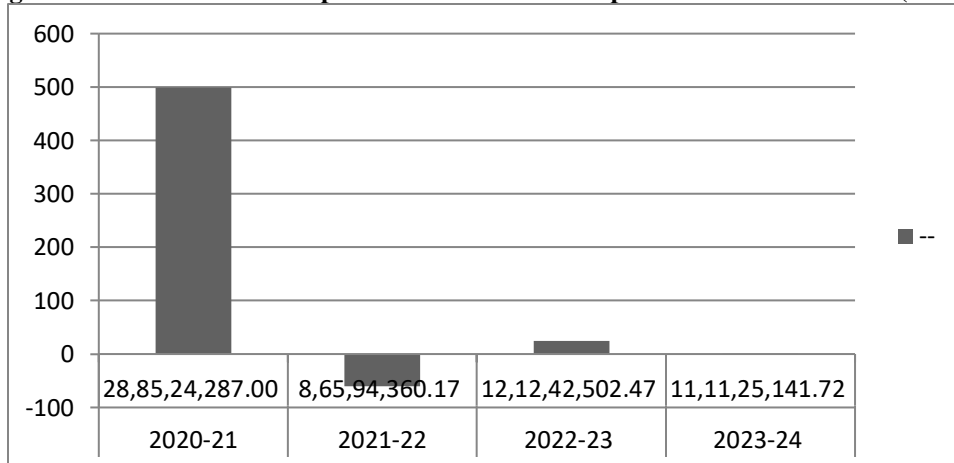
Current accounts and savings accounts (CASA) represent the most cost-effective source of working capital for a bank. The bank pays minimal interest on savings deposits and no interest on current accounts. Additionally, the bank earns income from current accounts through service charges. Therefore, the growth of CASA deposits is a key performance indicator. The following table and figure illustrate the growth of the bank's CASA deposits.

Table-1 Growth in CASA deposits of the bank for the period FY 2020-FY 2024 (in INR)

Year	CASA deposit base (INR)	Year-on-Year (YoY) growth (%)
2019-20	4,87,54,651.00	--
2020-21	28,85,24,287.00	498.99
2021-22	8,65,94,360.17	-60.29
2022-23	12,12,42,502.47	24.55
2023-24	11,11,25,141.72	0.68
CAGR %		22.51

(Source: Annual Reports of the bank)

Figure-1 Growth in CASA deposits of the bank for the period FY 2020-FY 2024 (in INR)



(Source: Annual Reports of the bank)

During the review period, the bank's CASA deposits exhibited a compounded annual growth rate (CAGR) of 22.51 percent. However, this growth was not consistent, as evidenced by the erratic year-over-year (YoY) fluctuations. A YoY increase of 498.99 percent in one year, followed by a decrease of 60.29 percent in the subsequent year, is both perplexing and concerning. This volatility is detrimental to the bank's stability.

1.8.2 Growth in net profit of the bank for the period FY 2020-FY 2024

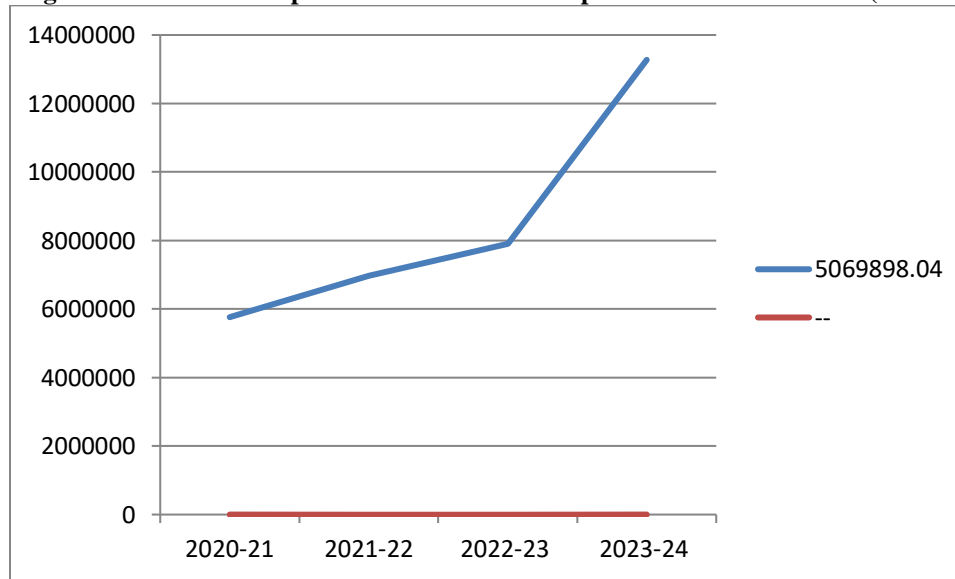
Like any business entity, the bank should strive to maximize shareholder wealth. A key strategy for achieving this is through the consistent and sustainable generation of net profit. The following table and figure illustrate the growth of the bank's net profit..

Table-2 Growth in net profit of the bank for the period FY 2020-FY 2024 (in INR)

Year	Net Profit (INR)	Year-on-Year (YoY) growth (%)
2019-20	5069898.04	--
2020-21	5763177.32	6.82
2021-22	6974321.33	25.32
2022-23	7898653.31	11.20
2023-24	13273433.45	49.11
CAGR %		20.79

(Source: Annual Reports of the bank)

Figure-2 Growth in net profit of the bank for the period FY 2020-FY 2024 (in INR)



(Source: Annual Reports of the bank)

During the review period, the bank’s net profit grew at a compounded annual growth rate (CAGR) of 20.79 percent. However, there was a decline in the year-over-year (YoY) growth in net profit between FY 2022 and FY 2023. In the following year, the bank experienced a significant rebound, with a YoY growth rate of 49.11 percent, partially recovering from the previous year’s decline.

1.8.3 Correlation between the CASA deposits and the net profit of the bank for the period FY 2020-FY 2024

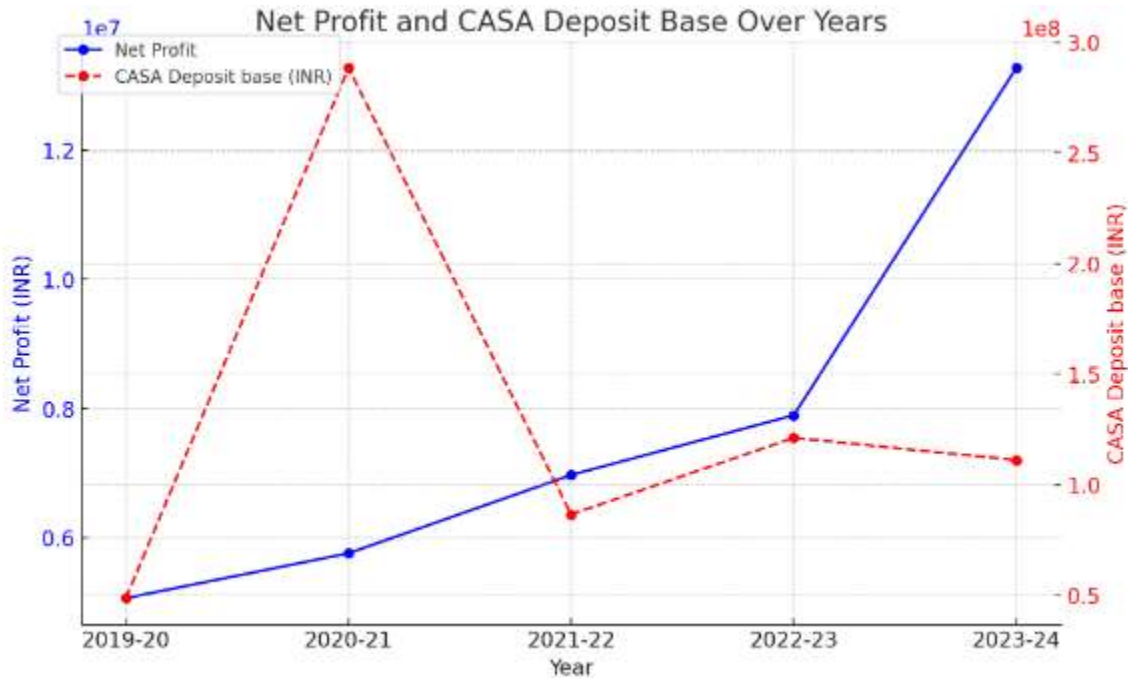
It is expected that the growth in CASA deposits and net profit of a bank would be positively correlated, given that CASA deposits are the most cost-effective source of working capital. The bank is anticipated to leverage this advantage to boost its profitability. Therefore, it is valuable to examine whether the respondent bank aligns with this trend or deviates from it. The following table and figure illustrate this correlation.

Table-3 Correlation between the CASA deposits and the net profit of the bank for the period FY 2020-FY 2024 (in INR)

Year	Net profit	CASA Deposit base (INR)
2019-20	5069898.04	4,87,54,651.00
2020-21	5763177.32	28,85,24,287.00
2021-22	6974321.33	8,65,94,360.17
2022-23	7898653.31	12,12,42,502.47
2023-24	13273433.45	11,11,25,141.72
Correlation coefficient		-0.21

(Source: Annual Report of the bank)

Figure-3 Correlation between the CASA deposits and the net profit of the bank for FY 2020-2024



The line graph below illustrates the net profit and CASA deposit base from 2019-20 to 2023-24. The net profit is depicted with a blue line and markers, while the CASA deposit base is represented with a red dashed line and markers. This graph provides a visual representation of the trends and potential correlation between these two variables over the specified period.

Throughout the review period, the bank’s net profit and CASA deposits did not follow a consistent trend. From FY 2021 to FY 2022, the net profit increased from INR 5,763,177.32 to INR 6,974,321.33, reflecting an approximate 25 percent rise. In contrast, the CASA base decreased from INR 28,852,428.70 to INR 8,869,436.17. Given these conditions, the correlation coefficient of -0.21 between net profit and the CASA base is not surprising.

1.8.4 Growth in the overall deposits of the bank for the period FY 2020-FY 2024

In addition to examining the bank's CASA deposits, it is also recommended to analyze its total deposits, as these provide essential working capital at relatively low cost. While term deposits are not as inexpensive as CASA deposits, they still offer cost-effective working capital for the bank. Although term deposits require the bank to pay a higher interest rate, this interest is tax-deductible, which reduces the overall interest expense for the bank. Therefore, it is crucial to assess whether the bank's total deposit growth is occurring at a healthy rate.

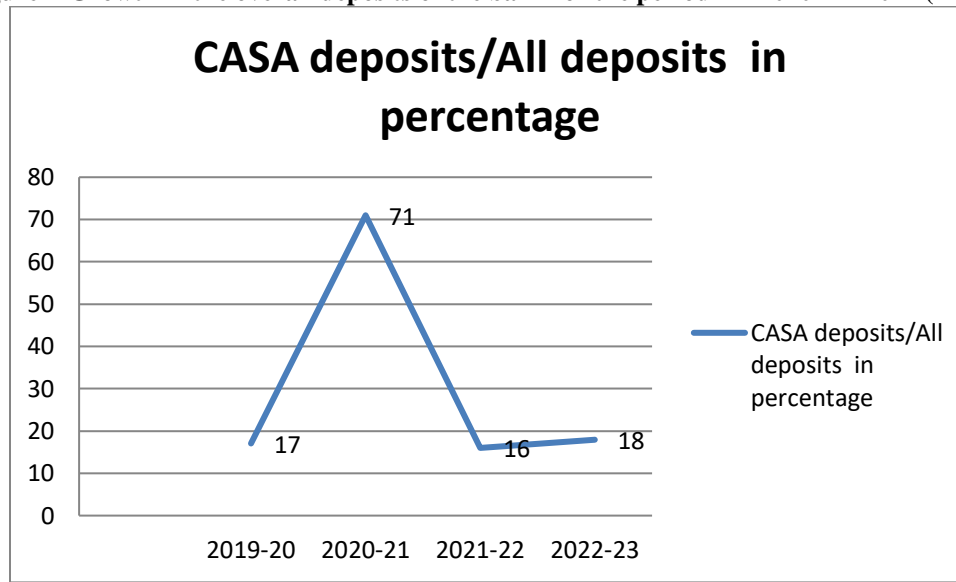
Table-4 Growth in the overall deposits of the bank for the period FY 2020-FY 2024 (in INR)

Year	All Deposits	YOY growth (%)
2019-20	355664367	-
2020-21	418032740	17.51
2021-22	531108331	27.01
2022-23	632968711	19.20
2023-24	724629212	14.45
CAGR		19.46

(Source: Annual Reports of the bank)



Figure-4 Growth in the overall deposits of the bank for the period FY 2020-FY 2024 (in INR)



The bank's total deposit growth has increased at a compounded annual growth rate (CAGR) of 19.46%. In other words, the year-over-year (YoY) growth has been relatively stable. It is hoped that the YoY growth of overall deposits will continue to rise and not plateau.

1.8.5 CASA deposits as a proportion of the overall deposits of the bank for the period FY 2020-FY 2024

To enhance their profitability, banks should maximize their CASA deposits, as noted earlier. The greater the share of CASA deposits within the total deposits, the more favorable the financial results. Therefore, it is important to examine this metric closely. This type of analysis is illustrated in the following table and figure.

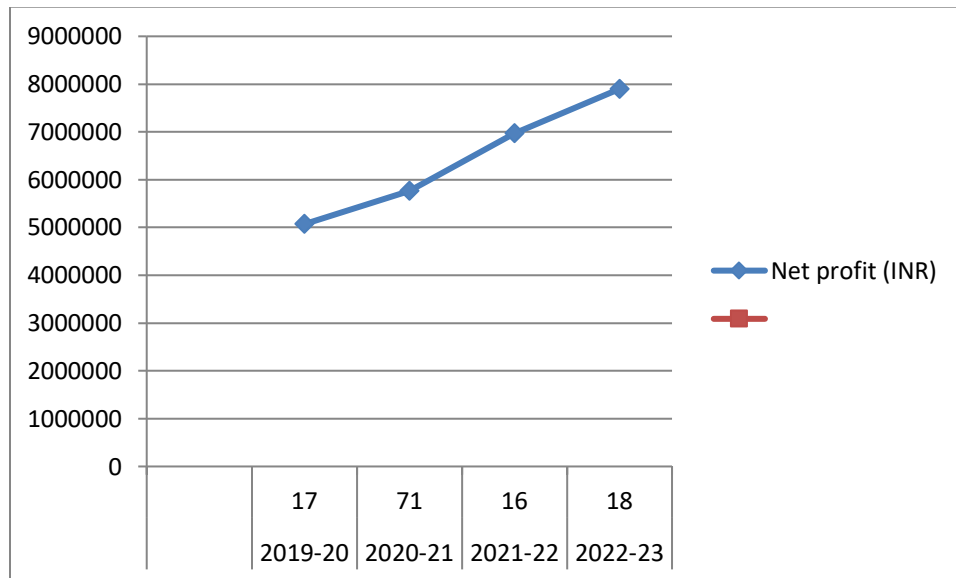
Table-5 CASA deposits as a proportion of overall deposits of the bank for the period FY 2020-FY 2024 (in INR)

Year	CASA deposits	All deposits	CASA deposits/All deposits in Percentage
2019-20	4,87,54,651.00	355664367	13.22
2020-21	28,85,24,287.00	418032740	70.40
2021-22	8,65,94,360.17	531108331	15.85
2022-23	12,12,42,502.47	632968711	17.52
2023-24	11,11,25,141.72	724629212	15.43

(Source: Annual Reports of the bank)



Figure-5 CASA deposits as a proportion of overall deposits of the bank for the period FY 2020-FY 2024 (in INR)



Except for FY 2021, when the percentage of CASA deposits reached 70.40%, the proportion has generally fluctuated between 13% and 15%. This outlier can be considered exceptional and set aside. Overall, this range is inadequate for the bank to significantly boost its profit margin. Ideally, the percentage should be at least 25%. Therefore, prioritizing an increase in the CASA component of the total deposit portfolio would have been a more effective strategy for the bank.

1.8.6 Correlation between the proportion of CASA deposits and the net profit of the bank for the period FY 2020-FY 2024

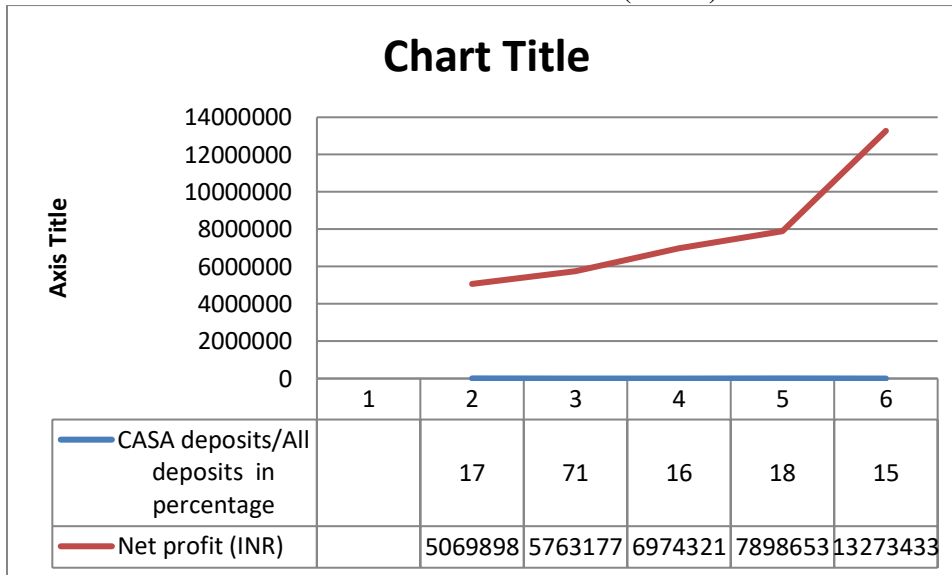
As the proportion of CASA deposits within the bank's total deposit base rises, an improvement in net profit is expected. Therefore, it is valuable to examine this metric. The following table and figure provide an analysis of this relationship

Table-6 Correlation between the proportion of CASA deposits and the net profit of the bank for the period FY 2020-FY 2024 (in INR)

Year	CASA deposits/All deposits in percentage	Net profit (INR)
2019-20	17	5069898.04
2020-21	71	5763177.32
2021-22	16	6974321.33
2022-23	18	7898653.31
2023-24	15	13273433.45
Correlation coefficient		-0.374568

(Source: Annual Reports of the bank)

Figure-6 Correlation between the proportion of CASA deposits and the net profit of the bank for the period FY 2020-FY 2024 (in INR)



(Source: Annual Reports of the bank)

With the exception of FY 2021, when the percentage of CASA deposits reached 71.41%, the proportion has typically ranged between 13% and 15%. This outlier can be considered an anomaly and set aside. In FY 2021, the net profit saw only a modest increase of approximately INR 3,55,000 (from INR 5,168,904.36 to INR 5,524,277.06). This suggests that either the bank engaged in window dressing or the outcome was due to coincidental factors. Regardless, this anomaly has not led to a genuine increase in net profit but has rather distorted the perception of profit growth. In contrast, during years when the CASA deposit percentage was significantly below 71%, the increase in net profit was at least INR 7,00,000..

9.SWOC ANALYSIS OF URBAN COOPERATIVE BANKS (Scheduled and Non-Scheduled)

A method for extrinsic planning that the banking sector can utilise to evaluate its opportunities, threats/challenges, weaknesses, and strengths is the SWOC analysis (Aithal, P. S. (2017).[20]). It is a useful tool to have when making plans for the expansion or growth of your business. You can use the data acquired from a SWOC Analysis to help you decide where to concentrate your efforts and resources (Aithal, P. S. (2017)[26]).. The tiny size of the potential market presents a rural bank with its biggest obstacle. It could be challenging to bring in the money required to keep the company afloat as a result. Furthermore, rural banks frequently face competition from larger, more established entities.

A UCB can also capitalize on several opportunities. For example, there is potential for growth as the banking sector often fails to adequately serve certain segments service to the rural population. Furthermore, UCBs frequently have good ties to the community, which they can use to draw in new clients. These particular opportunities and challenges should be the centre of an Urban cooperative bank's marketing strategy (Karunakaran, N. (2020)[29]). The plan ought to focus on raising the bank's profile in the rural area and drawing in still for further growth.

Identify the core strength	Tackle the basic Weakness
<ul style="list-style-type: none"> • Good identification among tier 2 cities • Smooth financing facilities in rural areas • Greater advantage of having govt support • High liquidity and mobility of funds 	<ul style="list-style-type: none"> • Lack of marketing of the products • Lesser gradation of branches and management decisions • Absence of strong inside policies • Deviation from core business objective



Grabbing the opportunities	Evaluate the Challenges/Threats
<ul style="list-style-type: none"> • High middle class customers in Tier 2 cities • Bunch of strong competitive market • Traditional methods of banking and services • Growth of income level in semi-urban areas 	<ul style="list-style-type: none"> • Local money lenders with prudential offers • Changing regulations every year • Substantial growth of customer expectations • Lack of financial stability in individual branches

10. OVERALL PERFORMANCE AND FINDINGS

Following the initial study of Indian UCBs, it was observed that these banks have significant opportunities for financial and investment success. However, several common findings emerged from the study, which are listed below:

- The bank's CASA deposits grew at a compounded annual growth rate (CAGR) of 22.21% during the review period. Although this represents a growth, the erratic year-over-year (YoY) growth is concerning. It is perplexing to see a YoY increase of 499.99% in one year followed by a 70% decline the next. This inconsistency is troubling for the bank.
- The bank's net profit grew at a CAGR of 21.51% during the review period. However, there was a decline in YoY growth between FY 2022 and FY 2023. The following year saw a significant rebound, with net profit increasing by 49.38%, partially addressing the previous decline.
- The net profit and CASA deposits did not move in tandem over the review period. Net profit rose by over 25% between FY 2023 and FY 2024, from INR 5,524,277.06 to INR 6,829,385.11. In contrast, the CASA base dropped sharply from INR 29,852,428.70 to INR 8,869,436.17. Given these conditions, the -0.21 correlation coefficient between net profit and CASA base is expected.
- The growth of the bank's total deposits increased at a CAGR of 19.46%. The YoY growth in total deposits has been relatively stable. It is hoped that this growth trend will continue without stagnation.
- Except for FY 2021, when the percentage of CASA deposits reached 71.41%, the proportion has typically been between 13% and 15%. This anomaly can be considered exceptional. Overall, this range is insufficient for significantly boosting the bank's profit margin. Ideally, the CASA percentage should be at least 25%. Increasing the CASA component of the total deposit portfolio should have been a higher priority for the bank.
- With the exception of FY 2021, when the CASA deposit percentage was 71%, it has mostly remained between 13% and 15%. In FY 2021, net profit saw a modest increase of approximately INR 355,000 (from INR 5,168,904.36 to INR 5,524,277.06). This suggests that either the bank engaged in window dressing or coincidental factors influenced the outcome. Despite this, the bank's net profit has not improved substantially; rather, it has distorted the perception of profit growth. In years when the CASA percentage was significantly lower than 71%, the increase in net profit was at least INR 700,000.

11. SUGGESTIONS

The study aimed to understand how UCBs contribute to national economic and rural development. Despite efforts by Urban Cooperative Banks to enhance their performance in recent years, they have consistently ranked poorly. The results, however, are not particularly encouraging. The bank's growth and financial performance have fallen behind those of its competitors. To foster broader economic growth and productivity, the bank must significantly improve its performance. It should focus on expanding its presence in rural areas and improve its effectiveness in credit deployment.

- The bank needs to aim for a consistent increase in its CASA base over time. The current erratic growth resembles window-dressing or artificial enhancements. If such tactics were employed, the bank must correct its approach. Since depositors expect interest on their funds, the bank will struggle to reallocate these deposits effectively into its advances portfolio.
- The situation with the bank's net profit is similarly concerning. The sharp 49.38% increase in net profit for FY 2022 suggests that the bank may have engaged in unethical practices to compensate for the previous year's losses. While such tactics might offer short-term gains, they are likely to backfire in the future, revealing the underlying issues.



- It is surprising that the bank's net profit and CASA base have not moved in tandem. This indicates that the bank has not fully leveraged its CASA base, which should be used to obtain the lowest-cost working capital. If the bank fails to utilize this benefit, it suggests mismanagement of working capital.
- The bank's total deposits have grown at a compounded annual growth rate (CAGR) of 19%, with more stable year-over-year (YoY) growth. However, deposits should ideally increase steadily rather than erratically. For instance, deposits rose by 27% in FY 2022, but fell to 19% the following year and 14% the year after. The unexplained drop in FY 2023 is particularly concerning, as such fluctuations can complicate forecasting and planning for the bank.
- The CASA deposit base remains largely unchanged, ranging from 13% to 15%. Ideally, this percentage should be at least 25% for a bank where retail clients hold the majority of savings deposits. The CASA percentage has stayed below 15% for most of the period, with the exception of FY 2021, which saw an anomaly at 71.41%. Retail clients of UCBs, who typically come from lower to middle socioeconomic classes, often prefer banks over investment in securities due to a lack of capital market knowledge. Therefore, the low CASA percentage is unexpected given their preference for banking institutions.