



# **THE STUDY ON FINANCIAL ANALYSIS OF CO- OPERATIVE BANK WITH SPECIAL REFERENCE TO VELANTHAVALAM BRANCH, KERALA.**

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## **ABSTRACT :**

This study analyzes the financial performance of the Velanthavalam branch of the Cooperative Bank in Kerala from 2019 to 2024. Using ratio analysis and comparative balance sheets, it evaluates profitability, liquidity, and efficiency. The results highlight strengths like deposit growth and financial stability, along with challenges such as declining capital turnover. The study offers suggestions for improvement and emphasizes the bank's role in rural development and financial inclusion.

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## **Keywords :**

This study focuses on key areas such as cooperative banking, financial analysis, and ratio evaluation, specifically covering aspects like profitability, liquidity, solvency, and capital turnover. It highlights the performance of rural banking institutions, with an emphasis on financial inclusion, community development, and operational efficiency. The research also explores the role of cooperative banks in Kerala, especially at the Velanthavalam branch, using tools like comparative balance sheets, SWOT analysis, and secondary data interpretation to assess the financial health and sustainability of the institution.

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## **INTRODUCTION**

Cooperative banks play a vital role in promoting financial inclusion and supporting local communities, especially in rural areas. This study focuses on the financial performance of the Velanthavalam branch of the Cooperative Bank in Kerala. Through tools such as ratio analysis and comparative balance sheets, the research aims to assess the bank's profitability, liquidity, and operational efficiency over a five-year period. The insights gained will help identify areas of improvement and contribute to the strengthening of cooperative banking in regional settings.

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## **REVIEW OF LITERATURE**

1. Samantary (2008) conducted a study on the Financial Performance of Cooperative Banks using ratio analysis and trend analysis. The findings revealed a significant improvement in the financial health of cooperative banks, emphasizing their vital role in rural development.
2. Sharma (2010) examined the Financial Analysis of Cooperative Banks, focusing on liquidity challenges. Through financial ratios and regression analysis, the study highlighted the need for better liquidity management to maintain financial stability in cooperative banks.
3. Kumar (2012) evaluated the Performance of Cooperative Banks using Data Envelopment Analysis (DEA) and ratio analysis. The study identified variations in efficiency levels across banks and recommended improvements in operational efficiency.

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## **OBJECTIVES**

- To study the co-operative bank's financial performance
- To analyses its financial position, including liquidity, profitability, and efficiency

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## **STATEMENT OF THE PROBLEMS**

Despite their importance in promoting financial inclusion and community development, cooperative banks face significant challenges in maintaining their financial stability and performance which is very precautions. This is due to number of reasons such as high interest rates, loans and advances and collection of debts are the increasing competition for Cooperative Banks which is to be considered as major problems

## RESEARCH METHODOLOGY

The methodology of the study relies on secondary data sources to examine the financial performance of Cooperative Bank, this study also employs descriptive research design, which involves collecting data from secondary sources and the tools used are stock turnover ratio and gross profit ratio for interpretation and analysis.

## ANALYSIS AND INTERPRETATION

**TABLE NO: 1 STOCK TURNOVER RATIO**

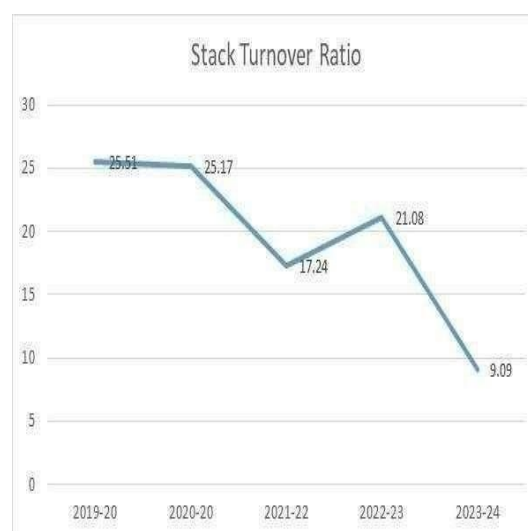
Financial year	Ratio
2019-2020	25.51
2020-2021	25.17
2021-2022	17.24
2022-2023	21.08
2023-2024	9.09

Source: Secondary data

## INTERPRETATION

The ratio was relatively stable in the first two years, with 25.51 in 2019-2020 and 25.17 in 2020-2021. There was a significant drop in 2021-2022 to 17.24 which is due to covid pandemic, followed by a slight recovery to 21.08 in 2022-2023. The most notable decline occurred in 2023-2024.

CHART NO:1



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## INTERPRETATION

The gross profit ratio data shows fluctuations over five academic years, starting at 5.91 in 2019-2020, dipping to 3.86 in 2021-2022 followed by a slight increase to 4.13 in 2022-2023 and recovering to 5.45 in 2023 -2024 suggests that measures have been taken to improve profitability.

**TABLE NO: 2**

### GROSS PROFIT RATIO

Financial year	Ratio
2019-2020	5.91
2020-2021	5.23
2021-2022	3.86
2022-2023	4.13
2023-2024	5.45

Source: Secondary data

**CHART NO:2**



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## CONCLUSION

The financial analysis of the Velanthavalam Branch of the Cooperative Bank in Kerala reveals several key insights into its performance, strength and areas for improvement. Cooperative Banks play a vital role in forecasting financial inclusion and supporting local communities, particularly in rural and semi-urban areas. In the Velanthavalam branch, the upward trend suggests that improved liquidity financial stability as it is effectively managing deposits also demonstrated in the case of commitment to serving its customers, including farmers, businesses and low-income groups. However, the analysis also highlights the challenges that need to be addressed and can ensure to continue to play a pivotal role in the growth and development of region.

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