

AN ANALYSIS OF FINANCIAL PERFORMANCE OF REGIONAL RURAL BANKS - WITH SPECIAL REFERENCE TO KERALA GRAMIN BANKS

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ABSTRACT

In different states of India, Regional Rural Banks (RRB) are acting as local level banking organizations. They have been created with a view to serve primarily the rural areas of India with basic banking and financial services. Government of India had notified the area of operation of RRBs and it covers one or more districts in a state in the present study an attempt is made to analyze the financial performance of Regional Rural banks on the basis of the Kerala Gramin Bank (KGB) – the RRB in Kerala. For the study the financial results of KGBs from 2013 to 2016 is considered. CAMEL ratios have been applied to assess the performance. The results reveal that capital adequacy and asset quality performances are excellent in the KGB. The ratios related to managerial efficiency also shows satisfactory results. KGB needs improvement in their earning capacity and liquidity position.

KEYWORDS: Asset Quality, CAMEL Ratios, KGBs, RRBs