

“The Study on Financial Performance Analysis of Uco Bank”

Mis. Komal Yogeshwarrao Selkar

Student of MBA 2nd year B.D.College of Engineering Sevagram wardha-442001

Abstract: The financial performance has great importance in any firm. It is the blue print of the financial position & financial affairs. It is a techniques to measures the financial performance of bank. The main objective of financial performance measurement is to evaluate the liquidity, stability,operational efficiency & profitability of a bank. The present study focused on banking sector in terms of financial performance. The five year from 2019-2023 has been selected ratio in the bank like Credit-Deposit Ratio. Return on Asset, Capital Adequacy Ratio, Business per Employee, Profit per Employee in UCO Bank.

Keyword: Financial Performance, CDR (Credit Deposit Ratio), ROA (Return on Asset), CAR (Capital Adequacy Ratio), BPE (Profit per Employee).

1. INTRODUCTION

UCO bank is a commercial bank & a government of India undertaking. The Bank offers a host of value added banking solution to their customer which included international Banking services for NRI loan, schemes, deposit schemes and value added e-banking solution. They also possess a host of branches authorized for direct tax collection in India.

The Bank has 34 Regional office and 230 branches as on 31st March 2023 Spread all over India. UCO bank head office spread all over India. The bank has international presence with four overseas branches in two important financial centers in singapore & Hong-Kong & Representative office at kuala lumpur.

Malaysia Guangzhou in china.

Uco Bank was incorporated in the year 1943. as The United Commercial Bank was nationalized and 100 per cent ownership was taken over by the Government of India. Thereafter the Bank expanded rapidly. In December 30, 1985 the name of the Bank was changed to Uco bank.

During the year 2001-02 the Bank opened 1 new branch in pune & 5 new extension counters. During the year 2004 -05, the Bank opened 4 new branches & into full-fledged branches. They also opened 6 new extension counters. During the year one branch was merged & one extension counter was closed.

The company also introduction Gold Card Scheme for exporters to facilitates easy availability of export credit at remuneration terms. During the year 2005-06 the Bank opened 9 new branches & upgraded 8 extension counters into full-fledged branches.

They opened 2 new extension counter & closed 5 extension counters. The Bank also opened one representative office in kuala lampur in Malaysia During the year in terms of the Government directive the Bank had effected merger of three Regional Rural Bank had effected merger of three Regional Rural Bank.

2. REVIEW OF LITERATURE

Dr. V. R. Nedunchezian and Ms. K. Premalatha (2013): carried study on financial performance analysis of Uco bank.

2) Rashed Al Karim Tamima Alam (2013): study on financial performance of commercial bank.

3) Ms. Rina V. Sommanek (2015) : An Analytical Study on Financial Performance of selected Nationalized Banks.(Bank of Maharashtra, Canara Bank, Central Bank of India, Syndicate Bank, and Uco Bank)

3. RESEARCH METHODOLOGY STATEMENT OF THE PROBLEM

The accounting system helps to accumulate, measure & communicate financial information to various users for making economic decision. The users of financial information comparison, creditors, manager, employee, customer, suppliers, government & society are very much interested to know earning ability, liquidity & solvency position of the process of identification the financial strength & weakness of the firm by establishing relationship between the items of the balance sheet and profit & loss Account. In the present study is to measure the financial soundness and liquidity and solvency position of the bank through financial statement of the bank.

Objectives

To study financial performance of Uco Bank

To analyze financial performance of Uco Bank

To study different ratio indicating financial performance of Uco Bank.

To collect & analysis financial statement of the Uco bank.

To know organizational structure working culture & business segments of the Bank

To know the business environment in which the Bank is working.

To Understanding the meaning & objective of financial statement analysis.

To know various tools for financial statement analysis and their uses.

Application of financial statement analysis tools for evaluating the performance of the Banks.
For financial year 2019- 2023

Hypothesis

H1: The financial performance of Uco bank is satisfactory.

H2: Credit deposit ratio return on asset ratio, capital adequacy ratio of Uco bank are satisfactory.

Research Design

Nature/ Type of study

The study used is a descriptive research design for the purpose of getting an insight over the issue. It is to provide an accurate picture of some aspects of market environment. Descriptive research is used when the objective is to provide a systematic description that is as factual and accurate as possible. For achieving this purpose, the study has used the primary and secondary data from various internal and external sources of company such as annual financial statement of the company, and various internal sources of Uco bank including Report and journal.

Sample size:

The sample size of the present study is Uco bank from Indian Banking Industry. The universe of the study included all the banks working in India. Out of all the banks working in India only Ucobank has been selected for the purpose of the study.

Sample size: Uco bank

Method and Sources of Data Collection:

There are two type of data used. They are primary and secondary Data. Primary data is defined as data that is collected from original sources for a specific purpose. Secondary data collected from indirect sources.

Primary Data: following technique would be used for collection of primary data

*Interviews with bank manager and other respective person working in bank.

*analysis financial statement in bank, (Balance sheet, P&L Account)

Secondary Data:

* Newspaper, Journal & Text tools

* Magazine

* Search Engines.

Period of the study

The present study covers the period of last 5 year i.e.from 2019-2023

Limitation:

1) The study is limited to a period of 5 year only.

2) The study covers only one bank i.e. Uco bank.

3) Data of this study has been taken from publised anuual report.

Sources of Data:

For the of analysis the financial performance of the public bank the study relied only on the secondary data that was available in the moneycontrol.com website for the public sector bank such as financial year 2019-2023.

***Tools & Data Analysis and Interpretation:**

*** Ratio Analysis of UCO bank:**

$$\begin{aligned}
 &\text{A) Return on Asset ratio: } x \text{ Net income} \\
 &= \frac{\text{Net Income}}{\text{Average Total Asset}} \\
 &= \frac{1.53}{2,54660.50}
 \end{aligned}$$

Table 4.1

2023	2022	2021	2020	2019
0.61	0.34	0.06	-1.03	-1.87

Interpretation:

The ratio indicate how much net Income is generated of asset. ROA can increase by Banks either by increasing profit margin or asset turnover but they can't do it simultaneously because of compitation and trade off between turnover and margin. So bank maintain higher ROA will make more the profit. Uco bank has the higher ROA of 0.61% in year 2023

Capital adequacy ratio: $x = \frac{\text{Eligible capital}}{\text{Risk-weighted asset}}$

Table 4.2

2023	2022	2021	2020	2019
16.51	13.74	13.74	11.70	10.70

Interpretation

This capital gives lesser shield to depositors. The highest CAR ratio is preferred and will be rated at the has higher CAR ratio 16.51% in the year 2023.

Credit Deposite Ratio: = $\frac{\text{total advance}}{\text{total Deposite}} \times 100$

Table 4.3

2023	2022	2021	2020	2019
62.5	54.8	54.08	52.37	50.18

Interpretation:

Total advanced to deposite ratio is used to asses a bank's liquidity by compare a bank's total advance to its total deposite for the same period. Typically the ideal loan to deposite ratio is 50% to 70%. The bank has ideal ratio of 62.5% year 2023.

4. CONCLUSION

The financial analysis has been made in attempting to draw conclusion on the performance of UCO bank. One of the Main point to understand about the financial analysis is that all the information that would be coclusive judgement about what is going on in the companies are found in the financial performance &their trend for the year under study (2019-2023).

5. REFERANCE

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 [3] Moneycontrol.com/financial /uco bank/profit-loss/uco 4)GJRA Global journal Research Analysis