A study on Financial Performance Analysis of CSB Bank Limited

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Abstract: This study evaluates the financial performance of CSB Bank, one of India's oldest private sector banks, which commenced operations in 1920. It covers the bank's evolution, its strategic transformation, and its financial health from 2021 to 2025. The analysis includes an industry overview, CSB Bank's profile, its products and services, areas of operation, infrastructure, competitors, SWOT analysis, and future growth prospects.
Financial statements, including profit and loss accounts and balance sheets, are analysed using ratio and trend analysis to assess profitability, liquidity, solvency, and efficiency. The study highlights the bank's efforts to adapt to contemporary trends, including digital banking and financial technology integration, and its strategic focus on sustainable growth and customer satisfaction. It also presents a comprehensive literature review on financial performance analysis of various Indian banks. The findings aim to provide insights for investors, management, and policymakers regarding CSB Bank's financial strategies and competitive landscape exceptional financial experiences to its trusted customers.

Key words: Banking industry, financial performance, CSB Bank, India, Private sector banks, Digital banking, financial technology (Fintech), Regulatory compliance, Risk management, Profitability, Liquidity, Solvency, Ratio analysis, SWOT analysis, Economic development, Non-Performing Assets (NPA), Capital adequacy.

INTRODUCTION

The banking industry is a crucial sector that supports the economy, offers not only competitive pay and job stability but also provide more a wide range of career opportunities. This is due to its fundamental role in providing essential services such as storing funds securely, managing and extending credit and Currently CSB bank operates 832 branches and 795 ATMs nationwide. For efficient and efficient administration, the bank has recognized its branches into 11 Zonal Offices. It provides its products and services through multiple delivery channels including branches, ATM's, Internet banking and mobile banking facilities and aim to provide its facilitating a multiple of financial transactions. Furthermore, the industry is continuously evolving and adapting to contemporary trends, including the digital banking platforms, the integration of financial technology to enhance operational efficiency and introduced new services like peer-to- peer payments.

1. Dr. Mahesha V (2025) Financial performance Analysis of Canara bank -an emphatical analysis of pre- and post- merger. This study evaluates Canara Bank's financial performance before and after its 2020 merger with Syndicate Bank. The merger aimed to tackle challenges like rising non-performing assets and improve operational efficiency. While facing struggles pre-merger, including revenue generation issues and net losses, post- merger analysis of profitability metrics like gross and net profit ratios, return on investment, and return on net worth indicated enhanced cost management and profitability.

2. P Thanigai Valen, M Vidya (2025) A study on financial performance analysis of Kotak Mahindra Bank and HDFC bank. This research highlights the critical role of private sector banks in India's economic development by mobilizing savings and

distributing loans. The study aims to understand how Kotak Mahindra Bank and HDFC Bank manage their resources and overall financial health over time, utilizing data from Money Control and annual reports. Focusing on the Return on Asset (ROA) ratio, Kotak Mahindra Bank secured the top position with an average of 1.867%, followed by HDFC Bank at 1.752%. However, regarding Gross Non- Performing Assets (NPA), Kotak Mahindra Bank had a higher percentage at 27.47%, while HDFC Bank showed a significantly lower rate at 1.36%, indicating differing asset quality between the two.

3. Vikas Shukla and Adarsh Mishra (2024) Performance evaluation of Uttar Pradesh Gramin Bank Regional Rural Banks (RRBs) play a crucial role in promoting financial inclusion and rural development in India, particularly in Uttar Pradesh. Established under the Regional Rural Banks Act of 1976, these banks aim to provide accessible and affordable financial services to rural communities. In UP, five major RRBs operate: Arya Art Bank, Baroda UP Bank, Kashi Gomti Bank, and Prathama UP Gramin Bank. The study found an overall improvement in the financial health of these banks, primarily reflected in enhanced profitability metrics such as net margin and gross margin, underscoring their positive impact on rural economic landscapes.

4. Afreen Begum (2023) Financial performance evaluation of the banking sector with special reference to Urban Co- operative Bank This study emphasizes the significant role of Urban Co-operative Banks (UCBs) in stimulating rural communities and the broader contribution of India's banking sector to economic development through investment, trade, and savings mobilization. As of the review, India's diverse banking sector includes Public Sector Banks, Regional Rural Banks, Foreign Banks, Private Sector Banks, and numerous Urban and Rural Co- operative Banks.

5. Sheetal (2023) Importance significance of Financial Performance Analysis of Indian Banks This study explores the dimensions and implications of financial performance analysis in Indian banks, highlighting its role in fostering investor confidence, ensuring regulatory compliance, and assessing risk exposure. It also investigates the analysis's role in mergers and acquisitions, guiding policymakers and stakeholders in consolidating stronger financial entities. The research underscores the critical importance of financial analysis for strategic decision- making and sector stability.

6. Tamilasaru S and Srinivasan K (2022) A study on financial performance analysis of selected private and public sector banks This research highlights the differing objectives of public sector banks (social welfare) and private sector banks (profitability) in India, despite both operating under government schemes. Public sector banks generally have a wider outreach and larger workforce, while private sector banks tend to lead in profitability. Private banks prioritize current accounts for profitability, leading to better profitability per employee.

7. Ruchi Jain and Andra R Nair (2021) Analysis of financial performance of Yes bank in India Published in Sambodhi, this study investigates the profitability efficiency of Yes Bank, examining the impact of a significant crisis affecting the bank and the subsequent COVID-19 pandemic. The methodology involves analysing key profitability ratios such as Return on Capital Employed (ROCE), Current and Saving Account (CASA) ratio, Net Profit Margin (NPM), Operating Profit Margin (OPM), and Return on Assets. Calculations for mean, standard deviation, and coefficient of variation, alongside trend growth analysis, were performed. The study provides insights into the financial resilience and challenges faced by Yes Bank during a turbulent period, offering a comprehensive assessment of its financial health.

8. Srinivasa K (2020): Performance of Karnataka Grameen Bank Karnataka Grameen Bank (KGB), established on April 1, 2019, through the amalgamation of Pragathi Krishna Gramin Bank and Kaveri Gramin Bank, is a leading Regional Rural Bank in Karnataka with its head office in Ballari. KGB plays a crucial role in India's rural economy,

operating 1167 branches and 19 regional offices across 21 operational districts with approximately 5400 employees. This study suggests the need for increased financial assistance to agricultural and allied activities, as well as small-scale industries, The research highlights KGB's significant contribution to rural development and emphasizes areas for further support.

9. Anshuja Tiwari and Rakhi Tiwari (2019) Financial performance analysis of Axis Bank This study assessed Axis Bank's financial competence in terms of asset quality, management efficiency, and earnings ratios, utilizing financial ratios for evaluation. The study emphasizes that asset quality is a crucial determinant of a bank's financial health, largely influenced by its credit portfolio and management, suggesting strategies for improvement like efficient resource management and employee training.

10. Dr C Balakrishnan (2019) A Study on Financial Performance of ICICI Bank This study examines the financial performance of ICICI Bank, originally promoted in 1994 by ICICI Limited, which was established in 1955 with support from the World Bank and the Government of India. The merger of ICICI with ICICI Bank was seen as an optimal strategy to enhance shareholder value and strengthen its universal banking approach. ICICI Bank's equity shares are listed on the Bombay Stock Exchange and the National Stock Exchange of India. The study found ICICI Bank's capital adequacy ratio to be average, asset quality moderate, and both management efficiency and asset quality showing an increasing trend. Liquidity was identified as being in a top position.

11. Dr. P Amutha (2019) Analysing the financial performance of SBI This study analyses the financial performance of State Bank of India (SBI), the largest and oldest public commercial bank in India, focusing on its liquidity, profitability, and asset quality through various financial ratios. The study recommends SBI maintain adequate liquidity, improve ROE, control expenses, and adhere to RBI regulations for NPA management.

12. Moorthy Duraisami (2018) Financial Performance of private sector banks in India with reference to Federal Bank This research focuses on the efficiency of asset utilization, solvency, and comparative financial positions of Federal Bank, using secondary data from its audited annual reports. The study employs several ratio analyses, including current ratio, liquid ratio, debt-equity ratio, net profit margin, net worth ratio, and capital to risk-weighted assets ratio. Federal Bank demonstrated higher liquidity and a strong growth rate, along with increased management efficiency and earning ability. The study aims to provide clarity to investors regarding the bank's financial health and performance.

13. S Mobasheer (2018) This study evaluates the financial performance of Indian banks that have received funding from venture capital firms This study specifically evaluates the financial performance of Karur Vysya Bank, which has received venture capital funding, using various financial ratios. Venture capital is defined as financing provided by investors for startups and small businesses with high growth potential. The analysis of ratios such as Basic EPS, Dividend per share, net profit per employee, net profit margin, and return on assets aims to understand performance trends.

14. Maj Syed Mohd Mustafa and Dr Mohd Taqi (2017) Study on financial performance analysis of Punjab National Bank This study analyses the financial performance of Punjab National Bank (PNB), India’s second-largest public sector bank, from 2011 to 2016. The methodology primarily involved ratio analysis, regression analysis, and descriptive statistics, using data from PNB’s annual reports, journals, and magazines. PNB demonstrated growth in total business, deposits, and advances during the study period.

15. K.P Venugopala Rao, Farha Ibrahim (2017) Financial performance analysis of banks-a study of IDBI Bank The findings indicate that IDBI Bank’s solvency position and asset utilization generally align

with industry averages, with its debt ratio at 0.93% compared to the industry average of 0.94%. While there was an improvement in the employment of shareholder's funds, the Current Account Saving Account (CASA) ratio remained lower than the industry, and significantly lower than SBI and BOB.

16. Palamali Srinivasan (2017) Analysis of Financial Performance of Selected commercial banks in India This study analysed the financial performance of 16 selected Indian commercial banks (11 Public, 5 Private) using financial ratios to compare public and private sector banks. The study found that private sector banks generally exhibited better overall financial performance than public sector banks. The empirical results confirmed that liquidity, solvency, and turnover ratios positively and significantly influence the profitability of both public and private sector banks.

17. Dr M Nagamani and K Abirami (2015) Financial performance of Bank of Baroda This study emphasizes the crucial role of banks in economic development and their control over money circulation, highlighting bank profitability as a primary objective for financial health and management efficiency. The methodology focuses on the Spread ratio, which reflects management efficiency and earnings capacity derived from the difference between interest income and interest expenditure relative to total income.

18. Dr. VPT Devika and Dr. Latasri (2013) study on financial performance analysis at City Union Bank This study's primary objective was to assess City Union Bank's financial position, borrowings, liquidity, and solvency through ratio analysis, employing a descriptive methodology. Profitability is defined as a bank's efficiency in optimizing net profits and serves as an index for asset utilization and managerial effectiveness. The study found that City Union Bank's financial performance was positive, marked by strong cost management and market share growth.

19. Dr. M. Syed Ibrahim (2010): Performance evaluation of Regional Rural banks in India The main objective of this study is to analyse the income, expenditures, and profitability of Regional Rural Banks (RRBs) in India. The study found that modern technologies like online banking, ATMs, and other services should be introduced to improve the quality of service in all banking activities. It also suggested that improving operational efficiency and introducing new, updated technologies are crucial for the overall enhancement of RRBs.

20. Financial performance of Selected co- operative banks This study acknowledges the vital role of agriculture in the Indian economy and the increasing financial needs of farmers, highlighting Co-operative Banks as crucial institutions for providing credit. The study also analyses their efficiency in deposit mobilization, lending, investments, and recovery. It seeks to identify reasons for poor financial performance and suggests policy measures for improvement.

OBJECTIVE OF THE STUDY

To study and evaluate the financial performance analysis by using Ratio Analysis.

NEED FOR THE STUDY

- To know the effectiveness of CSB banks financial strategies.
- To understand the Bank's financial health through various indicators such as profitability, liquidity and efficiency.
- To provide helpful insights for investors, management and policy makers for better decision making.
- To Analyse the competitive landscape.
- To know how the banking sectors faces the competition.

RESEARCH METHODOLOGY

Information source or data collection: The study is based on secondary data collection through official website of CSB bank, journals, Bank's audited reports, internet and books.

Research design: This study uses a descriptive research

design. It aims to describe the financial performance trends of CSB bank over a specific period and also analytical research design involved for analysing financial data to draw conclusions about the Bank's financial performance.

Tools used for analysis: Ratio analysis and trend analysis' Microsoft excel for charts and graphical representation, trend analysis and for ratio calculations

Duration of study: The study conducted for 5 years.

Hypothesis

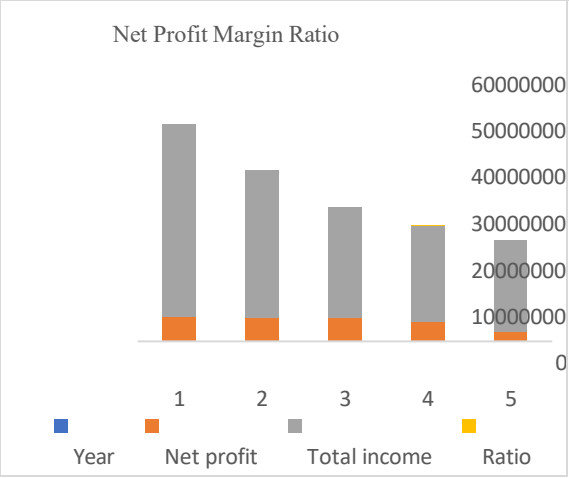
H_0 Null hypothesis
There is no significant difference between current assets and current liabilities.

H_1 Alternative hypothesis
There is significant difference between current assets and current liabilities.

ANALYSIS AND INTERPRETATION

1. Net profit margin ratio
Net profit margin ratio = net profit for the year / total income *100

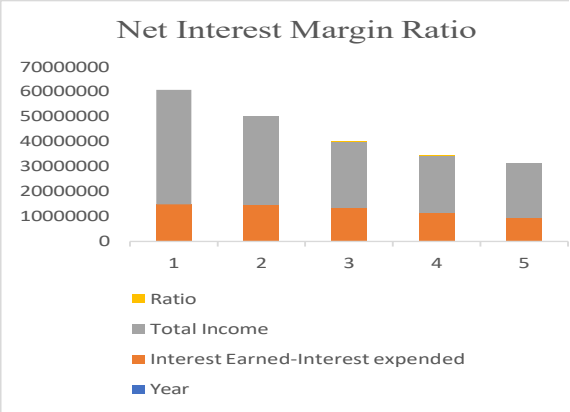
Year	Net profit	Total income	Ratio
2025	59,38,000	4,56,92,000	12.99%
2024	56,68,218	3,51,18,288	16.14%
2023	54,73,614	2,63,56,631	20.76%
2022	45,84,490	2,28,51,113	20.06%
2021	21,84,002	2,17,54,245	10.03%



Interpretation: The company's profitability measured by Net Profit Margin showing a strong positive trend from 2021 with 10.03% to a positive increase in 2025 with 20.06%. This indicates excellent efficiency in converting income into profit during those years. However, a concerning declining in 2024 with 16.14% also followed in 2025 with 12.95% This recent decline indicates that the company facing the challenges in maintaining its profits levels relating to its total income suggesting a need to investigate raising costs or slower revenue growth impacting overall its efficiency.

2. Net interest margin ratio
Net interest margin = interest earned-interest expended /total income*100

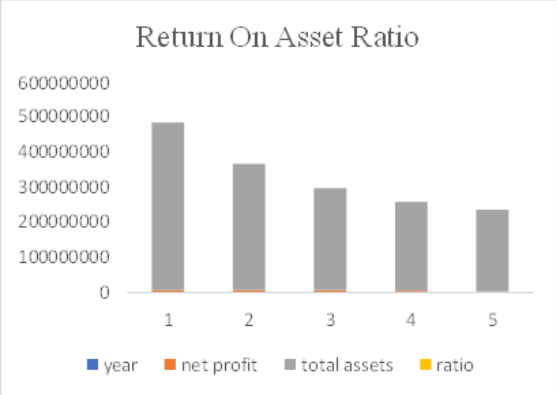
Year	interest earned- interest expended	total income	Ratios
2025	1,47,61,700	4,56,92,000	32.30%
2024	1,47,64,146	3,51,18,288	42.04%
2023	1,33,38,469	2,63,56,631	50.60%
2022	1,15,33,007	2,28,51,113	50.47%
2021	94,13,881	2,17,54,245	43.27%



Interpretation: The company's net interest income has been rapidly growing every year which it shows the position and good sign. Its total income has been significantly raising especially in recent years. This suggests that the company's performance on interest earnings has decreased and it may need to explore other sources of income to maintain its profitability.

3. Return on asset ratio (ROA)
ROA= net profit for the year /total assets *100

Year	Net profit	Total assets	Ratios
2025	59,38,000	47,83,62,700	1.24%
2024	56,68,218	36,05,59,902	1.57%
2023	54,73,614	29,16,22,815	1.87%
2022	45,84,490	25,35,62,722	1.80%
2021	21,84,002	23,33,73,538	0.93%

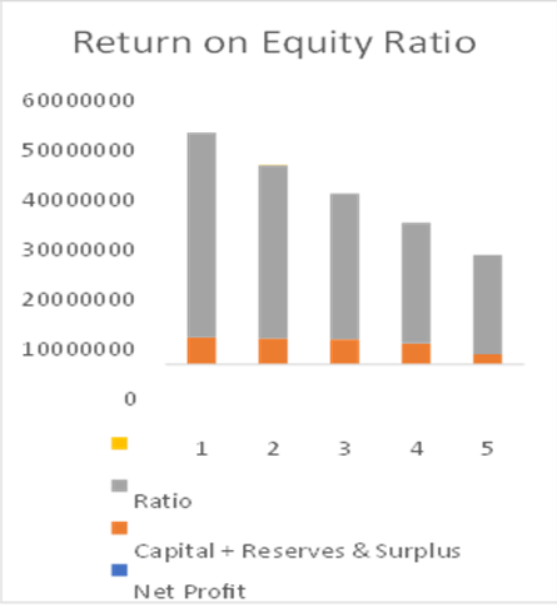


Interpretation: the company is growing both in terms of its profitability along with its total assets. While the company's net profit has consistently increased, the efficiency of generating profit from its assets has come to know by the ratios which we had seen some fluctuations with a slight decrease in the most recent years that is 2024 and 2025 comparing to 2023. This indicates that the company is becoming larger and more profitable.

4. Return on equity ratio

ROE = Net profit / capital + reserve and surplus

Year	Net profit	Capital + reserves and surplus	Ratio
2025	59,38,000	4,49,76,390	13.20%
2024	56,68,218	3,80,36,468	14.90%
2023	54,73,614	3,20,36,264	17.08%
2022	45,84,490	2,65,13,980	17.29%
2021	21,84,002	2,18,02,268	10.01%



Interpretation: The company's return on equity ratio which measures net profit as a percentage of capital and reserves has been fluctuating over the years and this ratio shows how well it uses shareholder funds to generate profits. This ratio indicates how much profits the company generates for every rupee of owner's capital.

Correlation analysis

$$R = \frac{n(\Sigma xy) - (\Sigma x)(\Sigma y)}{\sqrt{[n\Sigma x^2 - (\Sigma x)^2][\Sigma y^2 - (\Sigma y)^2]}}$$

Year	Current Assets	Current liabilities
2025	14,61,71,100	37,79,22,600
2024	10,70,63,066	32,25,23,434
2023	7,68, 24,016	25,95,87,251
2022	8,58,53,779	22,70,48,742
2021	7,84,00,579	21,15,71,270

Year	Current Assets (x)	Current Liabilities (y)	xy	X^2	Y^2
2025	1461	3779	5521119	2134521	142880
2024	1070	3225	3450750	1144900	104006
2023	7682	2595	19934790	59013124	6734025
2022	8585	2270	19487950	73702225	628790
2021	7840	2115	16581600	61465600	4473225
	26638	13984	64976209	66072174	170776

Interpretation: the current assets and current liabilities shows a negative correlation so we accept the null hypothesis and reject the alternative hypothesis.

FINDING

- This study found that the net profit margin ratio has been shown a positive trend in Net profit Margin from 10.03% in 2021 to 20.06% in 2023 which this change indicates the excellent efficiency in the increment. Later it had been declined to 16.14% and 12.99% in the latest year of 2024 and 2025 suggests the challenges in profit levels relative to total income this is come to know the costs are raising and there is slower revenue growth in the five years.
- The ratio of net interest margin increased initially which it indicates the improved efficiency in core banking operations. while there was a slight decreasing has been found.
- Leverage ratios mean a total debt equity ratio shows the proportion equity and debt of company along with its financing assets.

- Here a higher debt equity ratio indicates the that the company is getting more of financing its assets by borrowing money which subjects the company to potential risks if debt levels are too high.
- Activity ratios assess how effectively a company is able to generate revenue, specifically how it leverages its assets, manage liabilities, and utilizes its shareholder capital to generate sales and cash flow.
- Profitability ratios are used to ascertain company's effectiveness in generating earnings to its expenditure and others revenues and costs associated with the generation of additional income during a particular year.
- The company's asset turnover ratio has been significantly increased over for 4 years at recent period there was a minute decrease has been happened where this ratio has been getting by dividing the net profits and company's total assets.
- Where current ratio has been found the positive increment over a period of 5 years. And there was significantly continuous improvement.

SUGGESTION

- Investigate the reason behind the recent decline in net profit margin and implement strategies to control raising costs and boosts the growth in the generating revenue.
- Focus on customer satisfactions and there is important in fulfilment of their needs and wants.
- Strength the debt recovery mechanisms and enhance employee training for improved service delivery.
- To Adopt new and updated version of technology for digital payments.
- Maintain adequate liquidity for the better improvement in the society.
- Improve return on equity and adhere to regulatory guidelines especially concerning non-performing assets.
- Implement strategies to reduce operating costs and attract new customers through beneficial schemes to enhance overall financial performance.
- Recommended conducting in-depth analysis to identify the underlying factors that contributing to Catholic Syrian Bank's financial performance, for the purpose of to focus on increase and decreasing in the different kind of ratios.

CONCLUSION

Effective and efficient financial performance is very important for all the organizations for the purpose of to survive and to have better profitability. Financial performance analysis is very important to check the profitability and to find the future threats of the company. The main motive of the study is to evaluate the financial performance and to secure the practical knowledge regarding different aspects of the company. It had been helped me to familiarize with a real-world organization system and to understand the various decision making in the company. Data has been collected form annual reposts and balance sheet. During the period of study, the functioning of the company and all activities were studied in brief. This helps us to gain practical knowledge about the management and functioning of the comparison between practical and theoretical knowledge. Leveraging technology for digital innovation, improving investment strategies and controlling expenses these aspects are very crucial for improving profitability and asset quality. Lastly the company has to increase efficiency in maximum utilization of its resources effectively.

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