

# **An Examination of the Financial Performance of DCC Bank Chikkamagaluru During the Period of 2016-17 to 2021-22**

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## **ABSTRACT**

*This report examines the financial performance of DCC Bank Chikkamagaluru from 2016-17 to 2021-22, focusing on key metrics such as cash on hand, balances with the Reserve Bank of India (RBI) and other banks, interest income, and other income. The analysis aims to provide insights into the bank's operational efficiency, identify strengths and weaknesses, and highlight opportunities for growth. Utilizing secondary data from various financial institutions, the study employs statistical methods to present findings through tables and charts. Key findings indicate a healthy compound annual growth rate (CAGR) of 13.05% for cash on hand and balances with RBI, a remarkable 40.79% CAGR for balances with other banks, and a steady 9.85% CAGR for interest income. Other income also showed significant growth, with a CAGR of 19.40%. Overall, the report underscores the bank's financial stability and potential for continued success, offering valuable insights for stakeholders in decision-making processes.*

**Key Words:** *Interest Income, DCC BANK Chikkamagaluru, CAGR, CV, Financial performance*

## **I. INTRODUCTION**

This document presents a comprehensive examination of the financial performance of DCC Bank Chikkamagaluru over the period from 2016-17 to 2021-22. Understanding the financial health of the bank is crucial for stakeholders, as it reflects the institution's operational efficiency and effectiveness. By analyzing key financial metrics such as Cash on Hand and Balance with RBI, Balance with Other Banks, Interest Income, and Other Income, this report aims to provide insights into the bank's strengths, weaknesses, and potential areas for growth.

The analysis will highlight significant trends and factors influencing the bank's financial results, enabling stakeholders to assess its ability to meet financial obligations and achieve strategic goals. The report will utilize secondary data from various reputable sources, systematically presenting findings through tables and graphical representations. This thorough examination will serve as a valuable resource for informed decision-making, ultimately guiding DCC Bank Chikkamagaluru towards sustained success and growth in the future.

## II. REVIEW OF LITERATURE

**C.D. Mac Lagan Committee on Cooperation (1915).** The Committee was appointed in the year 1915 to review the progress made by the cooperative credit institutions in India during 1912-1915 and to suggest suitable measures. The committee stressed the need for evolving certain norms about the structure of financial management, role of cooperative department, supervision over primaries, building adequate reserves, gradual discouragement of individual members against excess interference and for enhancing production-oriented loans, etc.

**The Royal Commission on Agriculture (1928)** studied the working of cooperative movement as a whole. It stated that the cooperative credit movement had failed in many states due to internal defects. The commission recommended for maintaining high standard of management efficiency.

**The Cooperative Planning Committee which is known as Saroyan Committee (1945)** made an enquiry into the possible ways of improving the financial strength of Central Cooperative Banks. The committee suggested the coverage of more population under the cooperative fold by way of starting cooperatives in a wide range of fields.

**The Report of the Agricultural Finance Sub-Committee (1945)** headed by Shri D.R. Gadgil recommended for the establishment of Agricultural Finance Cooperation after studying the adequacy of the existing agricultural financial facilities.

## III. OBJECTIVES

1. Performance of Cash on Hand and Balance with RBI of DCC Bank Chikkamagalur During the Period of 2016-17 to 2021-22
2. To study on Balance with Other Banks of DCC Bank Chikkamagalur During the Period of 2016-17 to 2021-22
3. To examine the Interest Income and Other Income of DCC Bank Chikkamagalur During the Period of 2016-17 to 2021-22

## IV. METHODOLOGY

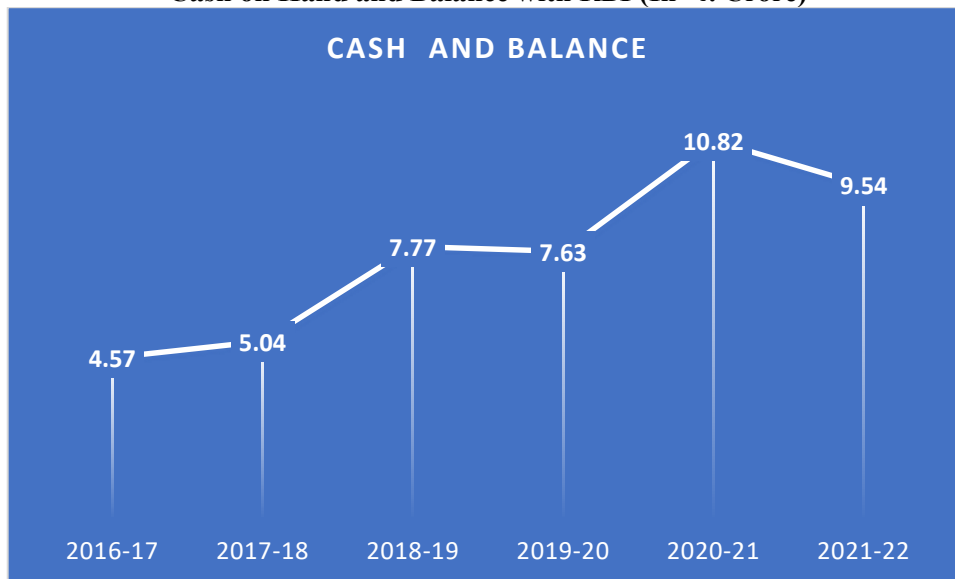
The analysis used secondary data from a wide variety of sources, such as publications from Apex Bank, DCC Bank Chikkamagalur, and other financial organisations. The data were evaluated in a methodical manner and presented in tabular and graphical representations. The formats used were the average, the compound annual growth rate (CAGR), the standard deviation, and the coefficient of variation.

**Table No. 1**  
**Cash on Hand and Balance with RBI (In ₹. Crore)**

YEAR	Cash And Balance	Percent to total	Growth Per Annum	AGR
2016-17	4.57	10.07		
2017-18	5.04	11.11	0.47	1.04
2018-19	7.77	17.13	2.73	6.02
2019-20	7.63	16.82	-0.14	-0.31
2020-21	10.82	23.85	3.19	7.03
2021-22	9.54	21.03	-1.28	-2.82
<b>TOTAL</b>	<b>45.37</b>	<b>100.00</b>		
<b>AV</b>	<b>7.56</b>			
<b>SD</b>	<b>2.44</b>			
<b>CV</b>	<b>32.33</b>			
<b>CAGR</b>	<b>13.05</b>			

Source: Annual Report of DCC Bank Chikkamagaluru

**Chart No. 1**  
**Cash on Hand and Balance with RBI (In ₹. Crore)**



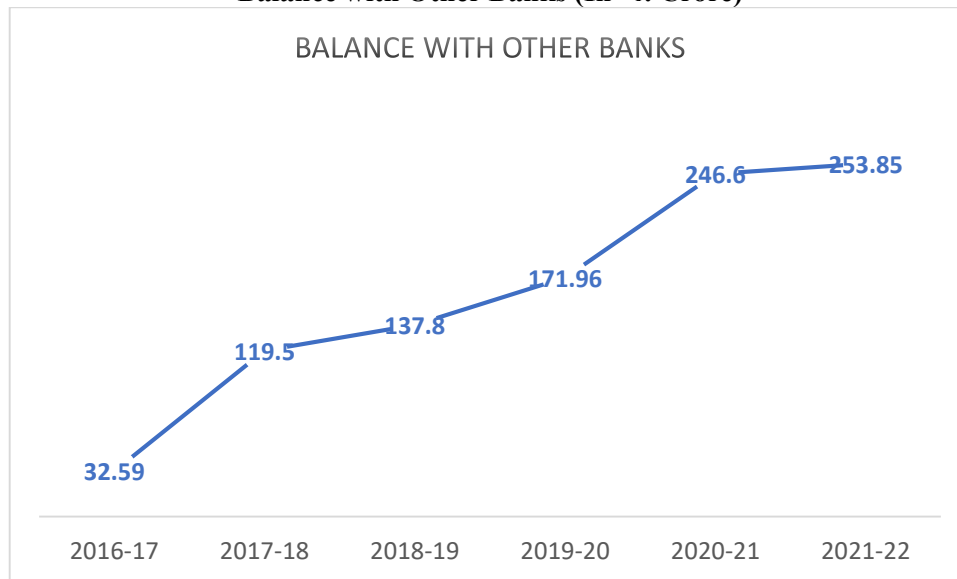
The data provided shows the cash on hand and balance with RBI in crore rupees from the years 2016 to 2022. The percentage to total cash and balance increased steadily from 10.07% in 2016-17 to 23.85% in 2020-21, before slightly decreasing to 21.03% in 2021-22. The compound annual growth rate (CAGR) for the period was calculated at 13.05%, indicating a healthy rate of growth over the years. The average cash on hand during this period was 7.56 crore rupees with a standard deviation of 2.44 and a coefficient of variation of 32.33.

**Table No. 2**  
**Balance with Other Banks (In ₹. Crore)**

Year	Balance With Other Banks	Percent to total	Growth Per Annum	AGR
2016-17	32.59	3.39		
2017-18	119.5	12.42	86.91	9.03
2018-19	137.8	14.32	18.3	1.90
2019-20	171.96	17.87	34.16	3.55
2020-21	246.6	25.63	74.64	7.76
2021-22	253.85	26.38	7.25	0.75
<b>TOTAL</b>	<b>962.3</b>	<b>100.00</b>		
<b>AV</b>	<b>160.38</b>			
<b>SD</b>	<b>83.45</b>			
<b>CV</b>	<b>52.03</b>			
<b>CAGR</b>	<b>40.79</b>			

Source: Annual Report of DCC Bank Chikkamagaluru

**Chart No. 2**  
**Balance with Other Banks (In ₹. Crore)**



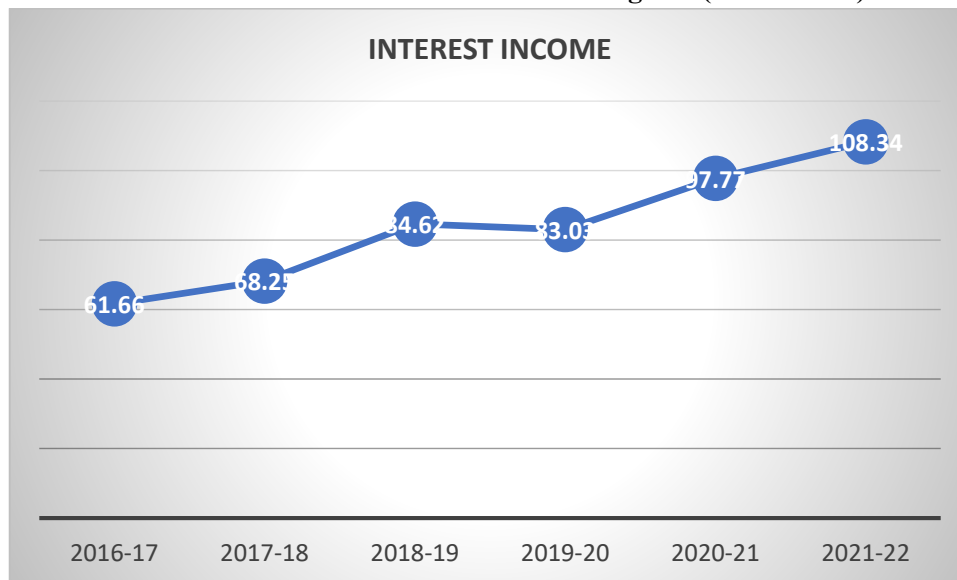
The data in the table shows the balance with other banks in crore rupees over a period of six years. The total balance with other banks from 2016-17 to 2021-22 amounts to 962.3 crores. The average balance per year is 160.38 crores with a standard deviation of 83.45 and coefficient of variation of 52.03. The compound annual growth rate (CAGR) for this period is 40.79%. This indicates significant growth in the balance with other banks over the years.

**Table No. 3**  
**Interest Income of DCC Bank Chikkamagalur (in ₹ Crore)**

YEAR	Interest Income	Percent to total	Growth Per Annum	AGR
2016-17	61.66	12.24		
2017-18	68.25	13.55	6.59	1.31
2018-19	84.62	16.80	16.37	3.25
2019-20	83.03	16.49	-1.59	-0.32
2020-21	97.77	19.41	14.74	2.93
2021-22	108.34	21.51	10.57	2.10
<b>TOTAL</b>	<b>503.67</b>	<b>100.00</b>		
<b>AV</b>	<b>83.95</b>			
<b>SD</b>	<b>17.50</b>			
<b>CV</b>	<b>20.84</b>			
<b>CAGR</b>	<b>9.85</b>			

Source: Annual Report of DCC Bank Chikkamagaluru

**Chart No. 3**  
**Interest Income of DCC Bank Chikkamagalur (in ₹ Crore)**



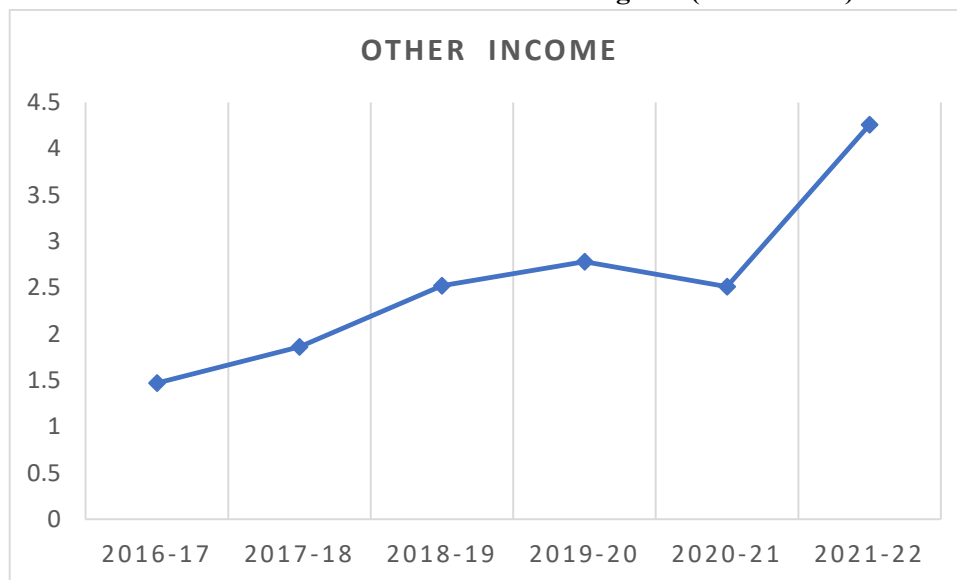
The Interest Income of DCC Bank Chikkamagalur has shown a steady growth over the years, with an average growth rate of 9.85% per annum. The highest growth rate was seen in the year 2018-19, with a growth of 16.37%. Despite a slight decrease in interest income in 2019-20, the bank bounced back with a significant growth of 14.74% in 2020-21. Overall, the bank's interest income has totaled Rs. 503.67 crore, with an average interest income of Rs. 83.95 crore. The standard deviation is 17.50, with a coefficient of variation of 20.84.

**Table No. 4**  
**Other Income of DCC Bank Chikkamagalur (in ₹ Crore)**

YEAR	Other Income	Percent to total	Growth Per Annum	AGR
2016-17	1.47	9.55		
2017-18	1.86	12.08	0.39	2.53
2018-19	2.52	16.36	0.66	4.29
2019-20	2.78	18.05	0.26	1.69
2020-21	2.51	16.30	-0.27	-1.75
2021-22	4.26	27.66	1.75	11.36
<b>TOTAL</b>	15.4	100.00		
<b>AV</b>	2.57			
<b>SD</b>	0.96			
<b>CV</b>	37.45			
<b>CAGR</b>	19.40			

Source: Annual Report of DCC Bank Chikkamagaluru

**Chart No. 4**  
**Other Income of DCC Bank Chikkamagalur (in ₹ Crore)**



The Other Income of DCC Bank Chikkamagalur has shown a consistent growth over the years, with a significant increase in the year 2021-22. The total Other Income for the period analyzed is Rs. 15.4 crore, with an average of Rs. 2.57 crore per year. The Compound Annual Growth Rate (CAGR) for Other Income stands at 19.40%, indicating a strong upward trend in this category. The Coefficient of Variation (CV) is 37.45%, showing a moderate level of variability in the Other Income figures.

## V. FINDINGS OF THE STUDY

1. The cash on hand and balance with RBI increased from 10.07% in 2016-17 to a peak of 23.85% in 2020-21, before slightly declining to 21.03% in 2021-22. The Compound Annual Growth Rate (CAGR) for this category was 13.05%, indicating a healthy growth trend over the analyzed period. Average cash on hand during this period was ₹7.56 crore, with a standard deviation of ₹2.44, reflecting moderate variability.
2. The balance with other banks showed significant growth, with a CAGR of 40.79%, rising from ₹32.59 crore in 2016-17 to ₹253.85 crore in 2021-22. The average balance was ₹160.38 crore, with a standard deviation of ₹83.45, indicating a high level of variability in the figures.
3. Interest income exhibited steady growth, totaling ₹503.67 crore over the period, with an average annual growth rate of 9.85%. The highest growth rate was recorded in 2018-19 at 16.37%, despite a slight dip in 2019-20. The average interest income was ₹83.95 crore, with a standard deviation of ₹17.50.
4. Other income showed a notable increase, particularly in 2021-22, with a total of ₹15.4 crore and a CAGR of 19.40%. The average other income was ₹2.57 crore, with a standard deviation of ₹0.96, indicating moderate variability in this income stream.

Overall, DCC Bank Chikkamagaluru demonstrated positive financial performance trends across key metrics, indicating operational efficiency and potential for growth, while also highlighting areas that may require further attention for sustained improvement.

## VI. SUGGESTIONS OF THE STUDY

1. Strengths and Weaknesses: Pinpoint areas of strength, such as high growth rates in balances with other banks, and weaknesses, like fluctuations in interest income, to inform strategic decisions.
2. Stakeholder Insights: Provide insights for stakeholders to evaluate the bank's ability to meet financial obligations and strategic goals, enhancing decision-making processes.
3. Growth Opportunities: Explore potential areas for improvement and growth, particularly in enhancing income streams and managing expenses effectively.
4. Future Projections: Suggest forecasting future performance based on historical trends to aid in strategic planning and resource allocation.

## VII. CONCLUSION

In conclusion, the financial performance analysis of DCC Bank Chikkamagaluru from 2016-17 to 2021-22 reveals a generally positive trend across key financial metrics. The bank has demonstrated significant growth in its cash on hand and balances with other banks, with a compound annual growth rate (CAGR) of 13.05% and 40.79%, respectively. Interest income has also shown steady growth, averaging a CAGR of 9.85%, despite some fluctuations in specific years. Additionally, the other income category has experienced a remarkable CAGR of 19.40%, particularly highlighted by a substantial increase in 2021-22.

These findings indicate that DCC Bank Chikkamagaluru is effectively managing its resources and capitalizing on opportunities for growth, positioning itself well to meet financial obligations and pursue strategic goals. However, the analysis also points to areas that may require further attention, particularly in stabilizing

interest income growth. Overall, the insights gained from this examination can serve as a valuable tool for stakeholders in making informed decisions to foster the bank's continued success and development in the future.

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