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Research Article

Analyzing The Merger Impact On Financial Performance Of Canara Bank: An Approach Based On The CAMELS Framework

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ABSTRACT

India's banking system has undergone significant changes in recent years, primarily attributed to globalization and the resultant intensification of global market competition. This article focuses on analyzing impact of the merger on Canara Bank's financial performance. To assess operational, profitability, and financial changes between the pre-merger and post-merger periods, the CAMEL analysis technique, incorporating profitability and operational ratios, has been applied. The evaluation of each parameter of CAMEL involves the examination of five corresponding ratios. A comprehensive composite index has been developed based on these evaluations. The findings reveal favorable profitability and CAMEL performance; however, the operational performance post-merger falls short of expectations. This study aims to offer valuable insights for stakeholders such as customers, depositors, borrowers, and investors, among others.

Key words: Financial Performance, Merger Impact, CAMELS framework.

Introduction

Business banks and co-employable credit foundations make up the Indian financial area. Business banks might be named either planned or non-booked banks. Planned business banks are partitioned into four classes: public area banks, private area banks, unfamiliar banks, and territorial rustic banks. Every one of these classes has its own arrangement of guidelines.

For the most part, a bank is a financial organization or corporation that is licensed by the state or federal government to receive deposits, lend money to customers, as well as participatein the securities market. Economic development, expansion of the economy, and the provision of money for investment are the core tasks of banks. Regulatory developments and the effectsof globalization have drastically altered the banking business in recent years. A structural and strategic influence on the industry has been made by these advances. During the bank consolidation process, one of these approaches proved to be the most lucrative. Consolidations one of the most common approaches to unite the banking system. It is more efficient and less expensive to merge two weak banks or one strong bank with a weaker bank than it is to promote internal growth.

Canara Bank is one of the country's top banks and has won several honors. The current position of the bank is due to its strong foundations and exceptional customer orientation. Since its inception, the bank has been profitable and now represents the perfect balance between commercial and social banking.

The evaluation of Canara Bank's soundness post-merger is typically conducted using the well-established CAMELS framework. CAMELS stands for Capital Adequacy, Asset Quality, Management Quality, Earning Quality, Liquidity, and Sensitivity to Market Risk. Our research is specifically centered on analyzing the financial soundness of Canara Bank within the parameters outlined by this comprehensive analytical framework.

CAMEL rating model

"In 1995, the Reserve Bank of India (RBI) formed a working group chaired by Shri. S. Padmanabhan to assess the banking supervision system. The committee provided recommendations and suggestions, resulting in the implementation of a rating system for both domestic and foreign banks. This rating system was modelled on the international CAMELS framework, which combines elements of financial management, systems, and control in its assessment. The implementation of this model began with the inspection cycle starting in July 1998. The recommendation proposed a five-point scale (1 to 5) for rating banks, aligning with the international CAMELS rating model. For cooperative credit institutions, the CAMEL model is employed to evaluate operational efficiency. This model includes assessments of Capital Adequacy, Asset Quality, Management Efficiency, Earnings Quality, and Liquidity. These five key components act as essential measures of operating performance. The efficiency parameters within this model are well-defined and integrated into a composite framework for the purpose of evaluating and rating the overall operating performance, as outlined below:"

"The numerical values within braces represent CAMEL ratings, where the number (1) signifies the highest rating, indicating the strongest performance, the least degree of supervision concern, and sound health of the bank. Conversely, the number (5) indicates the lowest rating, reflecting inadequate performance, weak health of the bank, and consequently, the highest degree of supervisory concern. The efficiency parameters identified in the CAMEL model are defined as follows:"

(a) Capital Adequacy (Risk weighted capital to assets): It signifies the financial health of the bank and outlines the quality and quantity of capital needed to fulfill additional fund requirements.

(b) Assets Quality (NPA to Sanctions): An indicator for asset quality is the ratio of non-performing loans to sanctions. This ratio is assessed in relation to potential credit risk associated with lending and serves as a diagnostic tool to gauge the management's proficiency in identifying and managing risk. A higher ratio of non-performing loans indicates suboptimal credit decision-making.

(c) Management Efficiency (Net profit to employees): "It signifies a qualitative evaluation of management, inherently subjective in nature. Nevertheless, the paper strives to provide a perspective that reflects the quality of management, utilizing information sourced from the bank's balance sheet. To gauge the efficiency of the workforce, the paper employs the net profit to employee ratio. The observed low earnings suggest a potential issue: the bank may not be effectively harnessing its employee force, resulting in insufficient profitability."

(d) Earnings quality (Net Profit after tax to average assets): A bank's earnings serve as an indicator of its growth potential and financial well-being. In this study, the quality of earnings is assessed through return on assets (ROA), which gauges the efficiency of asset utilization by the banks. A higher ROA value indicates increased profitability and contributes to a higher CAMEL rating for the bank.

(e) Liquidity Management (cash to Recoveries): Liquidity for a bank refers to its cash position and its capability to fulfill the day-to-day cash requirements of its customers. Nevertheless, unforeseen circumstances may lead to significant withdrawals, putting the bank in a position of accountability to its customers. In this research, the liquidity of a bank is assessed through the cash-to-deposit ratio. The study encompasses a two-year period, and the necessary data was extracted from Canara Bank's annual accounts spanning the financial year 2021-2022.

Literature review:

"Studies on the performance of banks and financial corporations first surfaced in the late 1980s and early 1990s, employing either the Market Power (MP) model or the Efficiency Structure (ES) model (Mensi ET Zouari, 2010). As analytical methods advanced, research on bank profitability and soundness transitioned from these early models to more sophisticated approaches grounded in empirical evidence. In recent times, the CAMELS model has gained prominence as one of the most frequently employed frameworks for assessing a bank's performance and soundness. An example of this application is seen in the study titled "Mergers in Banking Sector in India: An Analysis of Pre & Post Merger Performance of SBI & HDFC Bank"."

1. Authors: Dr. Prashant Asthma, A. Bhavani (2017)

This article argues that mergers are generally considered an important strategic tool for companies involved in merger activities to obtain compounds. The research is primarily concerned with the performance of SBI and HDFC Banks before and after the merger. The overall increase in the performance of the two banks can be observed in the key measures and productivity ratios determined by different statistical methods. Following the merger, all standards in SBI and HDFC Bank were raised and the T-test result revealed a significant difference in the performance of the two banks.

2. Lall, M., Agarwal R. (2017) have examined the application of CAMEL model analysis for select public sector banks (BOB, BOI, Canara Bank, SBI, PNB and Union Bank) in India. The authors have felt that the evaluation of bank performance is very difficult under the complexity involved and several factors are to be considered in distinguishing the productive and non-productive banks. Evaluating the performance of the banking sector serves as a crucial measure and indicator to assess the overall soundness of economic activities within an economy.

3. "Analysis a of Merger and Acquisition deals of Major Indian Banks- An Event based study" Authors: Dr Anjali Kelsie, Dr Ashima Arora (2018)

This paper studies the Merger and acquisition of both the Merged and acquired company. The study is based on the merger and acquisition of both the target and acquiring company's stock prices. It basically involves

the short-term impact of merger on share prices. In this study
Market model and Market Adjusted models are used to calculate the impact of merger on the stock prices. Based on the study it was found that there was a significant abnormal return after 4 days post-merger announcement. But there were no significant abnormal returns were found for any events. It was concluded that abnormal returns gradually decline and then vanish few days after the merger.

4. Deepak Kumar Adhana (1920) Mergers can contribute to more effective capital management, but it is essential to accompany them with substantial reforms in governance and management practices of the involved banks. A recent protest by members of the All India Bank Employees' Association underscores concerns and resistance to the government's choice to consolidate 10 public sector banks into four entities. In light of this, it becomes imperative for the government to engage in dialogue with the concerned parties to address and resolve their issues.

5. "Analysing Indian public sector bank merger CAMELS Score" Author Anubha Jain, IIFT (2020) Consolidation through mergers and acquisitions represents a significant financial transformation for the banking system. Despite existing challenges in the Indian banking sector, the government has decided to merge 10 public sector banks into 4. Using the CAMELS score, this paper aims to analyze the recent merger and highlight any challenges faced by the merged public banks compared to other public and private banks. The objective is to identify areas for improvement and focus for banks overall, as indicated by the CAMELS score rating. The approach involves considering all 18 public banks (pre-merger) and the 12 largest private banks as the sample. CAMELS ratings for different groups of banks are calculated, and a comparison is made to assess whether the anchor banks are in a better position than the targeted bank(s). The evaluation extends to a comparison between the CAMELS scores of public and private banks, providing insights into the overall performance and areas of attention for enhancement.

6. "Post-Merger Financial Performance of Indian Banks: Camel Approach" Authors - Vandana Gandhi, Prashant Chhajer & Vishal Mehta (2020) The potential for India to emerge as the next global financial hub, with the banking sector playing a pivotal role in this transformation, served as the impetus for this study. Following liberalization, the sector has witnessed numerous mergers and acquisitions in the country. However, for mergers and acquisitions to add value, they must result in an enhanced financial performance for the combined entity. This research paper scrutinizes the post-merger financial performance of both private and public sector banks, drawing comparisons between them. The findings indicate that, individually, private and public sector banks exhibit post-merger improvements in financial performance concerning certain parameters of the CAMEL model. However, the overall financial performance of the banks post-merger does not show statistically significant improvement. Moreover, there is no noteworthy difference when comparing the post-merger financial performance of private sector banks with that of public sector banks.

7. Veena K & S.N. Patti (2017) The research paper emphasizes the CAMEL model and provides an overview of ICICI Bank Ltd. It delves into the pre and post-merger performance of capital adequacy ratios, asset quality, earning quality, liquidity ratios, and management efficiency ratios of ICICI Bank Ltd. The data for the study was collected from secondary sources. The findings suggest progress in the capital adequacy and asset quality of ICICI Bank post-merger. However, the bank faces challenges in management efficiency, earnings, and liquidity positions. As a recommendation, the researchers suggest that the bank should focus on improving these parameters post-merger.

8. Kaur and Kaur (2016) "The study conducted an analysis of ten years' worth of data (2004-05 to 2013-14) pertaining to ten public sector banks in India. The selection of these banks was based on their market capitalization on the Bombay Stock Exchange (BSE). The findings of the study indicate that Bank of Baroda and PNB are considered the most stable banks. Indian Bank and IDBI Bank, as well as Canara Bank and SBI, are categorized as average performers. On the other hand, Union Bank, Bank of India, Syndicate Bank, and Central Bank of India are considered below average. The study recommends close monitoring of these banks to ensure their viability."

9. Dudhe (2018) In this study, the researcher evaluated the performance and financial soundness of selected Private Sector Banks, including ICICI, HDFC, and Yes Bank, using the CAMEL approach spanning the years 2013 to 2017. The analysis incorporated the one-way ANOVA method. The findings indicate that, on average, ICICI consistently held the top position among the selected banks, while Yes Bank consistently occupied the bottommost position across the evaluated CAMEL ratios.

10. Srinivasan & Saminathan (2016) In this analysis, a sample comprising 25 Public Sector Banks, 18 Private Sector Banks, and 8 Foreign Banks was assessed using the CAMEL model. The research findings indicate that, among Public Sector Banks, Andhra Bank, Bank of Baroda, and Allahabad Bank secured the top three positions in terms of financial performance. For Private Sector Banks, Tamilnad Mercantile Bank, Kotak Mahindra Bank, and HDFC Bank were ranked at the top three positions. In the case of Foreign Banks, Bank of Bahrain & Kuwait, HSBC, and The Royal Bank of Scotland occupied the top three positions. The research highlights a statistically significant difference between the CAMEL ratios of the selected Public Sector Banks, Private Sector Banks, and Foreign Banks in India.

11. Gowda, Anand and Kumar (2013) In this study, 59 Indian banks were categorized into Public sector, Private sector, and Foreign banks. The banks were ranked based on all five parameters of the CAMEL analysis over a 5-year period from 2006 to 2011. The study identified the best ratios in each parameter of the CAMEL model and tested for significance differences between Public sector, Private sector, and Foreign banks. Descriptive research was adopted for the purpose of this study.

12. Gupta (2014) "In this study, the performance of 26 public sector banks in India was assessed using the CAMEL model over a five-year period from 2009 to 2013, utilizing secondary data. The banks were ranked based on the five parameters of the CAMEL model. The study's conclusion highlights a notable difference in the CAMEL ratios among all Public Sector Banks in India, indicating variations in their levels of performance."

Data and methodology

Collection of Data and Its Analysis Method: The current study relies on secondary data extracted from the annual reports of Canara Bank spanning from 2019-20 to 2020-21 to obtain the financial structure of the corporation. The collected data underwent analysis using statistical tools and techniques, including accounting ratios, percentages, and correlation analysis. Hypothesis testing utilized the paired t-test, and for result derivation, statistical software such as MS-Excel and SPSS were employed. Furthermore, charts and figures were created to present and streamline the analysis process.

Scope of the research: It includes the period covered for the study i.e., pre - merger period 2019-20 & post - merger period 2020-21.

Objectives of the Study

Main objectives of the study are as follows

- "To examine the financial and operational performance of Canara Bank before and after the merger."
- To analyze the impact of the merger on the financial performance of Canara Bank using the CAMEL model.

Hypotheses For analyzing the objectives of the study, the following null hypothesis is to be tested:

- There is an operational performance differs financial performance of Canara Bank between pre- merger and post- merger.
- There is a profitability performance differs financial performance of Canara Bank between pre- merger and post- merger.
- "There is a notable difference in the financial performance of Canara Bank assessed with the CAMEL model between the pre-merger and post-merger periods."

Table 1 Statement of Merger Impact of Financial Performance

S.No.	Source	2019-20 (Pre-Merger)	2020-21 (Post-Merger)	Post- Merger Financial Impact
1	Tire-I and Tire-II Capital	50,257	49,255	Unfavorable
2	Risk Weighted Assets	3,60,988	3,60,906	Unfavorable
3	Advances	4,32,303.38	639,286.54	Favorable
4	Total Assets	7,41,440.27	11,79,599.60	Favorable
5	Debt	19,790.71	33,395.89	Unfavorable
6	Equity	1,030.23	1,646.74	Favorable
7	Gross NPA	37,250.53	60,397.8	Unfavorable
8	Net NPA	18,287.72	24,420.74	Unfavorable
9	Returns	-43,268.49	83,210.54	Favorable
10	Operating Profit	-1,986.43	2,890.60	Favorable
11	Net Profit	-1,513.57	3,881.55	Favorable
12	Current Account and Savings Account	2,34,387.16	4,75,769.63	Favorable
13	Deposits	6,25,408.32	10,10,985.02	Favorable
14	Pre-credits	4,32,403.38	6,39,286.54	Favorable

Source: Compiled from Annual Reports of Canara Bank

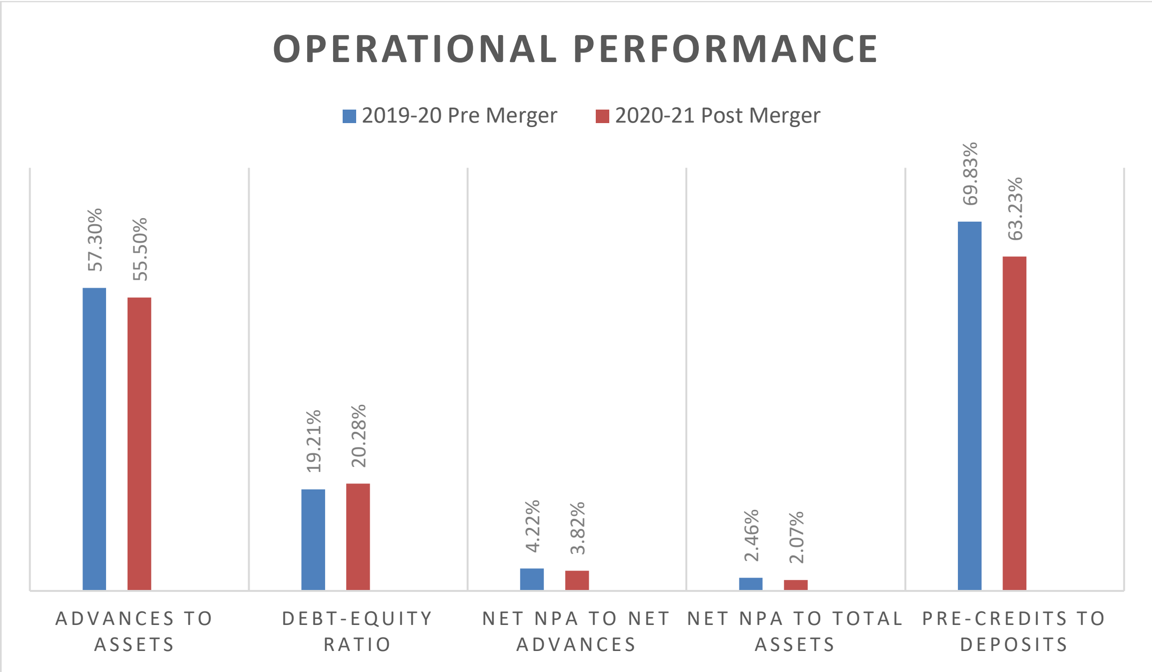
INFERENCE: Table-1 presented that financial performance of Canara Bank pre-merger and post-merger. It can be seen that advances, total assets, equity, returns, operating profit, net profit, current accounts and savings accounts, deposits and pre-credits are favorable. Tire-I capital, Tier-II capital, risk weighted assets, debts, gross NPA and net NPA are unfavorable to Canara Bank during pre-merger and post-merger.

Table 2 Operational Efficiency Parameters

S.No.	Efficiency parameters	Measurement Ratios	2019-20 (Pre-Merger)	2020-21 (Post-Merger)	Post- Merger Financial Impact
1	Advances to Assets	(Advances/Assets) *100	57.3%	55.5%	-1.8 (Unfavorable)

2	Debt-Equity Ratio	(Debt/Equity) *100	19.21%	20.28%	1.07 (Unfavorable)
3	Net NPA to Net Advances	(Net NPA/Net Advances) *100	4.22%	3.82%	-0.4% (Favorable)
4	Net NPA to Total Assets	(Net NPA/Total Assets) *100	2.46%	2.07%	-0.39% (Unfavorable)
5	Pre-Credits to Deposits	(Pre-Credit/Deposits) *100	69.83	63.23	-6.6% (Unfavorable)

Source: Compiled from Annual Reports of Canara Bank

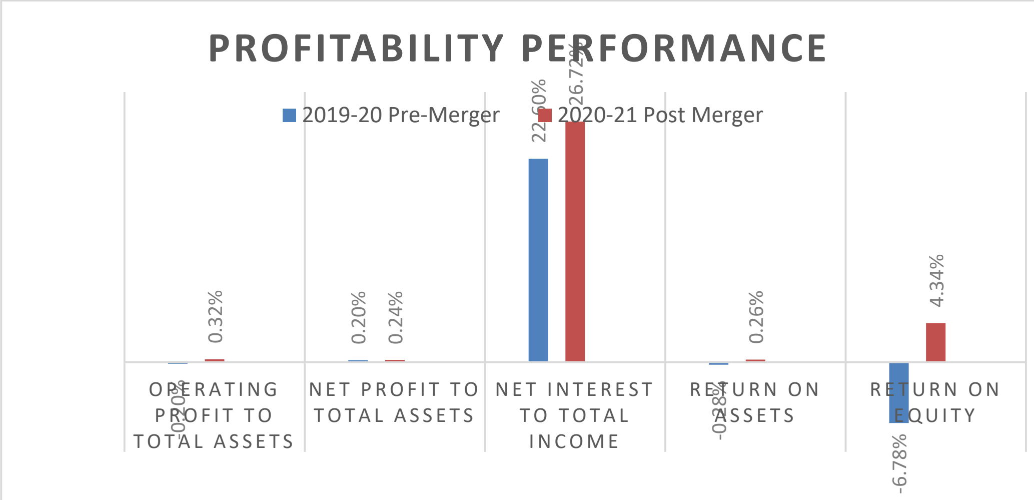


INFERENCE: The outcomes presented in Table-2 and Figure-1 reveal the operational efficiency of Canara Bank both before and after the merger. The analysis indicates that metrics such as advances to assets, debt equity ratio, net NPA to net advance, and pre-credits to deposits show unfavorable trends, while Net NPA to total assets demonstrates a favorable trend for Canara Bank in both the pre-merger and post-merger periods. These findings suggest that the operational performance of Canara Bank post-merger is not satisfactory.

Table 3 Profitability Efficiency Parameters

S.No.	**Efficiency parameters**	**Measurement Ratios**	**2019-20 (Pre-Merger)**	**2020-21 (Post-Merger)**	**Post- Merger Financial Impact**
1	Operating Profit to Total Assets	(Operating Profit/Total Assets) *100	-0.20%	0.32%	0.52 (Favorable)
2	Net Profit to Total Assets	(Net Profit/Total Assets) *100	0.20%	0.24%	0.01 (Favorable)
3	Net Interest to Total Income	(Net Interest/Total Income) *100	22.6%	26.72%	4.12% (Favorable)
4	Return on Assets	(PBIT/Total Assets) *100	-0.28%	0.26%	0.54% (Favorable)
5	Return on Equity	(PAT/Equity) *100	-6.78%	4.34%	10.69% (Favorable)

Source: Compiled from Annual Reports of Canara Bank

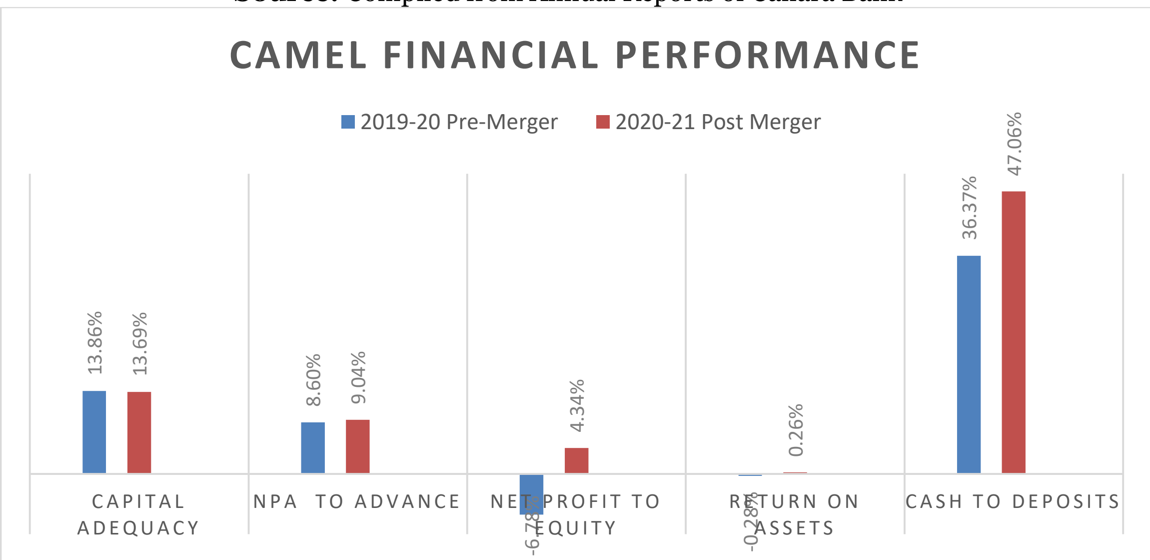


INFERENCE: "The outcomes presented in Table-3 and Figure-2 reveal the profitability performance of Canara Bank both before and after the merger. The analysis indicates that selected profitability ratios, including operating profit to total assets, net profit to total assets, net interest to total income, return on assets, and return on equity, all exhibit favorable trends at Canara Bank during both pre-merger and post-merger periods. These findings suggest that the profitability performance of Canara Bank post-merger is deemed good."

Table 4 CAMEL Model- Efficiency Parameters

S.No.	Efficiency parameters	Measurement Ratios	2019-20 (Pre-Merger)	2020-21 (Post-Merger)	Post- Merger Financial Impact
1	Capital Adequacy	Capital Adequacy	13.86%	13.69%	-0.17 (Negative Impact)
2	Assets Quality	NPA to Advance	8.6%	9.04%	0.44 (Negative Impact)
3	Management	Net Profit to Equity	-6.78%	4.34%	11.12% (Positive Impact)
4	Earning Quality	Return on Assets	-0.28%	0.26%	0.54% (Positive Impact)
5	Liquidity Position	Cash to Deposits	36.37%	47.06%	10.69% (Positive Impact)

Source: Compiled from Annual Reports of Canara Bank



INFERENCE: The results in Table-4 and figure-3 have shown that banking CAMEL frame work of the Canara Bank pre-merger and post-merger. The assessment reveals that capital adequacy shows a negative impact, while the other four efficiency parameters exhibit positive impacts at Canara Bank during both pre-merger and post-merger periods. Notably, assets quality, management efficiency, earning quality, and liquidity position are considered good. These observations indicate that the post-merger financial performance is satisfactory."

CORRELATION ANALYSIS

"Correlation is a critical aspect when describing the strength of the relationship between two variables. In this study, correlation coefficient analysis is employed to ascertain the relationship between operational performance impact before and after the merger, profitability performance impact before and after the merger, and CAMEL performance impact before and after the merger of Canara Bank during the years 2019-20 and 2020-21. The correlation measure is denoted by 'r', and the correlation results are presented in Table No. 5.

Table-5

S.No.	Relation	r-value	Correlation Result	R^2 -value	p- value
1	Operational performance differs between pre-merge and post-merger	0.98	High Positive Correlation	0.9604	0.0033
2	Profitability performance differs between pre-merge and post-merger	0.92	High Positive Correlation	0.8464	0.0268
3	CAMEL performance differs between pre-merge and post-merger	0.95	High Positive Correlation	0.9025	0.0133

Source: Computed

Inference: Table-5, can be reveals that the correlations between Operational performance impact between pre-merge and post-merger is high positive correlation (r=0.98), its co-efficient value is 0.9604. By operational performance of Canara bank post-merger is 96.04% relationship strength with pre-merger and its relation statically significant (p=0.0033).
Correlations between profitability performance impact between pre-merge and post-merger is high positive correlation (r=0.92), its co-efficient value is 0.8464. By profitability performance of Canara bank post-merger is 84.64% relationship strength with pre-merger and its relation statically significant (p=0.0268).
With CAMEL Frame work; Financial performance impact between pre-merge and post-merger is high positive correlation (r=0.95), its co-efficient value is 0.9025. CAMEL financial performance of Canara bank post-merger is 90.25% relationship strength with pre-merger and its relation statically significant (p=0.0133).

Testing of Hypotheses

In this paper researcher has made three hypotheses based on camel model to know the operational and financial performance of Canara Bank. Used to difference (Paired) sample t-test for computing the appropriate **t value** to test the significance. The **degrees of freedom** for entering the t-distribution is **N – 1.** Table value of (5-1) i.e. 4 degrees of freedom at 5% level of significance is **2.78** for two tailed test. The hypotheses results are re-stated here under:

Table: 6 t-test results for Operational Performance Indicators of Canara Bank

Hypothesis-1	t-critical value	t-test value	Significance	Hypothesis Result
There is an operational performance differs financial performance of Canara Bank between pre- merger and post- merger	2.78	//1.23//	.0287	Accepted

Source: Computed

Table No. 6 presented the tested t- test results of hypothesis (H_1); There is an operational performance differs financial performance of Canara Bank during pre- merger and post- merger. Here calculated t-value is less that critical value at 5% level of significance (1.23<2.78), where null hypothesis is accepted. Therefore, it is concluded that operational performance varies financial performance of Canara Bank between pre- merger and post- merger.

Table: 7 t-test results for Profitability Performance Indicators of Canara Bank

Hypothesis-2	t-critical value	t-test value	Significance	Hypothesis Result

There is a profitability performance differs financial performance of Canara Bank between pre- merger and post- merger	2.78	//1.56//	.0219	Accepted

Source: Computed

"Table No. 7 presented the tested t- test results of hypothesis (H_2); There is a difference in profitability performance in the financial performance of Canara Bank between the pre-merger and post-merger periods. Here calculated t-value is less that critical value at 5% level of significance (1.56<2.78), where the null hypothesis is accepted, it is therefore concluded that there is a difference in profitability performance in the financial performance of Canara Bank between the pre-merger and post-merger periods."

Table: 8 t-test results for CAMEL Performance Indicators of Canara Bank

Hypothesis-3	t-critical value	t-test value	Significance	Hypothesis Result
There is a significant difference of financial performance of Canara Bank with CAMEL model between pre- merger and post- merger.	2.78	//1.73//	.0158	Accepted

Source: Computed

"Table No. 8 presents the results of the t-test conducted for hypothesis (H2), which suggests a significant difference in the financial performance of Canara Bank using the CAMEL model between the pre-merger and post-merger periods. The calculated t-value is less than the critical value at a 5% level of significance (1.73 < 2.78), leading to the acceptance of the null hypothesis. Therefore, it is concluded that there is no significant difference in the financial performance of Canara Bank with the CAMEL model between the pre-merger and post-merger periods."

Conclusion and Suggestions

This study emphasizes the main findings obtained from the evaluation of operating, profitability, and the CAMEL model, with the goal of comprehending the financial performance of Canara Bank in the periods before and after the merger during the financial years 2019-20 and 2020-21. In the analysis of the post-merger financial performance of Canara Bank, the following observations have been identified and will be elaborated upon below.

- It is noted that there is a difference in the financial performance of Canara Bank between the pre-merger and post-merger periods; advances, total assets, equity, returns, operating profit, net profit, current accounts and savings accounts, deposits and pre-credits are favorable. Tire-I capital, Tier-II capital, risk weighted assets, debts, gross NPA and net NPA are unfavorable.
- The study reveals that metrics such as advances to assets, debt equity ratio, net NPA to net advance, and pre-credits to deposits exhibit unfavorable trends, while Net NPA to total assets indicates a favorable trend for Canara Bank in both the pre-merger and post-merger periods. These findings collectively suggest that the operational performance of Canara Bank post-merger is not deemed favorable.
- "For profitability performance between per-merger and post-merger, It is observed that operating profit to total assets, net profit to total assets, net interest to total income, return on assets, and return on equity, all these selected profitability ratios are favorable at Canara Bank during both pre-merger and post-merger periods. This indicates that the profitability performance of Canara Bank post-merger is deemed good."
- Profitability performance differs financial performance of Canara Bank between pre- merger and post-merger.
- It is observed that there is a difference in the financial performance of Canara Bank assessed with the CAMEL model between the pre-merger and post-merger periods.
- It can be seen from CAMEL performance, where, capital adequacy is negative impact and other four efficiency parameters are positive impact at Canara Bank during pre-merger and post-merger.
- "It is observed that asset quality, management efficiency, earning quality, and liquidity position are good. This suggests that the post-merger financial performance is favorable."
- Operational performance varies financial performance of Canara Bank between pre- merger and post-merger.

"To conclude, our findings from the profitability and CAMEL financial performance of Canara Bank post-merger is good and operational performance is moderate during the study period. Canara Bank may launch, products, services, awards, achievements, etc. It also paints a clear picture of the importance of integration and inclusion in the country's economic progress. In addition to comparing the bank's performance before and after the merger, the study also shows the bank'sfinancial performance after the merger."

Based on this research, it seems that the merger has been very successful and net profits will increase after the merger. Bank non-performing assets are also declining. Operating profitability and the CASA ratio also increased. Since the bank was merged recently a major gain is currently not identified but the merger of Canara Bank may be profitable in the near future.

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