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The Study of Retail Banking and Treasury Management of the Annasaheb Savant Co-Operative Urban Bank Ltd Mahad - Raigad

Mr. Ronak Harshad Shah
M. M. Jagtap College of Arts, Science and Commerce, Mahad-Raigad, Maharashtra, India

Abstract*: In this project the retail Bank and treasury management is described. The role of all of them Is important in Bank sector. These roles are described in details in chapter. Retail management has today become the most topical subject of any financial Institution. I ten compasses the analysis and development of goals and objectives, the development of long term strategies plans and rates sensitivity management.*

Keywords: Bank sector

I. INTRODUCTION

In this project the retail Bank and treasury management is described. The role of all of them Is important inBanksector. These roles are described in details in chapter. Retail management has today become the most topical subject of any financial Institution. I ten compasses the analysis and development of goals and objectives, the development of long term strategies plans and rates sensitivity management.

It has strategic departments. However, assets liability management are be Bank established and liability committee are be Bank formed within financial institutions. These committees are often given extraordinary powers regard Bank the mix and match of asset and liabilities and have large influence in winds Bank up activates which do not fit business strategy.

Nonbank can survive if it has no liquidity. AmBank but it may exist making profits cannot survive without liquidity. ABank not a may be treated as a sick but, one not having liquidity may meet its death over a period.Assets & liabilities management, thus, has become a basic and broad measure of judging and performance of a business firm

Treasury management is management of a total wealth form the viewpoint of liquidity, safety And returns in tune with its mission or business objectives to achieve the interest of stakeholders

(maximization of yields, maximum cost and control ricks). An while treasury activity in organization is based on its size, area of operation and risk profile. It actually revolves around market risk management covering monetary assets and liabilities, thus treasury management plays an important role is assets (loans) and liabilities (deposited) management.

OBJECTIVE OF THE PROJECT

To analysis and understand the role of retail Branch

- To analysis and understand the various products of liabilities.
- To analysis and understand the various products of assets.
- To analysis and understand the role of treasury in risk management.
- To analysis and understand the maturity pattern of assets and liabilities.

Hypothesis of the study

- H1aa: There is a positive correlation between tangibles and customer satisfaction in the retail banking sector in India.
- Hla0: There is no correlation between tangibles and customer satisfaction in the retail banking
- Sector in India.
- Hlba: There is a positive corelation between reliability and customer satisfaction in the retail Banking sector in India.

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• H2b0: There is no corelation between reliability and customer satisfaction in the retail banking sector in India.

SCOPE OF THE STUDY

The scope of study was limited to the retail to the role of retail Bank and treasury management of Bank Mahad Raigad to the limited period of month.

The major portion of the project was taken from the annual report of the Bank 2023-24 from the website

The geographical scope of the project is limited because this study is concerned with only retail bank

II. RESEARCH METHODOLOGY

Project methodology includes various steps. There should be a systematic way of collection data presentation of project report. Methodology is systematic way of solving a problem. It include the research methods and logics behind these methods. Collecting data analyzing the same conducted the main study.

DATA COLLECTION

The data available for the project was in the form of concrete facts, figures as well as verbal information regarding the facts and figures.

A) Primary data

B) Secondary data

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A) Primary data

B) Secondary data

A) Primary data:Primary data is the data which is not readily available. The primary data is collected by interviewBank method and observation. This data one has to collect on his own. With the help of the primary data I collected the information about of bank under asset side and liability side. This data plays key role in my project. Observation method: I used non-participative method to know the operation of the bank, treatment with the customer, etc.

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B) Secondary data:

Secondary data is the data that has been collected earlier for the reverences of the project secondary data is readily available. This data is available in the liberty also from Bank,Bank the data is collected from theBank in the form of circulars of the year 2015-2016 and 2016-2017 also from the annual reports of the Bank.

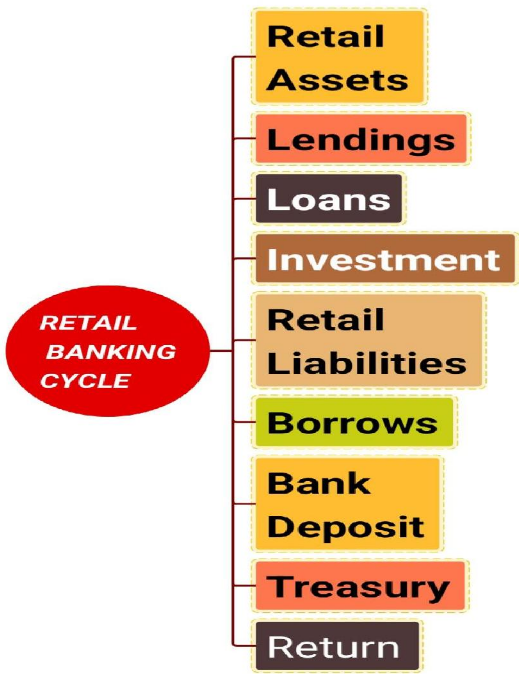
LIMITATIONS

To understand the overall working of Bank, the period of 50 days is not Sufficient

Due to strict confidently policy of the, the account department pounded only information.

The study only based on retail Bank and treasury current and assets liabilities.

RETAIL BANKING CYCLE



Retail Branch (Liabilities)Bank collects the fund from the market with the help ot the Current Account, Saving Account and Fixed Account. This fund is managed by the Treasury Department.

Treasury Department looks after this fund.

Treasury Department bifurcate the fund into investment and retail assets. The investment is done as per the guideline of the RBI. Mostly investment is done in capital market, debt market, G-sec etc. Where from Retail Assets, loan for home Loan, Personal Loan, Education loan, SME Finance etc. Borrows Lending Investment Return is given to the project like infrastructure, manufacturing, Home Loan, Personal loan, Educational Loan, SME Finance, Agriculture Loan, etc. and from this loan interest is earned.

This interest earned by the Retail Assets is used by the Treasury Department for the reinvestment in Retail Assets or for Investment in equity sector for incur Bank the cost of Fund of the Bank.

Like this the flow of the money is done from the Retail BranchBank.

This was the role of the Retail Bank Cycle. Same way the role of retail liabilities, retail assets, and treasury department in assets and liabilities management is explained. This Role is explained as below:

ROLE OF RETAIL LIABILITIES:

From the saving current & fixed deposit accountBank collect the funds. Assets & Liability management committee bifurcate that funds in to investment & lending purpose according to rules and regulation of RBI and gives like ATM, phoneBank, e-banking and Cheque-book facility etc

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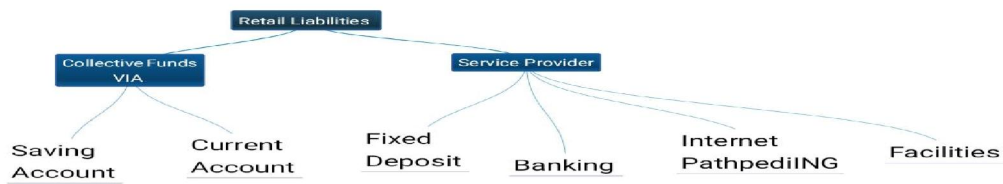
TYPES OF RETAIL LIABILITY OF Bank:

Premium saving account scheme:

1.Salient features:

Minimum balance: quarterly average balance of Rs 25000/-Concessions offered free cheque books facility free of commission demand draft/M17 pay order up to an aggregate amount of Rs. 1 0000/- per month or free collection of outstation cheque up Rs.10000/- per month on the centers where we have branches. Actual postage č out of pocket expenses shall be borne by the accountholder. Where we have no branch, only our commission will be waived. The



account holder has to bear the commission of the agent Bank in addition to postage & out of pocket expenses**.**

2. Facilities offered

Free demand drafts/ MT/pay orders up to an aggregate amount of Rs 2 Lac per month or free collection of outstation cheques up to an to Rs. 1 Lac per month. Actual postage& out of pocket expenses shall be borne by the account holder. Free debit card free bill pay services available (at selected branches) If the minimum balance /monthly average is not maintained Penalty will be charged.

3.Saving deposit scheme:

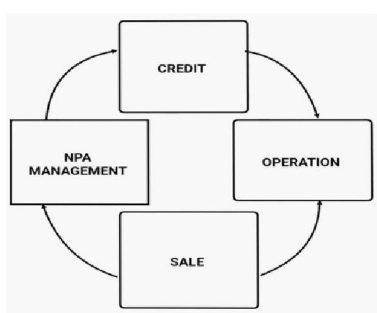
Saving and fix account as the name denotes acts primarily as a saving account the moment the balance crosses Rs.25000/- the exceed Bank amount in multiple of Rs.10000/- is automatically converted to fixed deposit earning higher interest. Conversely if found in your saving account are insufficient for withdrawal or to honora cheque, the requisite amount will be automatically transferred from the account .

Fixed deposit scheme:

Fixed deposit scheme allows you can choose the interval of receiving your interest. You can choose yearly, half yearly, quartile or even monthly interest payments according to your needs of income.

Senior citizen scheme:

Senior citizen scheme is open to individual, who have complete 60 years of age. The A/c can be opened sole name of the individual (with nomination facility) and are in Joined name. In case were joint A/c holder in persons bellow the age of 60 year, the name of senior citizen to be given as first name in the application form, the depositor Can open fixed deposit (senior citizen fixed deposit) Alc where monthly/quarterly/half Year/ interest would be paid. The period of such deposit will be minimum 15 days to Maximum 10 years for cumulative deposit scheme, (senior citizen Samruddhi deposit) The period of deposit should minimum 6 month to maximum 10 year.



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Recurring deposit scheme

Recurring deposits scheme enable the depositors to save in fixed monthly installment. One can choose diferent maturity plans depending on once saving goal desires by Putting away only a little amount of principle plus interest at the end of the chooses Period minimum amount of monthly installment Rs 50/- Further amount in multiple Of Rs 5 as the old age goes "little drops of water, makes in mighty ocean". This Scheme is ideally suited for young salaried people to inculcate regular and compulsory Saving habits.

• TYPES OF LOAN

There are follow Bank types of loan are provided by Bank like a term loan, demand loan cash credit.

• Term loan: this loan is given for the perfect of 1 year up to 3 year. The term loan is given for the purchase of the land & build Bank, machinery, shop, furniture, etc.

• Demand loan: this loan is given up to 35 months. The demand loan is given for the same as for the term loan.

• Cash credit: this loan is given against hypothecation of stocks. KyThe cash credit limit is sanctioned for the period 12 months. Under all loans the such loan is collected monthly, quarterly, and yearly, as per the agreement between the

clients &Banks. client plays the installment of the loan as peer the agreement and complete the dues them his A/c is well settled and become the credit worthiness Client for the Banks. I1 any Client who do not pays installment up to 90 days or above then his a/c treated as non performing asset for the Banks. Then, the collection of such dues is done by the recovery agents on behalf of the Banks.**RetailAssets**

A) Housing finance scheme:

People can avail of Home loan to purchase a plot, construct a house, but a ready build house or buy one under construction. The loan even help you build an extension to your existing house that is up to 2.5 years old. Beside you can take this loan for repairs and up gradation, which includes the cost of fixtures, POP works, retiling,fitting etc.

It even gives you the option to shift an existing home loan with any other or Financial Institution.

You are eligible:

You are major individual, resident or non-resident, having a regular source of income

Your age on the maturity of the loan is less than retirement age if you are a salaried employee & below 65 years, if you have a business.

The total deductions do not exceed 60% of your gross income, including the loan installment of the proposed loan.

Spouses/Co-application income can be clubbed for enhanced eligibility.Loan amount:

Up to Rs. 10 Lakhs for the purchase of a house.

Up to Rs.5 lakhs for the renovation/up gradation.

B) Educational loan scheme:

Ensure a bright future for talent children. Provide then with the best of higher education in India or abroad Avail Educational Loan.

You are eligible:

You are an Indian National and have secured admission to a professional or technical course in an Indian or Foreign university.Simple walk in with the mark sheet of the qualify Bank exam. And proof of admission.

Course eligibility:

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Study in India:
Graduation courses, post-graduation courses. Master & PHD, Professional couse.
Study abroad:
Graduation for professional/technical courses offered by reputed universities,post graduation (MCA, MBA,MC)

Loan amount:
Up to Rs. 10 lakhs for studies in India.
Up to Rs.20 lakhs for studies in abroad.

C) Auto Finance Scheme:

Auto financial is available to the customer for taking the motor cycle, car etc. You are eligible if:You have a gross income of more than Rs.75000 p.a. for a two wheeler and a gross income of more than Rs. 150 lakhs p.a. for a car.
Loan amount:
Up to Rs.50000/- for purchase of new two wheeler.
Up to Rs.8 lakhs for purchase of a new car.

D) Trade Financial Scheme:

Dena trade finance is available to the commodity trader, stockiest or dealer register under sales tax. And who are resident of the city
You are eligible if:
You are a commodity trader, stockiest or dealer register under sales tax.
You are a permanent resident of the city.
Loan amount:
Minimum Rs, 2.50 lakhs
Up to Rs.25 lakhs
Up to 20% of your projected turnover.
In case of distribution of the working capital cycle, 40% of collateral security can be included to calculate Drawing Power.

E) Senior Citizen Pensioners Loan Scheme:

Banks gives the loans to be senior citizen who taking pension and loan are granted against the pension amount. This scheme is very useful to senior citizen.
You are eligible if:
You are a pensioner of the state govt., Central govt.
You are an ex-staff member with a pension account.
Loan recovery period is not extending beyond 75 years of age
Your take home pension is not less than 60% of your monthly pension after deduction of the loan installments.
Loan amount:
Up to 6 month pension or Rs.50000/- whichever is less.

F) Rent Scheme (Finance against Rent receivables):

Bank gives loan to the customer who is eligible to this scheme mean they receive rent in future from their house holder.
You are eligible of
.You are a landlord- - an individual, corporate, trust or anybody who has gives their property on rent toBanks, FIS, PSUs or reputed companies.
Loan amount:
Minimum- Rs.1 lakhs
Up to Rs.200 lakhs

CHART ORGANIZATION STRUCTURE OF URBAN CO-OPERATIVE BANK MAHAD

What is "Gap Analysis"?

A tool is used to judge a Bank earning exposure to interest rate movement is called gap Report. ABank's gap over a given time periodic is the difference between the value of its Assets that mature or reprise during that period. If value of

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assets is more than the value of GAP ANALYSIS Abilities, than Bank net interest income is assets is less than the value of liabilities, than Bank net interest income is liabilities sensitive.
In short, the different between the value of assets and yalue of liabilities positive than it is Known as assets Sensitive and if it is negative than it is know and liabilities sensitíve if Bank As assets sensitive, than increase in interest rate will be increase the net interest income of theBank and if Bank has liabilities sensitive, than decrease in interest rate will increased the net Interest income of the Bank.

EARNBANK AND RISK (EAR ANALYSIS)
What is earning at risk (Ear)?

Earning implies the net revenue from the net revenue from the interest components in the Bank or financial institution, when the performance is evaluate on an annual basis. It is a function on interest rate spread between interest receipt and interest payment. Earning and risk necessary for the Bank to know. If interest rate change by 1% or more than. How much the value of the assets or liabilities will change? It means if value of assets or liabilities get shock of interest rate than how much change will be there earning at risk consider only up to 1 year.

DATA INTERPRETATION

Maturity	1-14 days	15-28 days	29 days 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Over 5year
Loan and advance 2023-24	665.71	263.71	491.79	520.77	848.25	4836.27	795.27	1543.83

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INTERPRETAION: From the above graph we can see that maturity period of the loan and advance amount is high in 1-3 year to the compare bucket. In the 1-3 year bucket maturity amount 48362.7 cores. The 1-3 year buckets contain 51.38% of total loans &advance in the year 2014-2015.

INVESTMENT 2023-2024

Maturity	1-14 Day	15-28Day	29Day-3Month	3-6 Month	6-12 Month	1-3 Years	3-5 Year	Over 5 Year
Investment	313.84	49.03	145.71	0	873.93	42.03	1275.8	6665.91

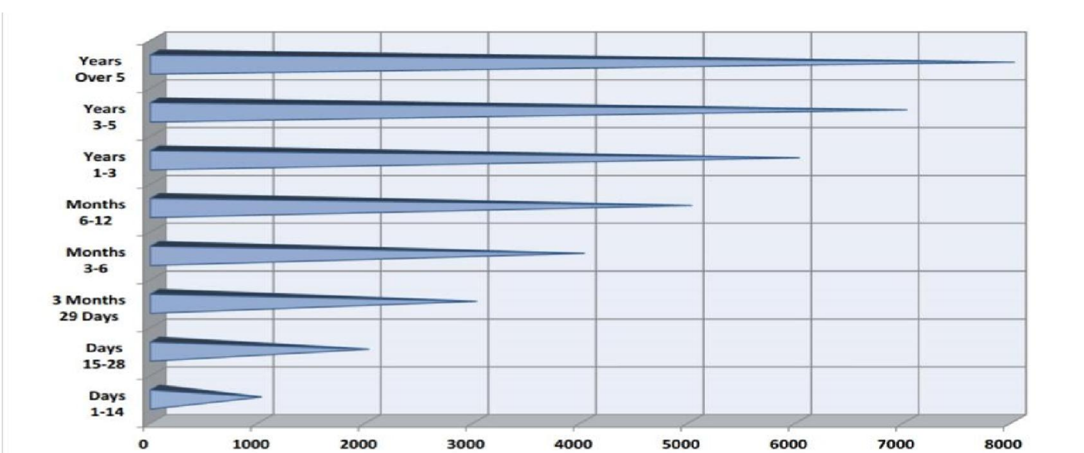
INTERPRETAION:1Om the above graph we can see that maturity period of the investment amount is high in over 5years as compare to the other bucket in the over 5 year bucket maturity amount is the 5 years bucket contain 64.45% of total investment in the year 2023-24 66649.1 croes.

DEPOSIT 2023-2024

INTERPRETATION: From the above graph we can see that maturity period of the deposits amount is high in 1-3years

Maturity	1-14 Day	15-28Day	29Day-3Month	3-6 Month	6-12 Month	1-3 Years	3-5 Year	Over 5 Year
Investment	463.94	365.21	325.16	1282.35	1496.3	9914.94	358.26	491.3

as compare to the other buckets. In theover1-3 year buckets maturity amount is 99149,4cores. The 1-3 years buckets contain 54.3% total deposit in the year 2023-24 .



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THEROTICAL BACKGROUND THE STUDY

Function ofBank

1.Issue of Money:

In form of f t theBank notes and current accounts subject to cheque or payment at the customer's order. These claims onBank can act as money because they are negotiable and repayable on demand, and hence valued at par and effectively transferable by mere delivery in the payee toBank or cash.

2. Settlement of payments:-

Banks act both as collection agent and paying agents for customners, and participate in inter-bank clearing and settlement systems to collect, present, be presented with, and pay payment instruments.

3.Credit intermediation:-

Banks borrow and back-to-back on their own accounts as middle men.

4.Credit quality improvement:-

Banks lend money to ordinary commercial and personal borrowers (ordinary credit quality), but are high quality borrowers losses without defaultBank on its own obligation.

5.Maturity transformation:-

Banks borrow more on demand debt and short term debt, but provide more long term loans. Bank can do this because they can aggregate issues (e.g.acceptBank deposit and Issuing notes) and redemptions (e.g. withdrawals and redemption ofBank notes), maintain resaves of cash. Invest in marketable securities that can be readily converted to cash if, needed and raise replacement fundBank as needed from various sources (e.g. wholesale cash markets and securities markets) because they have a high and more well known credit quality that most other borrowers.

BANK y SRCTOR BEFORE AND AFTER LPG POLICY (1991): ORGIN OF THE WORD "BANK»

The name deriver form the Italian word banco *desk / bench" , used during the renaissance by FlorentinesBank, who used tomake their transactions above a desk covered by a green tablecloth.

DEFINATION OF BANK:-

Bank means the organization which accepts on the deposits for the purpose of lending or investment of deposit of money from the public repayable on demand or otherwise withdrawal by cheque, draft, or otherwise.

A) BANK SECTOR -PROFIT TO LPG POLICY 1991:

ReflectBank these views, all large private Bank were nationalized in two stages; the first in 1996 and the second in 1980. Subsequently, quantities loan target were imposed on theseBank to expand their network in rural area and they were directed to extend credit to priority sector. These nationalized Bank were then increase Bank used to finance fiscal deficits. Although nun-nationalized private Bank and foreign Bank were allowed to coexist with public-sector that time, their activities were highly restricted through entry regulations and strict branch license Bank policies.

Thus, their activities remained negligible. Nevertheless, manyBank remained unprofitable, inefficient, and unsound on Bank to their poor lending strategy and lack of internal risk an management under government ownership. The major factor that contributed to deteriorate Bank performance included;

1) Too strict regulatory requirements i.e. a cash reserve requirement (CRR) and statutory liquidity requirement (SLR) that requiredBank to hold a certain amount of government and eligible securities;

2) Low interest rates charged on government bonds as compared with those on commercial advances'

3) Direction and concession all endBank4) Un-practiced interest rates and

5) Lack of competition

The follow Bank are the steps taken by the government of India to regulate Bank lnstitutions in the countr1949: Enactment ofBankregulation Act

1955: Nationalization of stateBank of India.

1956: Nationalization of SB1 subsidiaries.

1961: Insurance cover extended to deposit

1969: Nationalization of 14 majorBank.

1971: Creation of credit guarantee corporation.

1975: Creation of Regional RuralBank (RRB)

1980: Nationalization of sevenBank with deposit over 200

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BANK,SECTOR AFTER LPG POLICY 1991

This phase has introduced many more products and facilities in theBanksector in its reforms measure, In 1991, under the chairmanship of Mr. Narashimhan, a committee was set up his name which worked for the liberalization of Bank practice. RBI has accord I was based accord- I, so RBI introduced based accord-II in year 2000.

The major distinguish between these accords are as follows:

1) What is Basel Accord-1?

Ans: This is agreement ona worldwide standard for minimum capital or solvency requirements by each financial intuition. The Basel committee onBanksupervision

2) How many Accords are there at present?

Ans: Until May 04 only Accord Basel I was effective since 1988. In June 04 the Basel IIIAccord was released.

3)Why is the Basel II Accord now necessary and when is it likely to be implemented?

Ans: over the last two decades (after implemented of Basel I in 1988) significant developments in technology and telecommunication have taken place. Along with this, innovation inBankproducts and services.e.g. credit derivative, scurried assets in the globalised environment have enhance risk levels ofBank and financial institutions.1988 accord is too broad and not fully sensitive to such risks. Furthermore operational risk has also become very central to risk management process. Hence the new accord Basel II was conceived. Implement by the concernedBank is slated to be towards the end of 2006.

4) What are the points of distinction between Basel I and Basel II Accord?

Ans: the point's distention between Basel I and Basel II are as under:

A) Base I focus on single risk measure in the form of minimum capital requírenent of 8% on risk weighted assets (in India however the RBI has prescribed 1% more i.e. 9% Basel II with focus on internal rating methodology, supervisory, review and process market discipline besides minimum capital.

B) Basel l is considered to be a too simple approach in capital regulation and is not effective in the present day market environment. Basel II provides of approaches for risk management with incentive risk management with incentive for goods risk measurement.

C) Basel I is rigid and is not risk sensitive. The proposed Basel II provided increased risk sensitivity and it's also flexible.

D) There was no risk category under operational risk" in Basel. However, Basel Il provides definition of operational risk detailed guidelines thereof.

5) What is "Three Pillar" approach under proposed Basel II?

Ans: the three pillar approach is a combination of quantitative, qualitative and elements of market forces as under:

Pillar I (quantities) calculation of regulatory capital requirements (minimum8%). This is already in Basel I however, only some redefined in risk weight computation will be introduced.

Pillar II (qualitative): supervisory review process of access sing overall capital equirementsof bank
and early interview when necessary, (new in basely).

Pillar III (market forces): market discipline is sought to be ensured by transparency and discolors, especially in regards to capital structure, risk exposures (NPA),etc. (New is basely)

6) What are the various categories of risks identified under proposed Basel II?

Ans: credit risks, market risk and operational risk will be the three risks categories.

7) Objectives intended to be achieved through regulatory capital & economic capital under proposed Basel II?

Ans regulatory capital (min.8%) in India min 9% is expected losses while economic capital (each to access) is for unexpected looses. For computation of economic capital, the use of statistical tools may be necessary as computation of economic capital is a complicated process.

ROLE OF TREASURY IN ASSETS AND LIABILITIES MANAGEMENT:

INTRODUCTION TO TREASURY

Treasury Management is a managenment of a total wealth from the viewpoint of liquidity, safety and returns in tune with its mission or business objectives to achieve the internet of stakeholders (maximization of yields, minimum cost and control risks.) while treasury activity in an organization is based on its size, area of operation and risk profile. It

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actually revolves around market risk management coverBank monitory assets and liability. Thus, treasury management plays an important role in assets (loans and liability deposits), management.

In short, treasury deal with management of cash follows the time pattern, place of occurrence of cash follow, etc.

In any organization risk in broadly classify in to three classes namely:

Credit risk

Operation risk

Market risk

In Bank organization, market risk management has to be treated differently from other two classes. This is because the comports of market risk are focus on liquidity, interest rate, foreign exchange and equity and commodity prices, pand changes in market variables.

The board of directors of theBank is the supreme authority for overallmanagement of treasury risk management. As per guidelines of RBI this managing director, head of credit market and operational risk management committee.

The key to success of market risk management in an organizational especially in Bank is give to the effectiveness functionBank of ALCO.The composition of ALCO is as follows

CMD or CEO or ED chairman ALCO

Chief of investment

Chief of credit

Chief of resource management or planning

OBJECTIVE OF ALM:

Chief of found management

Chief of international operational

Chief of economic research

Thus it will appear from the above organizational set-up that AILM aspect is supported by identification, measurement, monitoring, and control cells, which comprise middle office, dealing room and back office. Together, these function as the treasury wing of Bank.

The management of the assets and liabilities is done by the ALCO. ALM system was born in theBank world in the year 1979, when US introduce the policy of deregulation of interest rates.

ALM involves the deliberate mismatchBankofBank assets and liabilities in the terms of their maturity and re-price Bank characteristics.

ALM system of theBank has been strengthened with full computerized towards the close of the year. During the year, the Bank could cover 100% of theBank's business under ALM.

OBJECTIVE OF ALM :-

Collection of set of information in a structured manner upon break-up relative item of

Arriving at residual maturity of assets and liabilities.

Working out behavioral pattern of assets and liability

To promote feedback with a view to maintainBank an appropriate balance in interest or earning spread profitability and long-term viability of the organization.

Stabilization of Net Interest Income.

Maximization of shareholders wealth.

Managing liquidity.

THE A ASSETS LIABILITY MANAGEMENT COMMITTEE (ALCO)

The ALCO ; is headed by CMD / executive or in their absence, by the senior most general in the committee. The other manager includes all function general managers at corporate office having responsibilities. account and information technology etc.

EUNCTION OF ALCO:

The RBI desires that ALCO be responsible inter alia:

To ensure compliance with market risk limit fixed by the board of directions

To work out strategies in line with corporate risk management objective and budgeted targets in area of market risk management.

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To price out a major portion ofBank liabilities with various product type and advance
To arrive at the appropriate level of maturity profile of the various type of assets liability in regards to an ideal mix thereof.
To frame in a professional manner the likely position of interest rate on assets and liabilities and accordingly to decide business strategies of the organization. In essence, ALCO is entrusted with all inclusive function of the organization management in the form of assets liability management, and keeping a regular and effective watch on market variables and their impact on organization.
The ALCO will look after among others the following functions:
Overseeing market risk management,
Fixation of interest rates
Ensure that not i. e. than 30% of net profits are transferred to statuary reserves
To maintain the capital adequacy ratio at a level above the minimum statutory prescribed by RBI from time to time. To increase the share of low cost deposits in the total deposits.

RBI GUIDELINES FOR ASSTES AND LIABILITY MANAGEMENT SYSTEM IN BANK

Over the last few years the Indian financial markets have witnessed wide ranging changes at fast pace. The management of Bank has their business decision on dynamic and integrated risk management system and process, driven by corporate strategy. Banks are exposed to several major risk in the course of their business - credit risk, equity / commodity price, liquidity risk and operational risks.
This note lays down board guidelines in respect of interest rate and liability risk management systems in Banks which from part of the assets-liabilities m management function. The initial focus of the ALM function would be to enforce the risk management discipline viz. Managing business after assess Bank the risk involved. The objectives of good risk management program should be that this program will evolve into a strategies tool for Bank management.

ALM rests on three pillars follows:

A) ALM information system
B) ALM organization C) ALM process

A) ALM information system:

Information is the key to the ALM process. Consider Bank the large network of branches and the lack of an adequate system to collect information required for ALM which analysis information on the basis of residual maturity and behavioural pattern it will take time for Banks in the present state to get the requisite information.

B) ALM organization:

The assets-liability committee (ALCO) consist Bank of the Bank's senior management including CEO should be responsible for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the Bank.

C) ALMP ROCESS:

D) The scope of ALM function can be described as follows:
1) Liquidity risk management
2) Management of market risk
for assets and liability management major risks are involved. Such risk are explained below;

a) Market risk:

Market risk may be defined as the possibility of loss to Bank caused by the changes in the market variables. It is the risk that the value of on / off balance sheet possibilities will be adversely affected by movements in equity and interest rate market, currently exchange rates and commodity price. Market risk is the t to the Bank' searning and capital due to changes in the market level of interest rates or price of securities,foreign exchange decrease in inflation, changes in government policies, changes in RBl policies, etc, there is direct changes in the assets and liabilities value.

b) Interest rate risk:

Changes in interest rate effect earning of assets liability off balance sheet items and cash flow. Hence the objectives of interest rate risk management is to maintain eared for the nines, improve the capability, ability to absorbs positional loss and to ensure the adequacy of the compensation revived for the risk taken and affects risk return trade off. Management

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of interest rate risk aims at capturing the risk arising from the maturity and re-pricing mismatches and is measured both from the earning and economic value perspective. For finding such net interest position risk there are different techniques such as:

The traditional maturity gap analysis to measure toward the interest rate sensitivity, Duration gap analysis to measure interest rate sensitivity of capital simulation and value at risk measurement of interest rate risk.The approach toward measurement and hedging interest rate risk with segmentation of Banks balance sheet.

ORGANIZATION STRUCTURE OF TREASURY MANAGEMENT

FINDING

As gap of the maturity pattern of the Urban Co- operative Bank Ltd., Mahad 2023-2024 is In negative. Le.(163.5) cr. Where the gap of the maturity pattern of Bank 2023-2024 is in positive 719.84 cr. Negatives sensitive means liabilities sensitive, it means in year 2023-2024 Banks liabilities were more than the assets. But same in year 2023-24Bank's it is positive sensitive means assets sensitive, it means in year 2023-2024 bank's it is positive Sensitive means assets sensitive, it means in year 2023-24 Bank assets are more than Liabilities.

In year 2023- 24 if there is stock of 1% in both the value of assets and liabilities than there will be increase or decrease of Rs 2348.31 cr. (i.e. earning risk) similarly in year 2025-25. If there is shock of 1% in both the value of assets and liabilities than there will be increase of decrease of Rs. 2389.11 cr. (i.e. earning at risk) from above it is clear that earning at risk is slightly increase.

The 1-3 year buckets contain 51.38% of total loans and advance in the year 2022-2023.

The over 5 year's buckets contain 64.45% of total investment in the year 2022-2023.

SUGGESTION

Bank has to pay more attention on qualitative study of assets based than that of Quantitative study.

Few topics on the side of efficiency of free based income should be carried out Because it can act a cushion for small as well as big losses to Banks balance sheet.

Customer satisfaction index is too studied at branch level as it is the only Measurement to standardize the service exposure for the customers.

Banks should concentrate on the total time taken on one customer for attending should maintain average time for attending customers, so that many customers are hand.

III. CONCLUSION

Treasury department role is very important for assets and liabilities management. Treasury departments have to look after all kind of the risk like, credit risk, interest rate risk, foreign exchange risk, equity/ commodity price risk, liquidity risk and operational risks. All such risk treasury has to look after. Major risk for which treasur department h: department has to look after his interest rate risk, operational risk and market risks. Treasury department has made section for each risk.

The Bank has earned maximum interest from loans & advances for the term of 1-3 years and has received maximum deposits for the term of 1 to 3 year alsoBank has invested maximum amount for r the term of over 5 years.

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