INVESTMENT MANAGEMENT IN PRIVATE SECTOR BANKS WITH SPECIAL REFERENCE TO THE KARNATAKA BANK LTD

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ABSTRACT
Finance is the lubricant of the process of economic growth and the banking system is the Principal dispenser of finance. Banks are intermediaries channelizing the funds from surplus sectors to deficit sectors. Since the banks are dealing with public money, they always want to be liquid to meet the depositor’s requirements. As a result of the liberalization, globalization and privatization of financial system, consequent upon the implementation of Narasimham Committee recommendations the importance of funds management has increased to a great extent. Therefore, effective management of a bank’s investment portfolio has assumed critical importance in recent years because of the increased competition and interest rate volatility. With back ground, study make an attempt to analyze the trends and pattern of investment in Karnataka Bank Ltd, trends in Investment- Deposit ratio of Karnataka Bank Ltd and Profitability on investments of Karnataka Bank Ltd. Study finds that Karnataka Bank Ltd have changed their outlook towards utilization of funds. Further, banks should use mobilized funds into advances and investment properly, this leads to achieve such profitability level which is sufficient to finance for bank future requirements.

KEY WORDS: KBL, ID Ratio, CD Ratio, IA Ratio, SLR, CRR.

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