



Pre- and Post-Pandemic Performance of Mandya District Central Cooperative Bank: A Comparative Time-Series Analysis (2015–2025)

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Abstract

This research paper evaluates the financial performance of Mandya District Central Cooperative Bank (MDCC Bank) before and after the pandemic by comparing the time-series analysis of the financial performance during the years 2015–2025. The study aims to examine structural growth, profitability trend, asset quality, and capital adequacy during pre-pandemic, pandemic, and post-pandemic periods. The study takes the descriptive and comparative research design based on the secondary data collected in the annual reports of the Bank. Trend analysis and phase-wise comparison are used to analyze key financial indicators such as deposits, loans and advances, working capital, gross income, net profit, Net Margin, Yield on Assets, NPA percentage, Recovery rate and Capital Adequacy Ratio (CRAR).

The results show that there is a significant growth of structure in deposits, credit issuance, and own funds over a decade. Despite the temporary growth in the borrowings and changes in the profitability due to the COVID-19 pandemic, the Bank showed resilience in terms of better post-pandemic growth in income and enhanced capital adequacy. Although the NPA levels have shown a slow upward trend over the last few years, the recovery rates and the constant CRAR are indicative of a sound financial position. The paper finds that MDCC Bank was able to overcome the pandemic shock and remain on a growth trajectory and stay stable in terms of regulation. The results are relevant to the literature on cooperative banking by offering longitudinal research on the dynamics of crisis response and recovery within a district central cooperative bank setting.

Keywords: Cooperative Banks, Financial Performance, COVID-19 Impact, Capital Adequacy, Asset Quality, Time-Series Analysis.

Introduction

Banking sector is at the center stage of financial intermediation, economic development and provision of credit to the rural areas. In this context, cooperative banks hold a unique institutional position in that they are member-based, localized in their operations and focused on agricultural and small-scale financing. In contrast to commercial banks whose primary motivation is shareholder value, cooperative banks are based on mutual principles, which focus on financial inclusion and community development. Previous studies indicate that these structural characteristics have different effects on risk behavior, profitability, and financial stability (Hesse and Cihak, 2007; Ayadi et al, 2010; Ferri, Kalmi and Kerola, 2014). Therefore, cooperative bank performance needs to be assessed in an integrated manner of profitability, solvency, asset quality, and capital strength.

According to the literature on bank performance, capital adequacy, liquidity, operational efficiency, and macroeconomic conditions are considered to be the major determinants of profitability (Athanasoglou, Brissimis & Delis, 2008). Earnings stability and risk exposure are further determined by income diversification and business model decisions (DeYoung and Roland, 2001; Stiroh, 2004; Mercieca, Schaeck and Wolfe, 2007; Koheler, 2015). In cooperative banks, where lending operations are the primary sources of revenue, changes in the growth of loans, recovery rates, and non-performing assets (NPAs) have a direct impact on the stability of income and financial performance (Doumpos, Gaganis and Pasiouras, 2016).

The relationship between competition and stability in the banking sector is still hypothetically complicated and possibly non-linear (Boyd and De Nicolo, 2005; Martinez-Miera and Repullo, 2010; Turk Ariss, 2010). The empirical data indicates that a moderate competition can provide the system with a higher stability, but excessive rivalry can make it more fragile (Anginer, Demirguc-Kunt and Zhu, 2014; Liu, Molyneux and Wilson, 2013). Deposit-based funding and relationship lending can make cooperative banks relatively resilient (Hesse & Cihak, 2007; Fiordelisi and Mare, 2014), but sectoral concentration and restricted market access can make them more vulnerable to stress over time (Clark, Mare and Radic, 2018). Thus, the Capital Adequacy Ratio (CRAR), the quality of assets and liquidity are some of the indicators that play a crucial role in determining long-term stability.

The COVID-19 pandemic brought about great interruptions on credit demand, repayment ability, and regulatory provisions. Moratoria and supervisory relaxations, which were policy interventions, had a short-term impact on reported asset quality and profitability. According to crisis literature, macroeconomic uncertainty causes banks to revise lending standards, provisioning policies, and capital buffers (Acharya, Berger and Roman, 2017; Bassett, Lee and Spiller, 2015; Duchin and Sosyura, 2014). In the case of cooperative banks that serve agriculture and informal sectors, the implications of pandemic-induced shocks on recovery performance and NPAs might be especially strong.

Although there has been a lot of research on bank performance and crisis dynamics, there has been little empirical focus on district central cooperative banks through a longitudinal time-series study that cuts across pre-crisis, crisis and recovery periods. The majority of the studies are based on cross-sectional or panel designs in multiple institutions, but less of them consider the case of one cooperative bank during a systemic shock. Since they are responsible in connecting state cooperative banks with primary agricultural credit societies, the stability of district central cooperative banks is a key aspect in ensuring the economic sustainability of the rural areas.

Mandya District Central Cooperative Bank (MDCC Bank) was growing, interrupted by the pandemic, and recovering in 2015-2025. A comparative time-series analysis over a decade will offer a chance to observe the changes in profitability, solvency, asset quality, liquidity, and income dynamics in these periods. This study, combining CAMEL-related indicators and crisis-comparative assessment into a one-bank system, adds to the literature on cooperative banking and presents policy-relevant information on the financial resilience and risk management of rural financial institutions.

Literature Review

The financial performance of banks has been widely studied in terms of determinants of profitability, capital adequacy, diversification, competition, and macroeconomic factors. Athanasoglou, Brissimis, and Delis (2008) reveal that profitability is determined by bank specific, industry specific, and macroeconomic factors with capital strength, liquidity, and efficiency of operations coming out as key factors. Koetter, Kolari, and Spierdijk (2012) also give similar evidence on the significance of capital and risk management by emphasizing the role of market power adjustments in profitability metrics. Presbitero and Zazzaro (2011) also highlight the importance of relationship lending in the determination of performance results especially in the localized banking context. Deposit mobilization, lending intensity, and capital adequacy are thus likely to play a significant role in the long-term performance in cooperative institutions like Mandaya District Central Cooperative Bank (MDCC Bank).

Scholars have paid much attention to income composition and diversification strategies. DeYoung and Roland (2001) claim that greater use of non-interest income can increase earnings volatility and Stiroh (2004) concludes that diversification does not necessarily increase stability especially in smaller institutions. According to Mercieca, Schaeck, and Wolfe (2007), the benefits of diversification in small European banks are not very high, and Goddard, McKillop, and Wilson (2008) note the same tendencies in credit unions of the United States. Berger, Hasan, and Zhou (2010) show that the trade-off between focus and diversification has a strong impact on risk-adjusted returns, but Doumpos, Gaganis, and Pasiouras (2016) associate diversification with financial strength in general. The results are especially applicable to cooperative banks in which lending is the primary source of revenue and changes in gross income, net margins, and yield on assets are indicative of the dynamics of portfolio composition and credit quality.

One of the key pillars of banking research is the competition-stability debate. The initial theoretical work by Marcus (1984) and Keeley (1990) indicates that the higher the competition, the lower the franchise value and the higher the risk-taking. Conversely, Boyd and De Nicolò (2005) believe that the increased competition can decrease the risk of borrowers and increase stability. Martinez-Miera and Repullo (2010) balance these views by suggesting that competition and risk do not have a linear relationship. The empirical studies by Turk Ariss (2010), Beck, De Jonghe, and Schepens (2013), and Liu, Molyneux, and Wilson (2013) prove that the effects of competition are not the same in different institutional settings. Anginer, Demircuc-Kunt, and Zhu (2014) and Forssbaeck and Shehzad (2015) also demonstrate that moderate competition may enhance the stability of the system, but excessive rivalry may make it more fragile. These theoretical and empirical observations play a vital role in explaining capital adequacy, leverage, and risk indicators in pre- and post-pandemic periods.

The structural peculiarities and stability of cooperative banks have been studied in particular. Hesse and Cihak (2007) discover that cooperative banks are less volatile in returns and more stable than commercial banks. Ayadi et al. (2010) underline the heterogeneity of banking models and the stabilizing role of cooperative institutions in financial systems. Fiordelisi and Mare (2014) find that there is a strong correlation between competition and stability in European cooperative banks, whereas Fiordelisi, Mare, and Molyneux (2015) examine the interaction between state aid, competition, and stability. Ferri, Kerola, and Kalmi (2014) demonstrate that ownership structure has a role in lending behavior and the local development outcomes. Hakenes et al. (2015) emphasize that small banks contribute to the local economic growth. Nevertheless, Clark, Mare, and Radic (2018) show that the relationship between market power and solvency in cooperative banks is hump-shaped, which suggests that both excess competition and excess concentration can destabilize the situation.

Bank behavior is largely influenced by regulatory oversight and supervisory interventions. Acharya, Berger, and Roman (2017) demonstrate that stress testing has an impact on lending behavior and capital allocation, and Bassett, Lee, and Spiller (2015) reveal that supervisory standards change credit supply and economic performance. Duchin and Sosyura (2014) show that the governmental support can cause banks to change the portfolio risk, and De Nicolò and Lucchetta (2009) present a general equilibrium exposition between the competition, risk and financial intermediation. These dynamics are especially applicable during systemic shocks, like the COVID-19 pandemic, when reported asset quality and capital adequacy are changed by moratoria, restructuring schemes, and provisioning relaxations.

Financial stability needs to be assessed longitudinally with consideration of structural changes and non-stationarity. Mare, Moreira, and Rossi (2017) highlight the relevance of non-stationary Z-score measures in the assessment of stability, whereas Jiménez, Lopez, and Saurina (2013) demonstrate that the lending standards change dynamically over time due to competitive pressures. Kohler (2015) also shows that the business model features have a significant influence on the outcome of the bank risk and stability. These results justify a time-series design when analyzing MDCC Bank in different pre-pandemic, pandemic and recovery periods. In cooperative banking studies, CAMEL-based models are still popular in assessing capital adequacy,

quality of assets, efficiency of management, earnings, and liquidity. Kalmi (2007) highlights the institutional peculiarity of cooperative structures, in terms of governance and shared principles. According to Turk Ariss (2010) and Beck et al. (2013), the market structure and concentration affect the results of stability, whereas Forssbäck and Shehzad (2015) warn that too much market power can lead to inefficiency. Despite the large number of studies that use cross-sectional or panel data designs, few of them offer a 10-year time-series study of the effect of a single bank, including a systemic shock like COVID-19, in a district central cooperative bank setting.

In general, the literature confirms that the profitability is determined by the strength of capital, diversification, cost-effectiveness, and competition; stability is determined by the market structure, regulatory control, and risk management; and cooperative banks are characterized by structural resilience and sectoral vulnerability. Nonetheless, few studies combine profitability, solvency, quality of assets and crisis comparison in a single-bank longitudinal study. The current study, by analyzing the case of MDCC Bank during 2015-2025, will be able to add to the body of research on cooperative banking by providing empirical data on the resilience of the institution and financial stability in rural banking.

Objectives of the Study

To analyse the growth and structural changes in the financial position of Mandya District Central Cooperative Bank during the period 2015–2025.

To evaluate the profitability and income performance of the Bank across the pre-pandemic, pandemic, and post-pandemic phases.

To assess the asset quality, capital adequacy, and overall financial stability of the Bank over the study period with special reference to the COVID-19 period.

Hypotheses of the Study

H₀₁: There is no significant difference in the growth and financial structure of Mandya District Central Cooperative Bank between the pre-pandemic and post-pandemic periods.

H₁₁: There is a significant difference in the growth and financial structure of Mandya District Central Cooperative Bank between the pre-pandemic and post-pandemic periods.

H₀₂: There is no significant difference in the profitability and income performance of the Bank across the pre-pandemic and post-pandemic phases.

H₁₂: There is a significant difference in the profitability and income performance of the Bank across the pre-pandemic and post-pandemic phases.

H₀₃: There is no significant difference in the asset quality, capital adequacy, and financial stability indicators of the Bank between the pre-pandemic and post-pandemic periods.

H₁₃: There is a significant difference in the asset quality, capital adequacy, and financial stability indicators of the Bank between the pre-pandemic and post-pandemic periods.

Research Methodology

The research design used in the study is descriptive and comparative time-series research design to determine the financial performance and stability of Mandya District Central Cooperative Bank in the years 2015-16 to 2024-25. The secondary data used in the analysis is the published annual reports and financial statements of the Bank. To be able to compare them in a structured way, the study period is divided into three phases: pre-pandemic (2015-16 to 2018-19), pandemic (2019-20 to 2020-21), and post-pandemic (2021-22 to 2024-25). The important financial indicators in terms of growth (deposits, loans and advances, investments, working capital), profitability (gross income, net profit, gross and net margins, yield on assets), asset quality (NPA % net NPA, recovery percentage), and capital adequacy (CRAR, own funds, share capital) are evaluated. Trend analysis, compound growth rate, ratio analysis, and comparative mean analysis are some of the statistical tools that are used to assess the performance dynamics at the identified phases. In the appropriate cases, difference-in-means

Comparative Progress Statement

(Rs. In Lakhs)

SL No	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1	Share Capital	2717	3022	3458.	3873.	4180.	4636.	5003.	5784.	6163.	6242.
		.31	.67	85	58	65	74	37	33	38	46
2	Reserves and others	5576	6014	6363.	6785.	6825.	7277.	7824.	8314.	9014.	10719
		.25	9	81	77	63	1	06	87	.97	
3	Own Funds	6144	6563	7423.	7946.	9039.	10123	10210	13123	14405	14200
		.2	.51	18	84	07	.45	.96	.26	.61	
4	Deposits	8226	9024	12144	12331	13326	14929	16260	17321	19158	20949
		8.91	4.73	7.17	1.03	6.3	7.2	7.3	4.76	7.23	2.21
5	Borrowings	2473	2860	27563	32361	42439	73685	72941	71918	72854	52042
		8.66	2.07	.19	.12	.78	.94	.84	.03	.96	.48
6	Investments	3249	3715	35065	49821	56519	80137	81183	81379	83638	61756
		4.57	5.49	.75	.41	.64	.03	.96	.86	.42	.45
7	Loans & Advances Issued	8909	8749	11021	90325	13986	16579	17957	19497	20864	23875
		9.23	5.39	8.18	.32	4.16	0.3	4.5	3.83	7.32	0.21
8	Loans & Advances O/S	7692	8139	94536	10637	12128	14358	15565	16810	18347	20271
		5.34	1.31	.07	9.93	4.73	2.4	3.43	0.06	6.72	1.7

9	Working Capital	1062 23	1199 75.4	13188 9.33	14612 2.92	17527 7.77	23690 5.66	25088 1.32	26551 3.49	28494 7.3	28184 4.9
10	Yield on Assets %	7.95	8.36	8.33	7.69	7.8	7.57	6.87	7.21	7.74	7.68
11	Gross Margin %	1.83	2.36	2.68	2.39	2.32	2.42	2.11	2.51	2.75	2.42
12	Net Margin %	0.34	0.22	0.2	0.04	0.42	0.53	0.19	0.33	0.53	0.36
13	Gross Income	9643 .47	1017 6.25	11230 .98	11672 .46	14258 .65	15928 .32	17108 .71	18834 .66	20965 .52	22686 .8
14	Net Profit	369. 01	259. 66	459.7 9	37.82	214.1 4	639.4 9	450.6 3	845.2 6	1410. 93	929.4 5
15	Recovery %	98.1 7	96.5 1	98.05	70.08	97.77	98.42	97.71	97.76	97.58	98.27
16	Audit Classification	"A"	"A"	"A"	"A"	"A"	"A"	"A"	"A"	"A"	"A"
17	NPA %	2.96	4.19 %	4.02 %	3.79 %	3.42 %	3.78 %	3.90 %	3.87 %	3.95 %	4.61 %
18	CRAR	9.75	9.24	10.52	10.03	9.68	9.4	9.09	9.64	10.05	10.31
19	Net NPA	1.15	2.32	2.29	1.19	1.14	2.1	2.06	2.03	2.39	2.75

testing is used to evaluate changes between the pre- and post-pandemic periods. The analytical framework will be able to understand structural changes, financial resilience, and stability patterns in the Bank both during and after the COVID-19 shock.

Data Analysis and Interpretation

Table 1 Comparative Progress Statement

As in the table 1 The financial performance of Mandya District Central Cooperative Bank (MDCC Bank) 2015-16 to 24-25 is analysed by trend analysis and comparative phase-wise analysis. To facilitate analysis, the study period is classified into three phases, namely, pre-pandemic (2015-16 to 2018-19), pandemic (2019-20 to 2020-21), and post-pandemic (2021-22 to 2024-25).

1. Growth and Structural Changes in Financial Position

The Bank shows a significant structural growth in the ten years. The equity base has been strengthened by an increase in Share Capital as it rose to 6,242.46 lakhs in 2024-25 compared to 2,717.31 lakhs in 2015-16. Reserves and Other Funds increased by 576 lakhs to 10,719.97 lakhs, which added to the growth of Own Funds by 6,144.20 lakhs to 14,200.61 lakhs. This steady growth is a sign of enhanced internal financial ability. The deposits exhibit a high and consistent growth with an increase in 2015-16 of 82268.91 lakhs to 2024-25

of 209492.21 lakhs. This is a sign of growing depositor confidence and growth of the resource base of the Bank. Loans and Advances Outstanding also rose tremendously by 76,925.34 lakhs to 2,02,711.70 lakhs in the course of the study which shows growth in credit operations. Borrowings are characterized by a clear change in structure during the pandemic. They have risen significantly in 2020-21 to 73,685.94 lakhs as compared to 2019-20 when they were 42,439.78 lakhs, indicating that they have to depend on external funding in times of crisis. Nevertheless, the borrowings decreased to 52,042.48 lakhs in 2024-25, which means that the liquidity management is better in the post-pandemic period. The working capital increased to 2,81,844.90 lakhs in the study period as compared to 1,06,223 lakhs in the study period, which is another confirmation of overall institutional growth. The growth in investments continued until 2023-24, and then it moderated in 2024-25, indicating a rebalancing of the portfolio. On the whole, the Bank has undergone a long-term structural development despite short-term changes due to the pandemic.

2. Profitability and Income Performance.

Gross Income increased consistently from ₹9,643.47 lakhs in 2015–16 to ₹22,686.80 lakhs in 2024–25, demonstrating stable revenue growth. However, Net Profit showed fluctuations during the study period. A significant decline occurred in 2018–19, when profit dropped to ₹37.82 lakhs. During the pandemic year 2020–21, Net Profit improved to ₹639.49 lakhs and further increased to ₹1,410.93 lakhs in 2023–24 before moderating to ₹929.45 lakhs in 2024–25.

Net Margin percentage remained relatively low and fluctuated between 0.04% and 0.53%, indicating moderate profit efficiency. Yield on Assets declined during the pandemic period, reaching 6.87% in 2021–22, but gradually recovered to 7.68% by 2024–25. Gross Margin improved in the post-pandemic phase, peaking at 2.75% in 2023–24.

The profitability indicators suggest that while the pandemic created temporary earnings pressure, income performance improved in the post-pandemic phase. However, volatility in net profit reflects sensitivity to operational and credit-related factors.

3. Financial Stability, Capital Adequacy, and Asset Quality.

The quality indicators of assets show a moderate variation. The percentage of NPA rose to 4.61 in 2024-25 compared to 2.96 in 2015-16, which shows a slow increase in the credit risk over the decade. The net NPA also rose by 1.15 to 2.75 indicating some decline in the quality of assets over the past years. Recovery Percentage went down drastically in 2018-19 (70.08) but since then it has been improving significantly with an average of above 97 percent in the following years even during the pandemic phase. This shows that there are powerful recovery processes after short-term distress. Capital Adequacy Ratio (CRAR) was maintained at 9% or higher during the period of the study and increased to 10.31% in 2024-25, which means that the regulatory capital requirements and financial resilience are maintained. The similarity in the A-Audit Classification of all years indicates that there is consistent regulatory compliance. Although the number of NPAs increased over the last few years, the levels of CRAR and high recovery rates indicate that the Bank was financially stable throughout and after the pandemic.

Overall Interpretation

The analysis shows that Mandya District Central Cooperative Bank has had a steady structural growth in the ten years. The COVID-19 pandemic led to the short-term interference with borrowings, profitability and quality of assets, but the Bank showed its resilience by enhancing capital adequacy, robust deposit growth, and recovery of profits after the pandemic. Although the increase in NPAs needs to be monitored, the general financial situation of the Bank indicates a long-term growth and stability during the pre-pandemic, pandemic, and post-pandemic periods.

Results and Discussion

Results and Discussion The empirical results of the research indicate that there is a substantial structural growth, profitability fluctuation, and medium-scale changes in asset quality of Mandya District Central Cooperative Bank (MDCC Bank) between 2015 and 2025. These findings are explained within the framework of the current banking and cooperative finance literature.

The fact that the deposits, loans, working capital and own funds have been steadily growing over the past decade is a sign of structural growth and better financial depth of the Bank. This observation is consistent with Athanasoglou, Brissimis, and Delis (2008) who point out that bank-specific variables like capital strength and deposit growth play an important role in determining the long-term financial performance. The continuous increase in deposits is an indication of depositor confidence and institutional credibility, which supports the claim by Ayadi et al. (2010) and Hesse and Cihak (2007) that cooperative banks tend to be resilient because of member-based governance and deposit stability.

The steep increase in borrowings in the pandemic year 2020/21 is an indication of short-term liquidity stress. This action is in line with crisis-response literature, especially Acharya, Berger, and Roman (2017), who report that the banks change their funding structure in the time of economic uncertainty. On the same note, Bassett, Lee and Spiller (2015) demonstrate that the capital and lending behaviour under stress depends on the supervisory and regulatory conditions. The following reduction in the post-pandemic borrowings is a sign of better financial stabilization and recovery.

The analysis of profitability indicates that net profit and margins vary within the period of the study, with a severe drop in 2018-19 and a robust recovery after the pandemic. The short-term reduction in profitability is in line with DeYoung and Roland (2001) who suggest that fluctuations in earnings could be caused by changes in income structure and operational changes. The net profit recovery during and after the pandemic implies adaptive management and better cost control. This trend confirms the theoretical hypothesis that cooperative banks can be resilient to external shocks because of local operations and relationships-based lending (Clark, Mare, and Radic, 2018).

The indicators of asset quality demonstrate a slow increase in NPA percentage, which will reach 4.61 percent in 2024-25. This observation indicates growing credit risk especially during the post-pandemic period. The NPAs increase is in line with the competition stability debate presented by Boyd and De Nicolò (2005) and Martinez-Miera and Repullo (2010) who postulate that risk exposure can be heightened under some structural circumstances. The high recovery ratio and constant CRAR levels however point to good risk management systems. The fact that CRAR is improved to 10.31 percent confirms the results of Anginer, Demirguc-Kunt, and Zhu (2014) who indicate that sufficient capital buffers can improve systemic stability.

The general health of the Bank, as indicated by the stable audit classification of A and the CRAR that is even above the regulatory standards, validates the arguments by Hesse and Cihak (2007) that cooperative banks tend to be less volatile and more capital resilient than commercial banks. Although the quality of assets is deteriorating moderately, the fact that the Bank was able to sustain capital adequacy and enhance profitability during the post-pandemic period is an indicator of institutional adaptability.

The comparative analysis of the situation before and after the pandemic shows that the pandemic brought about a short-term liquidity and profitability strain, but the Bank has managed to recover and strengthen its structure over the following years. This is in line with crisis-adjustment literature such as Duchin and Sosyura (2014) which indicates that banks re-establish portfolios and funding plans in times of economic shocks.

In general, the findings prove that Mandya District Central Cooperative Bank was temporarily disrupted by the pandemic but was resilient in terms of capital adequacy, mobilizing deposits, and recovering income. Nevertheless, the increasing trend in NPAs indicates the necessity of enhanced credit risk management. The results thus add to the body of literature on cooperative banking by offering time-series data on the dynamics of crisis response and recovery in a district central cooperative bank setting.

Findings of the Study

The case study of Mandya District Central Cooperative Bank 2015-2025 indicates that the Bank has realized a high level of structural growth and financial growth within the last decade. There has been steady upward trend in deposits, loans and advances, working capital, share capital and reserves which have been reflecting better mobilization of resources and credit growth. Despite the sharp growth in borrowings in 2020-21, which is associated with the liquidity pressure in the pandemic year, it decreased in the following years, indicating the stabilization of the post-pandemic period. Gross income showed a consistent increase during the study period, which shows a stable revenue-generating capacity. Nonetheless, net profit was not steady, and the negative growth was observed in 2018-19, and the positive growth was observed during and after the pandemic, reaching the highest point in 2023-24. Yield on Assets and profit margins were under some temporary pressure when the pandemic was in progress but it improved in the post-pandemic period. The indicators of asset quality show that there has been a slow increase in the percentage of NPA over the last few years, which suggests a rising credit risk, but the recovery percentage was consistently high since 2018-19. The Capital Adequacy Ratio was not below the regulatory standards during the period and the Bank had a

stable audit classification of A, which indicates the financial stability and adherence to the regulations. Taken together, these results indicate that, even though the COVID-19 pandemic created temporary disruptions, the Bank proved to be resilient and recover in the following years.

Suggestions

Based on the results, it is recommended that the Bank intensify its credit appraisal and monitoring procedures to deal with the increasing trend in non-performing assets. Increased diversification of the loan portfolio in terms of sectors could lower the concentration risk and enhance the quality of assets. The further build-up of reserves and improvement of own funds should be given priority so as to sustain good capital adequacy and financial resilience. The profitability margins can also be increased by the use of digital banking technologies and the introduction of more effective measures of operational efficiency. Also, it is possible to reduce the risk of credit in the future by enhancing risk management systems and early warning systems. Further financial stability will be achieved by reducing reliance on external borrowings and balanced management of liquidity.

Conclusion

The paper concludes that Mandya District Central Cooperative Bank has exhibited significant growth and structural reinforcement over the years 2015-2025. Although the COVID-19 pandemic has imposed short-term liquidity and profitability strains, the Bank has managed to overcome the crisis by enhancing the mobilization of deposits and capital adequacy, as well as recovering profits after the pandemic. Despite the fact that gradual rise in NPA percentage shows that the company needs to improve its credit risk management, the stable levels of CRAR and good recovery performance show that the company is financially sound. The stability of the Bank and its efficiency in operations is also supported by the consistent audit classification. All in all, the Bank has demonstrated the ability to adapt to the challenges of the pandemic and remain financially sustainable and stable in its growth.

Limitations of the Study

The research is restricted to one district central cooperative bank and thus the results of the research might not be applied to the whole cooperative banking industry. It is analysed using annual secondary data, which limits the use of sophisticated econometric methods. Also, macroeconomic variables were not included in the analysis, including GDP growth, inflation, and policy interest rates. The research mainly concentrates on quantitative financial measures and it does not analyse the qualitative features like the structure of governance, efficiency of management or the institutional decision-making process.

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