



A STUDY ON FINANCIAL PERFORMANCE OF SBI BANK

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ABSTRACT

The present study deals with the research of A STUDY ON FINANCIAL PERFORMANCE OF SBI BANK. Monetary execution of a bank demonstrates the strength and shortcoming of that specific bank by appropriately building up the relationship between the things of the asset report and benefit and misfortune account. The goal of the current paper is to break down the monetary execution of SBI (State Bank of India) over a time of six years (2015 - 2020). This examination targets investigating the Financial Ratio examination of State Bank of India. The principle objective for business bank is to augment the worth of benefit. To do as such, banks focus on their monetary presentation investigation and endeavour to structure their portfolios to augment their return. The different instruments like current proportion, net benefit proportion, stock turnover proportion and other execution proportions were utilized for the examination. The ideas uncover the organization should find essential ways to acquire standard pay and in this way keep up with steady productivity execution.

KEYWORDS: Financial performance, growth aspects and ratio analysis.

1. INTRODUCTION

Finance may be defined as the arts and science of managing money. It includes financial service and financial instrument. Finance also is referred as the provision of money at the time when it is needed. Finance function is the procurement of funds and their effective utilization in business concerns. The concept of finance includes capital, funds, money and amount. But each word is having unique meaning. Studying and understanding the concept of finance become an important part of the business concern. Financial statement refers to such statement which contains financial information about an enterprise. They report profitability and the financial position of the business at the end of accounting period.

2. STATEMENT OF THE PROBLEM

The Reserve Bank of India regulates the banking service industry. Analysis of a bank's financial statements requires a distinct approach that recognizes a bank's somewhat unique risks. This study is guided by the following research questions;

1. What does the trend performance of SBI bank looks like in the six years?
2. What was the efficiency of Solvency and Liquidity position of banks?

3. OBJECTIVES OF THE STUDY

- ✓ To identify the financial liquidity position of the SBI Bank.
- ✓ To analyse the solvency position of SBI Bank.
- ✓ To evaluate financial status, growth and operation performance of SBI.



4. RESEARCH METHODOLOGY

Source of Data	Secondary data
Period of Study	2014-2015 to 2019 – 2020
Framework of analysis	Financial Statements
Tools and Techniques	Ratio analysis

5. STATISTICAL TOOLS

A number of methods can be used for the purpose of analysis of financial statement. These are also termed as techniques or tools of financial analysis. One of these enterprises can choose those techniques which are suitable to its requirements. The principal techniques of financial analysis are:-

- a. Comparative Financial Statement.
- b. Ratio Analysis.

6. REVIEW OF LITERATURE

T Nayana .N and Dr. veena K.P (2018), A study on Financial performance of State Bank of India. This study attempts to measure the financial performance and relative profitability of state bank of India. For this study, we have used profitability position of SBI and to analyze the profitability performance of SBI. It is very essential to analyze how their profitability is influenced by number of factors which will further suggest them where they need to concentrate more. In this article we have analyzed of mean, standard deviation and ANOVA test have been used. This paper concludes Profitability is the primary motivating force for any economic activity.

Ramya S, Narmadha NKB, Lekha S, Nandhitha Bagyam VR and Keerthana A (2017), describe Analysis of financial performance of state bank of India using camels approach. This present paper is to analyse the financial performance of SBI (State Bank of India) over a period of five years (2012-2016). On the basis, performance evaluation of SBI ltd was Based on various parameters of CAMELS rating system is useful for banks as well as for those who deal with the bank in order to identify the weakness and take corrective measures.

PATEL BHAVESHKUMAR K (2020), study the Financial performance of SBI bank, this study is based on secondary data that has been collected from annual reports of the SBI bank, books, newspapers, magazines, journals, documents, research papers, websites and other published information. . It is major part of total banking system in India. SBI is the India's largest commercial bank in terms of assets, deposits and employees. This study main objective is to find out the profitability, liquidity ratios and solvency ratios to measure the financial health of SBI bank.

7. FINDINGS

- ✦ The current ratio shows highest level of growth in 2015-2016 at 1.095:1 and lowest level of growth in 2018-2019 at 0.994:1.
- ✦ The liquid ratio has highest growth in 2017-2018 at 0.485:1 and lowest level of growth in 2018-2019 at 0.375:1.
- ✦ The absolute liquid ratio shows highest growth in 2015-2016 at 0.059:1 and lowest growth in 2019-2020 at 0.043:1.
- ✦ The Debt Equity Ratio shows highest growth in 2018-2019 at 463.603 and lowest growth in 2014-2015 at 327.680.
- ✦ The Fixed Asset Ratio shows highest growth in 2016-2017 at 0.151 and lowest growth in 2014-2015 at 0.050.
- ✦ The Proprietary Ratio shows highest growth in 2014-2015 at 0.060 and lowest growth in 2016-2017 at 0.015.
- ✦ The Current Asset to Proprietors Fund Ratio shows highest growth in 2019-2020 at 4658.375 and lowest growth in 2014-2015 at 3600.105.
- ✦ The Fixed Asset to Proprietor Fund Ratio shows highest growth in 2016-2017 at 63.88 and lowest growth in 2014-2015 is 16.58.
- ✦ The Reserve to Capital Ratio shows highest growth in 2019-2020 at 28031.2 and lowest growth in both 2014-2015 at 21517.2.
- ✦ The Deposit to Total Asset Ratio shows highest growth in 2019-2020 at 0.78 and lowest growth in 2017-2018 at 0.75.

8. SUGGESTIONS

- The SBI Bank must to take necessary measures to improve their current assets and reduce their advances and current liabilities.
- The SBI bank must concentrate to improve their fixed asset value
- The SBI bank must take necessary steps to decrease their long term funds.
- The SBI bank should improve their value of reserves.
- The SBI bank must concentrate to improve their net profit value.

9. CONCLUSION

The banking sector is very important for the economic development of a country. The SBI is one of the leading banks of Public sector Bank in India.



The market position of SBI is better. Financial analysis is used to find the banks position in maintaining the day to day operations. This study is focused to evaluating the performance of SBI bank. The various ratios under the above category were collected and it is found that there is a significant growth in the year 2020. SBI have more profitability because it enters into the industry as well as commercial market also and regularly it improving the service quality level. In this highly competitive global environment it is imperative for the SBI bank to show outstanding performance in various parameters.

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