

A STUDY ON FINANCIAL PERFORMANCE IN STATE BANK OF INDIA

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Abstract:

This project titled "A Study on Financial Performance of SBI Bank" aims to analyze the financial performance of State Bank of India (SBI) using various financial ratios and balance sheet comparative. The study utilizes secondary data sources to examine the financial position, profitability, liquidity, solvency, and efficiency of SBI bank. The data for the study has been collected from the annual reports of the bank, as well as from various financial websites and publications. The study finds that SBI bank has maintained a stable financial position and has consistently improved its profitability over the years. The liquidity and solvency ratios of the bank also indicate a strong financial position. However, there is scope for improvement in the efficiency ratios of the bank. The findings of the study can be used by investors, analysts, and other stakeholders to make informed decisions regarding their investment in SBI bank. Keywords: financial performance, State Bank of India, financial ratios, profitability, liquidity, solvency, efficiency, balance sheet comparative, annual reports.

INTERDICTION

The banking sector plays a pivotal role in fostering economic growth and stability by facilitating capital mobilization, allocation, and financial intermediation. Within this sector, the State Bank of India (SBI) stands as a prominent institution, exerting significant influence on the Indian financial landscape. As one of the largest and oldest commercial banks in India, SBI's performance serves as a barometer for the health and resilience of the country's banking industry.

In recent years, SBI has navigated through a rapidly evolving economic, regulatory, and technological landscape, marked by dynamic market conditions, changing consumer preferences, and regulatory reforms. Against this backdrop, understanding SBI's financial performance becomes imperative for stakeholders, including investors, policymakers, regulators, and customers, seeking insights into the bank's operational efficiency, profitability, and resilience.

This study aims to ratio and balance sheet comparative analysis the financial performance of the State Bank of India. This study aims to conduct a comparative analysis of both ratio and balance sheet metrics to provide a holistic view of SBI's performance and financial position. By juxtaposing the quantitative insights derived from ratio analysis with the qualitative insights gleaned from balance sheet examination, this analysis seeks to uncover synergies, discrepancies, and areas of focus for SBI's stakeholders.

Furthermore, this comparative analysis will explore how external factors such as regulatory changes, economic fluctuations, and competitive dynamics influence SBI's financial metrics and strategic decisions. By delving into the interplay between internal performance indicators and external market forces, this study aims to provide actionable insights for investors, regulators, policymakers, and SBI's management team.

His comparative analysis contributes to a deeper understanding of SBI's role in the Indian banking sector and its resilience in navigating challenges and leveraging opportunities in the ever-evolving financial landscape.

HISTORY OF STATE BANK OF INDIA

Early Origins (1806-1921):

The Bank of Calcutta: The genesis of SBI can be traced back to the establishment of the Bank of Calcutta in 1806, which was later renamed the Bank of Bengal.

Bank of Bombay and Bank of Madras: In subsequent years, two more presidency banks were established - the Bank of Bombay in 1840 and the Bank of Madras in 1843.

Imperial Bank of India (1921-1955):

Merger: In 1921, the three presidency banks amalgamated to form the Imperial Bank of India. The Imperial Bank served as the principal financial institution, catering to the banking needs of the British Raj.

Nationalization: Post-independence, there was a growing consensus to nationalize the banking sector to ensure economic sovereignty. In 1955, the Imperial Bank was nationalized and rebranded as the State Bank of India under the State Bank of India Act, 1955.

Post-Nationalization (1955 onwards):

Branch Expansion: After nationalization, SBI embarked on an ambitious branch expansion program to reach the unbanked and underbanked areas of the country. It played a pivotal role in rural development and agricultural finance.

Subsidiaries and Associates: SBI established numerous subsidiaries and associate banks over the years, including State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala, and State Bank of Travancore.

Merger and Consolidation (2017):

In a significant move towards consolidation, SBI merged its five associate banks and Bharatiya Mahila Bank with itself in 2017. This consolidation aimed to streamline operations, improve efficiency, and create a stronger, more cohesive banking entity.

Recent Developments:

SBI continues to evolve and adapt to changing market dynamics and customer preferences. It remains committed to innovation, digitization, and customer-centricity to maintain its position as one of India's premier banking institutions.

OBJECTIVE OF THE STUDY

- ☐ To know the financial position of state bank of India.
- ☐ To analyze and evaluate the financial performance of the state bank of India.
- ☐ To bring out the results of financial strength of the entity through ratio analysis.
- ☐ To bring out the two years comparative balance sheet.

Research methodology

- Research methodology is a systematic way of solving the problem. It includes the overall research design, the sampling procedures, data collection method and analysis procedure.
- Research design: in the study the researcher is going to analyze the financial performance by using relevant tools and techniques, analytical research design I used.
- Source of the data: secondary data has been collected from sources like company reports, magazine, journals, and annual reports.
- Tools used for the study: ratio analysis, balance sheet statements, bar diagram.
- Period of the study: the period of the study covers 5 years from 2018-2019 to 2022-2023. the required data for the past 5 years were collected from the annual reports of the bank.

Review of literature.**Jeevan Jayant Nagarkar (April 2015) Analysis of Financial Performance of Banks in India.**

The paper examines the performance of five major banks in India over the past decade, focusing on two distinct phases of the business cycle: a period of high growth followed by a phase of recession. During the high-growth phase, all sectors experienced significant revenue and profit increases. However, in the last four years, the economy has entered a recessionary period, impacting the banking industry. The paper utilizes principal component analysis to assess the financial performance of public, private, and foreign sector banks, assigning weights to different financial parameters based on their importance. This analysis aims to provide insights into the challenges and opportunities facing the banking sector amidst changing economic conditions.

Ms. D Maheswari a , Shree B, (June 2023) A Study on Financial Performance of State Bank of India

The project "A Study on Financial Performance of SBI Bank" focuses on evaluating State Bank of India's (SBI) financial performance through various financial ratios and tools. Utilizing both primary and secondary data sources, it assesses aspects such as financial position, profitability, liquidity, solvency, and efficiency. Data from SBI's annual reports and financial publications is analyzed to find that the bank maintains a stable financial position with consistent profitability improvement. Strong liquidity and solvency ratios are observed, although there's room for enhancing efficiency ratios. The study's findings are beneficial for investors, analysts, and stakeholders in making informed decisions regarding investment in SBI.

Prasad M and Bijin Philip (2023) A Study on The Financial Performance of The South Indian Bank,

The overview of a study focusing on the performance assessment of South Indian Bank, a new-generation bank in South India. It highlights the critical role of the banking sector in a country's financial system and its impact on the economy. The study evaluates the financial health, profitability, and efficiency of South Indian Bank using various financial ratios and indicators derived from the bank's income statement and balance sheet. The analysis indicates that the bank has maintained a stable financial position with steady net interest income and profitability growth. Additionally, there has been an improvement in asset quality over time. However, the study suggests that the bank should address specific areas of concern to sustain its growth and profitability in the future.

Devendrasinh Dalpatsinh Zala (2016), A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF STATE BANK OF INDIA AND ICICI BANK

The study comparing the performance and efficiency of State Bank of India (SBI) and ICICI Bank, the two largest banks in India in the public and private sectors respectively. The study applies various financial ratios including profitability, solvency, and management efficiency ratios to analyze the banks' positions. It concludes that both banks meet required standards and operate profitably. However, significant differences are observed in areas such as deposits, advances, investments, net profit, and total assets. Overall, SBI is noted to have a more extensive operation compared to ICICI Bank.

RavikumarUndi (2020), FINANCIAL PERFORMANCE OF PRIVATE SECTOR BANKS IN INDIA

To analyze the financial performance, researchers have selected seven key financial ratios viz. Return on Assets, Return on Equity, Financial Return, Financial Cost, Financial Margin, Net Margin, and Operating Profit Margin. And to know the relation among the financial ratios mentioned above, researchers have calculated the correlation.

Deepak Kumar Adhana (2019), Financial Performance Analysis: A Comparative Study of AXIS Bank and ICICI Bank

This abstract underscores the pivotal role of the banking sector in driving the economic development of a nation, particularly emphasizing the extensive network and diverse financial services offered by Indian banks. It highlights the significance of financial performance assessment from various stakeholders' perspectives, including management, lenders, owners, and investors. Understanding financial performance aids in predicting, comparing, and evaluating a company's earning capacity, facilitating informed economic and investment decisions. The abstract emphasizes the importance of financial statements and reports in providing essential financial information. The study specifically compares the financial performance of Axis Bank and ICICI Bank based on parameters such as net profit and various ratios, covering the period from 2013-14 to 2017-18. While ICICI Bank is found to excel in terms of net profit, Axis Bank demonstrates superior managing efficiency concerning return on equity.

N. Sathiya and S. Sangeetha (2021) , FINANCIAL PERFORMANCE OF SELECTED PUBLIC AND PRIVATE SECTOR BANKS IN INDIA

This paper aims to assess the financial performance of both public and private sector banks in India. Utilizing secondary data from the period of 2014-15 to 2018-19, the study compares various parameters including return on assets, total income, net profit, net interest income, and operating profit. The findings suggest that selected public sector banks outperform private sector banks in terms of total income, net interest income, and operating profit. Conversely, private sector banks exhibit higher net profit and return on assets. However, there is no significant difference observed in the net profits between selected public and private sector banks.

VIJAYALAKSHMI B and JAYALAKSHMI M (2019), A STUDY ON DIGITAL TRANSACTIONS IMPACT ON FINANCIAL PERFORMANCE OF BANKING SECTOR WITH REFERENCE TO SBI AND ICICI

This study delves into the transformation of digital adaptation from an option to a necessity in the global banking sector, driven by the rapid adoption of technology trends by end-clients such as consumers, businesses, and governments. Specifically, it focuses on the impact of digital transactions on the financial performance of public and private banking sectors, with reference to SBI and ICICI. The study examines various digital transactions including ATM, NEFT, RTGS, and mobile transactions, highlighting their significance in the digital revolution within the banking industry. Through a comparison of operational profitability using different parameters, the study evaluates the impact of digital transactions on the financial performance of the banking sector, spanning the period from 2016-17 to 2017-2018. It aims to provide insights into the evolving digital landscape and its implications for banking operations and financial outcomes.

Samiya Chattha (2013) Financial Performance of Life Insurers in Indian Insurance Industry

This study focused on examining the financial performance of Indian life insurers by analyzing various parameters. The study calculates different financial ratios related to liquidity, solvency, profitability, and leverage of these insurers. It aims to determine the impact of liquidity, solvency, leverage, size, and equity capital on the profitability of life insurers in India. The sample includes 18 Indian life insurers (1 public and 17 private) over a five-year period from 2007-08 to 2011-12. The study utilizes a multiple linear regression model to assess the extent to which these factors affect the profitability of life insurers. The results suggest that profitability is positively influenced by liquidity and size, but negatively related to capital. Additionally, profitability doesn't exhibit any significant relationship with solvency and insurance leverage.

Analysis and interpretation of data

1. Current ratio= current assets/current liabilities

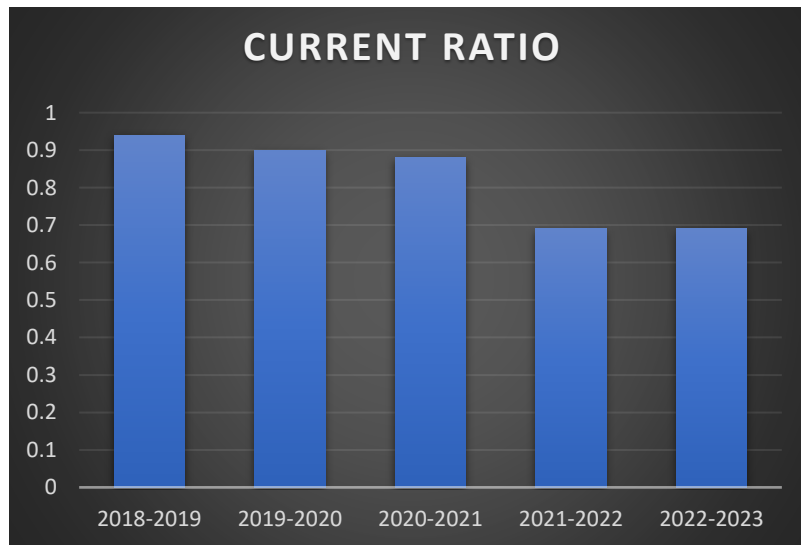
Table no 1.1

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO
2018-2019	2761503132	2936456892	0.94
2019-2020	3005034537	3314271024	0.90
2020-2021	3620454695	4113036201	0.88
2021-2022	3519024766	5075176773	0.69
2022-2023	4106890426	5929629229	0.69

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER CURRENT RATIO OF SBI IS 0.94 IN THE YEAR 2019 AND THE LOWEST WAS 0.69 IN THE YEAR OF 2021, 2023. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE CURRENT RATIO IS FLUCTUATING.

Chart no 1.1.1



2) Cash ratio = cash + cash equivalents /current liabilities

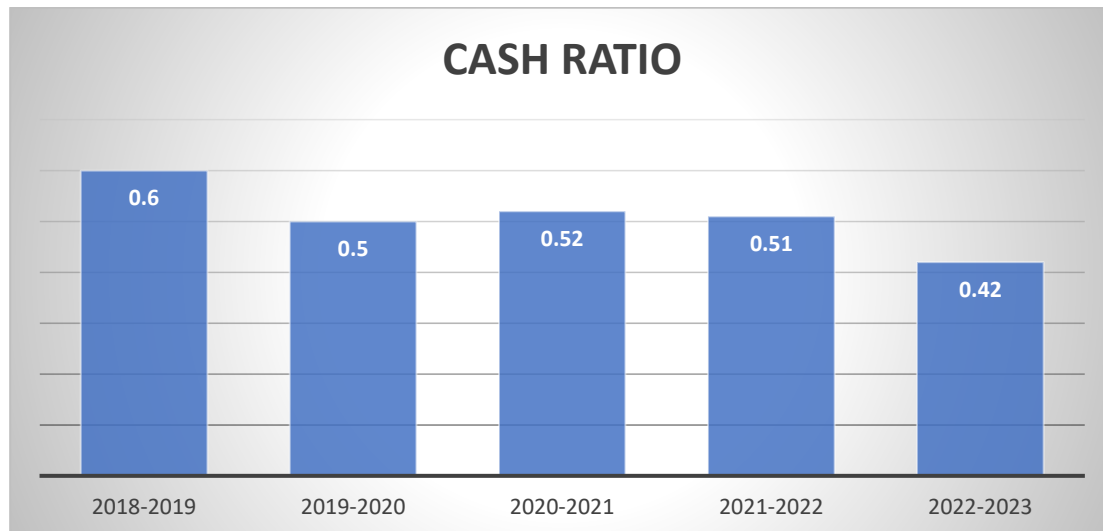
Table no 4.2

YEAR	CASH + CASH EQUIVALENTS	CURRENT LIABILITIES	CASH RATIO
2018-2019	1773627409	2936456892	0.60
2019-2020	1669684605	3314271024	0.50
2020-2021	2134986159	4113036201	0.52
2021-2022	2580864301	5075176773	0.51
2022-2023	2473210497	5929629229	0.42

INTERPRETATION:

FRFROM THE ABOVE IT IS INFERRED THAT FORM THE TABLE THAT THE HIGHER CASH RATIO OF SBI IS 0.60 IN THE YEAR 2019 AND THE LOWEST WAS 0.42 IN THE YEAR OF 2021. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE CASH RATIO IS FLUCTUATING.

Chart no 1.1.2



3) Operation cash flow ratio = cash flow from operations / current liabilities

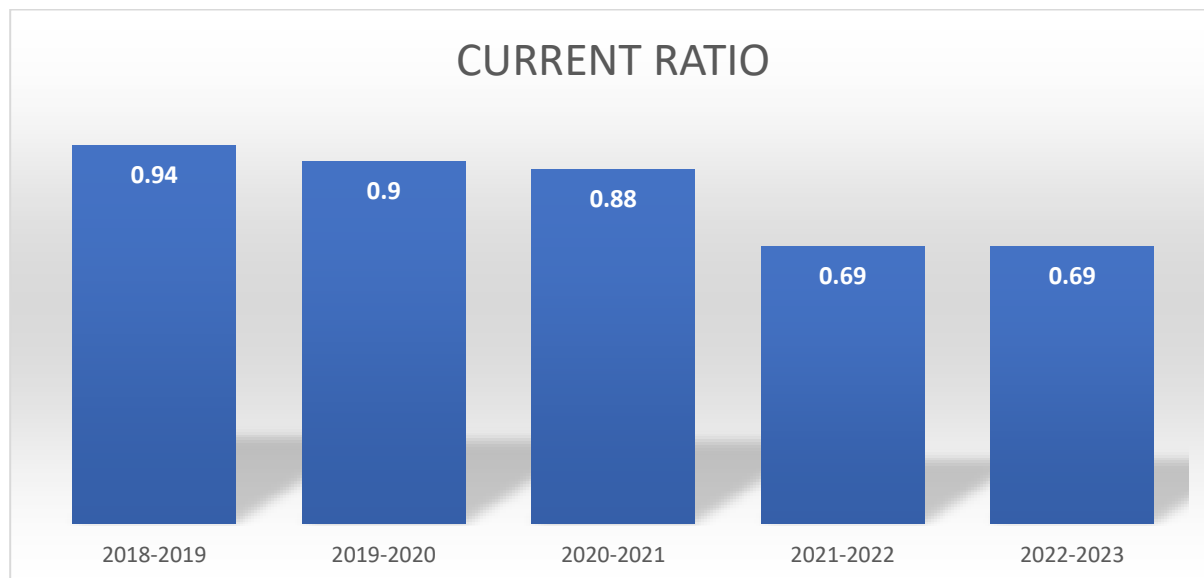
Table no1.3

YEAR	CASH FLOW OPERATIONS	FROM CURRENT LIABILITIES	OPERATION CASH FLOW RATIO
2018-2019	295560050	2936456892	0.10
2019-2020	239285317	3314271024	0.07
2020-2021	899189301	4113036201	0.21
2021-2022	576948464	5075176773	0.11
2022-2023	860136796	5929629229	0.14

INTERPRETATION:

FRFROM THE ABOVE IT IS INFERRED THAT FORM THE TABLE THAT THE HIGHER OPERATION CASH FLOW RATIO OF SBI IS 0.21 IN THE YEAR 2021 AND THE LOWEST WAS 0.07 IN THE YEAR OF 2020. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE OPERATION CASH FLOW RATIO IS FLUCTUATING.

Chart no 1.1.3



4) Quick ratio = current assets /current liabilities.

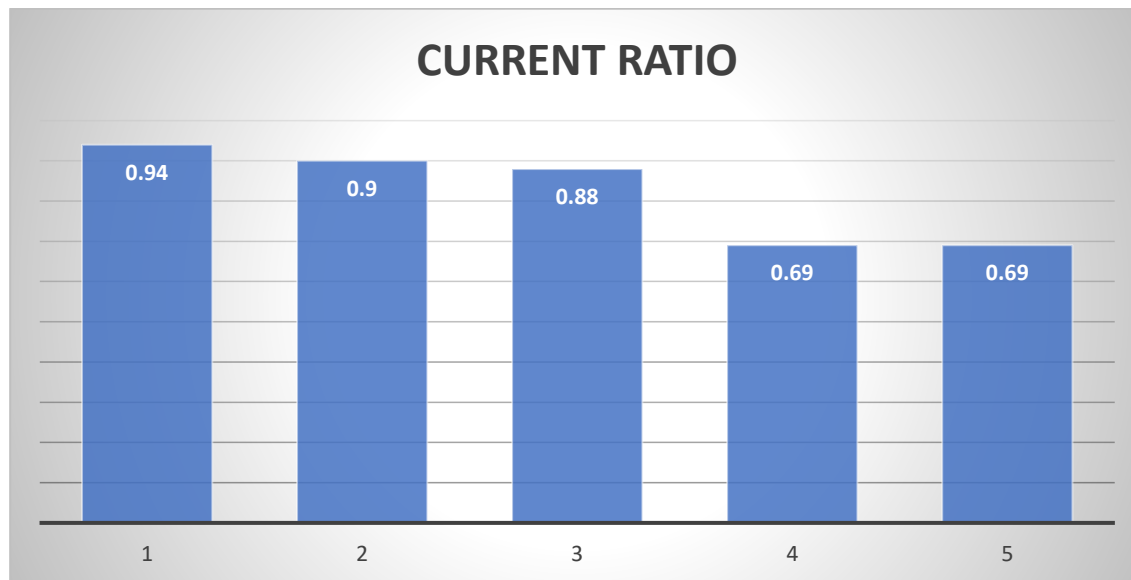
Table no 1.4

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO
2018-2019	2761503132	2936456892	0.94
2019-2020	3005034537	3314271024	0.90
2020-2021	3620454695	4113036201	0.88
2021-2022	3519024766	5075176773	0.69
2022-2023	4106890426	5929629229	0.69

INTERPRETATION:

FRFROM THE ABOVE IT IS INFERRED THAT FORM THE TABLE THAT THE HIGHER QUICK RATIO OF SBI IS 0.94 IN THE YEAR 2019 AND THE LOWEST WAS 0.69 IN THE YEAR OF 2022,2023. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE QUICK RATIO IS FLUCTUATING.

Chart no 1.1.4



Leverage ratios

- 5) Capital structure ratio
1.2.1 Debt-to-equity ratio=debt/total equity

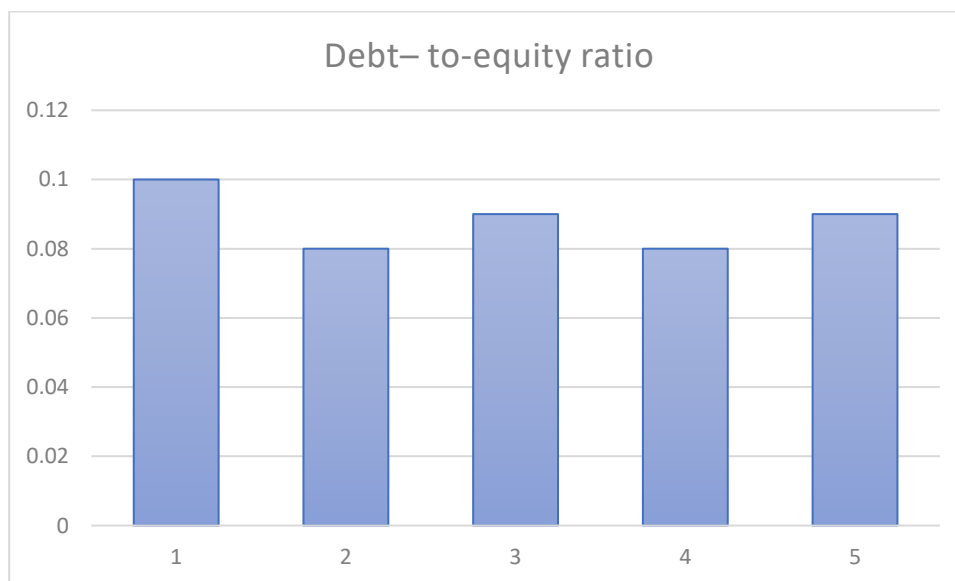
Table no 1.5

YEAR	Debt	Total equity	Debt – to -equity ratio
2018-2019	4137476610	2344956605	1.76
2019-2020	3329006703	2510601242	1.32
2020-2021	4337962081	2755615600	1.57
2021-2022	4491597836	3055880451	1.47
2022-2023	5211519498	3589313181	1.45

INTERPRETATION:

FRFROM THE ABOVE IT IS INFERRED THAT FORM THE TABLE THAT THE HIGHER DEBT-TO-EQUITY RATIO OF SBI IS 1.76 IN THE YEAR 2019 AND THE LOWEST WAS 1.32 IN THE YEAR OF 2020. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE DEBT-TO-EQUITY RATIO IS FLUCTUATING.

Chart no 1.1.5



6) Debt-to-assets ratio = debt / total assets

Table no 1.6

YEAR	DEBT	TOTAL ASSETS	DEBT-TO-ASSETS RATIO
2018-2019	4137476610	38884670631	0.10
2019-2020	3329006703	41974923443	0.08
2020-2021	4337962081	48456185465	0.09
2021-2022	4491597836	53608835294	0.08
2022-2023	5211519498	59544183170	0.09

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER DEBT-TO-ASSETS RATIO OF SBI IS 0.10 IN THE YEAR 2019 AND THE LOWEST WAS 0.08 IN THE YEAR OF 2020, 2022. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE DEBT-TO-ASSETS RATIO IS FLUCTUATING.

Chart no 1.1.6



7) Return on assets= net profit after tax / total assets*100

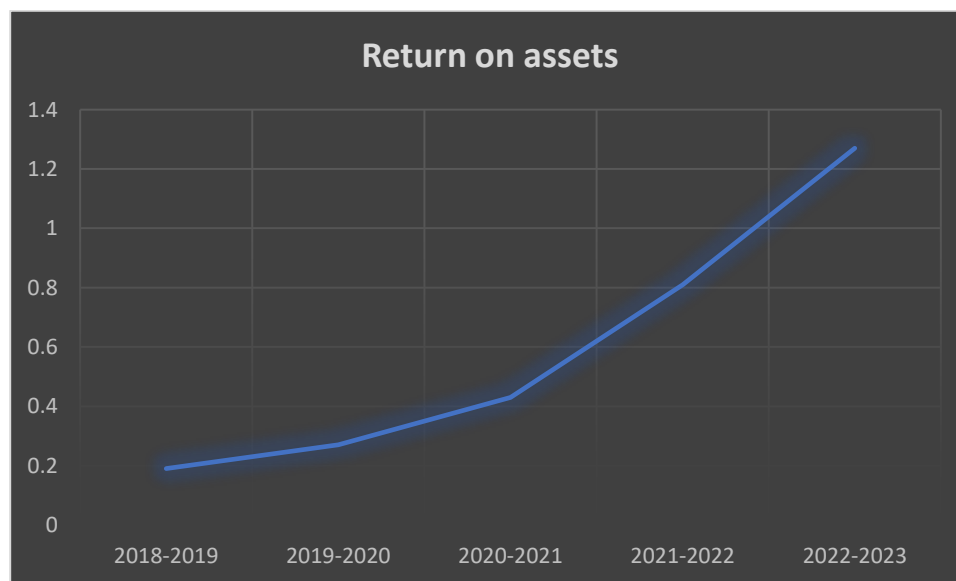
Table no 1.7

YEAR	Net profit after tax	Total assets	Return on assets
2018-2019	76415603	38884670631	0.19
2019-2020	114394023	41974923443	0.27
2020-2021	210437151	48456185465	0.43
2021-2022	434704210	53608835294	0.81
2022-2023	760425233	59544183170	1.27

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER RETURN ON ASSETS RATIO OF SBI IS 1.27 IN THE YEAR 2023 AND THE LOWEST WAS 0.19 IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE RETURN ON ASSETS RATIO IS FLUCTUATING.

Chart no 1.1.7



Coverage ratio

8) Interest coverage ratio = EBIT /interest

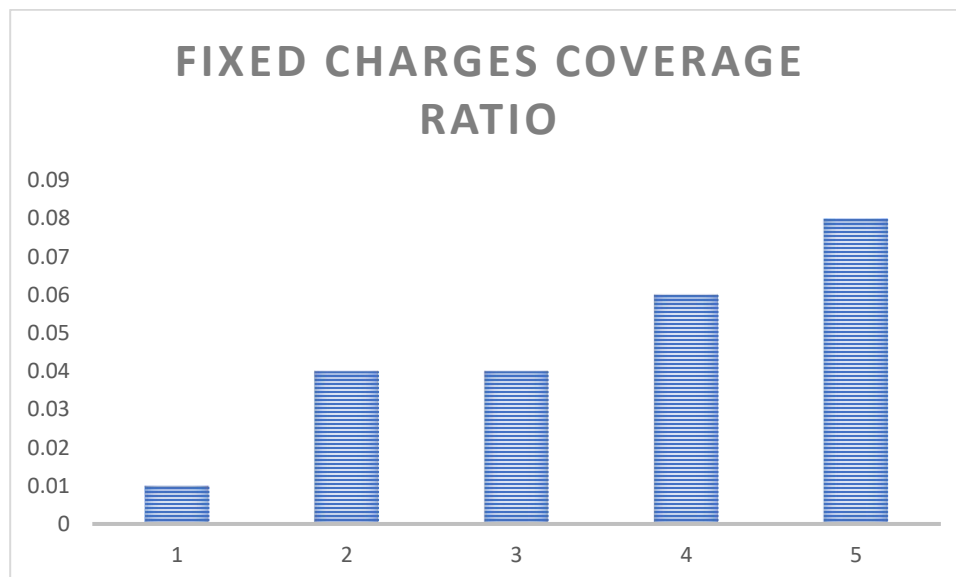
Table no 1.8

YEAR	EBIT	INTEREST	INTEREST RATIO	COVERAGE
2018-2019	30690741	1558674603	0.02	
2019-2020	181768285	1611237986	0.11	
2020-2021	242797194	1560101671	0.15	
2021-2022	363561714	1561943441	0.23	
2022-2023	565584299	1899808167	0.29	

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER INTEREST COVERAGE RATIO OF SBI IS 0.29 IN THE YEAR 2023 AND THE LOWEST WAS 0.02 IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE INTEREST COVERAGE RATIO IS FLUCTUATING.

Chart no 1.1.8



9) Fixed charges coverage ratio = $\frac{\text{EBIT} - \text{depreciation}}{\text{interest} + \text{repayment loan}}$

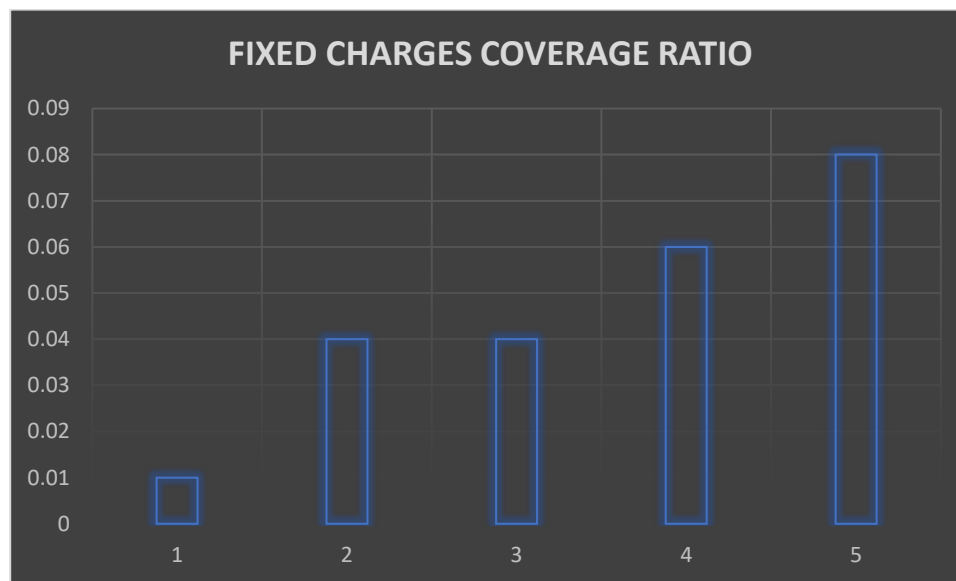
Table no 1.9

YEAR	EBIT+DEPRECIATION	INTEREST+REPAYEMENT OF LOAN	FIXED COVERAGE RATIO	CHARGES
2018-2019	65649662	5696151213	0.01	
2019-2020	218383870	4940244689	0.04	
2020-2021	279907830	5898063752	0.04	
2021-2022	400474414	6053541277	0.06	
2022-2023	602540285	7111327665	0.08	

INTERPRETATION:

FRFROM THE ABOVE IT IS INFERRED THAT FORM THE TABLE THAT THE HIGHER FIXED CHARGES COVERAGE RATIO OF SBI IS 0.08 IN THE YEAR 2023 AND THE LOWEST WAS 0.01 IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE FIXED CHARGES COVERAGE RATIO IS FLUCTUATING.

Chart no 1.1.9



4) Profitability ratios

I.Return on investments

10) $\text{Return of capital employed (pre tax)} = \text{EBIT} / \text{capital employed} * 100$

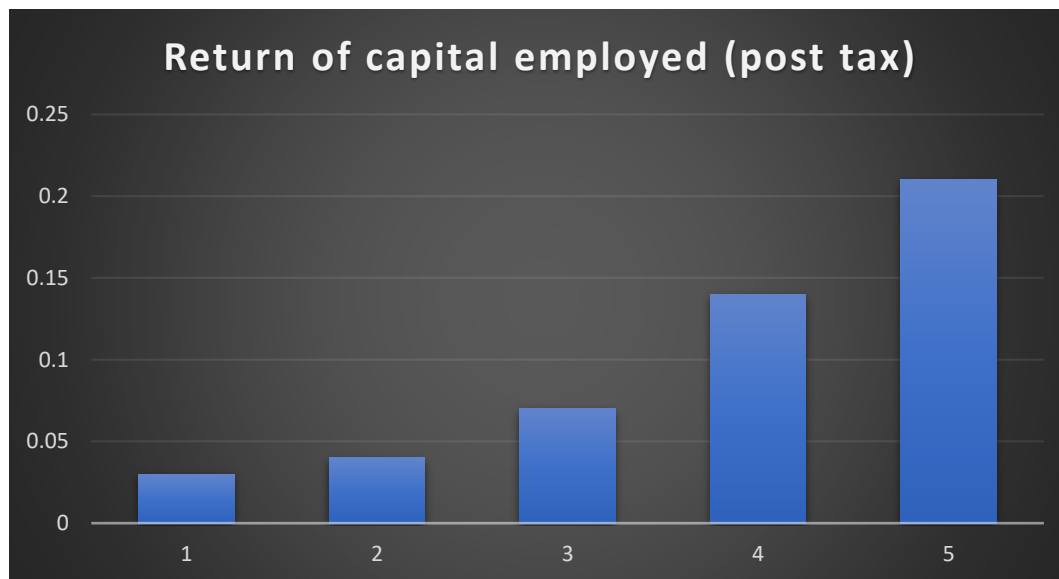
Table no 1.10

YEAR	EBIT	CAPITAL EMPLOYED	Return of capital employed (pre tax)
2018-2019	30690741	35948213739	0.08
2019-2020	181768285	38660652419	0.47
2020-2021	242797194	44343149264	0.54
2021-2022	363561714	48533658521	0.74
2022-2023	565584299	53614553941	1.05

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER RETURN OF CAPITAL EMPLOYED (PRE TAX) RATIO OF SBI IS 1.05 IN THE YEAR 2023 AND THE LOWEST WAS 0.08 IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE RETURN OF CAPITAL EMPLOYED (PRE TAX) RATIO IS FLUCTUATING.

Chart no 1.1.10



11) $\text{Return of capital employed (post tax)} = \text{EBIT} (1-T) / \text{capital employed} * 100$

Table no 1.11

YEAR	EBIT (1-T)	capital employed	Return of capital employed (post tax)
2018-2019	76415603	2344956605	0.03
2019-2020	114394023	2510601242	0.04
2020-2021	210437151	2755615600	0.07
2021-2022	434704210	3055880451	0.14
2022-2023	760425233	3589313181	0.21

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER RETURN OF CAPITAL EMPLOYED (POST TAX) RATIO OF SBI IS 0.21 IN THE YEAR 2023 AND THE LOWEST WAS 0.03. IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE RETURN OF CAPITAL EMPLOYED (POST TAX) RATIO IS FLUCTUATING.

Chart no 1.1.11



12) $\text{Roe} = \frac{\text{net profit after taxes} - \text{preference dividend}}{\text{net worth/equity shareholders funds}}$

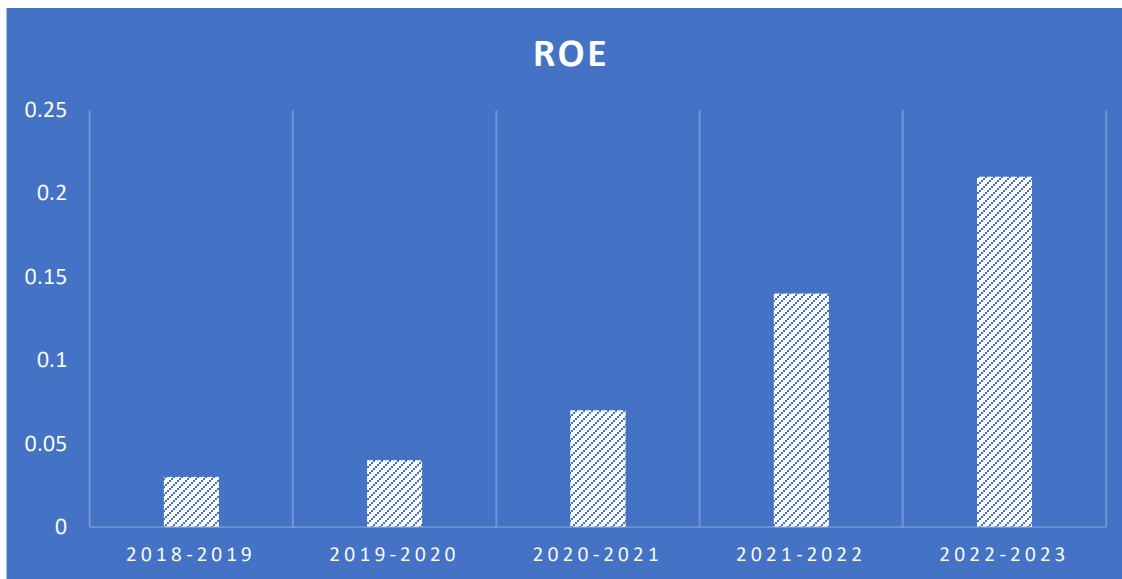
Table no 1.12

YEAR	net profit after taxes - preference dividend	net shareholders worth/equity funds	Roe
2018-2019	76415603	2344956605	0.03
2019-2020	114394023	2510601242	0.04
2020-2021	210437151	2755615600	0.07
2021-2022	434704210	3055880451	0.14
2022-2023	760425233	3589313181	0.21

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER ROE RATIO OF SBI IS 0.21 IN THE YEAR 2023 AND THE LOWEST WAS 0.03 IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE ROE RATIO IS FLUCTUATING.

Chart no 1.1.12



II. owner's point of view

13) $EPS = \text{Net profit available to equity shareholders} / \text{number of equity shares out standing}$

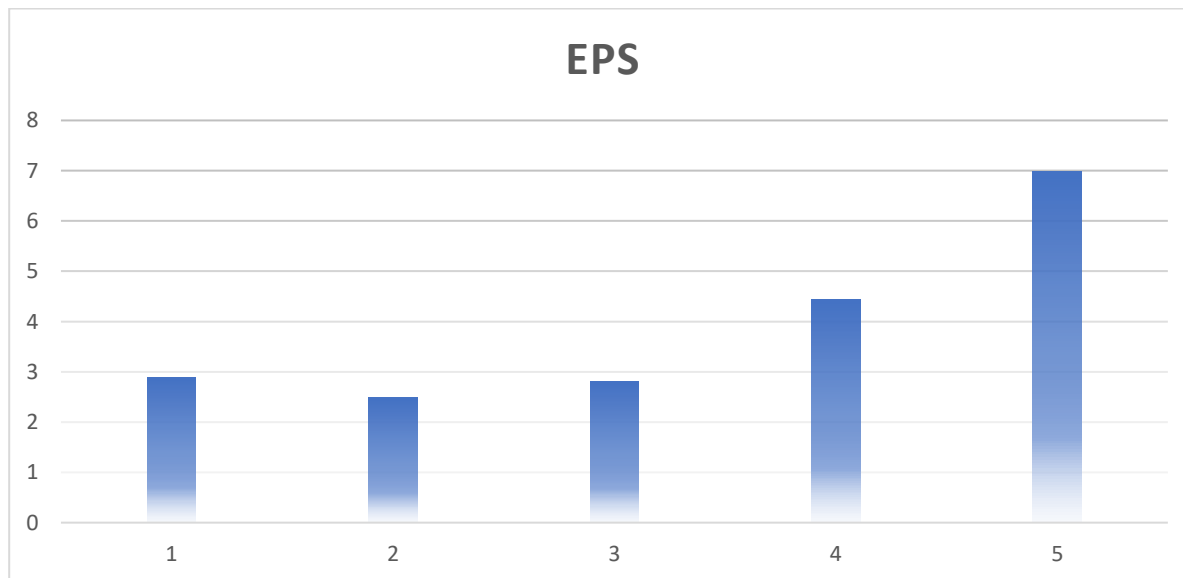
Table no 1.13

YEAR	Net profit available to equity shareholders	number of equity shares out standing	EPS
2018-2019	2.58	8924611534	2.89
2019-2020	22.15	8924611534	2.48
2020-2021	25.11	8924611534	2.81
2021-2022	39.64	8924611534	4.44
2022-2023	62.35	8924611534	6.98

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER EPS RATIO OF SBI IS 6.98 IN THE YEAR 2023 AND THE LOWEST WAS 2.48 IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE EPS RATIO IS FLUCTUATING.

Chart no 1.1.13



14) $\text{DIVIDEND PER SHARE} = \text{dividend paid to equity shareholders} / \text{number of equity shares outstanding}$

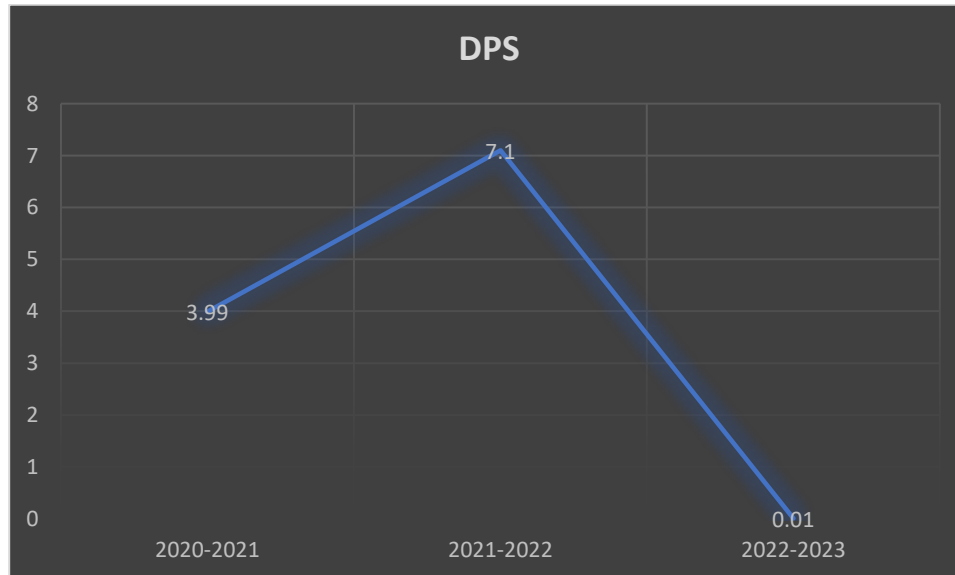
Table no 1.14

YEAR	dividend paid to equity shareholders	number of equity shares outstanding	DPS
2018-2019	NILL	8924587534	NILL
2019-2020	NILL	8924587534	NILL
2020-2021	35698446	8924587534	3.99
2021-2022	63364742	8924587534	7.10
2022-2023	100848115	8924587534	0.01

INTERPRETATION:

FRFROM THE ABOVE IT IS INFERRED THAT FORM THE TABLE THAT THE HIGHER DPS RATIO OF SBI IS 3.99 IN THE YEAR 2021 AND THE LOWEST WAS 0.01 IN THE YEAR OF 2023. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE DPS RATIO IS FLUCTUATING.

Chart no 1.1.14



III. Market

15) Price – earnings per share (p/e ratio) = MPS/EPS

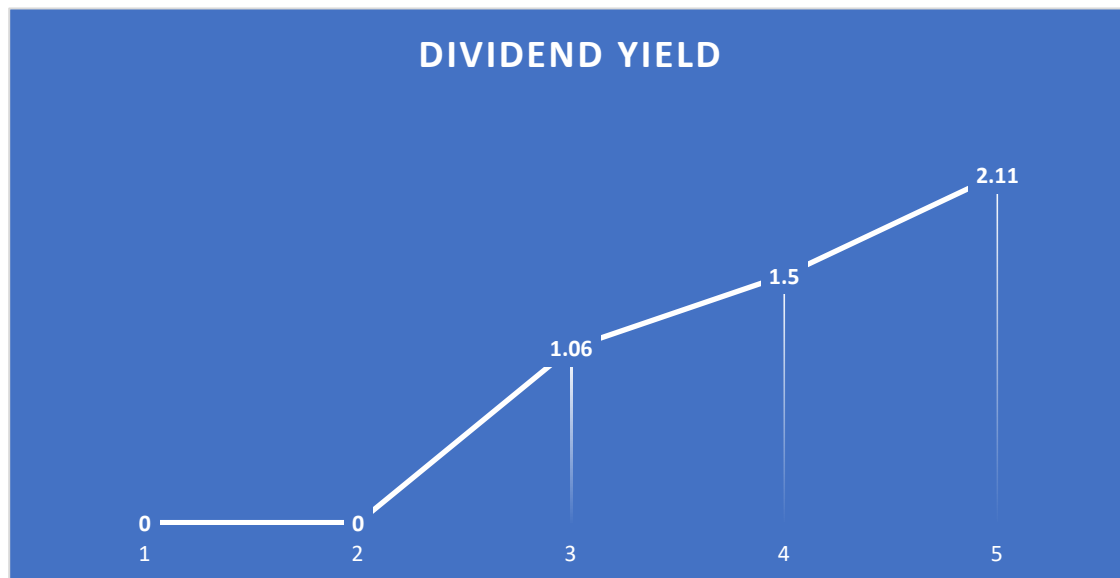
Table no 1.15

YEAR	MPS	EPS	Price – earnings per share (p/e ratio)
2018-2019	296.85	2.58	115.05
2019-2020	242.8	22.15	10.96
2020-2021	376.95	25.11	15.01
2021-2022	470.97	39.64	11.88
2022-2023	535.2	62.35	8.58

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER PRICE – EARNINGS PER SHARE (P/E RATIO) RATIO OF SBI IS 115.05 IN THE YEAR 2019 AND THE LOWEST WAS 8.58 IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE PRICE – EARNINGS PER SHARE (P/E RATIO) IS FLUCTUATING.

Chart no 1.1.15



16) Dividend yield = $\text{DPS}/\text{MPS} \times 100$

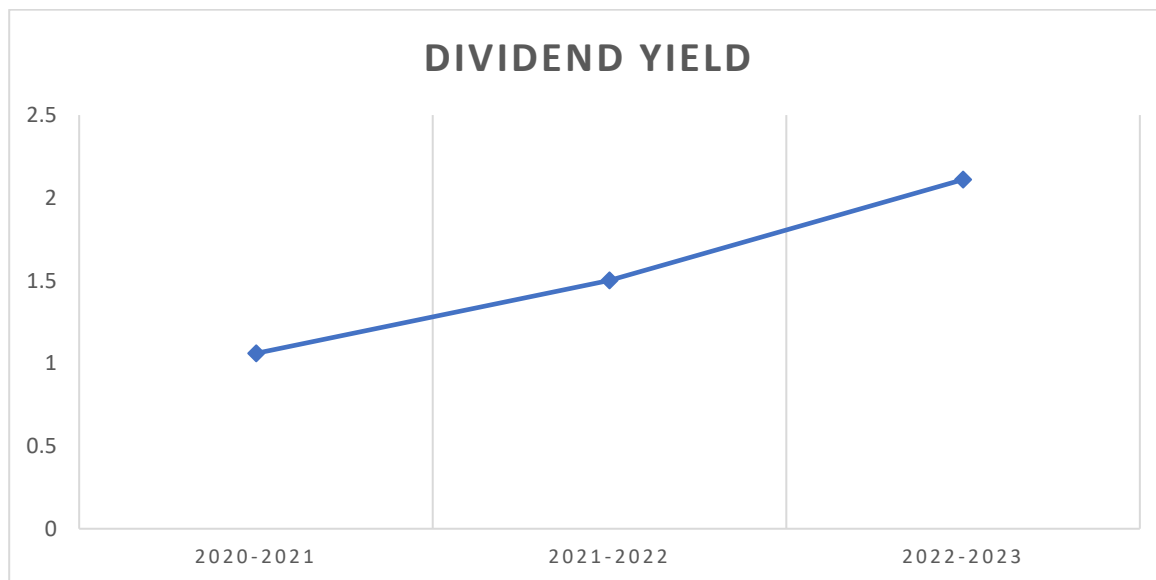
Table no 1.16

YEAR	DPS	MPS	Dividend yield
2018-2019	NILL	296.85	NILL
2019-2020	NILL	242.8	NILL
2020-2021	4.00	376.95	1.06
2021-2022	7.10	470.97	1.50
2022-2023	11.30	535.2	2.11

INTERPRETATION:

FRFROM THE ABOVE IT IS INFERRED THAT FORM THE TABLE THAT THE HIGHER DIVIDEND YIELD RATIO OF SBI IS 2.11 IN THE YEAR 2023 AND THE LOWEST WAS 1.06 IN THE YEAR OF 2021. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE DIVIDEND YIELD IS FLUCTUATING.

Chart no 1.1.16



17) Earnings yield = $\text{EPS}/\text{MPS} \times 100$

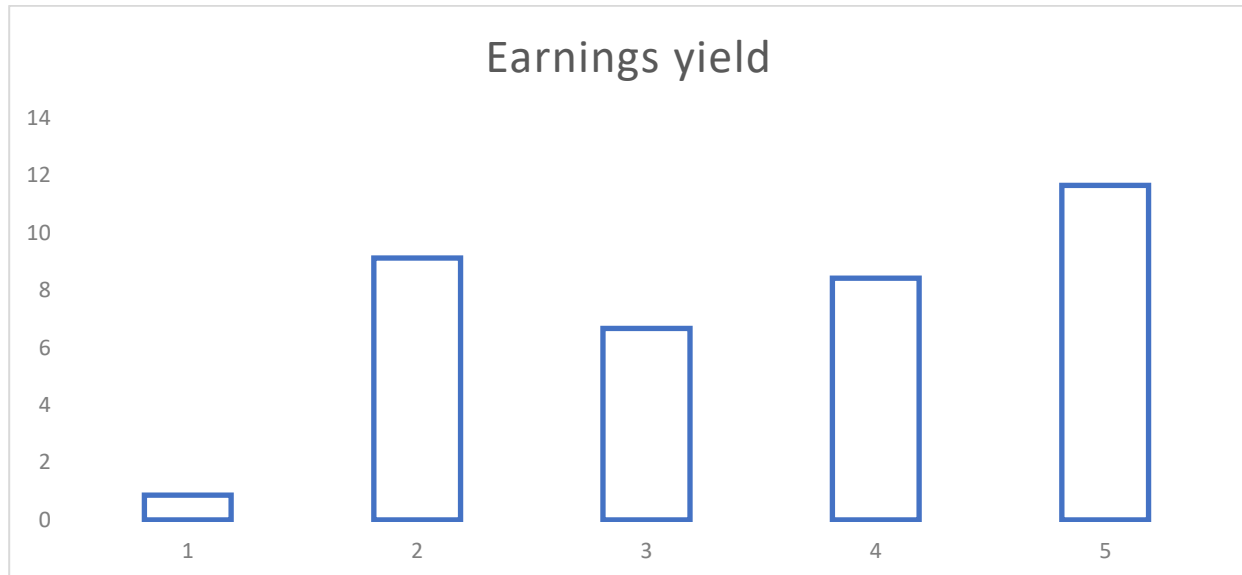
Table no 1.17

YEAR	EPS	MPS	Earnings yield
2018-2019	2.58	296.85	0.86
2019-2020	22.15	242.8	9.12
2020-2021	25.11	376.95	6.66
2021-2022	39.64	470.97	8.41
2022-2023	62.35	535.2	11.64

INTERPRETATION:

FROM THE ABOVE IT IS INFERRED THAT FROM THE TABLE THAT THE HIGHER EARNINGS YIELD RATIO OF SBI IS 11.64 IN THE YEAR 2023 AND THE LOWEST WAS 0.86 IN THE YEAR OF 2019. IT IS NOTICED THAT YEAR AFTER YEAR THE ABSOLUTE EARNINGS YIELD IS FLUCTUATING.

Chart no 1.1.17



COMPARATIVE BALANCE SHEET

Year 2022-2023

PARTICULARS	2023	2022	increase/decrease	increase/decrease %
CAPITAL AND LIABILITIES				
Capital	8924612	8924612	0	0
Reserves & Surplus	3580388569	3046955839	533432730	14.90%
Minority Interest	12836,61,94	11207,42,28	16291966	12.69%
Deposits	4468535,50,68	4087410,60,06	3811249062	85.29%
Borrowings	521151,94,98	449159,78,36	719921662	13.81%
Other Liabilities and Provisions	592962,92,29	507517,67,73	854452456	14.41%
TOTAL	5954418,31,70	5360883,52,94	5935347876	9.96%
ASSETS				
Cash and Balances with Reserve Bank of India	247321,04,97	318492,43,01	-711713804	-28.77%
Balances with Banks and Money at Call & Short Notice	70990,86,00	80412,69,16	-94218316	-13.27%
Investments	1913107,85,64	1776489,89,88	1366179576	7.14%
Advances	3267902,12,73	2794076,00,18	4738261255	14.58%
Fixed Assets	44407,38,10	39510,03,05	48973505	11.02%
Other Assets	410689,04,26	351902,47,66	587865660	14.31%
TOTAL	5954418,31,70	5360883,52,94	5935347876	9.96%
Contingent Liabilities	1835524,38,19	2007232,49,00	-1717081081	-9.35%
Bills for Collection	64571,94,48	77783,05,62	-132111114	-20.45

Year 2021-2022

PARTICULARS	2022	2021	increase/decrease	increase/decrease %
CAPITAL AND LIABILITIES				
Capital	8924612	8924612	0	0
Reserves & Surplus	3046955839	274669,09,88	300264851	9.85%
Minority Interest	11207,42,28	9625,91,66	15815062	14.11%
Deposits	4087410,60,06	3715331,24,17	3720793589	9.10%
Borrowings	449159,78,36	433796,20,81	153635755	3.42%
Other Liabilities and Provisions	507517,67,73	411303,62,01	962140572	18.95%
TOTAL	5360883,52,94	4845618,54,65	5152649829	9.61%
ASSETS				
Cash and Balances with Reserve Bank of India	318492,43,01	213498,61,59	1049938142	32.96%
Balances with Banks and Money at Call & Short Notice	80412,69,16	134208,41,98	-537957282	-66.89
Investments	1776489,89,88	1595100,26,64	1813896324	10.21%
Advances	2794076,00,18	2500598,98,67	2934770151	10.50%
Fixed Assets	39510,03,05	40166,78,82	-6567577	-1.66%
Other Assets	351902,47,66	362045,46,95	-101429929	-2.88%
TOTAL	5360883,52,94	4845618,54,65	5152649829	9.61%
Contingent Liabilities	2007232,49,00	1714239,51,59	2929929741	14.59%
Bills for Collection	77783,05,62	56557,64,31	212254131	27.28%

Year 2020-2021

PARTICULARS	2021	2020	increase/decrease	increase/decrease %
CAPITAL AND LIABILITIES				
Capital	8924612	8924612	0	0
Reserves & Surplus	274669,09,88	250167,66,30	245014358	8.92%
Minority Interest	9625,91,66	7943,82,20	16820946	17.47%
Deposits	3715331,24,17	3274160,62,54	4411706163	11.87%
Borrowings	433796,20,81	332900,67,03	1008955378	23.25%
Other Liabilities and Provisions	411303,62,01	331427,10,24	798765177	19.42%
TOTAL	4845618,54,65	4197492,34,43	6481262022	13.37%
ASSETS				
Cash and Balances with Reserve Bank of India	213498,61,59	166968,46,05	465301554	21.79%
Balances with Banks and Money at Call & Short Notice	134208,41,98	87346,80,31	4686166167	34.91%
Investments	1595100,26,64	1228284,27,77	3668159887	22.99%
Advances	2500598,98,67	2374311,18,12	1262878055	5.05%
Fixed Assets	40166,78,82	40078,16,81	886201	0.22%
Other Assets	362045,46,95	300503,45,37	615420158	16.99%
TOTAL	4845618,54,65	4197492,34,43	6481262022	13.37%
Contingent Liabilities	1714239,51,59	1221083,11,09	4931564050	28.76%
Bills for Collection	56557,64,31	55790,69,54	7669477	1.35%

Year 2019-2020

	2020	2019	increase/decrease	increase/decrease %
CAPITAL AND LIABILITIES				
Capital	8924612	8924612	0	0
Reserves & Surplus	250167,66,30	233603,19,93	165644637	6.62%
Minority Interest	7943,82,20	6036,99,13	19068307	24.00%
Deposits	3274160,62,54	2940541,06,1	3335865193	10.18%
Borrowings	332900,67,03	413747,66,10	-808469907	-24.28%
Other Liabilities and Provisions	331427,10,24	293642,82,22	377842802	11.40%
TOTAL	4197492,34,43	3888464,19,61	3090281482	7.36%
ASSETS				
Cash and Balances with Reserve Bank of India	166968,46,05	177362,74,09	-103942804	-6.22%
Balances with Banks and Money at Call & Short Notice	87346,80,31	48149,52,30	391972801	44.87%
Investments	1228284,27,77	1119269,81,62	1090144615	8.87%
Advances	2374311,18,12	2226853,66,72	1474575140	6.21%
Fixed Assets	40078,16,81	40703,05,26	-6248845	-1.55%
Other Assets	300503,45,37	276125,39,62	243780575	8.11%
TOTAL	4197492,34,43	3888464,19,61	3090281482	7.36%
Contingent Liabilities	1221083,11,09	1121246,27,83		
Bills for Collection	55790,69,54	70047,22,64		

SUGGESTION

- Currently SBI were having very low net profit value so to resolve it they should be taken the proper remedy measures to be better in the next financial year.
- The bank focus on the financial year (2020-2021), because of no decrease on the value of the year.
- The bank stability also questionable even this study also reveals that to maintain the stability of SBI for the next financial years.
- Even to overcome with instability the SBI can look in the Non-performing asset to reduce in the future financial years.
- By reducing the Non-performing asset activities may not increase the net profit value of SBI within one day but the instability of bank can be controlled. The company can push its liquidity position so that it can sustain in the future.
- The company may investigate to maintain the current assets and current liabilities. This might help the company maintain an optimum liquidity ratio.
- It is suggested that the company may strongly focus on the current ratio, cash ratio operation profit ratio which will make the company more profitable in the coming years.
- It may be suggested to reduce the current liability Continuously monitoring and adapting to changes in the regulatory environment and market conditions.
- Enhancing customers experience to retain existing customers and attract new ones.
- Liquid ratio of sbi is low, so I suggest that sbi bank maintain proper liquidity funds
- Return of capital employed ratio (pre-post tax) is well be good returning on bank well maintained.
- In the wake of financial globalization and the increasing complexity of the banking sector, understanding the financial performance of leading banks has never been more crucial.
- The company has a bright future if it concentrates more on turnover thus achieving the overall objectives of the company.
- The debt equity ratio must be concentrated for the year 2023 to the following years. The company can focus on achieving a more optimum debt equity balance.
- In my opinion it to improve and fast moving on the loan portfolio management.
- To give the good level of interest rate on the customers, its help on increase the FD accounts

CONCLUSION:

The project of Ratio analysis and comparative balance sheet in the service industry is not merely a work of the project. But a brief knowledge and experience that how to analyze the financial performance of the firm. The study undertaken has brought into the light of the following conclusions. According to this project I came to know that from the analysis of financial statements it is clear that state bank of India the company have been incurring profit during the period of study. So, the firm should focus on getting of huge profits in the coming year by taking care internal as well as external factors. This clearly shows that the company is in the developing nature and their positioning society is satisfactory.

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