



A STUDY ON MEASURING FINANCIAL PERFORMANCE OF STATE BANK OF INDIA THROUGH SELECT FINANCIAL ANALYSIS TOOLS

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ABSTRACT:

This paper attempts to measure the financial performance of State bank of India and this paper also attempts to analyze financial statements of SBI through Comparative and Common Size Financial Statement analysis method and also ratio analysis tools. In ratio's Current Ratio, Quick Ratio, Return on Investment, Return on and Return on Total Assets has been chosen to analyze SBI's performance. SBI is major part of total banking system in India. SBI is the India's largest commercial bank in terms of assets, deposits and employees. The present study is based upon secondary data covering the period of four financial years from 2017 – 2018 to 2020– 2021. The data were collected from the annual report of SBI Bank. In addition to the records of the bank, data were also collected from banking bulletin, websites, newspapers, magazines and the like. Statistical tables, graphs and analyses ratios were used to analyse the information received. It was finally found that SBI being ranked the top Public Sector Bank with efficient Performance. And present study concluded that State Bank of India has good financial strength.



KEY WORDS: Return on Equity, Return on Investment, Current Ratio, Quick Ratio.

INTRODUCTION

The banking sector is the life blood of and modern economy. It is one of the important financial basements of the financial sector, which plays a main role in the functioning of an economy. It is very important for economic development of a country that its financing requirements of trade; industry and agriculture are met with higher degree of commitment and responsibility. There are two types of central bank, scheduled bank and non-scheduled bank.

There are two types of Scheduled bank, commercial and co-operative and commercial bank are four types bank, private sector bank, public sector bank, foreign bank and regional bank.

State Bank of India (SBI) is an Indian multinational, public region banking and financial offerings employer. It is a government-owned organization with its headquarters in Mumbai, Maharashtra. As of 2018-19, it had belongings of 28.480 trillion (US\$380 billion) and greater than 14,800 branches, which include 220 overseas places of work unfold throughout 39 nations, making it the largest banking and economic services corporation in India by using assets. The business enterprise is ranked 239th at the Fortune Global 500 listing of the sector's largest organizations. Their position of mobilization of deposits and disbursement of credit score to numerous quarter of banking enterprise.

This may also replicate health of the united states. As of 2019. The Bank's management is liable for the preparation of these monetary statements that provide a true and honest view of the economic role, financial overall performance and coins flows of the Bank according with the necessities of the Reserve Bank of India, the provisions of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and identified accounting policies and practices, such as the Accounting Standards issued by using the Institute of Chartered Accountants of India (ICAI). This duty of the control includes the design, implementation and renovation of internal controls and threat management systems relevant to the coaching of the financial statements which might be free from cloth misstatement, whether because of fraud or mistakes.

Researchers have made an attempt to find out what the current financial situation, profitability position of SBI bank

REVIEW OF LITERATURE

Baral (2005), study the "Performance of Joint Ventures banks in Nepal by Applying the Camel Modal." The study was mainly based on secondary data drawn from the annual reports published by joint venture banks. The report analyses the financial health of joint ventures banks in the camel parameters. The findings of the study revealed that the financial health of joint ventures is more effective than that of commercial banks. Moreover, the components

Chaudhary Kajal, Sharma Monica (2011), in their study "Performance of Indian Public Sector Bank and Private Sector Banks", have dealt with private and public sector banks. The economic reforms in early 90s but their outcome is visible only now. Major changes took place in the functioning of banks is India only after liberalization, globalization and privatization. This study is an attempt by the authors to analyses how efficiently public and private sector banks have been managing their NPAs.

Nagarkar Jivan Jayanti (2015), in his study "Analysis of Financial Performance of Bank in India", has attempted to analyses the performance of 5 major public, private and foreign sector banks. This paper is an attempt to find out, how banks have performed on financial parameters during the last 5 years compared to high growth year Rs. Financial performance of banks is compared in 2 time periods: (1) High growth years of 2004-08, (2) Low growth years of 2009-13.

Singh and Tandon (2012), in their paper entitled, "A Study of Financial Performance: A Comparative Analysis of SBI and ICICI Bank", judged the financial performance of SBI and ICICI bank, public and private sector respectively. For the study, researchers have taken the variables like credit deposit and net profit margin etc. The period if study taken is from the year 2007-08 to 2011-12. It was found that SBI is performing well and financially sound than ICICI bank but in context of deposits and expenditure ICICI bank has better management efficiency than SBI.

J.NISHA MARY and Dr.MARY.J.PRIYADHARISINI (2020) In their paper entitled "A STUDY ON FINANCIAL PERFORMANCE OF STATE BANK OF INDIA" an attempt has been made toinvestigate the profitability performance of SBI. And they also concluded from their study that there's growing proof of subject by theSBI organization at the declining profitability of the banking device because of unsecured loansand advances.

STATEMENT OF THE PROBLEM:

Financial statements are the indicators of profitability and financial soundness of organization. To evaluate the financial soundness of the State Bank of India it is necessary to analyze and interpret the financial statements such as profit and loss account and balance sheet. So, the present study is undertaken to know updated financial performance of SBI.

OBJECTIVES OF THE STUDY:

1. To study financial performance of State Bank of India using tools like financial ratio analysis, comparative financial statement analysis and common size statement analysis.
2. To study the liquidity position of the SBI.
3. To know the profitability ratios of the SBI.
4. To compare the actual ratios with the standards or ideals of SBI.
5. To offer suggestions, conclusion based on the finding of the study.

SCOPE OF THE STUDY:

The study will help in analyzing and interpretation of financial statements of SBI through the ratios and other methods for the period of four years i.e. from 2017-18 to 2020-21 of SBI Ltd... Ratios may prescribe practical standards, as they are several in numbers for each element of study. The study helps us in finding out how well the SBI is managing them.

IMPORTANCE OF THE STUDY:

- Useful in financial position analysis
- Useful in simplifying accounting figures.
- Useful in assessing the operational efficiency.
- Useful in forecasting purposes.

RESEARCH METHODOLOGY:

The study has been conducted with reference to the data related to SBI. The study examines the financial performance of SBI Bank for the period of 2017-18 to 2020-21. The study is an exploratory and analytical in nature with an attempt to explore the financial performance of SBI.

SOURCE OF DATA COLLECTION:

The Data collection is secondary source was used in the form of reports through internet.

TOOLS FOR DATA COLLECTION:

The data required for the study has been collected from Annual reports of SBI Bank. In addition to the records of the bank, data were also collected from banking bulletin, websites, newspapers, magazines and the like.

TOOLS FOR DATA ANALYSIS:

Statistical tools like Mean and Percentage have been used for data analysis in the present study

SAMPLING VARIABLES:

The following variables have been included in the present study.

Liquidity Ratios like Current Ratio and Quick Ratio.

Profitability Ratios like Return on Investment Ratio, Return on Equity and Return on Total Asset Ratio
This study is mostly based on secondary data. The data were collected from the annual report of SBI Bank. In addition to the records of the bank, data were also collected from banking bulletin, websites, newspapers, magazines and the like.

STATISTICAL TOOLS USED

Data has been collected from diverse source that put through a rigorous analysis using the following tools:

- Comparative Financial Statement Analysis
- Common Size Statement Analysis
- Ratio Analysis

LIMITATIONS OF THE STUDY:

1. The study covers a period of 4 years with the available sources i.e. from 2017-18 to 2020-2021.
2. The study is based on financial statements.
3. Limitations of historical accounts.

DATA ANALYSIS AND INTERPRETATION:**(I) COMPARATIVE FINANCIAL STATEMENT ANALYSIS:**

Comparative Financial Statement analysis provides information to assess the direction of change in the business. Financial statements are presented as on a particular date for a particular period. The financial statement Balance Sheet indicates the financial position as at the end of an accounting period and the financial statement Income Statement shows the operating and non operating results for a period. But financial managers and top management are also interested in knowing, whether the business is moving in a favorable or an unfavorable direction. For this purpose, figures of current year have to be compared with those of the previous years. In analyzing this way, comparative financial statements are prepared. Comparative Financial Statement Analysis is also called as Horizontal analysis. The Comparative Financial Statement provides information about two or more years' figures as well as any increase or decrease from the previous year's figure and it's percentage of increase or decrease. This kind of analysis helps in identifying the major improvements and weaknesses. For illustration, if net income of a particular year has decreased from its previous year, despite an increase in sales during the year, is a matter of serious concern, Comparative financial statement analysis in such situations helps to find out where costs have increased which has resulted in lower net income than the previous year.

The comparative statement may show:-

1. Absolute figures [rupee amounts]
2. Changes in absolute figures i.e., increase or decrease in absolute figures.
3. Absolute data in terms of percentages
4. Increase or decrease in terms of percentages.

Table-4.1: Comparative balance sheet of State bank of India for the year 2018-19

PARTICULARS	2018	2019	INCREASE(+) OR DECREASE(-)	
			AMOUNT	PERCENTAGE%
ASSETS				
Cash and balance with RBI	150397	176932	26535	17.64
Balance with banks and money at call	41501	45558	4057	9.77
Advance	1060987	967022	-93965	-8.86
Investment	1934880	2185877	250997	12.97
Fixed asset	39992	39198	-794	-1.99
Other asset	226994	266328	39334	17.33
Total asset	3454752	3680914	226162	6.55
LIABILITIES				
Share capital	892.46	892	NIL	NIL
Reserve	218236	220021	1785	0.82
Deposits	2706343	2911386	205043	7.58
Borrowing	362142	403017	40874.93	11.29
Other liabilities	167138.08	145597	-21541.08	-12.89
Total liabilities	3454752	3680914	226162.39	6.55

(Source: SBI's Annual Reports)

Interpretation

The table 4.1 portrays that SBI's Total assets have increased by 6.55% from `34,54,752 crore

at the end of March 2018 to `36,80,914 crore as at the end of March 2019. During the period, the loan portfolio increased by 12.97% from `19,34,880 crore, to `21,85,877 crore. Investments decreased by 8.86% from `10,60,987 crore to `9,67,022 crore as at the end of March 2019.

It can also be concluded by commenting as SBI's aggregate liabilities (excluding capital and reserves) rose by 6.93% from `32,35,623 crore as on 31st March 2018 to `34,60,000 crore as on 31st March 2019. The deposits rose by 7.58% and stood at `29,11,386 crore as on 31st March 2019 against `27,06,343 crore as on 31st March 2018. The borrowings also increased by 11.29% from `3,62,142 crore at the end of March 2018 to `4,03,017 crore as at the end of March 2019.

Table-4.2: Comparative Balance sheet of State bank of India for the year 2019-20

PARTICULARS	2019	2020	INCREASE(+) OR DECREASE(-)	
			AMOUNT	PERCENTAGE%
ASSET				
Cash and balance with RBI	176932	166736	-10196	-5.76
Balance with banks and money at call	45558	84361	38803	85.17
Advance	967022	1046955	79933	8.27
Investment	2185877	2325290	139413	6.38
Fixed asset	39198	38439	-759	-1.94
Other asset	266328	289614	23286	8.74
Total asset	3680914	3951394	270480	7.35
LIABILITIES				
Share capital	892	892	NIL	NIL
Reserve	220021	231115	11094	5.04
Deposits	2911386	3241621	330235	11.34
Borrowing	403017	314656	-88361	-21.92
Other liabilities	145597	163110	17513	12.03
Total liabilities	3680914	3951394	270480	7.35

(Source: SBI's Annual Reports)

Interpretation

It is clear from the above table 2 that SBI's total assets have increased by 7.35% from 36, 80,914 crore at the end of March 2019 to `39,51,394 crore as at the end of March 2020. During the period, the loan portfolio increased by 6.38% from `21,85,877 crore, to `23,25,290 crore. Investments increased by 8.27% from `9,67,022 crore to `10,46,955 crore as at the end of March 2020.

It can also be observed from the above table that SBI's aggregate liabilities (excluding capital and reserves) rose by 7.50% from `34,60,000 crore as on 31st March 2019 to `37,19,386 crore as on 31st March 2020. The deposits rose by 11.34% and stood at `32,41,621 crore as on 31st March 2020 against `29,11,386 crore as on 31st March 2019. The borrowings decreased by 21.92% from `4,03,017 crore at the end of March 2019 to `3,14,656 crore as at the end of March 2020.

Table-4.3: Comparative balance sheet of State bank of India for the year 2019-20

PARTICULARS	2020	2021	INCREASE(+) OR DECREASE(-)	
			AMOUNT	PERCENTAGE%
ASSETS				
Cash and balance with RBI	166736	213202	46466	27.87
Balance with banks and money at call	84361	129837	45476	53.91
Advance	1046955	1351705	304750	29.11
Investment	2325290	2449498	124208	5.34

Fixed asset	38439	38419	-20	-0.05
Other asset	289614	351769	62155	21.46
Total asset	3951394	4534430	583036	14.76
LIABILITIES				
Share capital	892	892	NIL	NIL
Reserve	231115	252983	21868	9.46
Deposits	3241621	3681277	439656	13.56
Borrowing	314656	417298	102642	32.62
Other liabilities	163110	181980	18870	11.57
Total liabilities	3951394	4534430	583036	14.76

(Source: SBI's Annual Reports)

Interpretation

Table 4.3 pin point that Banks' total assets have increased by 14.76% to `45,34,430 crore as at the end of March 2021 from `39,51,394 crore at the end of March 2020. During the period, the loan portfolio increased by 5.34% to `24,49,498 crore from `23,25,290 crore. Investments increased by 29.11 % to `13,51,705 crore from `10,46,955 crore.

It can also been seen from the above table that SBI's aggregate liabilities (excluding capital and reserves) rose by 15.09 % to `42,80,554 crore as on 31st March 2021 from `37,19,386 crore as on 31st March 2020. The deposits rose by 13.56% and stood at `36,81,277 crore as on 31st March 2021 against `32,41,621 crore as on 31st March 2020. The borrowings increased by 32.62 % to `4,17,298 crore as at the end of March 2021 from `3,14,656 crore as at the end of March 2020.

Table-4.4: Common Size Balance Sheet of State bank of India for the year 2018

PARTICULAR	2018	PERCENTAGE
ASSETS		
Cash and balance with RBI	150397.18	4.38
Balance with banks and money at call	41501.46	1.23
Advance	1060986.72	30.93
Investment	1934880.19	56.42
Fixed asset	14352.72	0.42
Other asset	2269904.20	6.62
Total asset	3429904.01	100
LIABILITIES		
Share capital	892.46	0.03
Reserve	193388.12	5.64
Deposits	2706343.29	78.90
Borrowing	362142.07	10.56
Other liabilities	167138.08	4.87
Total liabilities	3429904.02	100

(Source: SBI's Annual Reports)

Table-4.5: Common Size Balance Sheet of State bank of India for the year 2019

PARTICULARS	2019	PERCENTAGE
ASSETS		
Cash and balance with RBI	176932.42	4.22
Balance with banks and money at call	45557.69	1.26
Advance	967021.95	26.45
Investment	2185876.72	59.78
Fixed asset	13855.00	0.38
Other asset	266327.70	7.28
Total asset	3656260.31	100
LIABILITIES		
Share capital	892.46	0.02
Reserve	195367.42	5.34
Deposits	2911386.01	79.63
Borrowing	403017.12	11.03
Other liabilities	145597.30	3.98
Total liabilities	3656260.31	100

(Source: SBI's Annual Reports)**Table-4.6: Common Size Balance Sheet of State bank of India for the year 2020**

PARTICULARS	2020	PERCENTAGE
ASSETS		
Cash and balance with RBI	1,66,736	4.22
Balance with banks and money at call	84,361	2.13
Advance	10,46,955	26.50
Investment	23,25,290	58.85
Fixed asset	38,439	0.97
Other asset	2,89,614	7.33
Total asset	39,51,394	100.00
LIABILITIES		
Share capital	892	0.02
Reserve	2,31,115	5.85
Deposits	32,41,621	82.04
Borrowing	3,14,656	7.96
Other liabilities	1,63,110	4.13
Total liabilities	39,51,394	100.00

(III) RATIO ANALYSIS:**Functional Classification of Ratios****Liquidity Ratio**

- a) Current Ratio
- b) Quick Ratio

Profitability Ratio

- a) Return on Investment Ratio
- b) Return on Equity Ratio
- c) Return on Total Assets Ratio

LIQUIDITYRATIO

Current Ratio:

The current ratio is an indicator of the firm's commitment to meet its short- term liabilities. In other words, it indicates the availability of current assets in rupees for every one rupee of current liability. It is a margin of safety for creditors.

Meaning

The current ratio is the ratio of total assets to total current liabilities. It is calculated by dividing current assets by current liabilities. Here, current assets include cash in hand, balance with RBI and other banks, investments, advances and other assets coming under schedule 11. Current liabilities are liabilities payable within a year or operating cycle whichever is longer out of the existing current assets or by creation of fresh current liabilities. Here, current liability includes Deposits, Borrowings, and Other Liabilities coming under the schedule5.

Formula

$$\text{Current Ratio} = \frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$$

The following table says that the current ratio of SBI Bank.

Table No: 4.1 Current Ratio of SBI Bank

Year	SBI Bank
2017 – 2018	1.36
2018 – 2019	1.83
2019 – 2020	1.85
2020 – 2021	1.93

Source: SBI's Annual Reports.

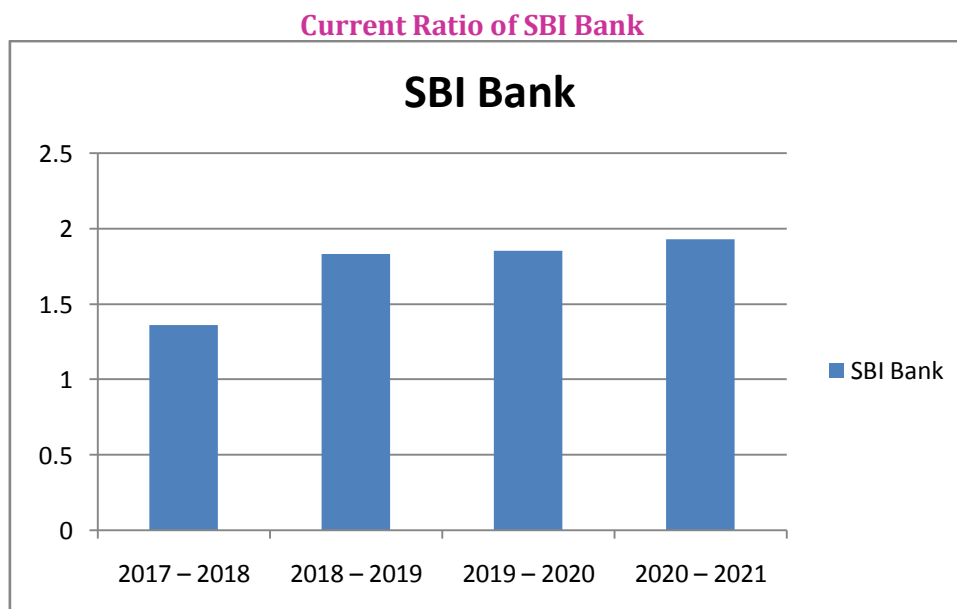


Fig 4.1: Current Ratio of SBI Bank

Quick Ratio:

Liquid ratio is also known as '**Quick**' or '**Acid Test Ratio**'. Liquid assets refer to assets which are quickly convertible into cash. Current Assets other stock and prepaid expenses are considered as quick assets. Further Acid test ratio is a rigorous measure of firm's ability to service short term liabilities. The usefulness of the ratio lies in the fact that it is widely accepted as the best available test of liquidity position of a firm. Generally an acid test ratio of 1:1 is considered satisfactory as a firm can easily meet all its current claims.

Formula

Quick Ratio = Total Quick Assets/total current liabilities

Quick Assets = Total Current Assets – Inventory

The following table pinpoints about the Quick Ratio of SBI Bank.

Table No: 4.2 Quick Ratio of SBI Bank

Year	SBI
2017 – 2018	13.83
2018 – 2019	18.06
2019 – 2020	17.05
2020 – 2021	16.56

Source: SBI's Annual Reports

Interpretation

Table 4.2 pin point the quick ratio of SBI bank. SBI Bank has the high amount of quick ratio in 2019 and 2020, whereas lesser amount of ratio in 2018 and 2021

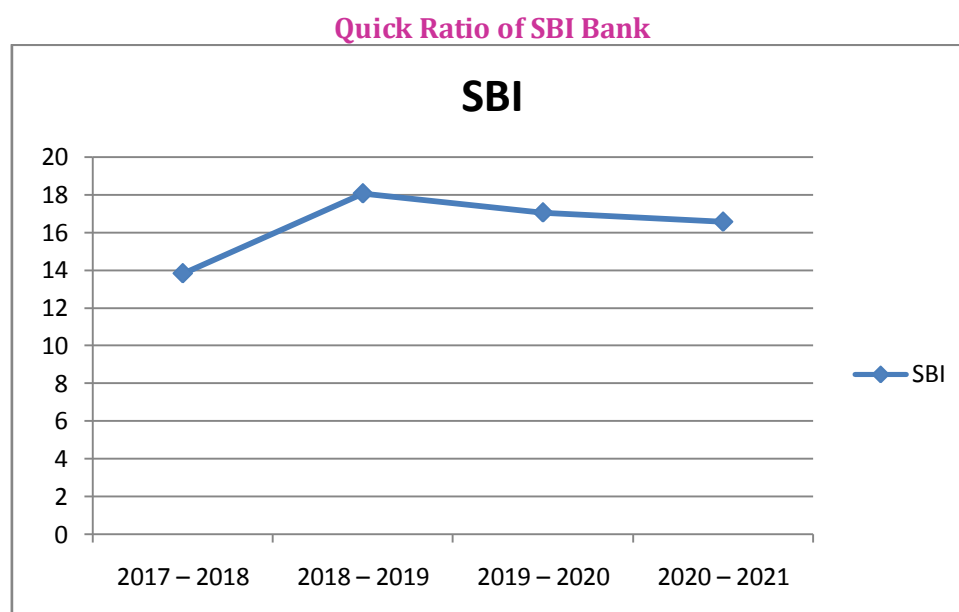


Fig 4.2: Quick Ratio of SBI Bank

PROFITABILITY RATIO**(a) Return on Investment Ratio:****Meaning**

The return on investment indicates the percentage of return on the total capital employed in the business. It indicates the profitability of capital employed in the business and is otherwise known as

return of capital employed. This ratio is also known as “Overall ProfitabilityRatio”.

Formula

$$\text{Return on Investment} = \frac{\text{Earning before Interest and Tax}}{\text{Capital Employed}} \times 100$$

The Return on Investment Ratio of SBI Bank was traced out the following table.

Table No: 4.3 Return on Investment Ratio of SBI Bank

Year	SBI
2017 – 2018	11.33
2018 – 2019	11.96
2019 – 2020	7.58
2020 – 2021	13.60

Source: SBI's Annual Reports

Interpretation

Table 4.3 lucidly pinpoints the return on investment of SBI bank. SBI bank has same amount of ratio in 2018 and 2019. The return on investment ratio of Bank is peak in 2021. It was also found that State Bank of India's Return on Investment Ratio was less (i.e. 7.58) in 2020.

The Fig 4.3 observed about Return on Investment Ratio of SBI Bank.

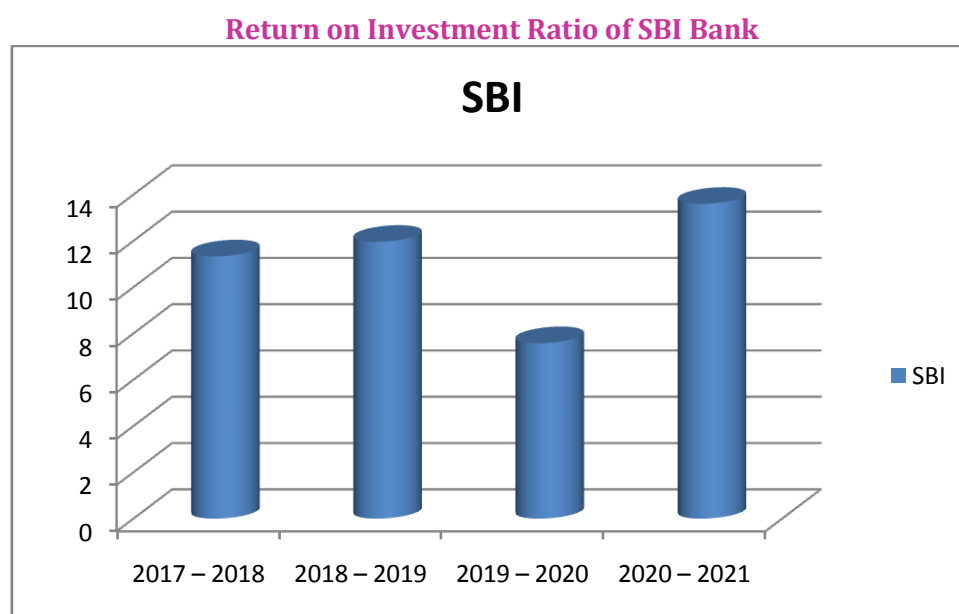


Fig 4.3: Return on Investment Ratio of SBI Bank

(a) Return on Equity Ratio:

Meaning

The return on equity acts a measure of performance. It is a yard stick for shareholder's value based on book values of net worth and net profit. Net profit means performance share capital, equity capital and reserves and surplus.

$$\text{Return on Equity} = \frac{\text{Fixed Assets}}{\text{Long-term Fund}}$$

The following table traces out Return on Equity of SBI Bank.

Table No: 4.4 Return on Equity of SBI Bank

Year	SBI
2017 – 2018	-3.78
2018 – 2019	0.48
2019 – 2020	7.74
2020 – 2021	9.94

Source: SBI's Annual Reports

Interpretation

It is clear from table 4.4 that State Bank of India's Return on equity ratio was continuously increasing for the entire study period except 2018. And it was also observed from the above table that SBI Bank had a negative ratio in 2018. Bank is not able to maintain strengthen ratio. The ratio was suddenly increased after 2019 period as mentioned above.

The Fig 4.4 elicited the Return on Equity of SBI Bank.

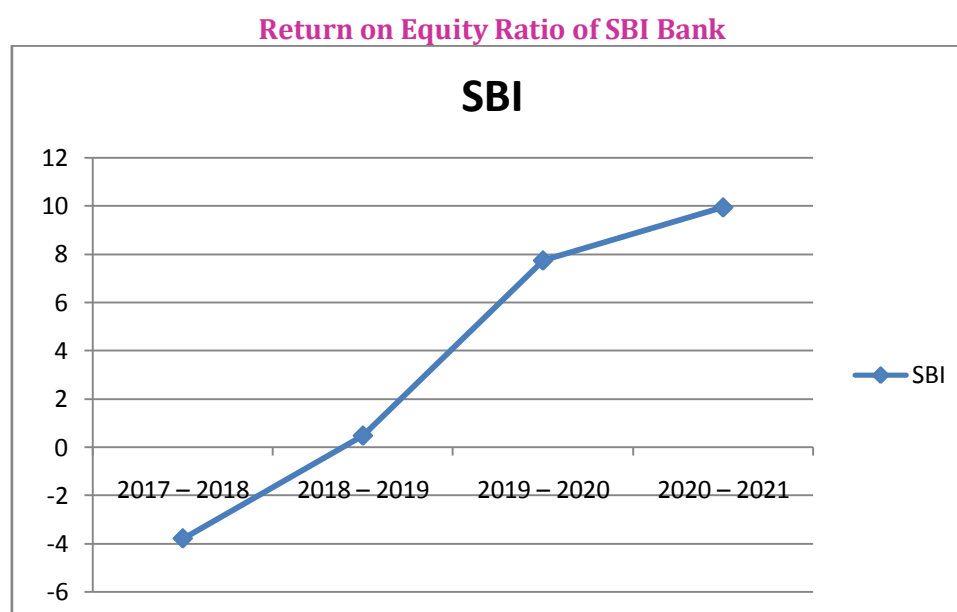


Fig 4.4: Return on Equity Ratio of SBI Bank

(b) Return on Total Assets

Meaning

Return on total assets ratio is useful to know the productivity of the total assets. It is a scale for measuring the relationship between net profits and assets. The higher ratio indicates the assets are considered more productive and better used.

Formula

Return on Total Assets Ratio = $\frac{\text{Net Profit after Tax + Interest}}{\text{Total Assets}}$

The following table observed that the Return on Total Assets Ratio of SBI Bank.

Table No: 4.5 Return on Total Asset Ratio of SBI Bank

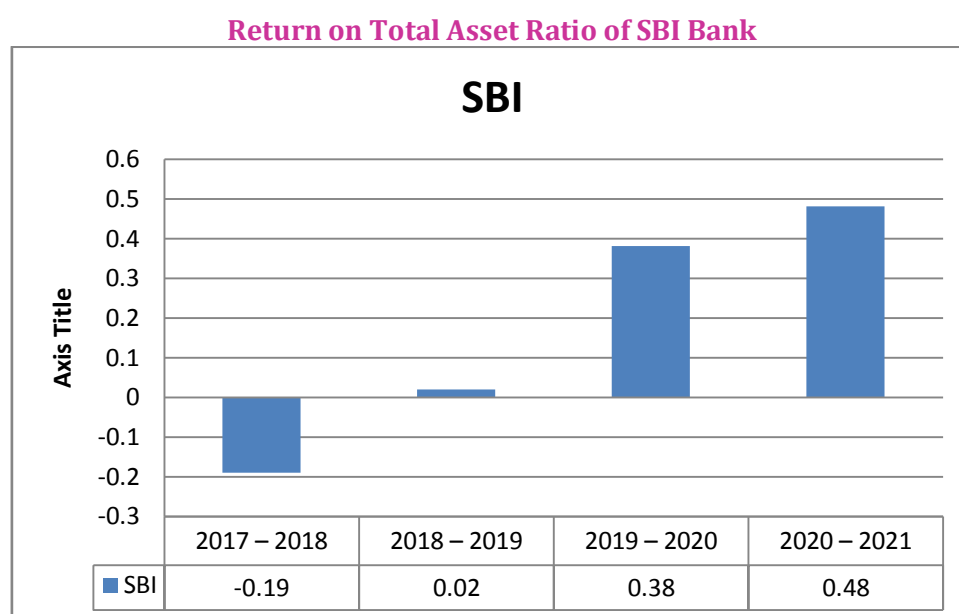
Year	SBI
2017 – 2018	-0.19
2018 – 2019	0.02
2019 – 2020	0.38
2020 – 2021	0.48

Source: SBI's Annual Reports

Interpretation

It is clear from Table 4.5 that during the entire study period of 2018 to 2021, State Bank of India had highest Return on Total Assets Ratio in the year 2020 and 2021. Also the table revealed that for the period 2018 to 2019, Bank had lesser amount of ratio which spells out that the some portion of assets is lying idle or under-utilized, low productivity of assets.

The Fig 4.5 elicited the Return on Total Asset Ratio of SBI Bank.

**Fig 4.5: Return on Total Asset Ratio of SBI Bank**

FINDINGS OF THE STUDY

1. It was found from the study that SBI's Total assets have increased by 6.55% from `34,54,752 crore at the end of March 2018 to `36,80,914 crore as at the end of March 2019.
2. As regards to loan portfolio it has increased by 12.97% from `19,34,880 crore, to `21,85,877 crore.
3. Investments decreased by 8.86% from `10,60,987 crore to `9,67,022 crore as at the end of March 2019.
4. It was also observed from the study that SBI's aggregate liabilities (excluding capital and reserves) rose by 6.93% from `32,35,623 crore as on 31st March 2018 to `34,60,000 crore as on 31st March 2019.
5. As far as deposits is concerned it was found that it rose by 7.58% and stood at `29,11,386 crore as on 31st March 2019 against `27,06,343 crore as on 31st March 2018.
6. It was noticed from the study that the borrowings also increased by 11.29% from `3,62,142 crore at the end of March 2018 to `4,03,017 crore as at the end of March 2019.
7. SBI's total assets have increased by 7.35% from 36, 80,914 crore at the end of March 2019 to `39,51,394 crore as at the end of March 2020.
8. During the study period, the loan portfolio increased by 6.38% from `21,85,877 crore, to `23,25,290

- crore. And Investments increased by 8.27% from `9,67,022 crore to `10,46,955 crore as at the end of March 2020.
9. It was found from the study that SBI's aggregate liabilities (excluding capital and reserves) rose by 7.50% from `34,60,000 crore as on 31st March 2019 to `37,19,386 crore as on 31st March 2020.
 10. It was also observed from the study that the deposits rose by 11.34% and stood at `32,41,621 crore as on 31st March 2020 against `29,11,386 crore as on 31st March 2019.
 11. With respect to borrowings it has decreased by 21.92% from `4,03,017 crore at the end of March 2019 to `3,14,656 crore as at the end of March 2020.
 12. It was also pin pointed that SBIs' total assets have increased by 14.76% to `45,34,430 crore as at the end of March 2021 from `39,51,394 crore at the end of March 2020. During the period, the loan portfolio increased by 5.34% to `24,49,498 crore from `23,25,290 crore.
 13. It was also pin pointed from the study that Investments increased by 29.11 % to `13,51,705 crore from `10,46,955 crore.
 14. As regard to SBI's aggregate liabilities (excluding capital and reserves) rose by 15.09 % to `42,80,554 crore as on 31st March 2021 from `37,19,386 crore as on 31st March 2020.
 15. It was observed from the study that the deposits rose by 13.56% and stood at `36,81,277 crore as on 31st March 2021 against `32,41,621 crore as on 31st March 2020. And with respect to the borrowings it increased by 32.62 % to `4,17,298 crore as at the end of March 2021 from `3,14,656 crore as at the end of March 2020.
 16. From the study, it is noted that current ratio tends to increase from the preliminary year depicting that it is moving towards efficiency, which indicates that the bank is moving towards for maintaining the strong short term solvency position.
 17. As regards to Quick Ratio of SBI Bank, it had the high amount of quick ratio in 2019 and 2020, whereas lesser amount of ratio in 2018 and 2021.
 18. SBI bank has same amount of ratio in 2018 and 2019. The return on investment ratio of Bank is peak in 2021. It was also found that State Bank of India's Return on Investment Ratio was less (i.e. 7.58) in 2020.
 19. From the analysis of Return on Equity Ratio, it was observed from the study that Return on equity ratio was continuously increasing for the entire study period except 2018. And it was also observed from the above table that SBI Bank had a negative ratio in 2018. Bank is not able to maintain strengthen ratio. The ratio was suddenly increased after 2019 period as mentioned above.
 20. As far as return on total assets concerned, it was observed during the entire study period of 2018 to 2021, State Bank of India had highest Return on Total Assets Ratio in the year 2020 and 2021. Also the table revealed that for the period 2018 to 2019, Bank had lesser amount of ratio which spells out that the some portion of assets is lying idle or under-utilized, low productivity of assets.

CONCLUSION

The study concludes that the SBI mobilize the savings of community into productive channels. State Bank of India is one of the leading banks of public sector in India, first and largest financial services company. Net profits and total income in State Bank of India was higher over the period of study. And Bank's Total Assets, deposits, advances gradually increasing, because of this reason People have started to prefer State Bank of India to Invest/deposit their savings and to take loans. The financial and operating efficiency of State Bank of India is better.

Further, it is also inferred that SBI has a good financial strength. SBI being ranked the top public sector bank with efficient performance, the financial reports stand important to Government, investors, customers and competitors to analyze the performance of the bank. Investors will also prefer to invest in SBI owing to regular payments of dividends. SBI has also increased its revenue by the implementation of innovative schemes to the public.

Books

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