

A
Project Report
On

“A Financial Analysis of SBI”

Submitted to
G.S. College of Commerce & Economics
Nagpur

In partial fulfillment for the award of the degree of
Bachelor of Business Administration

Submitted by
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Under the Guidance of
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G.S. College Of Commerce & Economics, Nagpur

Academic Year 2021 – 22



G.S. College Of Commerce & Economics , Nagpur

Academic Year 2021 – 22



CERTIFICATE

This is to certify that "**Ayush Umesh Manthapurwar**" has submitted the project report titled "**A financial analysis of SBI**", towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he/she has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

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(Co-ordinator)

Place: Nagpur

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G.S. College Of Commerce & Economics, Nagpur

Academic Year 2021 – 22



DECLARATION

I here-by declare that the project with title "A financial analysis of SBI" has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

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Place: Nagpur

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ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr.N.Y.Khandait, Principal, G.S. College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide Prof. Kamlesh Thote for his/her guideline throughout the project. I tender my sincere regards to Co-ordinator, Dr. Afsar Sheikh for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Ayush Manthapurwar

Place: Nagpur

Date:

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Introduction

INTRODUCTION

Banks are life blood and the nervous system of the Indian economy Banking plays an important role in the economic development of a country and forms the core of the money market in an advanced country. In India, the money market is characterized by the existence of both the organized and unorganized sectors. The organized sector includes Commercial banks. Co-operative banks and Regional Rural banks while the unorganized sector includes indigenous bankers and private money lenders. Among the banking institutions in the organized sector, the commercial banks are the oldest institutions having a wide network of branches, commanding utmost public confidence and having the lion's share in the total banking operations. Initially, they were established as corporate bodies with share-holdings by private individuals, but subsequently there has been a drift towards State ownership and control.

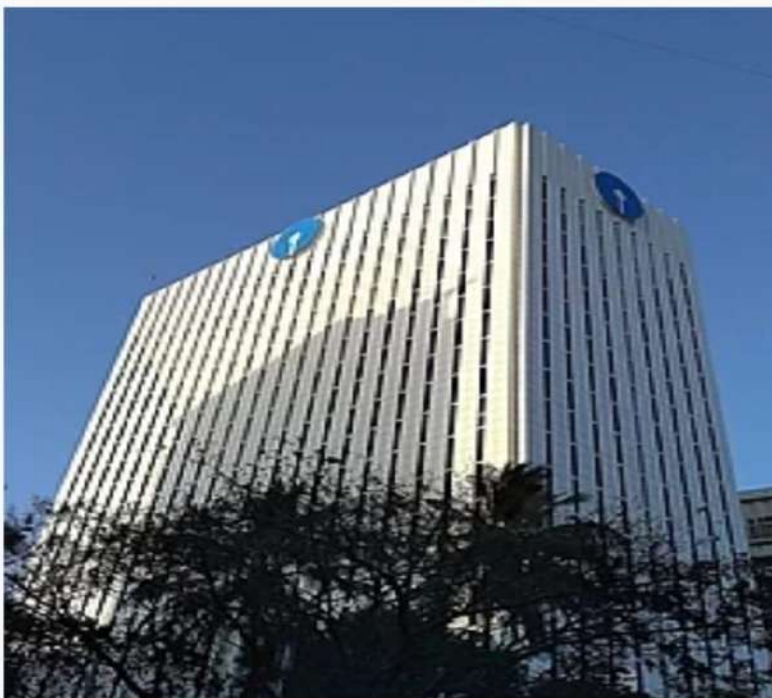
In Modern times banking is the kingpin of all business activity. It is an important instrument of mobilizing the community's resources through institutional framework. As a matter of fact, economic and industrial development of a country depends, in the main, upon how efficiently funds are managed by the banks. Hence, banking plays an important role in the economic development of the country. Adequacy of capital and competency of management are the two pillars upon which the success of the banks depend. Sufficiency of capital stills depositor's confidence, which helps in mobilizing of deposits. Increase in deposits increases the leading business and therefore enhances the possibilities of income generation for the bank. Moreover, a bank with a sound capital base can take business opportunity more effectively and can concentrate well on dealing with problem arising

from unexpected losses. The success and survival of a bank depends to a great extent upon the dedication and competence of its managers. A smart bank manager can, not only help to mobilize resources and deploy them in profitable channels, the manager can also reduce the amount of idle balances and help to earn more profits. The banks now focus on integrated balance-sheet management where all the relevant factors which effect an appropriate balance sheet composition deserve consideration. Therefore various components of balance sheet are analyzed keeping in view the strengths of a bank. Analyzing Asset and Liability behaviour means managing both assets and liabilities simultaneously for the purpose of minimizing the adverse impact of interest rate movement, providing liquidity and enhancing the market value of equity. A careful designing and management of Asset and Liability behaviour is integral part of banking business particularly because over three fourth of its resources originate from the depositors. However, the banks do not have free hand in the making of their behaviour on both sides (asset and liabilities).

Company **Profile**

COMPANY PROFILE

State Bank of India (SBI) is an Indian multinational public sector bank and financial services statutory body headquartered in Mumbai, Maharashtra. SBI is the 43rd largest bank in the world and ranked 221st in the Fortune Global 500 list of the world's biggest corporations of 2020, being the only Indian bank on the list. It is a public sector bank and the largest bank in India with a 23% market share by assets and a 25% share of the total loan and deposits market. It is also the fifth largest employer in India with nearly 250,000 employees.



The bank descends from the Bank of Calcutta, founded in 1806 via the Imperial Bank of India, making it the oldest commercial bank in the Indian Subcontinent. The Bank of Madras merged into the other two presidency banks in British India, the Bank of Calcutta and the Bank of Bombay, to form the Imperial Bank of India, which in turn became the State Bank of India in 1955. Overall the bank has been formed from the merger and acquisition of nearly twenty banks over the course of its 200 year history. The Government of India took control of the Imperial Bank of India in 1955, with Reserve Bank of India (India's central bank) taking a 60% stake, renaming it State Bank of India.

HISTORY

The roots of State Bank of India lie in the first decade of the 19th century when the Bank of Calcutta later renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as joint stock companies and were the result of royal charters. These three banks received the exclusive right to issue paper currency till 1861 when, with the Paper Currency Act, the right was taken over by the Government of India. The Presidency banks amalgamated on 27 January 1921, and the re-organised banking entity took as its name Imperial Bank of India.

The Imperial Bank of India remained a joint-stock company but without Government participation. Pursuant to the provisions of the State Bank of India Act of 1955, the Reserve Bank of India, which is India's central bank, acquired a controlling interest in the Imperial Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India. In 2008, the Government of India acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority.

In 1959, the government passed the State Bank of India (Subsidiary Banks) Act. This made eight banks that had belonged to princely states into subsidiaries of SBI. This was at the time of the First Five Year Plan, which prioritised the development of rural India. The government integrated these banks into the State Bank of India system to expand its rural outreach. In 1963 SBI merged State Bank of Jaipur (est. 1943) and State Bank of Bikaner (est.1944).

SBI has acquired local banks in rescues. The first was the Bank of Bihar (est. 1911), which SBI acquired in 1969, together with its 28 branches. The next year SBI acquired National Bank of Lahore (est. 1942), which had 24 branches. Five years later, in 1975, SBI acquired Krishnaram Baldeo Bank, which had been established in 1916 in Gwalior State, under the patronage of Maharaja Madho Rao Scindia. The bank had been the Dukan Pichadi, a small moneylender, owned by the Maharaja. The new bank's first manager was Jall N. Broacha, a Parsi. In 1985, SBI acquired the Bank of Cochin in Kerala, which had 120 branches. SBI was the acquirer as its affiliate, the State Bank of Travancore, already had an extensive network in Kerala.

There was, even before it actually happened, a proposal to merge all the associate banks into SBI to create a single very large bank and streamline operations.

The first step towards unification occurred on 13 August 2008 when State Bank of Saurashtra merged with SBI, reducing the number of associate state banks from seven to six. On 19 June 2009, the SBI board approved the absorption of State Bank of Indore, in which SBI held 98.3%. (Individuals who held the shares prior to its takeover by the government held the balance of 1.7%).

The acquisition of State Bank of Indore added 470 branches to SBI's existing network of branches. Also, following the acquisition, SBI's total assets approached ₹10 trillion. The total assets of SBI and the State Bank of Indore were ₹9,981,190 million as of March 2009. The process of merging of State Bank of Indore was completed by April 2010, and the SBIndore branches started functioning as SBI branches on 26 August 2010.

On 7 October 2013, Arundhati Bhattacharya became the first woman to be appointed Chairperson of the bank. Mrs. Bhattacharya received an extension of two years of service to merge into SBI the five remaining associate banks.

SUBSIDIARIES

SBI provides a range of banking products through its network of branches in India and overseas, including products aimed at non-resident Indians (NRIs). SBI has 16 regional hubs and 57 zonal offices that are located at important cities throughout India.

SBI has over 24000 branches in India.[18] In the financial year 2012–13, its revenue was ₹2.005 trillion (US\$27 billion), out of which domestic operations contributed to 95.35% of revenue. Similarly, domestic operations contributed to 88.37% of total profits for the same financial year.

Under the Pradhan Mantri Jan Dhan Yojana of financial inclusion launched by Government in August 2014, SBI held 11,300 camps and opened over 3 million accounts by September, which included 2.1 million accounts in rural areas and 1.57 million accounts in urban areas.

INTERNATIONAL

As of 2014–15, the bank had 191 overseas offices spread over 36 countries having the largest presence in foreign markets among Indian banks.

- SBI Australia
- SBI Bangladesh
- SBI Bahrain

- SBI Botswana

The SBI Botswana subsidiary was registered on the 27th January 2006 and was issued a banking licence by the Bank of Botswana on the 29th July 2013. The subsidiary handed over its banking licence and closed its operations in the country.

SBI Canada Bank was incorporated in 1982 as a subsidiary of the State Bank of India.

SBI Canada Bank is a Schedule II Canadian Bank listed under the Bank Act and is a member of Canada Deposit Insurance Corporation.

SBI China[26]

SBI (Mauritius) Ltd SBI established an offshore bank in 1989, State Bank of India International (Mauritius) Ltd. This then amalgamated with The Indian Ocean International Bank (which had been doing retail banking in Mauritius since 1979) to form SBI (Mauritius) Ltd. Today, SBI (Mauritius) Ltd has 14 branches – 13 retail branches and 1 global business branch at Ebene in Mauritius.[27]

Nepal SBI Bank Limited

Main article: Nepal SBI Bank Limited

In Nepal, SBI owns 55% of share. (The state-owned Employees Provident Fund of Nepal owns 15% and the general public owns the remaining 30%.) Nepal SBI Bank Limited has branches throughout the country.

SBI Sri Lanka[28] now has three branches located in Colombo, Kandy and Jaffna. The Jaffna branch was opened on 9 September 2013. SBI Sri Lanka is the oldest bank in Sri Lanka; it was founded in 1864.

In Nigeria, SBI operates as INMB Bank. This bank began in 1981 as the Indo–Nigerian

Merchant Bank and received permission in 2002 to commence retail banking. It now has five branches in Nigeria.

In Moscow, SBI owns 60% of Commercial Bank of India, with Canara Bank owning the rest. In Indonesia, it owns 76% of PT Bank Indo Monex. State Bank of India already has a branch in Shanghai and plans to open one in Tianjin.[29]

In Kenya, State Bank of India owns 76% of Giro Commercial Bank, which it acquired for US\$8 million in October 2005.[30]

SBI South Korea In January 2016, SBI opened its first branch in Seoul, South Korea.

United Kingdom

SBI USA In 1982, the bank established a subsidiary, State Bank of India, which now has ten branches—nine branches in the state of California and one in Washington, D.C. The 10th branch was opened in Fremont, California on 28 March 2011. The other eight branches in California are located in Los Angeles, Artesia, San Jose, Canoga Park, Fresno, San Diego, Tustin and Bakersfield.

FORMER ASSOCIATE BANKS



SBI acquired the control of seven banks in 1960. They were the seven regional banks of former Indian princely states. They were renamed, prefixing them with 'State Bank of'. These seven banks were State Bank of Bikaner and Jaipur (SBBJ), State Bank of Hyderabad (SBH), State Bank of Indore (SBN), State Bank of Mysore (SBM), State Bank of Patiala (SBP), State Bank of Saurashtra (SBS) and State Bank of Travancore (SBT). All these banks were given the same logo as the parent bank, SBI. State Bank of India and all its associate banks used the same blue Keyhole logo said to have been inspired by Ahmedabad's Kankaria Lake. The State Bank of India wordmark usually had one standard typeface, but also utilised other typefaces. The wordmark now has the keyhole logo followed by "SBI".

The plans for making SBI a single very large bank by merging the associate banks started in 2008, and in September the same year, SBS merged with SBI. The very next year, State Bank of Indore (SBN) also merged.

Following a merger process, the merger of the 5 remaining associate banks, (viz. State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore); and the Bharatiya Mahila Bank) with the SBI was given an in-principle approval by the Union Cabinet on 15 June 2016. This came a month after the SBI board had, on 17 May 2016, cleared a proposal to merge its five associate banks and Bharatiya Mahila Bank with itself.

On 15 February 2017, the Union Cabinet approved the merger of five associate banks with SBI. An analyst foresaw an initial negative impact as a result of different pension liability provisions and accounting policies for bad loans. The merger went into effect from 1 April 2017.

NON BANKING SUBSIDIARIES

Apart from five of its associate banks (merged with SBI since 1 April 2017), SBI's non-banking subsidiaries include:

- SBI Capital Markets Ltd
- SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)
- SBI Life Insurance Company Limited

- SBI Mutual Fund

In March 2001, SBI (with 74% of the total capital), joined with BNP Paribas (with 26% of the remaining capital), to form a joint venture life insurance company named SBI Life Insurance company Ltd.

OTHER SBI SERVICE POINTS

As of 31 March 2017, the SBI group had 59,291 ATMs.[41] Since November 2017, SBI also offers an integrated digital banking platform named YONO.

YES BANK INVESTMENT

State Bank of India acquired 48.2% of the shares of Yes Bank as part of RBI directed rescue deal in March 2020.

LISTINGS AND SHAREHOLDING

As on 31 March 2017, Government of India held around 61.23% equity shares in SBI.

The Life Insurance Corporation of India, itself state-owned, is the largest non-promoter shareholder in the company with 8.82% shareholding.

Shareholders	Shareholding
Promoters: Government of India	56.92%
FII's/GDRs/OCBs/NRIs	10.94%
Banks & Insurance Companies	10.63%
Mutual Funds & UTI	13.72%
Others	07.79%
Total	100.0%

The equity shares of SBI are listed on the Bombay Stock Exchange, where it is a constituent of the BSE SENSEX index, and the National Stock Exchange of India, where it is a constituent of the CNX Nifty. Its Global Depository Receipts (GDRs) are listed on the London Stock Exchange.

EMPLOYEES

State Bank Institute of Credit and Risk Management, Gurugram SBI is one of the largest employers in the world with 245,652 employees as on 31 March 2021. Out of the total workforce, the representation of women employees is nearly 26%. The percentage of Officers, Associates and Subordinate staffs was 44.28%, 41.03% and 14.69% respectively on the same date. Each employee contributed a net profit of ₹828,350 (US\$11,000) during FY 2020–21.

RESEARCH **STUDY**

RESEARCH STUDY

OBJECTIVES OF THE STUDY

- To study the financial performance of State Bank of India and ICICI Bank.
- To know the profitability position of State Bank of India
- To study the managerial efficiency of State Bank of India.
- To offer findings and suggestions to enhance the financial performance of State Bank of India

SCOPE OF THE STUDY

The research paper will also help to understand the financial performance SBI. This study will throw light on the different aspects where the State Bank of India stand out and how the banks will provide an opportunity in corresponding its activities to achieve the best performance.

RESEARCH **METHODOLOGY**

RESEARCH METHODOLOGY

The study has been conducted with reference to the data related to SBI. The study examines the financial performance of some variables and compares the performance of SBI for the period of 2003-04 to 2015-16. A. 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 will be collected from

- Annual reports of respective banks
- Journals and reports on trends
- Progress of Banking of India
- Books and websites

TOOLS FOR DATA ANALYSIS

The data tool using R

- Mean, Standard Deviation, Covariance, P-value Df
- Hypothesis
- Lower Correlation

SAMPLING VARIABLES

To apply Regression technique with following variables are required

- Independent variable are Deposits, Borrowings, Investments, Advances, Return on Average Assets(%),Return on Equity(%),Dividend Payout Ratio(%),Net NPA to Net Advances
- Dependent variables are Net Profit

Abhay Jaiswal and Chanchala Jain (2016), A Comparative Study of Financial Performance of SBI and ICICI, The study is an attempt to analyze the financial performance of SBI and ICICI banks. The State Bank of India, popularly known as SBI is one of the leading bank of public sector in India. SBI has 14 Local Head Offices and 57 Zonal Offices located at important cities throughout the country. ICICI bank is the second largest, leading bank of private sector in India The Bank has 2,533 branches and 6,800 ATMs in India. The study is descriptive and analytical in nature. The collected data was secondary in nature and collected from various reports issued by these banks through internet. The comparison of financial performance of these two banks was made on the basis of ratio analysis. The results indicated that the SBI is performing well and financially sound than ICICI Bank. Also the market position of SBI is better than ICICI in terms to earning per share, price ratio per share and dividend payout ratio, but on the other hand ICICI bank is performing well in terms of NPA and provision for NPA in comparison of SBI bank.

DR.D.GURUSWAMY, (2012), describe ANALYSIS OF PROFITABILITY

PERFORMNCE OF SBI AND ITS ASSOCIATES, the paper an attempt has been made to analyze the profitability performance of SBI and its associates. The objectives of the paper are to study the profitability of SBI and Its Associates and to analyze the profitability performance of SBI and Its Associates. This paper is primarily based on secondary data. In order to derive the open handed results from the information collected through secondary data, various statistical tools like mean, S.D, variance, CAGR, and ANOVA have been accomplished. The scope of the paper is confined to all the banks of SBI group for a data period from 1996-97 to 2007-08. In the present paper, for the purpose of evaluating the performance of SBI and its associates, five profitability ratios have been considered. On the basis of analysis of profitability ratios it is printout that all the five ratios shows fluctuating trend during the study period in all the banks.

Dr. Kingshuk Adhikari, Nitashree Barman, Pinkumoni Kashyap (2014), study on Profitability of State Bank of India: An Analysis-The paper attempts to analyze the profitability of State bank of India for the period of seven years. Apart from studying the trend of different components of both income and expenditure, performance of the bank has been analysed with the parameters like OPTWF, ROA, ROE, ROI and EPS. There is a significant difference not only between the components of income but also across the components of expenditure. The paper concludes that the profitability performance of the SBI is not consistent during the study period. The bank should focus more on diversification of income and should also curtail operating expenses performance in order to improve profitability performance.

Urmila Bharti, Surender Singh (2014), describes a study on Liquidity and Profitability

Analysis of Commercial Banks in India A Comparative Study,- Liquidity is required to meet out the prompt demands of customers and profitability is required to meet out the expenses of banks. But both the terms are ontradicitory in nature. If banks maintain more liquidity, their profitability decrease and if they increase their profitability they will have to reduce their liquidity. In this way, banks act as an engine for a business organization. So in the present study an attempt has been made to evaluate the performance of different categories of banks viz. public, private and foreign bank groups in India. For evaluating the performance, eleven financial ratios have been used. These ratios further have been categorized into two categories viz. liquidity and profitability. The period of study cover the years 2005-06 to 2011-12. From the results, it has been found that during the study period the liquidity and profitability position of public sector bank group declined while it has improved in other two groups.

Dr. V.N. Sailaja* Dr.N. Bindu Madhavi (2015), emphasis study on COMPARISON OF CAPITAL STRUCTURE OF PUBLIC SECTOR BANKS AND PRIVATE SECTOR BANKS AND ITS EFFECT ON BANK'S PROFITABILITY the capital structure and profitability was analyzed by too many researchers in academic level. However, most of them excluded banking industry due to different market structure and regulatory frameworks. The differential point of banking industry with other financial industries is minimum capital requirement that is 8% of equity capital. This requirement is for coverage of the bank's risk associated assets. Research is aiming to analyze the relationship between capital structure of the public and private sector banks and its profitability. The aim of the paper -To know the portion of debt and equity in capital structure of selected banks. To find out the Weighted Average Cost of Capital (WACC) of selected banks, To conduct

comparative study regarding capital structure of selected banks, To examine the effect of capital structure on bank's profitability. Sample size is 3 private banks and 3 public banks based on the convenience sampling technique which is one of the methods in non-probability sampling methods. The paper concludes that sector banks is high as compared to the private sector banks which can be overburden to the banks to pay high amount of interest out of the profits.

Ms. Shikha Gupta (2014), AN EMPIRICAL STUDY OF FINANCIAL PERFORMANCE OF ICICI BANK A COMPARATIVE ANALYSIS,-The Bank works closely with ICICI Foundation across diverse sectors and programs. As of 2014 it is the second largest bank in India in terms of assets and market capitalization. ICICI bank emerged as a pioneer venture on the horizon of offering an expanded range of banking products and financial services for corporate and retail customers through its diverse delivery channels and specialized subsidiaries in the areas of investment banking, asset management, venture capital and insurance. In the light of its strategic importance in the nation interest, it is crucial to evaluate the financial performance of the ICICI Bank. And the present study focused on operational control, profitability and solvency etc. This research paper is aimed to analyze and compare the Financial Performance of ICICI Bank and offer suggestions for the improvement of efficiency in the bank.

Loriya Chirag, Thakarshibhai (2014), study on A Profitability

Analysis of Banks in India- banks include commercial banks and the co-operative banks. This study attempts to measure the relative profitability of Indian banks. For this study, we have used public sector banks and private sector banks. 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.

The paper concludes Profitability is the primary motivating force for any economic activity. Business enterprise is essentially being an economic organization; it has to maximize the welfare or the investment of its stakeholders. To this end, the business

Undertaking has to earn profit from operations. Profitability acts as a yardstick to measure the effectiveness and efficiency of business effort for the growth and success of any business entities.

Brindadevi V(2013), A Study on Profitability Analysis of Private Sector Banks In India- The objective of this study was overall profitability analysis of different private sectors banks in India based on the performances of profitability ratios like interest spread, net profit margin, return on long term fund, return on net worth & return on asset. Profitability is a measure of efficiency and control it indicates the efficiency or effectiveness with which the operations of the business are carried on. Recording profitability for the past period or projecting profitability for the coming period, measuring profitability is the most important measure of the success of the business. A business that is not profitable cannot survive, Conversely, a business that is highly profitable has the ability to reward its owners with a large return on their investment. Increasing profitability is one of the most important tasks of the business managers. Managers constantly look for ways to change the business to improve profitability. These potential changes can be analyzed with a support of income

statement and balance sheet.

DATA **ANALYSIS &** **INTERPRETATION**

Data Analysis & Interpretation

Table 1. Shows the Regression Statistics

Regression Statistics	
Multiple R	0.992
R Square	0.985
Adjusted R Square	0.954
Standard Error	749.56
F	32.42

Table 2. Performance indicators of SBI

Variable	Mean	SD	P-value	Df	CV
Deposits	882082.31	480936.8	0.984	8	0.545
Borrowings	103049.54	74230.30	0.340	8	0.720
Investments	289391.08	113196.57	0.844	8	0.391
Advances	707226.23	440461.56	0.991	8	0.623
Net Profit	8459.31	3511.27	0.088	8	0.415
Return on Average Assets (%)	0.84	0.17	0.081	8	0.202
Return on Equity (%)	14.26	3.10	0.740	8	0.218
Dividend Payout Ratio (%)	19.18	2.37	0.868	8	0.123
Net NPA to Net Advances	2.22	0.72	0.312	8	0.321

Table value =0.0023 at 5%level of Significance

HYPOTHESIS

HYPOTHESIS

H01: There is no significant difference of performance of SBI in some of Deposits.

H02: There is no significant difference between performances of SBI in terms of Borrowing.

H03: There is no significant difference between performances of SBI in terms of Investment.

HYPOTHESIS TESTING

Table 1 shows a regression statistics which shows relationship of the variable which shows positively held between dependent and independent variable. Multiple R is 99.23 which near to 100 and with 5% confidence level. And R square is 98.48. F is 32.41. Table 2 shows the performance indicator of SBI - Deposits: the calculated value of covariance is 0.545 is greater than the table value 0.0023. Therefore, H01 is rejected. P-value is 0.984 Hence, it is indirect that there is a significant difference between the performance of SBI Deposit Borrowings: the calculated value of covariance is 0.720 is greater than the table value 0.0023. Therefore, H02 is rejected. P-value is 0.340. Hence, it is indirect that there is a significant difference between the performance of SBI Borrowings.

Table 3. Shows Lower Correlation of Variables

Deposits	1.00								
Borrowings	0.99	1.00							
Investments	0.98	0.96	1.00						
Advances	1.00	0.99	0.97	1.00					
Net Profit	0.85	0.85	0.83	0.85	1.00				
Return on Average Assets(%)	-0.75	-0.75	-0.72	-0.75	-0.32	1.00			
Return on Equity(%)	0.85	-0.83	-0.81	-0.85	-0.52	0.93	1.00		
Dividend Payout Ratio(%)	0.65	0.66	0.61	0.66	0.71	-0.37	-0.53	1.00	
Net NPA to Net Advances	0.27	0.23	0.32	0.24	-0.09	-0.42	-0.24	-0.27	1.00

Investment: the calculated value of covariance is 0.391 is greater than the table value 0.0023. Therefore, I103 is rejected. P-value is 0.844 hence, it is indirect that there is a significant difference between the performance of SBI Investment.

Advances: the calculated value of covariance is 0.623 is greater than the table value 0.0023. Therefore, H04 is rejected. P-value is 0.991. Hence, it is indirect that there is a significant difference between the performances of SBI Advances.

Net Profit: the calculated value of covariance is 0.415 is greater than the table value 0.0023. Therefore, H05 is rejected P-value is 0.0881. Hence, it is indirect that there is a significant difference between the performances of SBI Net Profit.

ROA (Return on assests): the calculated value of covariance is 0.202 is greater than the table value 0.0023. Therefore, H106 is rejected. P-value is 0.081. Hence, it is indirect that there is a significant difference between the performances of SBI ROA

ROE (Return on equity): the calculated value of covariance is 0.218 is greater than the table value 0.0023. Therefore, H07 is rejected. P-value is 0.740. Hence, it is indirect that there is a significant difference between the performances of SBI ROE.

DPR (Diversified Payments Rights): the calculated value of covariance is 0.123 is greater than the table value 0.0023. Therefore, H08 is rejected. P-value is 0.868. Hence, it is indirect that there is a significant. difference between the performances of SBI DPR.

Advances: the calculated value of covariance is 0.623 is greater than the table value 0.0023. Therefore, H04 is rejected. P-value is 0.991. Hence, it is indirect that there is a significant difference between the performances of SBI Advances.

Net Profit: the calculated value of covariance is 0.415 is greater than the table value 0.0023. Therefore, H_0 is rejected P-value is 0.0881. Hence, it is indirect that there is a significant difference between the performances of SBI Net Profit.

NET NPA TO NET ADVANCES:

The calculated value of covariance is 0.321 is greater than the table value 0.0023.

Therefore, H_0 is rejected. P-value is 0.321. Hence, it is indirect that there is a H_0 :

There is no significant difference between performances significant difference between the performances of SBI Net NPA to Net Advances. Table 3 To interpret correlations) coefficients Deposits with Borrowings, Investment, Advances closer the correlation is to 1.0, the stronger the relationship. between the each other variables. A correlation of 0.0 indicates the absence of a relationship. The correlation coefficient of ROE with Borrowings. Advances is 0.80, which indicates the presence of a strong relationship. A positive correlation coefficient means that as variable 1 increases, variable 2 increases, and conversely, as variable 1 decreases, variable 2. decreases. In other words, the variables move in the same. direction when there is a positive correlation. A negative correlation means that as variable 1 increases, variable 2 decreases and vice versa. In other words, the variables move in opposite directions when there is a negative correlation. The negative sign indicates that as class size increases, mean reading scores decrease.

FINDINGS

FINDINGS

- Return on average is 0.94 in 2003-04 gradually started decreasing in 2005-06, in the year 2007-09 it has reached 1.00 and there is a fluctuation in every year.
- Initially the Return on equity is 18.12 then it started fluctuating in coming years at the end 2015-16 it is 7.74.
- In the year 2003-04 the Dividend payout ratio is 15.72 and increasing in the coming year and reached 20.28 in 2015-16.
- Net NPA to Net Advances initially it is more 3.48 and decreased in 2006-07 ie, 1.56 then it has reached to 3.81.
- Regression statistics which shows relationship of the variable which shows positively held between dependent and independent variable.
- Multiple R is 99.23 which near to 100 and with 5% confidence level And R square is 98.48. F is 32.41.
- The performance indicator of SBI Deposits: the calculated value of covariance is 0.545 is greater than the table value 0.0023. Therefore, HOI is rejected. P value is 0.984 hence; it is indirect that there is a significant difference between the performances of SBI Deposit.

- **Borrowings:** the calculated value of covariance is 0.720 is greater than the table value 0.0023. Therefore, H02 is rejected. P-value is 0.340. Hence, it is indirect that there is a significant difference between the performances of SBI Borrowings.
-
- **Investment :** the calculated value of covariance is 0,391 is greater than the table value 0.0023. Therefore, H03 rejected P-value is 0.844 hence, it is indirect that there is a significant difference between the performances of SBI Investment.
- **Advances:** the calculated value of covariance is 0.623 is greater than the table value 0.0023. Therefore, H04 is rejected P-value is 0.991. Hence, it is direct that there is a significant difference between the performances of SBI Advances
- **Net Profit:** the calculated value of covariance is 0.415 is greater than the table value 0,0023. Therefore, H05 is rejected. P-value is 0.0881. Hence, it is indirect that there is a significant difference between the performances of SBI Net Profit.

SUGGESTIONS

Suggestions

- Decline in profitability of the banking system due to unsecured loans and advances.
- The performance will indirectly affect the profitability of SBI.
- Proper control over leverage should be taken in order to magnify DP ratio.
- The DER is quite high viz. worrisome, as it indicates a precarious amount of leverage.
- There should be a steady stream of sustainable dividends from a company, the dividend payout ratio analysis is important.
- A consistent trend in this ratio is usually more important than a high or low ratio. Bank has fallen a percentage each year for the last five years might indicate that the company can no longer afford to pay such high dividends. This could be an indication of poor operating performance.

CONCLUSIONS

CONCLUSIONS

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

The analysis reveals that there is no significant difference between Deposits, Investment, Advances, Borrowing, Net Profit etc., there is growing evidence of concern by the SBI group on the declining profitability of the banking system due to unsecured loans and advances. It has becomes extremely over and finds remedial measures to reduce the profitability in the value of new banking philosophy. Hence, in the present paper of the study an attempt has been made to analyze the financial performance of SBI.

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APPENDIX

QUESTIONNAIRE

Name -

Occupation

Contact Detail

SBI

Q. On which bank you depend for your regular transaction?

- a) SBI
- b) ICICI Bank
- c) HDFC Bank
- d) Other Bank, Specify (

Q. Are you aware of products & services provided by SBI?

- a) YES b) NO

Q. If yes are you aware of the advance products (Loan segments) of SBI?

- a) YES b) NO

Q. Which bank you prefer for taking loans?

- a) SBI
- b) ICICI Bank
- c) HDFC Bank
- d) Other Bank, Specify (

Q. If you prefer SBI for taking loan than what influence you to take Loan from SBI?

Q. Which loan product of SBI you have used?

- a) Home Loan
- b) Education Loan
- c) Car Loan
- d) Personal Loan
- e) Other Loans, Specify (_____)

Q. What do you feel about the services providing by SBI in advance product? SBI

- a) Bad
- b) Satisfactory
- c) Good

d) lent

Q. Which features you like most in Loan segments of SBI?

a) Less paper work

b) Attractive interest rate

c) Transparency

d) Simple & fast processing

e) Flexibility to choose an EMI base loan or an overdraft

f) Longer tenure lone for ease of repayment

g) Specially design product for self employed

h) Any other feature, specify (._____)