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An Analysis of SBI Bank's Financial Performance (2015-2020)

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Abstract: *The research on SBI Bank's financial performance is the subject of this study. By suitably establishing the connection between the items of the asset report and the benefit and misfortune account, a bank's financial performance shows the strengths and weaknesses of that particular bank. The current paper's objective is to analyse SBI's (State Bank of India) financial performance during a six-year period (2015–2020). The goal of this investigation is to look at State Bank of India's financial ratio analysis. Increasing the value of benefits is commercial banks' primary goal. In order to do this, banks concentrate on their research on monetary presentation and try to arrange their portfolios in a way that maximises return. The analysis made use of a variety of tools, including current proportion, net benefit percentage, stock turnover proportion, and other execution proportions. The concepts reveal that the company should develop crucial means of obtaining regular compensation in order to maintain consistent productivity performance.*

Keywords: ratio analysis, growth aspects, and financial performance.

I. INTRODUCTION

One definition of finance is the art and science of money management. Financial services and financial instruments are included. The providing of funds when required is another name for finance. The acquisition of finances and their efficient application in business matters constitute the finance function. Capital, finances, money, and amount are all included in the idea of finance. However, every word has a distinct meaning. Studying and comprehending the idea of finance has become crucial to company concerns. A financial statement is any document that includes financial data about a business. At the conclusion of the accounting period, they present the company's financial situation and profitability.

II. STATEMENT OF THE PROBLEM

The banking services sector is governed by the Reserve Bank of India. A unique method that acknowledges a bank's relatively particular risks is necessary for the analysis of a bank's financial statements.

The following research questions serve as the basis for this investigation:

1. How has SBI Bank's performance trended over the past six years?
2. How effective were the banks' liquidity and solvency positions?

III. OBJECTIVES OF THE STUDY

- To determine the SBI Bank's financial liquidity situation.
- To evaluate SBI Bank's solvency situation.
- To assess SBI's operational performance, growth, and financial standing.

IV. RESEARCH METHODOLOGY

Source of Data	Secondary Data
Period of Study	2014-2015 to 2019-2020

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Framework of analysis	Financial statements
Tools and Techniques	Ratio analysis

V. STATISTICAL TOOLS

Financial statement analysis can be done using a variety of techniques. These are sometimes referred to as financial analysis methods or instruments. One of these businesses can select the methods that best fit its needs. The main methods used in financial analysis are:-

a. Comparative Financial Statement.

b. Analysis of Ratios.

VI. REVIEW OF LITERATURE

- T. Nayana.N. and Dr. Veena K.P. (2018), State Bank of India's financial performance. The goal of this study is to assess State Bank of India's relative profitability and financial performance. We have used SBI's profitability position and profitability performance analysis for this study. Analysing how various elements affect their profitability is crucial since it will help them identify areas in which they should focus more. The mean, standard deviation, and ANOVA test have all been examined in this article. This essay concludes that the main driving force behind all economic activity is profitability.
- Ramya S, Narmadha NKB, Lekha S, Nandhitha Bagyam VR, and Keerthana A (2017) describe a new approach analysis of the state bank of India's financial performance. The goal of this study is to examine SBI's (State Bank of India) financial performance during a five-year period (2012-2016).The performance evaluation of SBI Ltd. was based on a number of CAMELS rating system factors, which are helpful for banks and people who interact with them in order to pinpoint weaknesses and implement remedial actions.

VIII. FINDINGS

- According to the current ratio, growth peaked in 2015–2016 at 1.095:1 and decreased to 0.994:1 in 2018–2019.
- The liquid ratio grew at its maximum rate in 2017–2018 (0.485:1) and at its lowest rate in 2018–2019 (0.375:1).
- The absolute liquid ratio has a maximum increase of 0.059:1 in 2015–2016 and a minimum growth of 0.043:1 in 2019–2020.
- The Debt Equity Ratio increased to 463.603 in 2018–2019 and to 327.680 in 2014–2015.
- The Fixed Asset Ratio grew at its fastest rate in 2016–2017 (0.151) and at its slowest rate in 2014–2015 (0.050).
- The Proprietary Ratio exhibits the greatest increase in 2014–2015 (0.060) and the lowest growth in 2016–2017 (0.015).
- The Current Asset to Proprietors Fund Ratio grew at its maximum rate in 2019–2020 (4658.375) and at its lowest rate in 2014–2015 (3600.105).
- The Fixed Asset to Proprietor Fund Ratio increased to 63.88 in 2016–2017 and to 16.58 in 2014–2015.
- The Reserve to Capital Ratio exhibits the greatest growth in 2019–2020 at 28031.2 and the lowest growth in 2014–2015 at 21517.2.
- The Deposit to Total Asset Ratio indicates the lowest increase in 2017–2018 at 0.75 and the highest growth in 2019–2020 at 0.78.

VIII. SUGGESTIONS

- The SBI Bank needs to take the appropriate steps to increase its current assets and decrease its current liabilities and advances.
- The SBI bank needs to focus on increasing the value of its fixed assets. In order to reduce their long-term funds, the SBI bank must take the required actions.

- The SBI bank ought to increase the value of its reserves.
- The SBI bank needs to focus on increasing its net profit value.

IX. CONCLUSION

The banking industry is crucial to a nation's economic growth. One of India's top public sector banks is SBI. SBI has a stronger foothold in the market. The status of the bank in sustaining daily operations is determined by financial analysis. The purpose of this study is to assess SBI Bank's performance.

After gathering the different ratios in the aforementioned area, it was discovered that 2020 saw a notable increase. SBI is more profitable since it continually raises the standard of its services and accesses both the commercial and industry markets. The SBI bank must demonstrate exceptional performance in a number of areas in this fiercely competitive global market.

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