

An Analysis of Financial statements of State Bank of India from 2014 to 2019-----

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ABSTRACT

This article is about analysis of financial statements of SBI from 2014 to 2019. The financial tools used are Common Size, Comparative, Trend and Ratio analysis. The objective of the paper is to find out and examine the financial performance of the biggest and sound bank in India. The graphs and analysis made with some positive conclusions.

Key words Comparative Statements, Ratio Analysis, Common Size Statements, Trend Analysis

Introduction

Finance is nothing but the paper currency. The poverty in India is eradicated with the financial inclusion. Most of the problems of the country and people can be solved by money. In present day nobody's life moves forward without the finance. Micro enterprises, service enterprises and large enterprises either manufacturing enterprises or service enterprises requires finance to carry out their operations smoothly for achieving their goals or objectives. In fact, finance is so indispensable today that it is rightly said to be the lifeblood of an organization.

Concept

It is very critical and vital component of almost every once life. It encompasses our life completely. It is very important for every entity to manage its funds effectively in order to maximize the production, which results in profit maximization. We are dealing with it every day.

The term finance is playing the vital role in the day to day operations. It involves

- The study of money and other assets
- The management and control of those assets

- Profiling and managing project risks
- The science of managing money
- As a verb “to finance” is to provide funds for business or for an individual’s large purchases like cars, house, lands, etc.,

Meaning:

Finance is one of the major elements, which contains the activities that of the overall growth of an economy. Finance is the life blood of the economic activities.

Importance of Finance

Finance is regarded as life blood of an enterprise; no business can be started without adequate amount of finance. Rightly from the very beginning finance is required. Even an existing concern may require further finance for making improvement of expanding the business. Thus the importance of finance cannot be over emphasized.

The importance of corporate finance has arisen because of the fact that present day business activities or predominantly carried on company form of organization efficient management of every business enterprises is closely linked with efficient management of its finance.

The following are the some of the financial institutions. They are

1. Banks
2. Financial institutions
3. Chit funds
4. Mutual funds
5. Government agencies
6. Money lenders
7. Pan brokers

Financial function:

Finance function is the important of all business functions. It remains a focus of all activities. It is not possible to eliminate this function because the business will close down in the absence of finance the need for money is continuous. It starts with the setting up of an enterprise from various sources, and remains at all times. The development and expansion of business rather needs more commitment for funds. The funds have to be raised.

Financial management

Financial management is the specialized functions directly associated with the top management. The significance of this function is not only seen in the line but also in the capacity of staff in the overall administration of a company.

Definition of financial management:

“financial management may be defined as that area or set of administration function in an organization which relate with arrangement of cash and credit so that the organization may have the means to carry out its objectives as satisfactory as possible” _____MR HOWARD

Financial Statement:

Accounting is the process of identifying, measuring and communication economic information to permit informed judgment and decision by users of information. It involves recording, classifying and summarizing various business transactions.

The end product of business transaction is the financial statements comprising primarily the position statement or the balance sheet and the income statement or the profit and loss account. These statements are the outcomes of summarizing process of accounting and are therefore the sources of information on the basis of which conclusion are drawn about the organization.

Banking Industry

The word ‘bank’ is used in the sense of a commercial bank. It is of Germanic origin though some persons trace its origin to the French word ‘Banqui’ and the Italian word ‘Banca’. The first Bank called the ‘Bank of Venice’ was established in Venice, Italy in 1157 to finance the monarch in his wars. The bankers of Lombardy were famous in England. But modern banking began with the English goldsmiths only after 1640. The first bank in India was the “Bank of Hindustan” started in 1770 by alexander & Co., an English agency house in Calcutta which failed in 1782 with the closure of the agency house. But the first bank in the modern sense was established in the Bengal presidency as the Bank of Bengal in 1806. Their trading activities required the remittances of money from one place to another. For this, they issued “hundis” to remit funds, in India, such merchant bankers were known as ‘Seths’.

The next state in the growth of banking was the goldsmith. The business of goldsmith was such that he had to take special precautions against theft of gold and jewelry. If he seemed to be an honest person, merchants in the neighborhood started leaving their bullion, money and ornaments in his care. As this practice spread, the goldsmith started charging something for taking care of the money and bullion.

As evidence for receiving valuables, he issues a receipt. Since gold and silver coins had no makes of the owner, the goldsmith started lending them. As the goldsmith was prepared to give the holder of the receipt and equal amount of money on demand, the goldsmith receipt became like cheques as a medium of exchange and a means of payment.

The next stage in the growth of banking is the money lender. The goldsmith found that on an average the withdrawals of coins were much less than the deposits with him. So he started advancing the coins on loan by charging interest. As a safeguard, he kept some money in the reserve. Thus the goldsmith-money lender became a banker who started performing the two functions of modern banking that of accepting deposits and advancing loans.

The banking sector in India now focusing on rural areas and concentrating on Mobile banking to improve the operational efficiency.¹ There are nine challenges for a banking industry that is overdue, non-recovery of loans, political pressures, non-performing assets, competition from other banks etc.,²

Objectives of the study

Critical evaluation of financial statements of State Bank of India from 2015 to 2019

Statement of the Problem

Non-performing assets, Recovery and lending problems faced by State Bank of India

Sources of Data

Collection of data from secondary sources only

State Bank of India

The oldest, biggest and trusted bank in India is “State Bank of India”. The 10th Most reputed company in the world as per forbes.³ The bank is under expansion mode from 1955 to till today. We can see that the business day by day increasing. The role of State Bank of India in assisting agriculture is remarkable and it sanctioned loans for 1.5 crore farmers

Tools of analysis

Comparative, Common Size, Trend and Ratio Analysis

Comparative balance sheets

4.1 Comparative balance sheet of state bank of India as on 31-3-2019 (000’s omitted)

Particulars	2018	2019	Increase/	% of
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	Amount	Amount	decrease amount	change In amounts
I. Assets :				
Fixed assets	399922511	391975694	-7946817	-1.99
Other assets	2269941995	2663277028	+393335033	+17.33
Cash and bank balances with reserve bank of India	1503971814	1769324175	+265352361	+17.64
Balances with banks and money at call and short notice	415014605	455576940	+40562335	+9.77
Investments	10609867150	9670219475	-939647675	-8.86
Advances	19348801891	21858769177	+2509967286	+12.97
Total assets	34547519966	3680914,24,89	+2261622523	+6.55
II. liabilities:				
Capital	8924588	8924612	+24	+0.00027
Minority interest	-	-	-	-
Reserves and Surplus	2182361015	220021,36,33	+17852618	+0.82
Deposits	27063432850	2911386,01,07	+2050427257	+7.58
Borrowings	3621420745	403017,11,82	+408750437	+11.29
Other liabilities and provisions	1671380768	145597,29,55	-215407813	-12.89
Total liabilities	34547519966	3680914,24,89	+2261622523	+6.55

- Form the above analysis we can see that the total fixed assets in 2019 is decreased by Rs. 7946817000 i.e. 1.99%. But the borrowings are increased by Rs. 408750437000 i.e. 11.29% and capital increased by Rs. 24000 i.e. 0.00027%. Hence it is analyzed that they are depends up on the outside capital for purchasing assets.
- Reserves and surplus is increased by Rs. 17852618000 i.e. 0.82%. It shows the dividends were paid without help of debentures and bonus shares to the shareholders.
- The state bank of India is having the current assets increased by Rs. 305914696000 i.e. 15.94%, advances are increased by Rs. 2509967286000 i.e. 12.97%, the other assets are also increased by Rs. 393335033000 i.e.17.33% and the investments are decreased by Rs. 939647675000 i.e. 8.86%.
- The deposits are increased by Rs. 408750437000 i.e. 11.29% and the other liabilities are decreased by Rs. 215407813000 i.e. 12.89%.

4.2 Comparative balance sheet of state bank of India as on 31-3-2018 (000's omitted)

Particulars	2017	2018	Increase/	% of
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	Amount	Amount	decrease amount	change In amounts
I. Assets:				
Fixed assets	429189179	399922511	-29266668	-6.82
Other assets	1540077244	2269941995	+729864751	+47.39
Cash and bank balances with reserve bank of India	1279976177	1503971814	+223995637	+17.50
Balances with banks and money at call and short notice	439740321	41504605	-24725716	-5.62
Investments	7659896309	10609867150	+2949970841	+38.51
Advances	15710783811	19348801891	+3638018080	+23.16
Total assets	27059663041	34547519966	+7487856925	+27.67
II. liabilities:				
Capital	7943504	8924588	+951084	+11.93
Minority interest	-	-	-	-
Reserves and Surplus	1874887122	2182361015	+307473893	+16.40
Deposits	20447513947	27063432850	+6615918903	+32.36
Borrowings	3176936583	3621420745	+444484162	+13.99
Other liabilities and provisions	1552351885	1671380768	+119028883	+7.67
Total liabilities	27059663041	34547519966	+7487856925	+27.67

- Form the above analysis we can see that the total fixed assets in 2018 is decreased by Rs. 29266668000 i.e. 6.82%. But the borrowings are increased by Rs. 444484162000 i.e. 13.99% and capital increased by Rs.951084000 i.e. 11.93%. Hence it is analyzed that they are depends up on the outside capital for purchasing assets.
- Reserves and surplus is increased by Rs. 307473893000 i.e. 16.40%. It shows the dividends were paid without help of debentures and bonus shares to the shareholders.
- The state bank of India is having the current assets increased by Rs.199269921000 i.e. 15.05%, advances are increased by Rs.3638018080000 i.e. 23.16%, the other assets are also increased by Rs. 729864751000 i.e.47.39% and the investments are decreased by Rs. 2949970841000 i.e.38.51%.
- Deposits are increased by Rs.6615918903000 i.e.32.36% and the other liabilities are increased by Rs. 119028883000 i.e. 7.67%.

4.3 Comparative balance sheet of state bank of India as on 31-3-2017 (000's omitted)

Particulars	2016	2017	Increase/	% of
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	Amount	Amount	decrease amount	change In amounts
II. Assets:				
Fixed assets	103892772	429189179	+3252964407	+313.10
Other assets	1404084051	1540077244	+135993193	+9.68
Cash and bank balances with reserve bank of India	1296293253	1279976177	-16317076	-1.26
Balances with banks and money at call and short notice	378383312	439740321	+61357009	+6.22
Investments	5756517828	7659896309	+1903378481	+33.06
Advances	14637004175	15710783811	+1073779636	+7.34
Total assets	23576175391	27059663041	+3483487650	+14.78
II. liabilities:				
Capital	7762777	7943504	+210727	+2.71
Minority interest	-	-	-	-
Reserves and Surplus	1434981583	1874887122	+439905539	+30.66
Deposits	1734981583	20447513947	+3140289586	+18.14
Borrowings	3233445861	3176936583	-56509278	-1.75
Other liabilities and provisions	1592760809	1552351885	-40408924	-2.54
Total liabilities	23576175391	27059663041	+3483487650	+14.78

- Form the above analysis we can see that the total fixed assets in 2017 is increased by Rs. 3252964407000 i.e.313.10%. But the borrowings are decreased by Rs.56509278000 i.e. 1.75% and capital increased by Rs.210727000 i.e. 2.71%. Hence it is analyzed that they are depends up on the outside capital for purchasing assets.
- Reserves and surplus is increased by Rs. 439905539000 i.e. 30.66%. It shows the dividends were paid without help of debentures and bonus shares to the shareholders.
- The state bank of India is having the current assets increased by Rs.45039933000 i.e. 2.69%, advances are increased by Rs.15710783811000 i.e. 7.34%, the other assets are also increased by Rs. 135993193000 i.e.9.68% and the investments are increased by Rs. 1903378481000 i.e.33.06%.
- Deposits are increased by Rs.3140289586000 i.e.18.14% and the other liabilities are decreased by Rs. 40408924000 i.e. 2.54%.

4.4 Comparative balance sheet of state bank of India as on 31-3-2016 (000's omitted)

Particulars	2015 Amount	2016 Amount	Increase/ decrease	% of change
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			amount	In amounts
I. Assets:				
Fixed assets	93291642	103892772	+10601130	+11.36
Other assets	1022097128	1404084051	+381986923	+37.37
Cash and bank balances with reserve bank of India	1158838435	1296293253	+137454818	+11.86
Balances with banks and money at call and short notice	388719386	378383312	-10336074	-2.66
Investments	4817587478	4770972765	-46614713	-0.97
Advances	13000263929	14637004175	+1636740246	+12.59
Total assets	20480797998	22590630328	+2109832330	+10.30
II. liabilities:				
Capital	7465731	762777	+297046	+3.98
Minority interest	-	-	-	-
Reserves and Surplus	1276916534	1434981583	+158065049	+12.38
Deposits	15767932450	17307224361	+1539291911	+9.76
Borrowings	2051502926	2241905861	+190402935	+9.28
Other liabilities and provisions	1376980357	1598755746	+221775389	+16.11
Total liabilities	20480797998	22590630328	+2109832330	+10.30

- Form the above analysis we can see that the total fixed assets in 2016 is increased by Rs. 10601130000 i.e.11.36%. But the borrowings are also increased by Rs.190402935000 i.e. 9.28% and capital increased by Rs.297046000 i.e. 3.98%. Hence it is analyzed that they are depends up on the outside capital for purchasing assets.
- Reserves and surplus is increased by Rs. 158065049000 i.e. 12.38%. It shows the dividends were paid without help of debentures and bonus shares to the shareholders.
- The state bank of India is having the current assets increased by Rs.127118744000 i.e. 8.21%, advances are increased by Rs.1636740246000 i.e. 12.59%, the other assets are also increased by Rs. 381986923000 i.e.37.37% and the investments are decreased by Rs. 1636740246000 i.e.0.97%.
- Deposits are increased by Rs.1539291911000 i.e. 9.76% and the other liabilities are increased by Rs. 221775389000 i.e. 16.11%.

4.5 Comparative balance sheet of state bank of India as on 31-3-2015 (000's omitted)

Particulars	2014 Amount	2015 Amount	Increase/ decrease	% of change In
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			amount	amounts
I. Assets:				
Fixed assets	80021551	93291642	+13270091	+16.58
Other assets	435459021	1022097128	+586638107	+134.72
Cash and bank balances with reserve bank of India	849556605	1158838435	+309281830	+36.41
Balances with banks and money at call and short notice	475939722	388719386	-87220336	-18.33
Investments	3983081898	4817587478	+834505580	+20.95
Advances	12098287192	13000263929	+901976737	+7.46
Total assets	17922345989	20480797998	+2558452009	+14.28
II. liabilities:				
Capital	7465731	7465731	00	00
Minority interest	-	-	-	-
Reserves and Surplus	1175356765	1276916534	+101559769	+8.64
Deposits	13944085048	1576792450	+1823607402	+13.08
Borrowings	1831308826	2051502926	+220194100	+12.02
Other liabilities and provisions	964129619	1376980357	+412850738	+42.82
Total liabilities	17922345989	20480797998	+2558452009	+14.28

- Form the above analysis we can see that the total fixed assets in 2016 is increased by Rs. 13270091000 i.e.16.58%. But the borrowings are also increased by Rs.1823607402000 i.e. 13.08% and capital is not increased or decreased by Rs.0 i.e. 0%. Hence it is analyzed that they are not depends up on the outside capital for purchasing assets.
- Reserves and surplus is increased by Rs. 101559769000 i.e. 8.64 %. It shows the dividends were paid without help of debentures and bonus shares to the shareholders.
- The state bank of India is having the current assets increased by Rs.222061494000 i.e. 16.75%, advances are increased by Rs.901976737000 i.e. 7.46%, the other assets are also increased by Rs. 586638107000 i.e.134.72% and the investments are increased by Rs. 83450558000 i.e.20.95%.
- Deposits are increased by Rs.1823607402000 i.e.13.08% and the other liabilities are decreased by Rs. 412850738000 i.e. 42.82%.

Common size balance sheets

4.6 Common size balance sheet of state bank of India as on 31-3-2019 (000's Omitted)

Particulars	2018	2019
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	Amount	percentage %	Amount	Percentage %
I. Assets				
Cash and balance with reserve bank of India	1503971814	4.35	1769324175	4.81
Balance with banks and money at call and short notice	415014605	1.20	455576940	1.24
Investments	10609867150	30.71	9670219475	26.27
Advances	19348801891	56.01	21858769177	59.38
Fixed assets	399922511	1.16	391975694	1.06
Other assets	2269941995	6.57	2663277028	7.24
Total Assets	34547519966	100%	3680914,24,89	100%
II. Liabilities				
Capital	8924588	0.02	8924612	0.02
Minority interest	-	-	-	-
Reserves and surplus	2182361015	6.32	220021,36,33	5.98
Deposits	27063432850	78.34	2911386,01,07	79.09
Borrowings	3621420745	10.48	403017,11,82	10.95
Other liabilities and provisions	1671380768	4.84	145597,29,55	3.96
Total liabilities	34547519966	100%	3680914,24,89	100%

Source: Computed

From the above analysis the company financial position of both the years are good. It shows the comparison between the year 2019 and 2018. In the year 2019 less depends on its own funds for investments i.e. of 6% but in the year 2018 depends on their own funds i.e. 6.34%. In the year 2019 outsider's funds are more i.e. 94% and in the year 2018 it is of 93.66%. In the year 2019 is more depends on the outsider's funds even though both the years are financial performance is good. Advances are also increase in the year 2019 is of 59.38% compare to 2018 i.e. 56.01%. It shows that the state bank of India both the year's financial position is good.

4.7 Common size balance sheet of state bank of India as on 31-3-2018 (000's Omitted)

Particulars	2017		2018	
	Amount	percentage %	Amount	percentage %

I. Assets	Cash and balance with reserve bank of India	1279976177	4.73	1503971814	4.35
	Balance with banks and money at call and short notice	439740321	1.62	415014605	1.20
	Investments	7659896309	28.31	10609867150	30.71
	Advances	15710783811	58.06	19348801891	56.01
	Fixed assets	429189179	1.59	399922511	1.16
	Other assets	1540077244	5.69	2269941995	6.57
	Total Assets	27059663041	100%	34547519966	100%
	II. Liabilities	Capital	7973504	0.03	8924588
Minority interest		-	-	-	-
Reserves and surplus		1874887122	6.93	2182361015	6.32
Deposits		20447513947	75.56	27063432850	78.34
Borrowings		3176936583	11.74	3621420745	10.48
Other liabilities and provisions		1552351885	5.74	1671380768	4.84
Total liabilities		27059663041	100%	34547519966	100%

Source: Computed

From the above analysis the company financial position of both the years are good. It shows the comparison between the year 2018 and 2017. In the year 2018 less depends on its own funds for investments i.e. of 6.34% but in the year 2017 depends more on their own funds i.e. 6.96%. In the year 2018 outsider's funds are more i.e. 93.04% and in the year 2017 it is of 93.04%. In the year 2018 is more depends on the outsider's funds even though both the years are financial performance is good. Advances are decrease in the year 2018 is of 56.01% compare to 2017 i.e. 58.06%. It shows that the state bank of India both the year's financial position is good.

4.8 Common size balance sheet of state bank of India as on 31-3-2017 (000's Omitted)

Particulars	2016		2017	
	Amount	percentage %	Amount	percentage %

I. Assets	Cash and balance with reserve bank of India	1296293253	5.50	1279976177	4.73
	Balance with banks and money at call and short notice	378383312	1.60	439740321	1.62
	Investments	5756517828	24.42	7659896309	28.31
	Advances	14637004175	62.08	15710783811	58.06
	Fixed assets	103892772	0.44	429189179	1.59
	Other assets	1404084051	5.96	1540077244	5.69
	Total Assets	23576175391	100%	27059663041	100%
II. Liabilities	Capital	77762727	0.03	7973504	0.03
	Minority interest	-	-	-	-
	Reserves and surplus	1434981583	6.09	1874887122	6.93
	Deposits	17307224361	73.41	20447513947	75.56
	Borrowings	3233445861	13.71	3176936583	11.74
	Other liabilities and provisions	1592760809	6.76	1552351885	5.74
	Total liabilities	23576175391	100%	27059663041	100%

Source: Computed

From the above analysis the company financial position of both the years are good. It shows the comparison between the years 2016 and 2017. In the year 2017 is more depends on its own funds for investments i.e. of 6.96% but in the year 2016 less depends on their own funds i.e. 6.12%. In the year 2017 outsiders' funds are less i.e. 93.04% and in the year 2016 it is more of 93.83%. In the year 2017 is less depends on the outsider's funds even though both the years are financial performance is good. Advances decrease in the year 2017 is of 58.06% compare to 2016 i.e. 62.08%. It shows that the state bank of India both the year's financial position is good.

4.9 Common size balance sheet of state bank of India as on 31-3-2016 (000's Omitted)

Particulars	2015		2016	
	Amount	percentage %	Amount	Percentage %

I. Assets	Cash and balance with reserve bank of India	1158838435	5.56	1296293253	5.74
	Balance with banks and money at call and short notice	388719386	2.88	378383312	1.67
	Investments	4817587478	24.17	4770972765	21.12
	Advances	13000263929	63.48	14637004175	64.79
	Fixed assets	93291642	0.46	103892772	0.46
	Other assets	1022097128	3.36	1404084051	6.22
	Total Assets	20480797998	100%	22590630328	100%
II. Liabilities	Capital	7465731	0.04	7762777	0.04
	Minority interest	-	-	-	-
	Reserves and surplus	1276916534	6.23	1434981583	6.35
	Deposits	15767930450	76.99	17307224361	76.61
	Borrowings	2051502926	10.22	2241905861	9.92
	Other liabilities and provisions	1376980357	6.72	1598755746	7.08
	Total liabilities	20480797998	100%	22590630328	100%

Source: Computed

From the above analysis the company financial position of both the years are good. It shows the comparison between the years 2015 and 2016. In the year 2016 is more depends on its own funds for investments i.e. of 6.39% but in the year 2015 less depends on their own funds i.e. 6.27%. In the year 2016 outsiders' funds are less i.e. 93.61% and in the year 2015 it is more of 93.93%. In the year 2016 is less depends on the outsider's funds even though both the years are financial performance is good. Advances increases in the year 2016 is of 64.79% compare to 2015 i.e. 63.48%. It shows that the state bank of India both the year's financial position is good.

4.10 Common size balance sheet of state bank of India as on 31-3-2015 (000's Omitted)

Particulars	2014		2015	
	Amount	percentage %	Amount	Percentage %

I. Assets				
Cash and balance with reserve bank of India	849556605	4.74	1158838435	5.56
Balance with banks and money at call and short notice	47939722	2.65	388719386	2.88
Investments	3987995713	22.25	4817587478	24.17
Advances	12098287192	67.48	13000263929	63.48
Fixed assets	80021551	0.45	93291642	0.46
Other assets	435682125	2.43	1022097128	3.36
	17927482908	100%	20480797998	100%
Total				
Assets	7465731	0.04	7465731	0.04
II. Liabilities	-	-	-	-
Capital	1175356765	6.56	1276916534	6.23
Minority interest	13944085048	77.78	15767930450	76.99
Reserves and surplus	1831308826	10.22	2051502926	10.22
Deposits				
Borrowings	969266538	5.40	1376980357	6.72
Other liabilities and provisions	17927482908	100%	20480797998	100%
Total liabilities				

Source: Computed

From the above analysis the company financial position of both the years are good. It shows the comparison between the years 2014 and 2015. In the year 2015 is more depends on its own funds for investments i.e. of 6.27% but in the year 2014 less depends on their own funds i.e. 6.60%. In the year 2015 outsiders' funds are more i.e. 93.93% and in the year 2014 it is less of 93.40%. In the year 2015 is more depends on the outsider's funds even though both the years are financial performance is good. Advances are decreases in the year 2015 is of 63.48% compare to 2014 i.e. 67.48%. It shows that the state bank of India both the year's financial position is good.

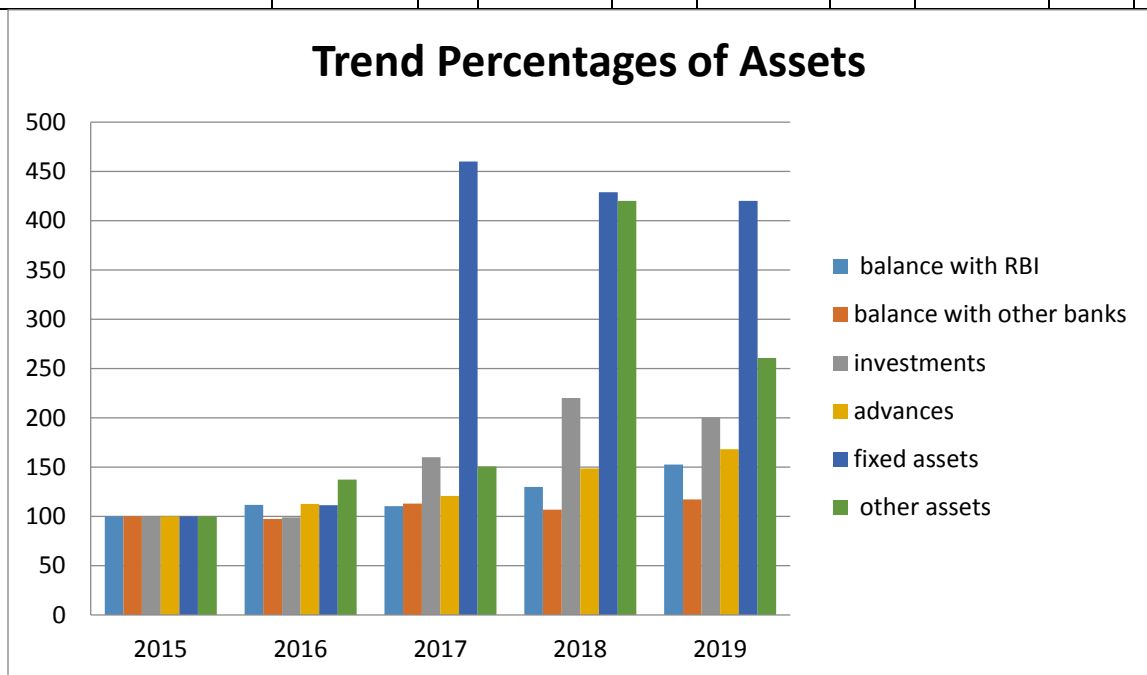
Trend analysis

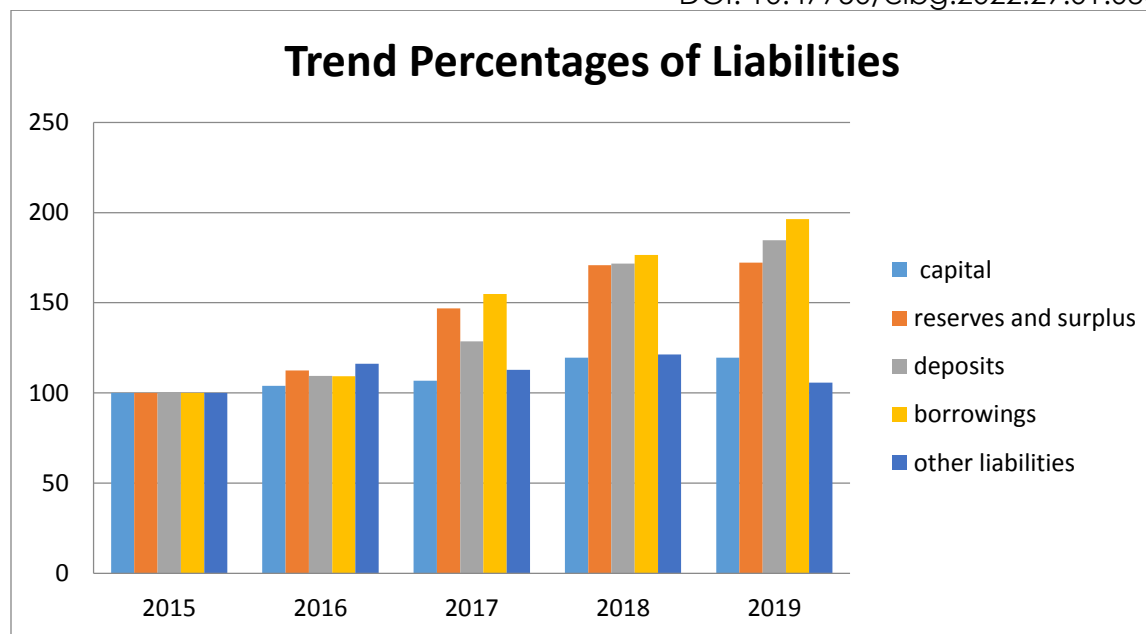
4.11 Trend analysis of state bank of India from 2015 to 2019 (base year taken as 2015) (000's omitted)

Particulars	2015		2016		2017		2018		2019	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%

I. Assets:											
Cash and balance with RBI	1158838	1	129629	111.	127997	110.	150397	129.	176932	152	
Balance with banks & money at call & short notice	435	0	3253	86	6177	45	1814	78	4175	.68	
Investments	3887193	0	378383	97.3	439740	113.	415014	106.	455576	117	
Advances	86	1	312	4	321	13	605	76	940	.20	
Fixed assets	4817587	0	477097	99.0	765989	159.	106098	220.	967021	200	
Other assets	478	0	2765	3	6309	99	67150	23	9475	.73	
	1300026	1	146370	112.	157107	120.	193488	148.	218587	168	
	3929	0	04175	59	83811	85	01891	83	69177	.14	
	9329164	0	103892	111.	429189	460.	399922	428.	391975	420	
	2	1	772	36	179	05	511	68	694	.16	
	1022097	0	140408	137.	154007	150.	226994	222.	266327	260	
Total assets	128	0	4051	37	7244	68	1995	09	7028	.57	
II. Liabilities:		1									
Capital Reserves and surplus		0									
Deposits		0									
Borrowings		1									
Other liabilities & provisions		0									
Minority interest		0									
	2048079	1	225906	110.	270596	132.	345475	168.	368091	179	
	7998	0	30328	38	63041	12	19966	68	42489	.73	
		0									
	7465731	1	776277	103.	797350	106.	892458	119.	892461	119	
	1276916	0	7	98	4	80	8	54	2	.54	
Total liabilities	534	0	143498	112.	187488	146.	218236	170.	220021	172	
	1576793	1	1583	38	7122	83	1015	90	3633	.31	
	2450	0	173072	109.	204475	129.	270634	171.	291138	184	
	2051502	0	24361	76	13947	68	32850	64	60107	.64	
	926	1	224190	109.	317693	154.	362142	176.	403017	196	
		0	5861	28	6583	86	0745	53	1182	.45	
	1376980	0									
	357	1	159875	116.	155235	112.	167138	121.	145597	105	
	-	0	5746	11	1885	74	0768	38	2955	.73	
		0									
		1									

		0								
		0								
		-								
	2048807	1	225906	110.	270596	132.	345475	168.	368091	179
	97998	0	30328	30	63041	12	19966	68	42489	.73
		0								





- Form the above analysis the financial position the state bank of India in these years we can see that the fixed assets in 2015 is Rs 93291642000 i.e. 100%, 2016 is Rs 103892772000 i.e. 111.36%, 2017 is of Rs 509407377000 i.e. 546.04%, 2018 is of Rs 399922511000 i.e. 428.68% and 2019 is of Rs 391975694000 i.e. 420.16%. From the last two years the fixed assets are decreased from 546.04% to 428.68% and 420.16% respectively. At the same time the borrowings are also increased continuously from 2015 to 2019 as Rs 2051502926000, Rs 2241905861000, Rs 3363656648000, Rs 3363656648000, Rs 3621420745000, and Rs 4030171182000 respectively as 100%, 109.28%, 163.96%, 176.53%, 196.45% respectively and also the capital also increases from 2015 to 2018 like Rs 74657000, Rs 7762777000, Rs 7973504000, and Rs 8924588000 respectively and in 2019 also same amount of capital as 2018.
- The current assets are also increase in one year and decrease in another year. The current liabilities are also increases up to 2017 and from last two years it is decrease.
- The reserves and surplus also increases continuously from 2015 to 2019 from 100% to 184.64%.

Ratio analysis:

1. Total advances to total deposits ratio:

. This ratio can be calculated by using the following formula.

$$= \text{Total Advances} / \text{Total Deposits} * 100$$

1.12. Table of total advances to total deposits ratios in percentages

Ratio	2015	2016	2017	2018	2019
Total advances/total assets	82.45	84.57	76.83	71.49	75.08

Source: Computed values

In the above analysis we can find that in 2015 with a percentage of 82.45, in 2016 it is increased to 84.57%, in 2017 and 2018 it is decreased to 76.83% and 71.79% respectively. Finally, in 2019 it is again increased to 75.08%. It shows that state bank of India is having the good plan for investing the advances and deposits by customers with greater extent for earning more interest along with principle amount.

2. Liquid assets to total assets ratio:

It can be calculated by using the following formula:

$$= \text{Liquid Assets} / \text{Total Assets} * 100$$

Where liquid assets= cash in hand, balances with institutions, money at call at short notice, cash and balances with Reserve bank of India.

1.13. Table of liquid assets to total assets ratios in percentages

Name of the Ratio	2015	2016	2017	2018	2019
Liquid assets to total assets ratio	7.56	7.41	6.36	5.55	6.04

Source: Computed

In the above analysis we can find that the ratio of liquid assets to total assets percentages from 2015 to 2019. In 2015 percentage of ratio is 7.56, in 2016 it is reduced 7.41%, in 2017 and 2018 also reduced i.e. 6.36 and 5.55 respectively. In 2019 it is greatly increased to 6.04%. It is clearly said the liquidity position is high compared to last year.

3. Government Securities to Total Assets (G-Sec/TA):

It can be calculated by using the following formula:

$$= \text{Amount invested in government securities} / \text{total assets} * 100$$

The calculated values of this ratio are shown in the following table.

1.14. Table of government securities to total assets ratio values in percentages

Name of the Ratio	2015	2016	2017	2018	2019
Government securities to total assets ratio	18.72	16.39	21.58	24.86	21.01

Source: Computed

The above analysis can be showing the values of government securities to total assets ratio in percentages from 2015 to 2019. In the year 2015 it is having the 18.72% and 2016 it is decreased to 16.39% and later it is continuously increase in 2017 and 2018 i.e. 21.58% and 24.86%. In the year 2019 it is again reduced to 21.01%. It can be explaining that it is having the shortage of funds compared to 2018.

4. Liquid Assets to Demand Deposits ratio (LA/DD):

It can be calculated by using the following formula:

$$= \text{liquid assets} / \text{demand deposits} * 100$$

The calculated values of this ratio are shown in the following table.

4.15 Table of liquid assets to demand ratio values in percentages

Name of the Ratio	2015	2016	2017	2018	2019
Liquid assets to demand deposits ratio	9.81	9.68	8.41	7.09	7.64

Source: Computed

In the above analysis clearly shows that the values of the liquid assets to demand ratio in percentages from 2015 to 2019. In the year 2015 the value is highly liquid that is 9.81% and it is continuously decrease from 2016 to 2018 i.e. 9.68%, 8.41%, and 7.09%. In the year 2019 it is again increased to 7.64%. It shows that is raises the liquidity position to meet the customers demand.

5. Liquid Assets to total Deposits (LA/DD):

It can be calculated by using the following formula:

$$= \text{liquid assets} / \text{total deposits} * 100$$

The calculated values of this ratio are shown in the following table.

4.16 Table of liquid assets to total deposits ratios in percentages

Name of the Ratio	2015	2016	2017	2018	2019
Liquid assets to demand deposits ratio	9.81	9.68	8.41	7.09	7.64

Source: Computed

In the above analysis it shows that the values of the liquid assets to demand ratio in percentages from 2015 to 2019. In the year 2015 the value is highly liquid that is 9.81% and it is continuously decrease from 2016 to 2018 i.e. 9.68%, 8.41%, and 7.09%. In the year 2019 it is again increased to 7.64%. It shows that is raises the liquidity position to meet the customers demand.

6. Debt-Equity Ratio (D/E):

It can be calculated by using the following formula:

$$= \text{Borrowings} / \text{equity capital} * 100$$

Where

Equity capital = capital + reserves and surplus

The calculated values of this ratio are shown in the following table.

4.17 Table of debt – equity ratio values in percentages

Name of the Ratio	2015	2016	2017	2018	2019
Debt – Equity ratio	159.73	155.39	168.72	165.26	182.43

Source: Computed

In the above table clearly explains about the debt –equity ratio values in percentages from 2015 to 2019. In the year 2015 consists of 159.73% indicates normal protection to creditors. In the year 2016 consists of 155.39% indicates more security than the previous year. In the year 2017 consists of 168.72% indicates that less secure when compare to the previous year. In the year 2018 consists of 165.26% that shows the more secure comparing to 2017. In the year 2019 is having the 182.43% shows that less secure comparing to the previous years because they high ratio. That feels the creditor and depositors less security providing to their deposits or investments.

7. Advances to assets ratio(ADV/AST):

It can be calculated by using the following formula:

$$= \text{Advances} / \text{Total Assets} * 100$$

The calculated values of this ratio are shown in the following table.

4.18 Table of advances to assets ratio values in percentages

Name of the Ratio	2015	2016	2017	2018	2019
Advance to assets ratio	59.38	56.01	58.06	64.79	63.48

Source: Computed

In the above analysis it clearly shows that the values of advances to assets ratio in percentages from 2015 to 2019. In the year 2015 is 59.38% it is aggressiveness in lending money. In the year 2016 it is reduced to 56.01% and again increased in the years of 2017 and 2018 i.e.58.06%, and 64.79% respectively shows in aggressiveness in profitability. In the year 2019 it is reduced to 63.48% indicates less increase in profitability when comparing to previous year.

8. Total investments to total assets ratio(TI/TA):

It can be calculated by using the following formula:

$$= \text{Total Investments} / \text{Total Assets} * 100$$

The calculated values of this ratio are shown in the following table.

4.19 Table of total investments to total assets ratio values in percentages

Name of the Ratio	2015	2016	2017	2018	2019
Total investments to total assets ratio	23.52	21.12	28.31	30.71	26.27

Source: Computed

In the above table shows that values of total investments to total assets ratio values in percentages from 2015 to 2019. In the year 2015 of 23.52% of deposits locked up in the investments. In the year 2016 it is decreased to 21.12% and 2017 and 2018 it is increased investments that is 28.31%, 30.71% respectively. In the year 2019 is decreased to 26.27% it indicates that fewer investments are made.

9. Net profit to average assets ratio:

It can be calculated by using the following formula:

$$= \text{net profits} / \text{average assets} * 100$$

Where average assets = current year total assets + previous year total assets / 2

The calculated values of this ratio are shown in the following table.

4.20 Table of net profit to average assets ratio values in percentages

Name of the Ratio	2015	2016	2017	2018	2019
Net profits to average assets ratio	0.40	0.42	0.42	0.46	0.68

Source: Computed

The above analysis shows that the values of net profit to average assets ratio values in percentages from 2015 to 2019. In the year 2015 it is only 0.40% of return on investments made for purchasing assets. In the years 2016 and 2017 is having the constant return on assets employed that is 0.42%. In the years 2018 and 2019 are increased to 0.46% and 0.68% respectively for investment on assets.

5.1 Findings

1. The share capital for the four years has a slow progressive growth even though there is a rise in the numbers. The share capital does not have a steady upward pace.
2. The reserves and surplus is having the continuous growth in the five years' period with less growth rate because of variations in the profits.

3. Deposits are also continuously increases with the high rate. It is helpful to company safe mode of banking which increases the number of deposits in every year. Also this gives a reason for an assumption that the bank offers attractive officers that encourages the savings of their customers or the depositors.
4. The state bank of India's liabilities is continuously increases from year to year with high rate.
5. The assets like cash and balance with RBI and balances with banks and money at call and short notice, investments and advances are also having the good growth rate for last five years' period is increased. This is saying that the SBI's lending is increased and funds should be employed in effective manner.
6. The fixed assets value is increases continuously at a certain period later it will be fall down with fewer rates.
7. Other assets are also increases with a greater rate continuously this will provide the security towards the depositors.

5.2 Suggestions

1. The share capital in state bank of India should have a good up ward rise rather than a slow paced climb. This might create a negative impact on the company finance, if the company has to adopt a slow climb. By issuing the more shares compensate the yearly price rise.
2. The company maintains the adequate reserves but fluctuations should be mended, if not the company cannot meet its need at scares moments however the company should increase its turnover in order to maintain a healthy surplus for facing any contingent events.
3. Deposits in order to increase the company to assure its customers a safe mode of banking with attractive interest return plan. This can be help to attract a lot of customers even though if there are any careful customers, who would think twice before depositing their amounts as a savings and further investments made by the bank into other company or industry.
4. Borrowings are healthy until they are equal or less than repayable assets, if it crosses the limits, it might have an adverse effect on the company. However, the taking more borrowings from outsiders should be pays more interest towards the creditors. So we can issue the shares and collect that amount for maintenance and further investments and covering the NPAs.
5. Liabilities and provisions are fluctuating more if the company posts a decrease in this aspect, the company have a power to pay back its to their creditors. But if increase the company has to pay to demanding lenders. However, these problems can be rectified by timely payment.

CONCLUSION

After analysis of financial statements giving an idea about the financial performance of the institution. The study is conducted purely on secondary data at state bank of India. The analysis helps for making strong decisions in terms of improving and innovation methods. It helps to in increasing the volume of profits and improvements in return on assets. It is also helpful in analyzing the financial position and liquidity of the bank. The state bank of India is providing the good quality services to their customers. It is having the strong financial position for facing the contingent events happen in the future perspective. In modern era all the transactions are made through digitally. The state bank is one of the biggest banks in India. It covers all the places that is why it is playing a vital role in development of an economy and economies worth.

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