

FINANCIAL HEALTH OF STATE BANK OF INDIA: A DIAGNOSTIC STUDY

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Abstract

For any developing country in the world, banks are considered to be the backbones of the economy. Banks usually extend cheap credit to economically weaker sections of the society and thereby they are at forefront of financial inclusion. In India, the nationalization of banks was undertaken in 1960s with the objective of breaking the stranglehold of powerful business interests over banks and making the financial services accessible to large sections of the population. Among the commercial banks, the State Bank of India appears to be pre-eminent in banking. It has been expanding its jurisdiction throughout the world by leaps and bounds via launching its branches. Because of its substantial contribution to the national economic growth, it becomes very essential to ensure its financial health for its survival and growth in the long run to uphold the national economy. The purpose of this paper is to examine the decadal growth of State Bank of India, to analyze the financial performance of the bank, and to put forth suggestions for improvement of its performance. The suggestions and conclusions of this study are anticipated to assist the policy makers and government in multifaceted decision making processes in banking sector.

Key Words: *Financial Health, State Bank of India, financial performance*

1. INTRODUCTION

Generally, commercial banks have been crowned as “nerve centre of all economic activity”. The banks, on statutory basis, are of two types namely; Scheduled and Non-scheduled banks and on ownership basis, they are classified as public sector and private sector commercial banks. In India, there is a mixed banking system. Prior to July 1969, all the commercial banks – 73 scheduled and 26 non-scheduled banks, except the State Bank of India and its subsidiaries were under the control of private sector. However, the Public sector banks have comparatively been playing a commendable role in the overall growth of the economy, particularly by serving the rural areas with banking and financial services. These banks are the backbones of the economy. When our country was under economic slowdown, the financial sector has kept the economy afloat. The banks have been extending cheap credit to economically weaker sections of the society and thereby they are at forefront of financial inclusion. In 1960s, the nationalization of banks was undertaken with the objective of breaking the stranglehold of powerful business interests over banks and making the financial services accessible to large sections of the population. Following the nationalization, these public sector banks have been striving hard to fulfill the vision of social inclusion. The national financial assets constitute about 63 percent of the assets of public sector banks. There are private players emerging out in scene competing with these public sector banks in providing cheap credit to farmers, the unorganized sector and women. They further expand their valuable services in providing employment to a wide cross section of the society.

Among other commercial banks, the State Bank of India, considered to be pre-eminent in banking, has been expanding its jurisdiction throughout the world by leaps and bounds. The bank came into being on July 1, 1955, following the enactment of the State Bank of India Act. All assets and liabilities of the Imperial Bank of India were transferred to it. Since then, SBI has evolved as a “Universal Bank”, spanning almost every type of financial activity such as merchant banking, insurance, factoring, custodial services, credit cards, and mutual funds, apart from the regular handling of loans and advances. The bank boasts of an ever-expanding network of over 15000 domestic branch offices and 180 foreign offices in 36 countries, all networked through the core banking system. Advanced technology and over 2, 20,000-strong workforce acts as their backbone to augment their business which is growing steadily. Currently, they hold 16 per cent market share in the industry. In terms of its business, it has been the largest bank in India. Like other business firms, there are many banks in operation, both public and private sector, for instance, Indian Banks, Punjab National Bank, City Union Bank, Vijaya Bank, Indian Overseas Bank, Allahabad Bank, Baroda Bank etc. Therefore, SBI is also facing competition in the financial market in meeting the diverse needs of consumers. While the SBI has 80 percent of the large corporate as its clients and has a dominant presence in the foreign exchange market, it does not lose focus on priority sector activities. It remains the trendsetter for the “financial inclusion” and outreach programmes of the Government of India and the Reserve Bank of India. It also holds Lead Bank responsibilities in most of the backward districts. These days, it is the largest home loan and car loan provider in the retail segment and has rolled out a number of technology-based services such as Internet banking, mobile banking, self-service kiosks, and cash deposit machines. PoS (Point of Sale) machines apart from accounting for almost 25 percent of the total ATMs in the country. Reportedly, the focus of the bank is to minimize the negative impact of a slowing economy, reduce Non Performing Assets (NPAs), improve productivity and effect-cost-efficiencies.

According to an interview of Mr.Ashwini Mehra, CGM, SBI, Bangalore to frontline (March 21, 2014), the total assets of SBI in 2012 stood at Rs.15,662.61 billion (Rs.15,66,261 crore). The bank recently mopped up a little over Rs.80.31 billion (Rs.8,031 crore) through equity offerings to qualified institutional investors by issuing around 51.3 million equity shares at Rs.1,565 per share (with the face value of Rs.10). Following this, the government's holding in SBI will come down to around 58.6 per cent.

1.1 Importance of Banking to Business

Till 1949, there was no special legislation to regulate the banking companies. Thereafter, the Banking Regulation Act, 1949 applies to corporate entities carrying on the business of banking in India. Such companies are subject to the Companies Act, 1956. According Section 5 of the Banking Regulation Act, 1949, "A banking company means any company which transacts the business the business of banking. Banking means accepting for the purpose of lending or investment, of deposits of money from the public, payable on demand for otherwise and withdrawable by cheque, draft or otherwise.

A modern bank performs a large variety of functions and services in addition to acceptance of deposits. It provides various other services like safe custody of valuables, remittance of funds, etc. It becomes very important because the banks accelerate the rate of capital of capital formation. They assist in proper allocation of funds among different regions. Their functions further include helping commerce and industry to extend their field of operations, granting assistance either as mentor for promoting new ventures or financing promotional activities under the joint guarantee system, encouraging the people's savings habit through their various savings deposit schemes, mobilizing idle saving resources from households to business people for productive use, transmitting money from place to place with economy and safety and so on. Therefore, their agency services of immense value to the people at large as they not only save time and energy but also provide the people safety and security of their deposits.

1.2 Significance of the Study

Banking business is contributing substantially to the growth of an economy by mobilizing the unproductive resources (money) for productive investments. Of innumerable commercial banks in their services, the State Bank of India appears to be predominant in providing valuable services to the customers. It has been constantly making efforts in maintaining its current market position for its products and also improving its products to face the competition domestically and globally. A study on State Bank of India has, thus, become significant and pertinent owing to its high potential in strengthening the Indian economy in general and the wellbeing of the people in particular.

1.3 Review of Literature

Panda J. and Lal G.S.(1991) found in their research studies that the productivity, deployment of funds, quality of advances, information system, organizational setup and branch expansion programmes are the major factors influencing the profitability of banks to the great extent.

Sampath S.J.(1990) examined the factors influencing profitability of commercial banks and found that the profitability of the banks depends on certain factors like interest income, interest expenses and manpower expenses, other expenses and non-interest income.

Satyamurthy B. (1994) suggested in his study that the ratio analysis techniques can be used to evaluate the profit and profitability performance of banks.

Uppal R.K.(2009) examined and found that the profitability is an important criterion to evaluate the overall efficiency of a bank.

1.4 Objectives of the Study

The prime objectives of the study are;

- ❖ to examine the decadal growth of State Bank of India.
- ❖ to analyze the financial performance of the bank, and
- ❖ to put forth suggestions for improvement of its performance.

1.5 Research Methodology

- ❖ The published secondary data has been put at use for the present study.
- ❖ Annual Reports of the Bank, Government publications, magazines etc., have been utilized to magnify the comprehension of the problem under study.
- ❖ Statistical tools such as percentages, comparative analysis etc., have been used for analysis and interpretation of data for drawing meaningful inferences.

1.6 Long Term Trend Analysis

The financial position of a firm in the long run will be indicator of its financial performance as it cannot survive and grow without possessing adequate assets or without earning sufficient profits.

The balance sheet (position statement) is generally known as a snap shot of a company as it depicts its assets and liabilities at a glance leading any interested parties to understand its financial position on a particular date. This will thus provide meaningful information on the growth of a firm or company. Not only the proprietors but also the investors as well, in addition to all other users such as employees, creditors etc., will look for the sound financial health of a concern, by grasping the gist of the position statement, before making any important decisions.

As the backdrop of this theoretical background on the balance sheet stimulates, the Annual Report, 2012-2013 of the State Bank of India has been analyzed which reveals that, as depicted in the position statement, the assets and liabilities of the bank during decade commencing from 2003-2004 at the rate of Rs.4, 07,815 crore in the beginning which stands as Rs.13, 35,519, as revealed in Fig. 1.6.1 during 2011-2012, followed by Rs.15,66,261 crore at the end of the decade, 2012-2013. Thus, the financial growth of the bank in the decade reflects a positive trend as its rate of growth has increased more than thrice in 2012-2013 as compared to what it was in 2003-2004. The financial health of the bank does, therefore, appear to be sound and dashing in the long run.

1.6.1 Financial Highlights of the bank during 2003-2013

The financial highlights for the last 10 years (2003-2013) showing the performance of the SBI are shown in Table – 1.6.1. The decadal growth in terms of assets and liabilities of the bank during the period has been represented graphically in Fig.1.6.1

The Fig. 1.6.1 depicts the steady growth of the bank starting from Rs.4, 07, 815 crore to 13, 35,519 crore during 2011-2012 which further again rose to Rs.15, 66,261 crore at the end of the decade, 2012-2013. Over and above, it has also been witnessed from the financial highlights of the bank in Table 1.6.1 that the net interest income has grown from Rs.11, 186 crore to 44, 331 crore during the decade, 2003-2013. The provision for Non-Performing Assets (NPAs) was Rs.11, 368 crore in 2013 whereas it was only Rs.3, 703 crore in 2003. These are the positive signs of the decadal growth of the bank.

1.7 Short Term Trend Analysis

The earning capacity of a firm can be ascertained through an analysis of the Income Statements for a few years on short term basis. This is because the profitability of a firm may not necessarily be stable always in the long run.

1.7.1. Income of the bank during 2010-2013

Income is the best indicator of the financial performance of a business concern. Normally, the income statement (Profit and Loss Account) of a business concern shows the net profit earned or net loss suffered during a period. This will, thus, indicate the operational results of the firm. This will, in turn, enable any interested parties ascertain the efficiency of the firm in terms of operations in earning profit. Here, the revenue/income earned is matched with the expenditure incurred during the period to arrive at net profit or loss of the firm.

The Annual Report, 2012-2013 of the State Bank of India further reveals that the earnings of the bank, as shown in Fig.1.7.1, during the period, 2010-2013 constitute Interest & discount on Advances/Bills and Miscellaneous Income (68%), Interest on Investments (20%), Other sundry interests (1%), Commission, Exchange and Brokerage (8%), Sale of Investments (1%), Exchange Transactions (1%), Dividend from Subsidiaries/Associates (1%) and Miscellaneous Income (1%).

The Earnings of the bank during the period, 2010-2013 has been presented in Fig.1.7.1.

1.7.2 Expenditure of the bank during 2010-2013

No income can be earned without incurring expenditure. The expenditure incurred for earning income has to be normally matched with the revenue earned periodically to ascertain the profit or loss on the operations of a business. Profit and Loss account is prepared by a concern for knowing its net profit or loss during a period.

The Annual Report, 2012-2013 of the State Bank of India indicates that the expenditure of the bank, as shown in Fig. 1.7.2 during the period, 2010-2013 constitute Interest Paid on Deposits (50%), Interest paid on Borrowings/Bonds & Others (6%), Operating Expenses (22%), Provisions & Contingencies (8%), Tax (4%), Transfer to Reserve (8%) and Dividend & Tax on Dividend (2%).

The Expenditure of the bank during the period, 2010-2013 has been presented in Fig.1.7.2.

1.8 Income Statement Analysis

The net profit or loss during can be ascertained by matching the earnings with the expenditure incurred during a given period. The income and expenditure of the bank are matched to ascertain its profitability during 2010-2013 as shown in Table 1.8.

The analysis of the data in Table 1.8 reveals that there is an increase of profit in 1st and 2nd Quarter @ 17% and 15% respectively and thereafter there is a declining trend constantly from 03rd Quarter to 07th Quarters. However, there is a break-even-point (No Profit/No Loss Point) in 4th Quarters as its earnings of 8% exactly equal its expenditure of 8%. From 5th Quarter, it is also witnessed that the earnings of the bank remain constant till its last (7th) Quarter whereas its expenditure shows fluctuating trend as it varies from 4% to 8% followed by 2% in the final Quarter. Besides, its overall net operational

result during the period, 2012-2013 does also lead to the break- even -point as its revenue and expenditure remain the same which is evidenced by 32% as shown in column [6] of the Table 1.8.

However, the financial highlights of the bank in Table 1.6.1 reveals that the decadal operating result during the period 2003-2013 shows an encouraging figure of Rs.31,082 crore in 2013 against its status of only Rs.9,553 crore in 2003. Further, it is also obvious that the Net Profit before Tax figure has risen from Rs.4, 971 crore to 19,951 crore. Adding to this trend of positive growth, it can also be seen at Table 1.6.1 that the expenditure to Income reduces from 49.18% to 48.51% between the periods, 2003-2004 and 2012-2013. Similarly, the Earning Per Share (EPS) has shot up from Rs.69.94 to Rs.210.06, Dividend per share rose from Rs.11 to 41.5, SBI per share (price on NSE) went up from Rs.605.85 to Rs.2072.75, and the percentage of Dividend Pay Out Ratio had inclined from 15.72 to 20.12 during the decade ranging from 2003-2013. All these variables become the indicators of the outstanding financial performance of the bank.

In order to improve its earnings for its survival and growth in the long run, the has launched many new domestic and foreign branches as it could be seen in Table 1.6.1 that there were only 9,139 domestic branches and 54 foreign branches in 2003-2004 which have increased to 14, 816 and 186 respectively during 2012-2014. It does thus act as a proof of efficiency and performance of the bank in the long run.

1.9 Findings of the Study

The key findings emerged out of this study are;

- The assets and liabilities of the bank during decade commencing from 2003-2004 at the rate of Rs.4, 07,815 crore in the beginning which stands as Rs.15, 66,261 crore at the end of the decade, 2012-2013. Thus, the financial growth of the bank in the decade reflects a positive trend as its rate of growth has increased more than thrice in 2012-2013 as compared to what it was in 2003-2004. The financial health of the bank does, therefore, appear to be sound and dashing in the long run.
- The net interest income has grown from Rs.11, 186 crore to 44, 331 crore during the decade, 2003-2013. Provision for Non-Performing Assets (NPAs) was Rs.11, 368 crore in 2013 whereas it was only Rs.3,703 crore in 2003. These are the positive signs of the decadal growth of the bank.
- The assets and liabilities of the bank during decade commencing from 2003-2004 at the rate of Rs.4, 07,815 crore in the beginning which stood as Rs.15,66,261 crore at the end of the decade, 2012-2013.
- The earnings of the bank during the period, 2010-2013 constitute Interest & discount on Advances/Bills and Miscellaneous Income (68%), Interest on Investments (20%), Other sundry interests (1%), Commission, Exchange and Brokerage (8%), Sale of Investments (1%), Exchange Transactions (1%), Dividend from Subsidiaries/Associates (1%) and Miscellaneous Income (1%). However, the decadal operating result during the period 2003-2013 shows an encouraging figure of Rs.31,082 crore in 2013 against its status of only Rs.9,553 crore in 2003. The Net Profit before Tax figure has also risen from Rs.4, 971 crore to 19,951 crore.
- The expenditure of the bank during the period, 2010-2013 constitute Interest Paid on Deposits (50%), Interest paid on Borrowings/Bonds & Others (6%), Operating Expenses (22%), Provisions

& Contingencies (8%), Tax (4%), Transfer to Reserve (8%) and Dividend & Tax on Dividend (2%).

- There is an increase of profit in 1st and 2nd Quarter @ 17% and 15% respectively and thereafter there is a declining trend constantly from 03rd Quarter to 07th Quarters. However, there is a break-even-point (No Profit/No Loss Point) in 4th Quarters as its earnings of 8% exactly equal its expenditure of 8%. From 5th Quarter, it is also witnessed that the earnings of the bank remain constant till its last (7th) Quarter whereas its expenditure shows fluctuating trend as it varies from 4% to 8% followed by 2% in the final Quarter. Besides, its overall net operational result during the period, 2012-2013 does also lead to the break- even -point as its revenue and expenditure remain the same which is evidenced by 32%.
- The expenditure to Income reduces from 49.18% to 48.51% between the periods, 2003-2004 and 2012-2013. Similarly, the Earning Per Share (EPS) has shot up from Rs.69.94 to Rs.210.06, Dividend per share rose from Rs.11 to 41.5, SBI per share (price on NSE) went up from Rs.605.85 to Rs.2072.75, and the percentage of Dividend Pay Out Ratio had inclined from 15.72 to 20.12 during the decade ranging from 2003-2013.
- In order to improve its earnings for its survival and growth in the long run, the has launched many new domestic and foreign branches as it could be seen in Table 1 that there were only 9,139 domestic branches and 54 foreign branches in 2003-2004 which have increased to 14, 816 and 186 respectively during 2012-2014. It does thus act as a proof of the efficiency and performance of the bank in the long run.

1.10 Limitations of the Study

Being a micro level study, it has currently focused on analysis of the financial performance of the State Bank of India based on the data published in the Annual Report, 2012-2013. Therefore, it does not concentrate on how this income was earned and the expenditure was incurred. Similarly, the analysis was made on the worth of the assets and liabilities in possession of the bank, leaving apart their modes of acquiring the assets and creation/arising of liabilities, during the decade, 2003-2013. Deeper research studies into other significant aspects, not being covered under this study, comprising the services being offered, customer satisfaction, marketing problems and prospects for the banking products etc., may be undertaken in future. This may certainly lead to better understanding on the multiple dimensions of the bank pertaining to its financial performance in the days to come.

1.11 Suggestions and Recommendations

Based on this present study, the following recommendations are made;

- The performance of Non-Performing Assets (NPA) may be ensured to curtail the annual provisions under NPAs. The savings under the head can be productively used or invested to promote the earnings of the bank.
- Interest rates on accepting deposits from and lending to the public may be proposed for RBI directives and guidelines in such a manner that will attract the customers (Corporate or individual) towards the bank for more deposits or investments.
- The procedures and formalities in acceptance and lending money transactions may be simplified without compromising the standard norms of the Reserve Bank of India.
- Improvement in the existing e- banking services and innovative products or services may be contemplated to attract new customers towards the bank.

1.12 Summary and Conclusion

In Banking sector, commercial banks play a very crucial role in transacting the banking business by accepting deposits from and lending money to the public. Meanwhile they do even lend their financial hands in the form of advances to corporates as well. These banks, thus, contribute substantially to the economic growth of a country by mobilizing the savings from the public at large and facilitating those savings to flow out as investments for productive purposes. Among the diverse commercial banks, the State Bank of India, since its inception on 1st July, 1955, has been rendering wonderful banking service to the public in the interest of the nation in consonance with the guidelines of Reserve Bank of India. The services of SBI includes customer friendly initiatives, pricing concessions, innovational processes, product changes, ATM services, Internet Banking etc., In terms of growth, the bank's advances is mainly attributable to loans to Corporates, which reportedly grew by over 40% during 2012-2013. Its fund based business of Mid Corporate Group has also recorded an impressive growth of 18%. Further, its achievements in terms of financial inclusion activities comprise the setting up of 38,480 BC Customer Service Points at National and Regional level, offering various technological-enabled products, opening up of 2.03 crore small accounts with simplified KYC, launching Direct Benefit Transfer (DBT) scheme, linking around 9.85 lac accounts with Aadhaar in 43 pilot districts of various States, Kiosk Banking, SBI Tiny Card, Mobile Rural Banking, Cell Phone messaging Channel etc.. When we look at all these business activities of State Bank of India, undoubtedly, it excels in providing its services through its domestic and foreign branches. The bank, domestically and globally, has been leaving no stones unturned to compete with other banks in terms of providing services for its sustenance and growth in the long run. Thus, it becomes apparent that the financial performance of the State Bank of India appears to be distinct, excellent and outstanding. Indeed, it can be considered as a boom in the financial market since the bank lends its helping hands to the needy people when they are in need. Supplementing this notion, this diagnostic study proves that the financial health of State Bank of India is sound and healthy. However, the State Bank of India may further strive harder to drive its financial vehicle from the destination of booming to zooming for grooming itself to face the future dynamic financial requirements. This will certainly place a smooth track for the bank to move comfortably from the current 'good' position to forth coming 'better' position' in the financial market.

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Tables

Table 1.6.1 Financial Highlights of State Bank of India during the period, 2003-2013

Liabilities	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Capital (Rs. in Crore)	526	526	526	526	631	635	635	635	671	684
Reserves & Surplus (Rs. in Crore)	19,705	23,546	27,118	30,772	48,401	57,313	65,314	64,351	83,280	98,200
Deposits (Rs. in Crore)	3,18,619	3,67,048	3,80,046	4,35,521	5,37,404	7,42,073	8,04,116	9,33,933	10,43,647	12,02,739
Borrowings (Rs. in Crore)	13,431	19,184	30,642	39,704	51,728	53,713	1,03,012	1,19,569	1,27,006	1,69,183
Others (Rs. in Crore)	55,534	49,579	55,538	60,042	83,362	1,10,698	80,337	1,05,248	80,915	95,455
Total (Rs. in Crore)	4,07,815	4,59,883	493,870	5,66,565	7,21,526	9,64,432	10,53,414	12,23,736	13,35,519	15,66,261
Assets										

Investments (Rs. in Crore)	1,85,676	1,97,098	1,62,534	1,49,149	1,89,501	2,75,954	2,85,790	2,95,601	3,12,198	3,50,927
Advances (Rs. in Crore)	1,57,934	2,02,374	2,61,642	3,37,337	4,16,768	5,42,503	6,31,914	7,56,719	8,67,579	10,45,616
Other Assets (Rs. in Crore)	64,205	60,411	69,694	80,079	1,15,257	1,45,975	1,35,710	1,71,416	1,55,742	1,69,718
Total (Rs. in Crore)	4,07,815	4,59,883	4,93,870	5,66,565	7,21,526	9,64,432	10,53,414	12,23,736	13,35,519	15,66,261
Net Interest income (Rs. in Crore)	11,186	13,945	15,589	15,058	17,021	20,873	23,671	32,526	43,291	44,331
Provisions for NPA (Rs. in Crore)	3,703	1,204	148	1,429	2,001	2,475	5,148	8,792	11,546	11,368
Operating Result (Rs. in Crore)	9,553	10,990	11,299	10,000	13,108	17,915	18,321	25,336	31,574	31,082

Net Profit Before Taxes (Rs. in Crore)	4,971	6,522	6,906	7,625	10,439	14,181	13,926	14,954	18,483	19,951
Net Profit (Rs. in Crore)	3,681	4,305	4,407	4,541	6,729	9,121	9,166	8,265	11,707	14,105
Return on Average Assets (%)	0.94	0.99	0.89	0.84	1.01	1.04	0.88	0.71	0.88	0.91
Return on Equity (Rs. in Crore)	18.19	18.1	15.47	14.24	17.82	15.07	14.04	12.84	14.36	15.94
Expenses to income (%) (Operating Expenses to total Net Income)	49.18	47.83	58.7	54.18	49.03	46.62	52.59	47.6	45.23	48.51
Profit Per Employee (Rs.in 000)	177	207	217	237	373	474	446	385	531	645
Earnings Per Share (in Rs.)	69.94	81.79	83.73	86.1	126.62	143.77	144.37	130.16	184.31	210.06
Dividend Per Share (in Rs.)	11	12.5	14	14	21.5	29	30	30	35	41.5
SBI Share (Price on NSE) (in Rs.)	605.85	654.8	968.5	994.45	1,600.25	1,067.10	2,078.20	2,765.30	2,096.35	2,072.75

Dividend Payout Ratio%(in Rs.)	15.72	15.28	16.72	16.22	20.18	20.19	20.78	23.05	20.06	20.12
Capital Adequacy Ratio (%)										
Base-I (%)	13.53	12.45	11.88	12.34	13.54	12.97	12	10.69	12.05	11.22
Tier I	8.34	8.04	9.36	8.01	9.14	8.53	8.46	6.93	8.5	8.23
Tier II	5.19	4.41	2.52	4.33	4.4	4.44	3.54	3.76	3.55	2.99
(Rs. in crore) Base-II (%)	NA	NA	NA	NA	NA	85,393(14.25)	90,975(13.39)	98,530(11.98)	1,16,325(13.86)	1,29,362(12.92)
(Rs. in crore) Tier I (%)	NA	NA	NA	NA	NA	56,257(9.38)	64,177(9.45)	63,901(7.77)	82,125(9.79)	94,947(9.49)
(Rs. in crore) Tier II (%)	NA	NA	NA	NA	NA	29,136(4.87)	29,798(3.94)	34,629(4.21)	34,200(4.07)	34,415(3.43)
Net NPA to Net Advances (%)	3.48	2.65	1.88	1.56	1.78		1.72	1.63	1.82	2.1

Number of Domestic Branches	9,039	9,102	9,177	9,231	10,186	11,448	12,496	13,542	14,097	14,816
Number of Foreign Branches/Offices	54	54	70	83	84	92	142	156	173	186

Source: State Bank of India
Annual Report, 2012-2013

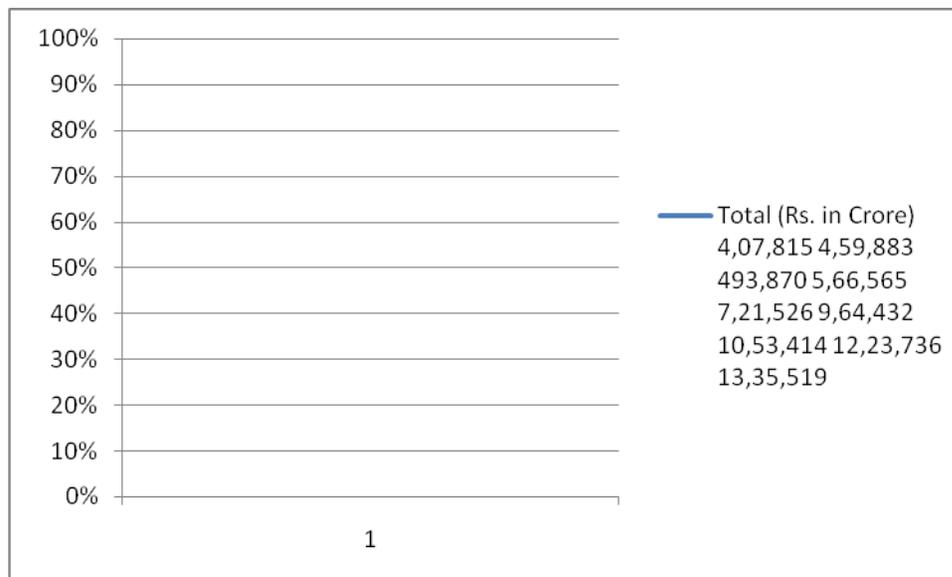
Table 1.8 Analysis of Income Statement during 2010-2013

Qtr [1]	Source of Earnings [2]	Income (in %) [3]	Nature of Expenditure [4]	Expenditure (in %) [5]	*Profit(+)/Loss (-) (in %) [6]	Net Operational Result [7]
1.	Interest & discount on Advance	67	Interest Paid on Deposits	50	+17	Increase
2.	Interest on Investments	21	Interest Paid on Borrowings/Bonds & Others	6	+15	Increase
3.	Other Sundry Interests	1	Operating Expenses	22	-21	Decrease
4.	Commission, Exchange & Brokerage	8	Provisions & Contingencies	8	-	Decrease
5.	On sale of investments	1	Tax	4	-3	Decrease
6.	On Exchange transactions	1	Transfer to Reserve	8	-7	Decrease
7.	Bills and Miscellaneous Income	1	Dividend & Tax on Dividend	2	-1	Decrease

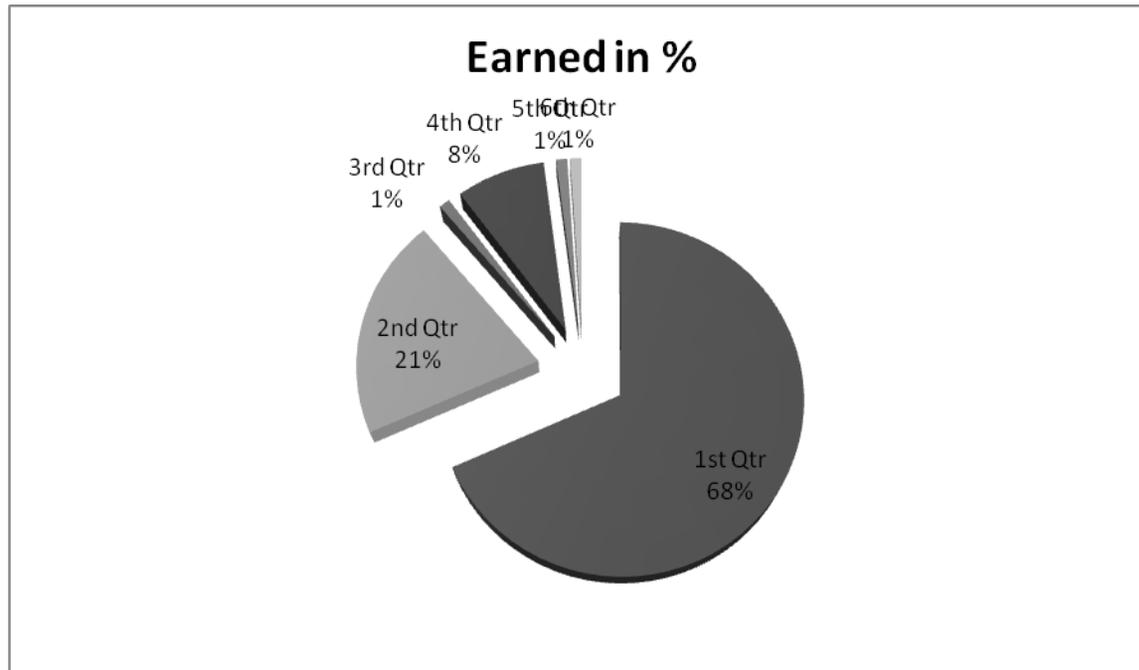
**Calculated figures based on the extracted data*

Charts

Fig. 1.6.1 Decadal growth of SBI (Rs. in Crore) during the decade, 2003-2013

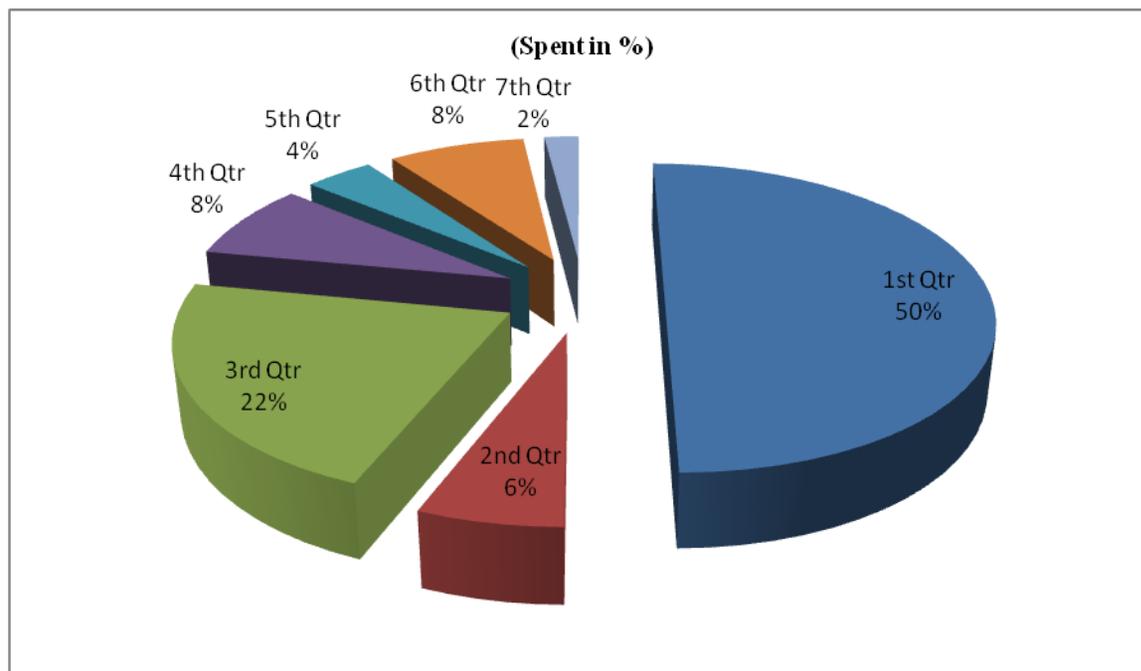


Source: SBI Annual Report, 2012-2013

Fig.1.7.1 Earnings of the State Bank of India during 2010-2013

Source: SBI Annual Report, 2012-2013

- 1st Qtr – Interest & discount on Advance
- 2nd Qtr – Interest on Investments
- 3rd Qtr – Other Sundry Interests
- 4th Qtr – Commission, Exchange & Brokerage
- 5th Qtr – On sale of investments
- 6th Qtr – On Exchange transactions
- 7th Qtr – Bills and Miscellaneous Income

Fig.1.7.2 Expenditure of the State Bank of India 2010-2013

Source: SBI Annual Report, 2012-2013

1st Qtr – Interest Paid on Deposits

2nd Qtr – Interest Paid on Borrowings/Bonds & Others

3rd Qtr – Operating Expenses

4th Qtr – Provisions & Contingencies

5th Qtr – Tax

6th Qtr – Transfer to Reserve

7th Qtr – Dividend & Tax on Dividend

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