

# A Study On Investment Performance Analysis At State Bank Of India

<sup>1</sup>S. DURGADEVI, <sup>2</sup>Dr. CHITRA ISAC, M.B.A., M.PHIL., SET., PH.D.,

<sup>1</sup>II-MBA, <sup>2</sup>Head Department of Management, Idhaya College for Woman, Kumbakonam, India.

<sup>1</sup>durga.sug@gmail.com

**ABSTRACT** - Investment performance is the return on investment portfolio. Investment performance needs to be analyzed on the bank profitability to identify the cash flows and comparison with one bank to another bank, helps to analyze the interest and to identify the factors affecting investment. Secondary data of State Bank of India is used to study investment performance. Therefore I will analysis on the price earnings ratio, dividend yield, and payout ratio was calculated.

**Keywords:** Investment, profitability, gross return, price earning ratio, dividend ratio, payout ratio

## I. INTRODUCTION

The investment performance is measured over a specific period of time and in a specific currency. Investors often distinguish different types of return. One is distinction between the total return and the price return, where the former takes into account income (interest and dividends), where the latter only takes into account capital appreciation.

Another distinction is between net and gross return. The 'pure' net return to the investor is the return inclusive of all fees, expenses, and taxes, whereas the 'pure' gross return is the return before all fees, expenses and taxes. As a result, gross returns will be greater than net returns.

Another important distinction is between the money-weighted return and the time-weighted return. The former is appropriate if the manager determines the timing of inflows in or outflows from the portfolio.

The investment valuation ratios is a lot to be said for valuing a company – it is no easy task. To tear apart a company's financial statements and analyzing it on a whole different level, but such analysis to support in making strategic decisions of growth.

## II. REVIEW OF LITERATURE

A. Ananth (2013): This study analyses the investor attitude towards various form of investment. Investment are classified as marketable and non-marketable, high risk and low risk investments. Share market is high risk investment with high returns, commodity market has no risk. Mutual funds are risk investment with good returns.

N.Dharani (2014): investment attracts all people irrespective of their occupation, education and social status. Women also involve in investment activities. Women's below age of 30 are involve in investment

activities. Women with graduation are involved in more investment activities. Women's with income of 50001 to 100000 are involve in investment activities.

S. Prasanna kumar (2014): Investment and savings are two different things. Investment means savings with a hop that some benefit will arise in future. Investment options are available like bank deposits, NRO funds, real estate, share and bonds etc.,

## III. RESEARCH METHODOLOGY

### 3.1 RESEARCH

"A research is a systematic enquiry to describe, explain, predict and control the observed phenomenon"

### 3.2 STATEMENT OF THE PROBLEM

Secondary data of State Bank of India is used to study investment performance. State Bank of India has been chosen as it the 'National bank of India' and a study of this bank can be a benchmark for other financial institution functioning is India.

### 3.3 OBJECTIVES OF THE STUDY

To find out the investment ratios performance of the bank

### 3.4 SCOPE OF THE STUDY

- The financial statements are the medium by which a bank disclose information concerning the investment performance.
- The analysis is to make investment decision is based on income statement balance sheet and profit and loss account.

### 3.5 LIMITATION OF THE STUDY

As only limited secondary data was made available it was not possible to compute all the ratio, and this study is a theoretical application of the data.

## RESEARCH DESIGN:

### DATA COLLECTION

The data was collected from the official website of STATE BANK OF INDIA.

### PERIOD OF STUDY:

The study covers the period of Three financial years from 2016 to 2018.

## IV. DATA ANALYSIS

### 4.1 PRICE EARNING RATIO

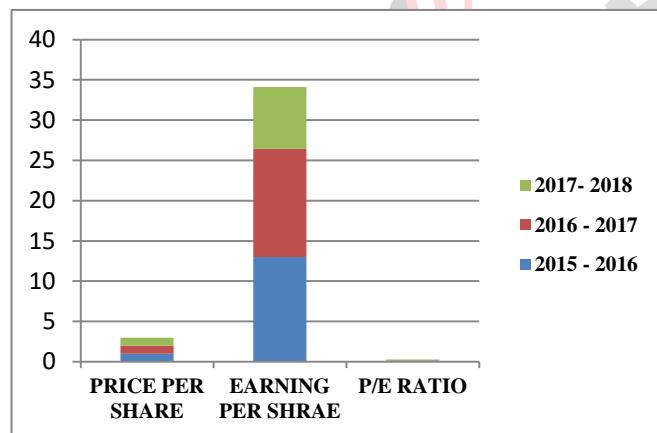
$$\text{P/e Price Earning ratio} = \frac{\text{Price per share}}{\text{Earning per share}}$$

Sss

TABLE 4.1 PRICE EARNING RATIO

gf YEAR	PR PRICE PER SHARE	EARNINGPER SHARE	P/E RATIO
2 2015 – 2016	1	12.98	0.077
2 2016 – 2017	1	13.43	0.074
2 2017 – 2018	1	7.67	0.13

FIGURE 4.1 PRICE EARNING RATIO



### Interpretation:

The above table shoes that during 2015-2016 the price earning ratio to be 0.77 and during 2016- 2017 it was 0.074.but during 2017-2018 it was increased the ratio 0.13.

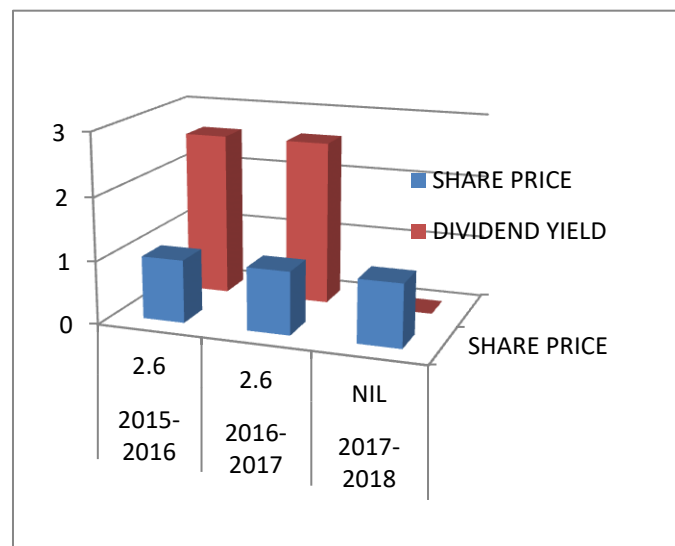
### 4.2. DIVIDEND YIELD

$$\text{Dividend yield} = \frac{\text{Dividend per share}}{\text{Share price}}$$

TABLE 4.2 DIVIDEND YIELD

YEAR	DIVIDEND PER SHARE	SHARE PRICE	DIVIDEND YIELD
2015– 2016	2.60	1	2.6
2016– 2017	2.60	1	2.6
2017– 2018	Nil	1	0

FIGURE 4.2 DIVIDEND YIELD



### Interpretation:

The above calculation dividend yield of the bank 2015-2016 and 2016- 2017 is equal, but 2017-2018 dividend yields was 0 balance.

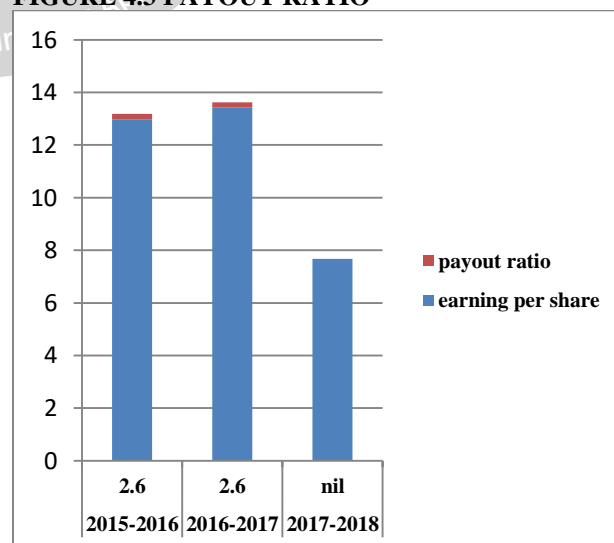
### 4.3 PAYOUT RATIO

$$\text{Payout ratio} = \frac{\text{Dividend per share}}{\text{Earning per share}}$$

TABLE 4.3 PAYOUT RATIO

YEAR	DIVIDEND PER SHARE	EARNING PER SHARE	PAYOUT RATIO
2015–2016	2.60	12.98	0.20
2016–2017	2.60	13.43	0.19
2017- 2018	Nil	7.67	0

FIGURE 4.3 PAYOUT RATIO



**Interpretation:**

The above calculation inferred that 2015-2016 payout ratio to be 0.20 and is 2016 -2017 and 2017-2018 decreased to 0 and 0.19 respectively.

**V. V.SUGGESTION**

This study reveals that there is a effect of investment. It is suggested that the bank focuses on consist growth policy of investment.

**VI. CONCLUSION**

Investment is most vital for the banks, because investment helps to analyze the economic position of nations. The investor is having an option of investing in various services, but investing in financial service, contributes significantly to the economical deviation. But many people prefer to invest in gold and real estate which does not have an impact of the economic position. Very few people invested in financial services (like shares, bonds, mutual funds). State Bank of India being one of the pillars of our nation. Need to be a role model for other financial service provides with respect to making strategic advancement with respect to its investment decisions.

Hence this study contributes a analyzing the banks investment decision, so as to facilitates State Bank of India to intensify their investment policy and other financial service and customer to follow their policies of investment.

**REFERENCE**

- [1] <https://strategiccfo.com/investment-analysis/>
- [2] [https://shodhagangotri.inflibnet.ac.in/bistream/123456789/27774/3/03%20literature% 20review.pdf](https://shodhagangotri.inflibnet.ac.in/bistream/123456789/27774/3/03%20literature%20review.pdf)