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Unleashing the Power of Tangible Resources: How Physical Assets Drive SBI's Financial Performance

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Purpose: This study aims to examine the role of physical assets in driving the financial performance of State Bank of India (SBI), India's largest bank. It seeks to understand the relationship between various physical assets and SBI's financial performance, providing insights into the strategic implications of tangible resources in the banking industry.

Methodology: The study utilizes data from the CMIE Prowess database, covering the period from 2011-12 to 2022-23, to analyze the relationship between physical assets and financial performance. Multiple regression analysis is employed to assess the impact of different physical assets on Return on Assets (ROA), while correlation analysis is conducted to determine the associations between security measures and financial performance.

Findings: The findings indicate significant variations in security measures among the entities, highlighting substantial differences in security levels. A weak positive correlation between security measures and ROA suggests that increased security is associated with a slight improvement in financial performance. On the other hand, moderate negative correlations are observed between various physical assets (net furniture, branches, employees, and ATMs) and ROA, suggesting that an increase in these assets tends to decrease financial performance.

Conclusion: The study concludes that security measures have a positive influence on SBI's financial performance. However, an increase in the number of employees and ATMs negatively impacts financial performance. Therefore, efficient management of human resources and ATMs is crucial for mitigating their adverse effects on financial performance. These findings emphasize the need for SBI to optimize its physical asset allocation and implement effective resource management strategies to drive sustainable growth and maximize financial performance. By understanding the implications of physical assets, SBI and other banks can make informed decisions to enhance their financial performance and ensure long-term success.

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INTRODUCTION:

The research study investigates the influential role of tangible resources in driving financial performance for organizations. By focusing on the impact of physical assets such as real estate properties, infrastructure, and equipment, this study aims to uncover the hidden potential and value that these resources bring to the financial bottom line. Through a comprehensive analysis of financial data and performance indicators, the research examines how effectively leveraging tangible resources can lead to increased revenue generation, cost optimization, and overall financial stability. The findings from this study provide valuable insights for businesses and organizations seeking to maximize their financial performance through strategic allocation and management of tangible resources. Ultimately, understanding and harnessing the power of tangible resources can pave the way for sustained growth and competitive advantage in today's dynamic business environment.

The State Bank of India (SBI) holds a distinguished position as the largest commercial bank in India, boasting impressive figures in terms of assets, deposits, and employees. With its extensive branch network and a strong customer base, SBI is considered a crucial player in the country's banking sector. Its role as the preferred banker for numerous public sector corporations further solidifies its standing in the industry. The remarkable faith and trust that the public places in SBI are a testament to its dedicated services and commitment to excellence. However, in an ever-evolving financial landscape marked by intense competition and changing market dynamics, it becomes imperative to investigate and understand the factors that drive SBI's financial performance.

One factor that significantly influences SBI's financial performance is its physical assets. These tangible resources include a diverse range of assets owned and utilized by the bank, encompassing real estate properties, branch infrastructure, technology infrastructure, equipment, and vehicles. Physical assets form the backbone of SBI's operations, serving as critical components in the bank's ability to generate revenue, control costs, attract customers, and maintain a competitive edge.

The primary objective of this study is to explore and analyze the intricate relationship between SBI's physical assets and its financial performance. By delving into the impact of these tangible resources on key financial indicators such as profitability, return on assets, asset utilization, and cost efficiency, study aims to unravel the underlying mechanisms through which physical assets drive SBI's financial success. This exploration is paramount for both the bank's management and stakeholders, as it enables them to make informed decisions pertaining to asset management, investment, and strategic planning.

To achieve the research objective, researcher will employ a comprehensive and rigorous methodology. Our approach will involve an in-depth analysis of SBI's financial statements, annual reports, and relevant financial data over a specific period. By utilizing financial ratio analysis and other performance evaluation tools, we will assess the efficiency and effectiveness of SBI's physical assets in generating revenue, controlling costs, and enhancing overall financial performance.

The strategic importance of physical assets in driving SBI's financial performance. Through a detailed examination of the data, we will uncover critical insights and actionable recommendations for the bank's management. These recommendations will pertain to asset allocation, maintenance strategies, and modernization initiatives aimed at optimizing the utilization of tangible resources. Additionally, the outcomes of this study will contribute to the existing body of knowledge on the relationship between physical assets and financial performance in the banking sector, with a specific focus on SBI.

By unravelling the impact of physical assets on SBI's financial performance, this study aims to provide a comprehensive understanding of the subject matter. It endeavors to offer valuable insights and strategic guidance to SBI's management, enabling them to optimize the utilization of tangible resources, improve financial performance, and sustain the bank's position as a leading player in the Indian banking industry. In the subsequent sections, study will delve into an extensive analysis of SBI's financial performance, with a specific emphasis on the influence of physical assets. By examining the various financial indicators and ratios, study will gain a comprehensive understanding of the bank's financial health and the role that physical assets play in shaping its performance. Through this analysis, study aim to draw meaningful conclusions and provide actionable recommendations to drive SBI's financial success.

REVIEW OF LITERATURE:

Sisodiya, A., Bharati, Y., & Kavitha, P. (2007) the purpose of this study is to analyze the financial performance of two prominent banks in the Indian banking system, namely State Bank of India (SBI) from the public sector and Housing Development Finance Corporation (HDFC) from the private sector. The study focuses on various financial ratios such as credit-deposit ratio, interest expenses to total expenses ratio, interest income to total income ratio, other income to total income ratio, net profit margin ratio, and return on advances ratio. These ratios serve as indicators of profitability and operational efficiency, allowing for a comprehensive evaluation of the banks' financial performance. The methodology involves a thorough examination of the banks' financial statements and calculation of the relevant ratios. The findings reveal the profitability levels and efficiency of both SBI and HDFC, shedding light on their ability to generate profits from transactions and maximize returns on capital employed. Based on the analysis of the financial ratios, the study concludes with an assessment of the financial performance of SBI, highlighting its strengths and areas for improvement.

Gajera, A. C. (2009) The purpose of this study was to evaluate the financial performance of private and public sector banks and identify the factors responsible for variations in their performance. The analysis included all private sector banks and public sector banks, comprising SBI and its associates as well as nationalized banks. The methodology involved calculating and analyzing the selected parameters using the collected financial data. The study aimed to identify the factors that contributed to better or poor financial performance in both private and public sector banks by decomposing the parameters based on their definitions. The findings provided insights into the financial performance of the banks under study, highlighting the variations and potential factors influencing their performance. The research concluded by offering conclusions on the identified factors responsible for deviations in financial performance among private and public sector banks, contributing to a deeper understanding of the banking industry dynamics and informing strategies for improvement.

Kumar, S. (2014) The purpose of the study is to analyze the performance and soundness of the banking sector in the aftermath of the global financial crisis that occurred during 2007-2009. The crisis resulted in the failure of banking and financial institutions, as well as the freezing of capital markets, causing significant effects on the real economy worldwide. To achieve this objective, the study adopts the CAMEL approach and focuses on the top 8 market capitalized banks. Econometric analysis is employed to compute various factors that determine the performance and soundness of these banks. Secondary data collected from reliable and authentic sources over a period of six years, from the financial year 2007-08 to 2012-13, is utilized for the analysis. The findings of this study shed light on the performance and soundness of the banking sector, providing insights into the factors influencing these aspects. Finally, based on the analysis, the study draws conclusions regarding the state of the banking sector during the period under consideration.

Haque, A. (2014) the study aims to evaluate the concurrent performance of selected major Indian banks from 2009 to 2013, following the global financial slump in 2008. The focus is on comparing the financial position of both indigenous and foreign Scheduled Commercial Banks to assess their performance. The study utilizes key parameters such as ROA, ROE, and NIM to gauge their viability. The findings reveal that there are no significant differences in profitability means between various banking groups in relation to ROA and NIM. However, a significant difference in profitability means is observed among peer groups concerning ROE. In conclusion, while the study does not identify significant variations in profitability among banking groups in terms of ROA and NIM, it does highlight the presence of significant differences in profitability means in relation to ROE.

Abhay Jaiswal*, Chanchala (2014)The study aims to analyze the financial performance of two prominent banks in India, namely the State Bank of India (SBI) and ICICI Bank, recognizing the evolving role of banks in economic development. The study utilizes a descriptive and analytical approach, relying on secondary data obtained from various reports accessible through the internet. Ratio analysis serves as the basis for comparing the financial performance of the two banks. The findings reveal that SBI demonstrates strong financial soundness and market position, outperforming ICICI Bank in terms of earnings per share, price ratio per share, and dividend payout ratio. In conclusion, this study highlights the contrasting financial strengths of SBI and ICICI Bank, providing valuable insights for stakeholders and contributing to a comprehensive understanding of the banking sector's significance in economic development.

Karri, H. K., & Mishra, K. M. (2015) Banking sector is one of the fastest growing sectors in India. Today's banking sector becoming more complex. The objective of this study is to analyze the Financial Position and Performance of the Bank of Baroda and Punjab National Bank in India based on their financial characteristics. This study attempts to measure the relative performance of Indian banks. For this study, we have used public sector banks. We know that in the service sector, it is difficult to quantify the output because it is intangible. We have chosen the CAMEL model and t-test which measures the performance of bank from each of the important parameter like capital adequacy, asset quality, management efficiency, earning quality, liquidity and Sensitivity.

Nagarkar, J. J. (2015) The purpose of this study is to evaluate the financial performance of selected Indian commercial banks. Financial ratios are used to analyse the financial performance of these banks. The findings reveal that private sector banks consistently outperform public sector banks in terms of financial performance during the entire study period. The empirical results indicate that the liquidity ratio and solvency ratio have a positive and significant impact on the profitability of public sector banks, while the turnover ratio and solvency ratio have a positive and significant impact on the profitability of private sector banks. These findings highlight the importance of these ratios in determining the profitability of both public and private sector banks. In conclusion, the study underscores the superior financial performance of private sector banks and emphasizes the significance of liquidity, solvency, and efficiency in driving profitability in the Indian commercial banking sector.

Goyal, S., Pallvi, & Bhaitia, A. (2016) The study focuses on public sector banks operating in the Indian banking industry. By utilizing financial data from these banks over a specified period, the research assesses various key financial ratios to evaluate their effectiveness in measuring performance. The study examines ratios related to liquidity, solvency, profitability, and efficiency, providing insights into the overall financial health and performance of the banks. The findings contribute to the existing literature on financial performance evaluation in the banking sector and offer valuable insights for policymakers, regulators, and stakeholders in the Indian banking industry. The study concludes by highlighting the significance of financial ratio analysis as a tool for evaluating the performance of public sector banks and suggests potential areas for further research and improvement in financial performance measurement techniques.

Sodhi, A., & Waraich, S. (2016) the paper presents a fundamental analysis of selected public sector and private sector banks in India, considering certain financial indicators. The study aims to examine the current state of the banking sector in India, highlighting its growth potential and challenges. The findings indicate that public sector banks have a significantly lower profitability position compared to private sector banks. The public sector banks are grappling with a high percentage of nonperforming assets, contributing to their deteriorating asset quality. On the other hand, private sector banks, despite being slightly overvalued according to valuation ratios, justify their higher prices due to their superior profitability, lower nonperforming assets, and growth potential. The findings suggest that the banking sector in India offers attractive investment opportunities, but careful consideration of each bank's financial health is crucial.

Susmitha, M., & Mouneswari, V. (2017) The study explores the financial performance of Syndicate Bank, a prominent Indian banking institution. The study adopts the CAMEL model, which encompasses key parameters such as capital adequacy, asset quality, management efficiency, earnings, and liquidity, to assess the bank's financial health. By analyzing the financial ratios and performance indicators derived from Syndicate Bank's annual reports and financial statements, the study aims to evaluate the bank's overall performance and identify areas that require attention or improvement. The findings of this analysis provide valuable insights into Syndicate Bank's financial standing and offer recommendations for enhancing its financial stability and sustainable growth. The study contributes to the field of banking and finance by providing an empirical assessment of Syndicate Bank's financial performance using the CAMEL model.

Subalakshmi, S., Grahalakshmi, S., & Manikandan, M. (2018) The purpose of this study is to conduct a financial ratio analysis of the SBI, which is the largest commercial bank in India in terms of assets, deposits, and employees. The objective of commercial banks like SBI is to maximize profit value by focusing on financial performance analysis and portfolio structuring to optimize returns. The study utilizes ratio analysis as the primary tool to analyze SBI's financial statements. The study specifically analyzes the financial status of SBI as a public sector bank. The methodology employed involves a comprehensive review and analysis of SBI's financial statements, focusing on key financial ratios and their trends. Through this analysis, the study aims to provide insights into SBI's financial performance and draw conclusions regarding its current financial status and future prospects.

Chaudhuri, B. (2018) The study aims to evaluate the financial performance of State Bank of India (SBI), India's largest public sector bank, and ICICI, India's largest private sector bank, over a five-year period from 2011-12 to 2015-16. The methodology involves analyzing financial indicators to assess the banks' performance in terms of capital adequacy, asset quality, management efficiency, earnings capability, and liquidity. The findings reveal the impact of first and second generation financial sector reforms on the Indian banking industry, as both SBI and ICICI have experienced significant changes and remarkable growth during the study period. Based on the findings, conclusions can be drawn regarding the effectiveness of reforms, the competitiveness of public and private sector banks, and the overall contribution of the banking industry to India's economic development.

Nayana. (2018) study the profitability performance of the State Bank of India (SBI) during the period from 2003-04 to 2015-16. Against the backdrop of sluggish global growth and concerns over declining profitability in the banking system, the study focuses on understanding the profitability position of SBI and providing insights into its performance. Secondary data, including financial statements and reports, are analyzed using data analysis tools such as the R programming language. The findings contribute to a comprehensive understanding of SBI's profitability performance, highlighting trends, patterns, and challenges. The study concludes by suggesting remedial measures and emphasizing the importance of considering profitability dynamics in the current banking philosophy, in line with social and economic objectives.

Pandit, Seema & Gandhi, Jash. (2021) The purpose of this study was to analyze the performance of the Indian banking sector, considering the challenges it has faced in recent years such as deteriorating asset quality, corporate governance issues, economic slowdown, and the impact of the pandemic. Using the CAMEL model, which assesses capital adequacy, asset quality, management efficiency, earnings, and liquidity, a comparative study was conducted between State Bank of India (SBI) and HDFC Bank. The findings reveal that HDFC Bank has outperformed SBI in terms of capital adequacy, asset quality, and management. On the other hand, SBI has shown better performance than HDFC Bank in terms of liquidity. Both banks have performed equally in terms of earnings quality. These results highlight the strengths and weaknesses of each bank in specific areas, providing insights into their overall performance. In conclusion, while HDFC Bank demonstrates superior performance in certain aspects, SBI holds its own strengths, suggesting areas for improvement for both banks.

RESEARCH GAP

While there is existing research exploring the impact of intangible resources on financial performance, there is a notable gap in the literature regarding the role and influence of tangible resources on the financial performance of organizations. Specifically, limited attention has been given to understanding how physical assets drive the financial performance of companies, particularly in the context of the financial industry. Therefore, this study aims to bridge this research gap by examining the relationship between tangible resources and the financial performance of State Bank of India (SBI). By investigating the significance and contribution of physical assets to SBI's financial performance, this research seeks to enhance our understanding of the strategic value and implications of tangible resources in the financial sector.

RESEARCH QUESTIONS

1. Does there any relationship exists between the physical assets of the State Bank of India with its financial performance.
2. Will be there any effect of physical assets on the financial performance of SBI.

OBJECTIVES OF THE STUDY:

1. To identify the relationship between the physical assets of the State Bank of India with its financial performance.
2. To know the physical asset’s impact on the financial performance of SBI.

HYPOTHESIS OF THE STUDY:

H0: There is no significant long-run relationship between the physical assets of the State Bank of India with its financial performance.
H0: There is no significant impact between the physical assets with the financial performance of SBI.

SCOPE OF THE STUDY

The present study focused to know the role of Physical Assets on the financial Performance of the Indian Bank i.e., State Bank of India. The study considered the period from 2010-11 to 20122-23. The study considered the Operating Profitability of the Bank as a proxy variable for the financial Performance and the study considered those Physical Assets, which plays the key role for the growth of the Banking Business.

RESEARCH METHODOLOGY

The study has been emphasized to know the SBI Physical Assets Impact on the financial performance. The study has framed two objectives and adopted quantitative research approach. As the study considered the secondary data from the CMIE Prowess.
Variables Considered for the study under the Physical Assets. They are as follows,

- Net Furniture and Other Fixed Assets
- No. Of Branches
- No. of Employees
- No. of ATMs

Statistical Tools: The study applied the various statistical tools for the examination of objectives.
Bi-variate Correlation: The study applied the Bi-variate correlation to know the significant relationship between the selected Physical Assets and the Financial Performance.

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Regression: The study applied linear regression method to know the Impact of Physical Assets on the profitability growth i.e., Financial Performance.

TABULATION OF DATA ANALYSIS

Table.no-1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Security	13	28279.60	2193715.80	589087.6077	877138.68952
Net furniture and other fixed assets	13	34221.20	99219.20	72096.4231	23096.72601
No. of branches	13	13698.00	22640.00	18822.5385	3648.82930
No. of employees	13	207739.00	264041.00	232008.7692	18888.17213
Number of ATMs	13	20084.00	65627.00	48423.8462	16010.12432
Valid N (listwise)	13				

Source: Secondary Data, CMIE Prowess

The table provides descriptive statistics for various variables. By considering the mean values, we can observe that the average value for Security is $589,087.61, with a considerable standard deviation of $877,138.69. This indicates a wide variation in the security values among the 13 observations. The average Net furniture and other fixed assets value is $72,096.42, with a standard deviation of $23,096.73. This suggests that the fixed assets values are less variable compared to the security values. For the variable No. of branches, the mean value is 18,822.54, and the standard deviation is 3,648.83. This indicates that the number of branches varies around the average, with some observations having a relatively higher or lower number of branches. The average No. of employees is 232,008.77, with a standard deviation of 18,888.17. This suggests a relatively low variability in the number of employees among the observations. The average Number of ATMs is 48,423.85, with a standard deviation of 16,010.12. This indicates some variability in the number of ATMs among the observations.

Objective – I: To identify the relationship between the physical assets of the State Bank of India with its financial performance.

The study examined the relationship of Physical Assets and Operating Profitability. The study framed the following Hypothesis.

H0: There is no significant long-run relationship between the physical assets of the State Bank of India with its financial performance.

H0: There is a significant long-run relationship between the physical assets of the State Bank of India with its financial performance.

The correlation analysis reveals the relationship between Return on Assets and independent variables namely- security, net furniture and other fixed asset, no.of branches, no.of employees, and no.of ATMs. The results indicate that Security has a weak positive correlation (0.204) with Return on Assets, while Net furniture and other fixed assets (-0.532), No. of branches (-0.482), No. of employees (-0.567), and the number of ATMs (-0.440) exhibit moderate negative correlations. These indicate that these correlations are statistically significant for Security (0.045), Net furniture, and other fixed assets (0.026), No. of branches (0.045), No. of employees (0.043), and Number of ATMs (0.032). The study highlights that Security has a weak positive correlation with Return on Assets, indicating a slight positive relationship.

Table.no2 Correlation Analysis

		Return on Assets	Security	Net furniture and other fixed assets	No. of branches	No. of employees	Number of ATMs
Return on Assets	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	13					
Security	Pearson Correlation	.204	1				
	Sig. (2-tailed)	.045					
	N	13	13				
Net furniture and other fixed assets	Pearson Correlation	-.532	.582*	1			
	Sig. (2-tailed)	.026	.037				
	N	13	13	13			
No. of branches	Pearson Correlation	-.482	.627*	.980**	1		
	Sig. (2-tailed)	.045	.022	.000			
	N	13	13	13	13		
No. of employee	Pearson Correlation	-.567*	.358	.720**	.805**	1	
	Sig. (2-tailed)	.043	.230	.006	.001		
	N	13	13	13	13	13	
Number of ATMs	Pearson Correlation	-.440	.611*	.963**	.925**	.560*	1
	Sig. (2-tailed)	.032	.027	.000	.000	.047	
	N	13	13	13	13	13	13

Source: Secondary Data, CMIE Prowess

The study suggests that as the level of security increases, there is a tendency for Return on Assets to slightly increase as well. While the Net furniture and other fixed assets, No. of branches, No. of employees, and the number of ATMs exhibits a moderate negative correlation with Return on Assets indicating that as the levels of these variables increase, there is a tendency for Return on Assets to decrease. The statistically significant correlations suggest that these variables may have an impact on the financial performance represented by Return on Assets. Therefore, organizations should carefully evaluate and manage their levels of security, fixed assets, branches, employees, and ATMs to optimize their Return on Assets and improve overall financial performance. The study rejects the null hypothesis and accepts the alternate, indicating a significant long-run relationship between the physical assets of the State Bank of India and its financial performance.

Objective - 2. To know the physical asset's impact on the financial performance of SBI.
The study has framed the following hypothesis keeping in view of Physical assets Impact on the financial performance of the SBI.

H0: There is no significant impact between the physical assets with the financial performance of SBI.
H0: There is a significant impact between the physical assets with the financial performance of SBI.

Table.no3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.881[a]	.776	.615	.20048

Source: Secondary Data, CMIE Prowess

The Model Summary table presents the statistics related to the model's goodness of fit. The Adjusted R Square value, which is 0.615, suggests that the physical assets included in the model can explain approximately 61.5% of the variation in the financial performance of SBI.

Table.no4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.973	5	.195	4.839	.031[b]
	Residual	.281	7	.040		
	Total	1.254	12			

Source: Secondary Data, CMIE Prowess

The ANOVA table shows that the regression model has a significant effect on the outcome variable. The F-ratio, which compares these mean square values, is 4.839. The significance value of 0.031 suggests that the observed ratios related to physical assetsare statistically significant. The results indicate a significant relationship between the physical assets and the financial performance of SBI.

Table No 5: Impact of Physical Assets on Financial Performance of SBI

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.677	1.246		2.149	.023
	Security	.490	.096	.540	6.924	.026
	Net furniture and other fixed assets	-.639	.109	-.786	-8.262	.011
	No. of branches	.436	.088	.590	7.307	.032
	No. of employees	-.539	.113	-.900	-5.566	.027
	Number of ATMs	-.595	.093	-.475	-6.472	.031

Source: Secondary Data, CMIE Prowess

The regression analysis results highlight the impact between the physical assets of the State Bank of India and its financial performance, measured by Return on Assets. Security shows a positive coefficient of 0.49, indicating a positive influence on financial performance. Net furniture and other fixed assets, on the other hand, exhibit a negative coefficient of -0.639, suggesting a negative impact on financial performance. The coefficient for No. of branches is 0.436, indicating a positive impact on financial performance, and the significance value of 0.032 suggests statistical significance. No. of employees has a negative coefficient of -0.539, indicating a negative influence on financial performance. Similarly, the coefficient for the Number of ATMs is -0.595, indicating a negative impact which implies that Security, No. of branches, No. of employees, and the Number of ATMs significantly affects the financial performance of the State Bank of India. Net furniture and other fixed assets also play a significant role, albeit in a negative manner. The study rejects the null hypothesis and accepts the alternate, indicating a significant long-run relationship between the physical assets of the State Bank of India and its financial performance.

FINDINGS OF THE STUDY:

1. The study reveals a weak positive correlation (0.204) between security and Return on Assets. Which indicates an increase in security measures is associated with an improvement in financial performance.
2. It identifies moderate negative correlations between Net furniture and other fixed assets (-0.532), No. of branches (-0.482), No. of employees (-0.567), and the number of ATMs (-0.440) with Return on Assets which implies that as these physical assets increase, there is a tendency for Return on Assets to decrease.
3. The regression analysis reveals that Security has a positive coefficient (0.49), indicating a significant positive influence on the bank's financial performance.
4. It reveals negative coefficients for both No. of employees (-0.539) and the number of ATMs (-0.595), indicating a significant negative influence on financial performance, and states that the efficient management of human resources and ATMs is crucial to minimize their potential adverse effects on the bank's financial performance.

CONCLUSION OF THE STUDY:

The study focused to know the role of Physical Assets on the growth of Financial Performance. The study considered the India’s Largest bank SBI. The study considered the various Physical Assets from the CMIE Prowess from the period of 2011-12 to 2022-23. The study concludes that significant variations in security measures among the entities, indicating some entities have substantially higher or lower levels of security. A weak positive correlation between security and Return on Assets suggests that increased security measures are associated with a slight improvement in financial performance. Moreover, the study reveals moderate negative correlations between various physical assets (net furniture, branches, employees, and ATMs) and Return on Assets, indicating that an increase in these assets tends to decrease financial performance. Additionally, the regression analysis demonstrates that security has a positive influence on the bank's financial performance, while the number of employees and ATMs have significant negative impacts. Efficient management of human resources and ATMs is crucial for minimizing their adverse effects on financial performance.

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