

## ‘COVID 19’ PANDEMIC & BANKING OPERATION BY SBI IN Q4, 2020.

**Mr. Kishor Kumar<sup>1</sup>**

Research scholar in Department of Management, PAHER University, Udaipur (Rajasthan).

**Dr. Kulvinder Kaur Gujral<sup>2</sup>**

Professor in Department of Management, PAHER University, Udaipur (Rajasthan)

### ABSTRACT

As we know that the whole world is confronting the 'COVID-19' emergency, which represents a genuine wellbeing danger over the globe, including our Country. Despite the fact that the infection is profoundly infectious, suitable precautionary measure will help in forestalling the spread of the contamination. While the Government is taking every conceivable measure to successfully handle the danger of COVID-19, SBI, additionally need to take measures for shielding the workers from the ailment. With the lockdown forced to contain the spread of the coronavirus, bank branches of SBI were taken wellbeing measures to shield their staff and clients. Banks the nation over have changed timings of their branches, diminished staff, and are likewise pushing individuals to utilize advanced channels as opposed to visiting the branch.

Bank employees need to exercise extra precaution to take care of themselves and their family members. Apart from personal care, all of us have the responsibility of taking care of the community at large also. This Paper deals here to a small research on Impact of 'Covid 19' pandemic on Banking Operation of SBI in duration of lockdown and analysis of Banking operations by SBI after the lockdown announcements were made.

### **Keywords:**

Covid 19, Pandemic, Banking Operation, Branches, ATMs, Customers, Deposits, Loan & withdrawals, Mask & sanitizers etc.

### **INTRODUCTION:**

Corona Virus Disease or COVID 19 is another infection sickness that began in 2019. The infection has now spread over the world and the practically all the nations are doing combating against this



infection and are attempting their best to check the spread however much as could be expected. The World Health Organization has proclaimed it as a Pandemic and is investigating every possibility to control the pandemic and is anticipating an immunization to fix it. There are very few scholarly investigations that can manage analysts to contemplate the effect this pandemic has on the psychological well-being of the individuals and furthermore on the economies of nations around the world.

By the main seven-day stretch of March 2020, a few nations like China, Italy, Spain, and Australia were battling with the COVID19 pandemic by taking severe estimates like across the country lockdown or by cordoning off the territories that were associated with having dangers of network spread. Submitting general direction to the outside partners, the administration of India attempted a significant choice of across the nation lockdown in five different phases that is Phase 1: 25 March 2020 – 14 April 2020 (21 days) Phase 2: 15 April 2020 – 3 May 2020 (19 days) Phase 3: 4 May 2020 – 17 May 2020 (14 days) Phase 4: 18 May 2020 – 31 May 2020 (14 days) Phase 5 (only for containment zones): 1 June 2020 – ongoing (5 days); scheduled to end on 30 June 2020 with a populace of 1.3 Billion individuals, was at a high danger of experiencing irreversible harm, and severe measures were relied upon to "smooth the bend." The Prime Minister of India declared the lockdown however it didn't come as an amazement since Indians were really given a vibe of what it had in store through a one-day check in time named as "Janata Curfew" on March 22nd from 7 A.M. to 9 P.M. Along these lines, Indians were presented to a lockdown circumstance somewhat, and this aided in getting ready intellectually for the across the country lockdown, and the declaration didn't come as a stunner to them. Taking a gander at the insights of COVID19 contaminated, recuperated, and passing instances of Italy and different nations, Indians realized that extreme measures were required in India to prevent the numbers from rising exponentially.

### **OBJECTIVES OF THE STUDY**

- To study the financial performance of State Bank of India in "COVID19" Pandemic time.
- To know the profitability position of State Bank of India in period of lockdown.
- To study the managerial efficiency of State Bank of India while lockdown.

### **SCOPE OF THE STUDY**

The research paper will likewise assist with understanding the money related execution SBI. This investigation will illuminate the various perspectives where the State Bank of India stick out and

how the banks will offer its types of assistance while lockdown and an open door in relating its exercises to accomplish the best execution.

### **SOURCE OF DATA COLLECTION**

The Data assortment is auxiliary source was utilized as reports through websites.

### **DEVICES FOR DATA COLLECTION**

The information required for the examination will be gathered from, Annual reports of particular banks, Journals and reports on patterns Progress of Banking of India and Books and sites.

### **STATE BANK OF INDIA IN LOCKDOWN (COVID 19 PANDEMIC)**

The coronavirus outbreak has impacted financial markets and consumer sentiments; and with the ongoing liquidity concerns and lockdown situations it seems there's more trouble brewing for financial institutions. In an offer to keep its staff confident in the midst of the coronavirus flare-up, the nation's greatest moneylender State Bank of India has set up a snappy reaction group (QRT) to guarantee the security of its workers. For the security of its clients, the bank has given sanitisers and cleansers over the branches with a warm (thermal) scanner at its greater workplaces, Staff from any piece of the nation can snare to the helpline set up by the HR division in the midst of hardship. Additionally, the bank is giving defensive apparatuses, for example, veils, and hand sanitizer to its staff for their prosperity. Walk is the end month of the money related year, banking movement for the most part gets, they included that the bank is good to go to address these difficulties directly from charge assortment to finance move.

SBI, having staff strength of about 3 lakhs and over 23,000 branches, also disabled biometric attendance system till further order. The bank is also encouraging its customers to use digital banking platform of the bank rather than branch banking in order to help check spread of disease. With a view to mitigate the economic fallout of the coronavirus pandemic, SBI has opened a COVID-19 Emergency Credit Line (CECL) for its business customers to meet any liquidity mismatch.

The concessions announced by the RBI are good in intent, but an extension of loan tenors is difficult to implement equitably on such a large scale. State Bank of India performed better in the fourth quarter 2020, playing its pivotal role at the time of Lockdown in India. To encourage loans, the repo rate has been cut by 0.75% by RBI. In order to encourage banks to give more loans, the RBI has reduced the main policy interest rate (repo rate) from 0.75% to 4.4%, Which is an 11-year

low. Apart from this, the reverse repo rate was also reduced to 3.75 percent, so that the bank will use surplus funds present in the system to lend. The reverse repo rate is a major monetary tool for controlling the cash supply. With the reverse repo rate coming down, banks will not have much advantage in holding capital with RBI and they will be encouraged to give more and more loans to the economy.

SBI Bank authorities and staff have reliably been on the bleeding edge in offering types of assistance to clients during this season of affliction, regardless of whether it is genuinely giving money where it is required or keeping branches open regardless". SBI tickers 49 crore clients; 21.8% clients select moratorium relief Cumulatively. In total, SBI had endorsed Rs 17116 crore which was COVID-19 related. Kumar said 'A considerable lot of the individuals are taking the approval, keeping it and when they really need it post the lockdown, they would utilize it."

#### COMPARISON OF DATE Q4FY19, Q3FY20, AND Q4FY20.

In Rs Crore	Q4FY19	Q3FY20	Q4FY20	YoY %	QoQ %	FY19	FY20	YoY %
Interest Income	62,985	67,692	62,681	-0.48	-7.4	2,42,869	2,57,324	5.95
Interest Expenses	40,032	39,913	39,914	-0.29		1,54,520	1,59,239	3.05
Net Interest Income	22,954	27,779	22,767	-0.81	-18.04	88,349	98,085	11.02

SBI Research has broken down the pattern of varieties in Deposits and Advances during progressive lockdowns to comprehend purchaser conduct.

Stores (Savings, Current and Term) expanded essentially during Lockdown 1 as individuals were worried in the start of spending and turned cheap. During Lockdown 2, there was a 25% decrease in such Bank Deposits, yet Term Deposit accumulation was sound. "The expansion in stores is likewise inferable from government going through getting pace with the climb in WMA limits," uncovers a report by SBI Research, which investigated the pattern of varieties in Deposits and Advances during progressive lockdowns to comprehend customer conduct.

The circumstance got basic during Lockdown 3 when such Deposit development turned essentially contrary, showing individuals may have utilized the underlying develop to begin spending as they understood that Lockdown could be a common marvel. In any case, the consumption was just 12% of the store develop in Lockdown 1 and Lockdown 2, demonstrating

noteworthy hazard avoidance in shopper spending.

In Lockdown 4, there has been an expansion in stores once more, showing purchasers are unsure about spending and rather are sparing substantially more in bank stores. It is likewise conceivable that numerous family units may have minimal inclination to utilization more like zero in light of the fact that numerous sorts of spending are less accessible because of social removing.

With India going into Lockdown 5, "we accept such purchaser investment funds will keep on flooding. Most definitely, there was a bounce in term credits in Lockdown 1, and again in Lockdown 4. We accept while such bounce in Lockdown 1 was certifiable, as organizations profited of unutilized limits, in Lockdown 4, it could be the aftereffect of both intrigue application and some dispensing of unutilized limits. The expansion in Cash Credit in may likewise reflect more the utilization of enthusiasm as the vast majority of the organizations has taken ban. In this way, such development in credit segment should be treated with alert," says Dr Soumya Kanti Ghosh, Group Chief Economic Adviser, State Bank of India.

BANKING TRANSACTIONS DURING LOCKDOWN (VALUATION IN RS. CR)				
PRODUCTS	LOCKDOWN 01	LOCKDOWN 02	LOCKDOWN 03	LOCKDOWN 04
SAVING DEPOSITS	499606	244679	-89720	137796
CURRENT DEPOSITS	-62757	24616	-53002	65687
TERM DEPOSITS	175812	146583	22845	59134
TOTAL DEPOSITS	483767	362989	-102534	238512
CC DL OVERDRAFTS ETC	-9190	-114170	-38735	43420
TERM LOANS	62304	4565	-16440	43420
TOTAL ADVANCESS	55503	-125491	-60588	52703
SOURCES: SBI RESEARCH AGGREGATE EXTRAPOLATED BASED ON INDIVIDUAL BANKS				

## SBI ACHIEVEMENTS FOR 4<sup>TH</sup> QUARTER OF F.Y 2020.

- Bank registered a Net Profit of Rs.3581 Crores in Q4FY20, an increase of 327% over Q4FY19.
- For the full year FY20, Net Profit stood at Rs. 14,488 Cr against Net Profit of Rs.862

Crores in FY19. This is also the Highest Ever Yearly Net Profit recorded by the Bank.

- Operating Profit increased to Rs. 68,133 Crores in FY20 from Rs. 55,436 Crores in FY19, an increase of 22.90% YoY.
- Net Interest Income of the Bank grew by 11.02% YoY during FY20.
- Domestic Net Interest Margin (NIM) improved to 3.19% in FY20, registering an increase of 24 bps YoY.
- Non-Interest Income for FY20 at Rs. 45,221 Cr is up by 22.97% YoY.
- Total Deposits grew at 11.34% YoY, out of which Current Account Deposit grew by 7.56% YoY, while Saving Bank Deposits grew by 9.99% YoY.
- Credit Growth stood at 5.64% YoY, mainly driven by Retail (Personal) Advances (15.40% YoY) and Foreign Office Advances (18.05% YoY).
- Home loan, which constitutes 22% of Bank's domestic advances, has grown by 13.86% YoY.
- Net NPA ratio at 2.23% is down 78 bps YoY and 42 bps QOQ. Gross NPA ratio at 6.15% is down 138 bps YoY and 79 bps QOQ.
- Provision Coverage Ratio (PCR) has improved to 83.62%, up 489 bps YoY and 189 bps Q.O.Q.
- Slippages Ratio for FY20 has declined to 2.16% from 2.42% as at the end of 9MFY20.
- Credit Cost as at the end of FY20 has declined 79 bps YoY to 1.87%.
- Cost to Income Ratio has improved from 55.70% in FY19 to 52.46% in FY20, an improvement of 324 bps.
- Capital Adequacy Ratio (CAR) has improved by 34 bps YoY to 13.06% as on Mar 2020.
- Return on Assets (ROA) increased by 36 bps YoY to 0.38% in FY20 against 0.02% in FY19.
- Share of Alternate Channels in total transactions has increased from 88% in FY19 to 91% in FY20.

## CONCLUSION

The financial part is significant for the monetary advancement of a nation. The SBI is one of the main banks of the Public Area Bank in India. The market position of SBI is better. The investigation uncovers that there are less effects on Deposits, Investment, Advances, Borrowing,

Net Profit and so on., there is developing proof of worry by the SBI bunch on the declining productivity of the financial framework because of lockdown or "COVID 19" pandemic. execution and administrations rendered by SBI discovered better.

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