

A Comparative Financial Performance of ICICI Bank and State Bank of India

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Abstract: This reading analyzes the relative of the financial show of Indian bank. In this study, there are two banks single is a private bank and one more one is a public bank. ICICI bank is personal sector bank it have 4,867 branches or 14,367 ATMs crosswise India. In SBI is a government sector bank income in unrestricted bank which has inside excess of 24,000 branches with 59,000 ATMs serving extra than 42 core consumers. along with in this study unrelated Financial performance of ICICI bank as well as SBI bank coat the period of five years from 2015 to 2019. The banking segment is important for the economic progress of a country and provide pecuniary services to the country. The introduction of the bank shows the bank history of the organization. The secondary data was examination in data analysis. It is second environment in data and the data is collected all the way through internet. So at the end of the study come to know about the relative for the better and poor financial performance of among ICICI bank and SBI bank of India.

Keywords: financial performance, ICICI Bank, SBI Bank

1. Introduction

The preliminary bank of limited legal responsibility managed by Indian was Oudh manufacture Bank bear in 1881 in addition to in 1894 Punjab National Bank was documented in 1906 SWADESI association was begin as well as it stimulated the pattern of a mixture of production banks. Every place in 1913 to 1917 Indian Banking danger and failure of 588 banks in numerous States at every place the decade terminated in 1949 underlined the would like for organize and overriding the trade banks. In banking system, the Act was agreed in Feb., 1949. That were ready to look around for Banking Regulation Act, 1949. This Act give for the rule of the substitute work system in the Indian banking system. In 1955 The IBI bank was taken because it is a biggest bank in India all the RBI and walk as a SBI Bank and also make step by the subsidiaries of its own seven Associate Banks in 1959. At gift, SBI has 5 associate banks. ICICI Bank was initially endorse in 1994 by ICICI secret. AN Indian financial business and be its wholly own secondary. ICICI good was increased to 46 percent by a community giving of shares in India and in 1998 at business enterprise and AN equity providing the type of respiratory illness programmed on the securities bazaar in business venture 2000, ICICI bank's achievement of Bank of Madura constrained in AN all the stock unite in business venture 2001, and a different market sales

given to ICICI to good investor in business center 2001 and money 2002.

The state bank of Asian nation is India's largest business bank. The bank have be staying thankfully to adhere to make the effort of providing all client satisfaction to the best service provider. The SBI has presence all over Asian nation with sixteen thousand branches. Not solely this the bank has created its roots secured ambit as well. At gift of SBI has 131 branches in thirty-two countries each and every one more than the earth.

A. Objectives of the study

The study work is carried out for attaining below mentioned objectives:

- To learn the financial performance of state bank of India and ICICI Bank.
- To make comparison both the banks analysis of the five-year knowledge (2015 to 2019.)

2. Research methodology

1. *Period of the study:* The data of the study has been collected from the 5 years from 2015 to 2019.
2. *Area of the study:* The study has been complete in the ICICI and SBI bank website and outside monetary performance of the bank.
3. *Source of data:* Data analysis have been given base on the data collected from the secondary data. The tools show the difference between in the Data analysis.
4. *Tools analysis:* Operating profit & total assets & other assets & total revenue (sales turnover), profit and losses & price earnings ratio & money and sense of balance with RBI & sense of balance with bank and currency at label and tiny notice and total investment and total expenditure and total income and other income and PAT.

A. Data analysis and interpretation

There are a number of tools which help to examination the data of the comparative financial performance of ICICI and SBI bank. Folks tools are,

1) Operating profit of ICICI and SBI bank

Operating profit is the gain of the business, before taking into account interest and taxes. For now operating profit in the

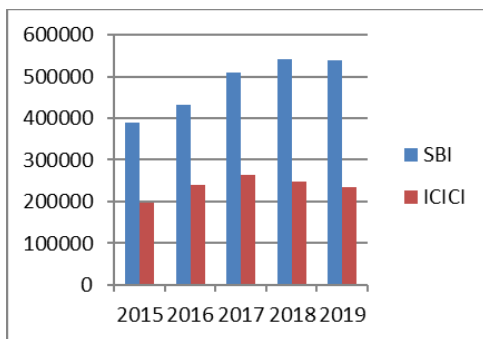
operating expenses is from gross profit. in operation profit is a key range for managers to watch as it reflects the revenue and expenses that they will management.

Operating Profit = in operation Revenue - value of product sold-out (COGS) - in operation Expenses - Depreciation - Amortization.

Amount in Crore

Year	SBI	ICICI
2015	389135	197199
2016	432578	238635
2017	508479	264867
2018	540748	247416
2019	538755	234379

Source of data: Yearly ended performance chart



Interpretation:

In this amount 2015 to 2019 state bank of Asian country is a lot of gain of business before taking into quantity interest and taxes as compared to the ICICI bank.

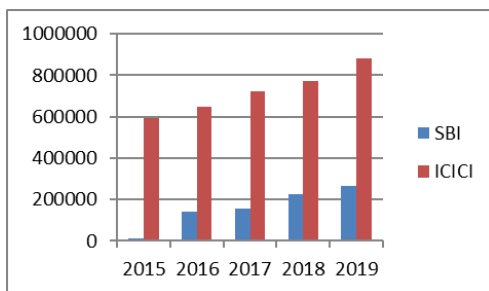
2) Total assets

The final quantity of all gross investments, money and equivalent, assets, and alternative assets as they are given on the balance sheet.

Amount in crore

Year	SBI	ICICI
2015	10210	594641
2016	140408	646129
2017	154008	720695
2018	226994	771791
2019	266328	879189

Source of data: Balance sheet



Interpretation:

In this, the total assets that were final in quantity of all the gross investment and money and instrumentality, assets and alternative assets as they are gift on the balance sheet in state bank of Asian country were cut as compared to the ICICI bank.

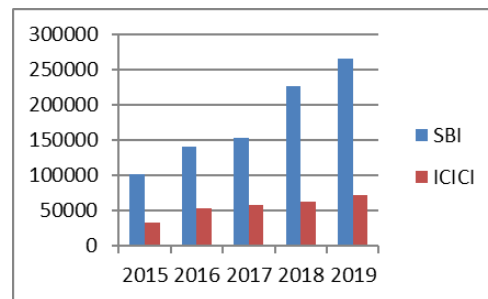
3) Other assets

Long term assets that are not classified as investments, property, plant, instrumentality or intangible assets relate degree example is bond problem price that are amortized to outlay greater than the existence of the bonds.

Amount in Crore

Year	SBI	ICICI
2015	102210	32709
2016	140408	53448
2017	154008	57574
2018	226994	62535
2019	266328	71727

Source of data: Balance sheet



Interpretation:

During this amount (2015 to 2019) of study, all alternative assets of all the year the State Bank of Asian country have a lot of alternative assets as compared to ICICI bank.

4) Total Revenue (Sales Turnover)

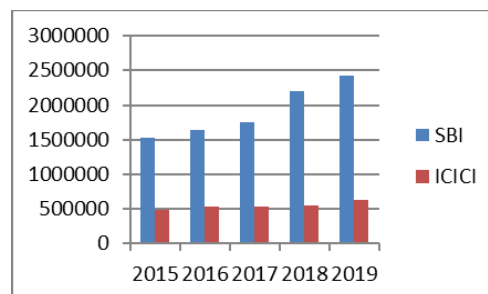
Total revenue (TR), is the total flow of financial gain to a firm from commercialism a given amount of output at a given value, less tax going to the government.

Total revenue is the total receipts a marketer will get from commercialism product or services to patrons. It will be written as Product × Quantity that is the value of the product increased the amount of the sold out product.

Amount in Crore

Year	SBI	ICICI
2015	1523970	490911
2016	1636850	527394
2017	1755180	541563
2018	2204990	549659
2019	2428690	634012

Source of data: Balance sheet



Interpretation:

In this study, the State Bank of Asian country has a lot of sales turnover as compared to the ICICI Bank.

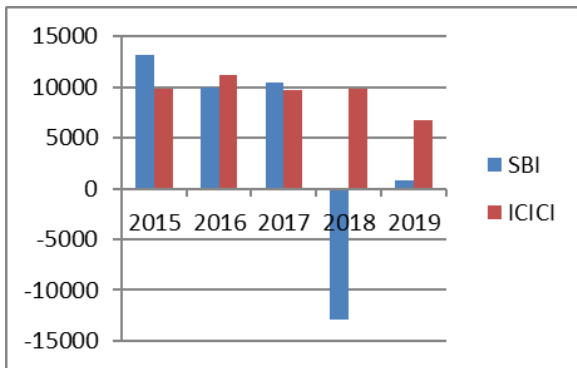
5) Profit and losses

Total profit, additionally referred to as gross profit, is calculated by taking the total received from sales and subtracting the value of the product sold-out. It will not embody expenditures, such as insurance and taxes.

Amount in Crore

Year	SBI	ICICI
2015	13102	9810
2016	9951	11175
2017	10484	9726
2018	-12955	9801
2019	862	6777

Source of data: Profit and Loss account



Interpretation:

In this the profit and losses of SBI and ICICI in 2015 SBI was exaggerated and ICICI bank cut however in 2016 it was holding device versa and in 2017 once more it was exaggerated in SBI bank and cut in ICICI bank and in 2018 SBI bank has negative profit and losses and in ICICI bank it was positive and 2019 the SBI bank Performance is Less as compare to ICICI bank.

6) Price-earnings quantitative relation

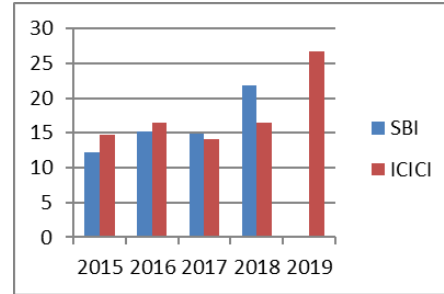
The value of earnings money relation (P / E quantitative relation) is the ratio for value an organisation that instrument its current share price related to the earnings per share. The value for the earnings quantitative relation is additionally generally famed as the price multiple or the earnings multiple.

Price and earnings ratio is used by investor connect humiliate analyst to confirm the family member worth of a company's shares in an apples- to- apples contrast. It will moreover be used to compare a company against its own historical record or to compare combination markets against one another or over time. P/E Ratio=Earnings per share/ Market worth per share

Amount in Crore

Year	SBI	ICICI
2015	12.22	14.68
2016	15.17	16.48
2017	14.95	14.11
2018	21.84	16.48
2019	Not mentioned	26.66

Source of data: Yearly ended performance



Interpretation:

In this, the value-earnings quantitative relation the current share price of PER is in 2015, 2016 and 2019 the SBI bank are less earning quantitative relation as compare to ICICI bank however in 2017 and 2018 in SBI bank a lot of value earnings quantitative relation as compare of ICICI bank.

7) Cash and balance with reserve bank of Asian country

Where balance confirmation certificates obtained in respect of outstanding balances as at the year-end and whether or not the said balances have been reconciled? If, not the nature and extent of variations ought to be reported.

Balance confirmation certificates obtained in respect of outstanding balances as at the finish of each month.

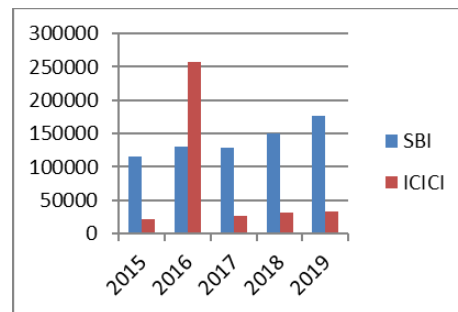
Obtain the bank reconciliation statement, if the reconciliation is not carried out or carried out incorrectly the same to be reported.

If any variations are determined, then the reported quantity, nature of distinction and amount since lying in the reconciliation.

Amount in Crore

Year	SBI	ICICI
2015	115883	21822
2016	129629	256523
2017	127997	27106
2018	150397	31702
2019	176932	33102

Source of data: Balance sheet



Interpretation:

Cash and balances with the run the SBI bank have a lot of reconciled as compared to the ICICI bank in all the year however in 2016 the ICICI bank has a lot of money and balance with run as compare to SBI bank.

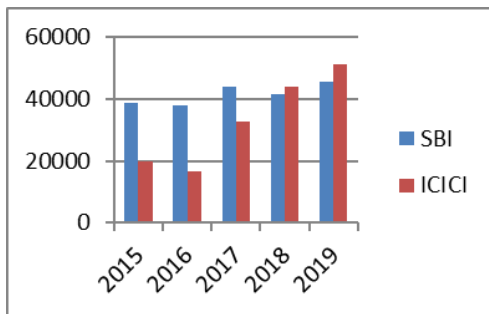
8) Balances with bank and cash at decision and short notice

Money at decision, or "at decision cash," is any monetary loan that is collectable at once and in full upon demand. naturally it is a short interest paying loan from one to fourteen

days created by a bank or monetary institution to a new bank. Or, One of the assets that seem in the balance sheet of a bank. It takes funds Lenten tide to discount homes, cash brokers, the stock exchange, bullion brokers, company customers, and more and more alternative banks. 'At call' a cash is pay on demand, whereas 'short notice' money given that notice of compensation of up to fourteen days can be given. when money and cash at decision on short notice in the banks most liquid assets. They are not easily earning the interest that will secured loans however their importance rules is providing to the banks with permanently degree chance to use their surplus funds and to alternative their money or liquidity which is necessary.

Amount in Crores		
Year	SBI	ICICI
2015	38871	19708
2016	37838	16652
2017	43974	32763
2018	41501	44011
2019	45558	51067

Source of data: Balance sheet



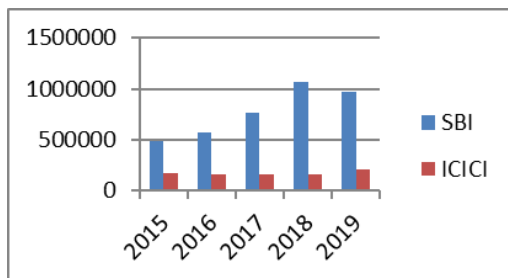
Interpretation:

Money at decision SBI has a lot of balance as compare of ICICI bank however in 2018 and 2019 the balance was shown vice versa.

9) Total investment

Amount in Crores		
Year	SBI	ICICI
2015	481759	177022
2016	575652	158129
2017	765910	160412
2018	1060987	161507
2019	967022	202994

Source of data: Balance sheet



In easy word Total investments means that the total endowed capital (particularly money) in each investment vehicle (paper

assets such as stocks, mutual funds, 401k arrange, trust accounts in the banks, time deposits, bonds or real estate properties, and business) you participated.

Interpretation:

In this amount of the study total investment done by SBI bank is a lot of as compared to the ICICI bank in all the year.

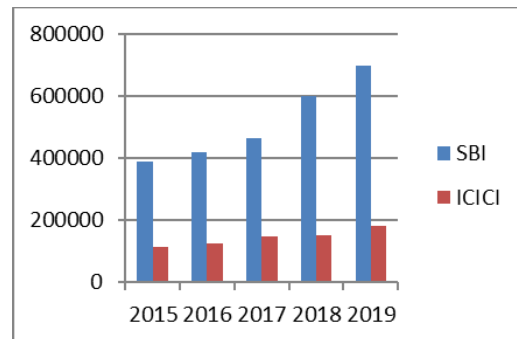
10) Total expenditure

Total expenditure is connect degree monetary term used to explain the total quantity of money that is spent on a manufactured goods in a given instance amount.

That worth is achieved by grow the amount of the product purchase by the capacity at which it be purchased. The means that total expenditure changes over time are dependent upon rate changes in that time amount.

Amount in crore		
Year	SBI	ICICI
2015	13101	9810
2016	9951	11175
2017	10484	9726
2018	-6547	9801
2019	863	6777

Source of data: Profit and Loss Account



Interpretation:

In this amount of study to 2015 to 2019, the total expenditure is high in SBI bank and in ICICI bank it was less in size.

11) Total income

The total of all cash received by associate degree individual

Amount in Crores		
Year	SBI	ICICI
2015	388776	114958
2016	417824	126836
2017	464728	147551
2018	599434	150390
2019	696877	180891

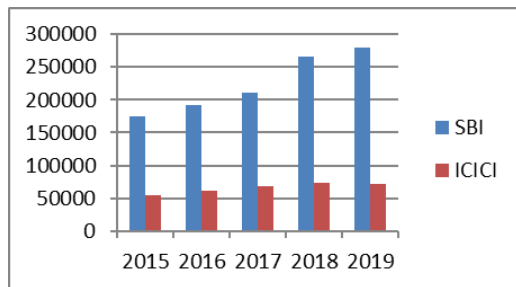
Source of data: Yearly ended Performance

or organization, as well as financial gain from employment or providing services, revenue from sales, payments from pension plans, financial gain from dividends, or alternative sources. Total financial gain could be calculated for functions of assessing taxes, evaluating the web price of a company, or determinative associate degree individual or organization's ability to create payments on a debt.

Amount in Crore

Year	SBI	ICICI
2015	174973	54606
2016	191844	61267
2017	210979	68062
2018	265100	73661
2019	279644	72386

Source of data: Profit and Loss Account



Interpretation:

In this amount of study 2015 to 2019, the total expenditure of SBI and ICICI is given. The SBI bank has a lot of total financial gain as compared to ICICI bank.

12) Other income

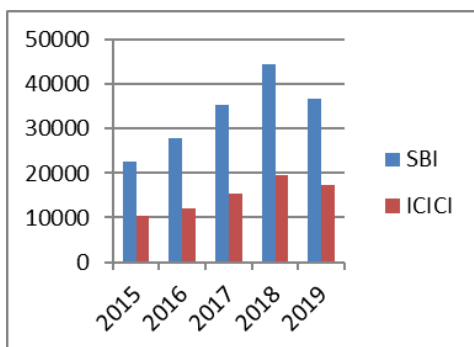
Other financial gain is financial gain that will not come back from a company's main business, such as interest.

Examples of alternative financial gain embody financial gain from interest, rent, and gains ensuing from the sale of mounted assets. firms gift alternative financial gain in a separate section, before financial gain from operations.

Amount in Crore

Year	SBI	ICICI
2015	22575	10428
2016	27845	12176
2017	35461	15323
2018	44601	19504
2019	36775	17420

Source of data: Profit and Loss Account



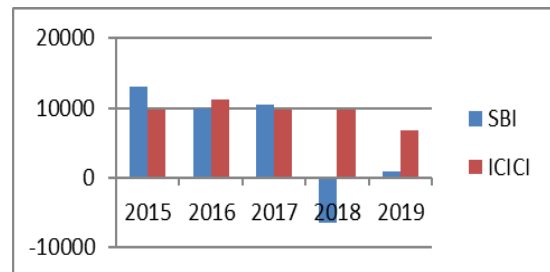
Interpretation:

In this alternative financial gain is high in SBI as compared to ICICI bank in all year.

13) PAT

PAT is famed as profit when tax it is used to calculate the PAT margin and PAT margin is P is calculated by web profit when taxes divided by total sales. This quantitative relation is

associate degree necessary elementary parameter as it tells the investors the proportion of cash the company earns per every rupee of revenue. Net Profit Margin point to the management might in make profit from its sales when gathering its in operation and above your head prices. If the PAT growth margin of a company is growing each section or yearly basis then it is likely positive for the companionship.



Interpretation:

In 2015 profit when tax is high and ICICI bank it was low as to SBI bank. In 2016 SBI bank is less profit when tax as compared to ICICI bank and in 2017 once more it was high in SBI and less in ICICI bank and in 2018 it was negative in SBI bank and positive in ICICI bank. In 2019 SBI bank less profit when tax however in ICICI bank it was high.

3. The hypothesis of this study

“ICICI bank and SBI bank are provided innovative, dynamic and competitive services in term of customer satisfaction in comparison to each other. However, these banks are facing problem while marketing their services.”

In light of the above - cited objectives, the research for the present study has set the following to hypothesize are:

Null Hypothesis Ho- There is no positive correlation between SBI bank and ICICI bank.

Alternatives Hypothesis H1-There is no positive correlation between SBI Bank and ICICI Bank.

4. Literature review

The earlier literature studies were given below: Singh, B. A., and Tandon, P. (2012) avowed that the bank Sector acting an imperative role in the fiscal progress of a kingdom. The bank system of India is quality by a large association of bank twigs; measure many kind of economic services of the populace. The SBI, usually known as SBI is one of the most important banks of the open sector in India. ICICI Bank is the next largest and most important bank of the secret sector in India. The in attendance study is conduct to evaluate the monetary presentation of SBI in addition to ICICI store on the base of ratio such as thanks leave, net profit fringe, etc. The stage of learning taken is from the year 2007 to 08 and 2011 to 12. The revision start that SBI is performing healthy and monetarily noise than ICICI Bank but in the background of deposit and spending, ICICI bank has enhanced organization good organization than SBI.

Kumbirai, M. and Webb, R. (2010) explore the routine of South Africa's commercial bank sector for the time 2005 to 2009. Fiscal ratios are in use to measure the abundance, liquidity and praise excellence recital of five big South African base profitable bank. The learn establish that in general bank presentation greater than before significantly in the primary two years of the psychoanalysis. The important alter in tendency is notice at the start of the worldwide monetary disaster in 2007, attainment its climax during 2008 to 2009. This resulted in lessening abundance, low down liquidity and failing credit class in the South African bank segment.

5. Conclusion and suggestion

A. Conclusion

SBI of is the major bank in the public sectors in India and Industrial Credit and Investment Bank of India (ICICI) is a non-public sector in India. The market enlargement is less in ICICI Bank in compare to SBI Bank is a lot of as compare. SBI bank additionally comes with the services and attracted to the customers and enters into the rural market and create a lot of and a lot of customers. At the time of the study of the monetary performance of SBI and ICICI Bank.

B. Suggestion

The management of the bank will maximize the potency of its staff by maintaining business per worker. From the analysis and interpretation, it's going to be suggested that every of the banks ought to try to retain the practiced men and improve shopper services that contribute to the gain goals of the banks to keep competitive throughout this quite close. The

management of the banks ought to a lot of try to manage over their expenses and disbursement value therefore as to extend the profits. The banks ought to concentrate on risk management whereas increasing their business internationally. The banks ought to provide the product to the shoppers consistent with their desires and expectations.

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