

# FINANCIAL PERFORMANCE OF STATE BANK OF INDIA AND ICICI BANK – A COMPARATIVE STUDY

D.Padma<sup>1</sup> and V.Arulmathi<sup>2</sup>

<sup>1</sup>Associate Professor, Sree Saraswathi Thyagaraja College, Thippampatti, Pollachi, India.

Email-id: padvijaya@gmail.com

<sup>2</sup>M.Phil. Research Scholar, N.G.M. College, Pollachi

---

**Abstract** State Bank of India (SBI) and ICICI Bank are the two largest banks in India in public and private sector. Performance and efficiency of commercial banks are the key elements of countries financial system. In view of this, the study set out to apply Profitability ratios, Solvency ratios and Management efficiency ratios on SBI and ICICI Bank in order to compare their efficiency and solvency position. On basis of the analysis, it has been found that both the banks are maintaining the required standards and running profitably. This comparative study of SBI and ICICI Bank demonstrates that there are significant differences on the performance of SBI and ICICI Bank in terms of Deposits, Advances, Investments, Net profit, and Total assets. Based on the study, it can be said that SBI have an extensive operation than ICICI Bank.

**Keywords:** SBI, ICICI, Profitability Ratios, Solvency Ratios, Efficiency ratios.

---

## 1. INTRODUCTION

The banking industry plays an important role in the economic development of a country. It supplies the lifeblood-money that supports and fosters growth in all the industries. Growth of the banking sector is measured by the increase in the number of banks' branches, deposits, credit, etc. In analyzing the banking sector, it indicates the direction in which the country's economy is moving.

India has about 88 commercial banks including 31 private banks, 27 public sector banks, and 38 foreign banks and in total, 53,000 bank branches, and 17,000 ATMs are servicing the nation. Public sector banks dominate the segment with 75 per cent of the total assets of the industry held by them. State Bank of India (SBI) and ICICI Bank are the two largest banks in India in public and private sector.

### 1.1 State Bank of India (SBI)

SBI is the oldest bank of India and India's largest commercial bank, which is a government, owned bank was established in 1806. The bank provides a wide array of banking products through their effective network not only in India but also overseas. The bank has about 18,266 branches, including 4,724

branches of its five Associate Banks, and is also accountable for one-fifth of the loans of India. It has about 8500 ATMs across the nation.

### 1.2 ICICI Bank

This is the second largest private sector bank in India having 2,552 branches and 7,440 ATMs spread across the country. It is among the top commercial banks of India providing a wide range of banking services through varied delivery channels. Besides offering high-end banking facilities such as Internet banking, Tele Banking, and Mobile Banking, ICICI also plays a pivotal role in the domains of investment banking, venture capital and asset management, and life and non-life insurance. The bank spreads its wings in 18 countries across the world including UK, Canada, Russia, and others.

## 2. STATEMENT OF THE PROBLEM

Performance and efficiency of commercial banks are the key elements of efficiency and efficacy of countries' financial system. The broad objective of the banking sector reforms in India has been to increase efficiency and profitability of the banks. Prior to banking reforms, the industry was a near monopoly dominated by public sector banks. However, the banking

reforms a number of private and foreign banks extend the market armed with greater autonomy.

Operational efficiency is an indicator, which will help not only the public but to the management, regulators, and supervisors to understand and judge the relative efficiency of the players competing in the banking sector. Therefore, this study attempts to apply Profitability ratios, Solvency ratios, and Management efficiency ratios on SBI and ICICI Bank in order to compare their efficiency and solvency position.

### 3. OBJECTIVES OF THE STUDY

- i. To compare the financial performance of State Bank of India and ICICI Bank.
- ii. To know and compare the profitability position of State Bank of India and ICICI Bank.
- iii. To know and compare the managerial efficiency of State Bank of India and ICICI Bank.
- iv. To offer findings and suggestions to enhance the financial performance of State Bank of India and ICICI Bank.

### 4. SCOPE OF THE STUDY

- i. This study will pave the way to the academic as well as general public about the overall efficiency at which the largest commercial banks are serving.
- ii. This study will also help to understand the financial performance of both public sector and private sector.
- iii. This study will throw light on the different aspects where the State Bank of India and ICICI Bank excel and how the banks will provide an opportunity in balancing its activities to achieve the best performance.

### 5. RESEARCH METHODOLOGY

#### 5.1 Research Design

Descriptive Research Design is used for the study and it is essentially a fact-finding approach. It aims to explain the characteristics of an individual or group characteristics and to determine the frequency with the same things occurs.

#### 5.2 Sample Design

Deliberate sampling technique is used for the study. This sampling method involves purposive or deliberate selection of particular units of the world for constituting a sample that represents the population.

### 5.3 Selection of the Sample Units

Banking sector in India is considered one of the fastest growing financial institutions in the world. Using purposive sample, State Bank of India and ICICI Bank were selected as the sample units for the study. The sample units selected were considered one of the successful units in the banking sector.

### 5.4 Data Collection

The data were collected through annual report from sources that are secondary in nature such as internet, magazines, websites, books, and journals.

### 5.5 PERIOD OF STUDY

This study covers a period of five years, i.e., from 2006-07 to 2010-11

### 5.6 Tools Applied

The data collected were moderated for the study. The major tools applied for the analysis of the data are ratios, percentages, and t-test.

### 6. REVIEW OF LITERATURE

Pai (2006) in his paper entitled “Trends in the Indian Banking Industry: Analyses of Inter-regional Trends in Deposits and Credits” reveals that the performance of banks, as far as deposits and credits are concerned at two point of time, has been largely similar. It was also observed that private scheduled commercial banks had shown superior performance. This would challenge the pre-eminent position of the public sector banks. The regions studied also reveal that their growths on these parameters, at the two points in time, have been comparable between themselves.

Bodla *et al.* (2006) attempted to study the “Performance of SBI and ICICI Bank through Camel Model for the Period 2004-05”. They found that ICICI Bank has outperformed SBI in terms earning quality, the ratio of operating profit to average working funds, Net Profit to Average assets, and so on. The same is true regarding assets quality, earning quality, and management quality ratios. The liquidity position of both the banks is sound and does not differ significantly.

Samad (2007) in his paper entitled “Comparative Analysis of Domestic and Foreign Bank Operations in Bangladesh” examines the operation of foreign and domestic banks in the process of industrialization and economic development of Bangladesh. The comparison of the financial ratios of foreign

and domestic banks indicates that there are significant differences in operation between them.

Bhayani *et al.* (2007) in their paper entitled “Role of Transaction Cost in the Financial Performance of Co-operative Banks” have attempted to investigate how the proportion of transformation cost is higher than that of transaction cost in the banks under study. Transaction cost plays an important role in the profitability of banks. Therefore, if the management of co-operative banks tries to reduce the transaction cost, it will improve their banks’ profitability.

Rajkumar (2007) in his paper entitled “The Earning Performance of Private Sector Banks during 2005-2006” reveals that the interest income over expenditure increased to Rs. 13, 108 crores during 2005-06 from Rs. 10,006 Crores during 2004-05. The increased percentage was 31. At the same time, the operating expenditure over operating profit fell to Rs.817 crores during 2005-06 from Rs.992 crores during 2004-05. The profitability ratios of all the 28 private sector banks witnessed a positive trend during the year. The highest profit earning private sector bank was ICICI Bank.

Sinha *et al.* (2009) in their paper entitled “Bank Ownership and Deposit Mobilization: A Non- parametric Approach” compare the performance of 40 Indian commercial banks using Window Analysis, considering deposit mobilizations as the output indicator. The results obtained from the study indicate that mean technical efficiency of the in-samples banks exhibited a declining trend for the period. The decline in mean technical efficiency was due to a greater divergence in performance compared to the frontier. Among the in-samples banks, the private sector banks performed better than the public sector banks.

Shobana (2010) in her paper entitled “Operational Efficiency of Public Sector Banks in India-a Non-Parametric Model” focuses on the operational efficiency of public sector banks in India using a non-parametric model, which measures the efficiency as a ratio of output index to an index of input used. The findings reveal that, out of 27 public sector banks in India, only nine banks had achieved high level of efficiency in its operations, with Oriental Bank of Commerce at the top.

Verma *et al.* (2011) in their paper entitled “Performance of Scheduled commercial banks in India: An application of DEA” analyze the efficiency of 88 SCBs with the data set ranging from the year 1998-99 to 2007-08. The results indicate that the public sector and foreign banks needed to take steps to reduce the expenses and improve the output at the given input level because they had failed to acquire full efficiency score in six and five years respectively, out of the ten years under study.

## 7. ANALYSIS AND INTERPRETATION OF DATA

Table 1 demonstrates that for the study period, Net Profit Ratio of both SBI and ICICI bank were fluctuating.

The highest Net Profit Ratio of SBI was 11.93% in 2008-09 and for ICICI bank it was 15.56% in 2010-11. Whereas, the lowest Net Profit Ratio of SBI was 7.65% in 2010-11 and 9.58% for ICICI bank in 2008-09.

The average Net Profit Ratio of SBI is 10.29% and ICICI bank is 11.64%, which implies that the Net Profit Ratio of ICICI bank is 1.35%, which is more than that of the SBI.

**Table 1: Net Profit Ratio**

YEAR	SBI (Rs. in Crores)			ICICI (Rs. in Crores)		
	NET PROFIT	NET SALES	NET PROFIT RATIO	NET PROFIT	NET SALES	NET PROFIT RATIO
2006-07	4541.31	46937.79	9.67	3110.22	29957.24	10.38
2007-08	6729.12	58348.74	11.53	4157.73	39667.19	10.48
2008-09	9121.23	76479.78	11.93	3757.55	39210.31	9.58
2009-10	9166.05	85962.07	10.66	4024.98	32999.36	12.20
2010-11	7370.35	96329.45	7.65	5149.21	33082.96	15.56
	AVERAGE		10.29	AVERAGE		11.64

**Table 2: Operating Profit Ratio**

YEAR	SBI (Rs. in Crores)			ICICI (Rs. in Crores)		
	OPERATING PROFIT	NET SALES	OPERATING PROFIT RATIO	OPERATING PROFIT	NET SALES	OPERATING PROFIT RATIO
2006-07	7774.36	46937.79	16.56	3793.56	29957.24	12.66
2007-08	10962.90	58348.74	18.79	5706.85	39667.19	14.39
2008-09	14604.94	76479.78	19.10	5407.91	39210.31	13.79
2009-10	14578.54	85962.07	16.96	5552.30	32999.36	16.82
2010-11	16217.24	96329.45	16.83	7380.82	33082.96	22.31
	AVERAGE		17.65	AVERAGE		15.99

Table 2 demonstrates that in the given study period, the Operating Profit Ratio of both SBI and ICICI bank were fluctuating.

The highest Operating Profit Ratio of SBI in the year 2008-09 was 19.10% and that of ICICI bank was 22.31% in 2010-11. Whereas the lowest Operating Profit Ratio of both SBI and ICICI bank in the year 2006-07 was 16.56% and 12.66% respectively.

The average Operating Profit Ratio of SBI is 17.65% and that of ICICI bank is 15.99%, which implies that the Operating Profit Ratio of SBI is 1.66%, which is more than that of the ICICI bank.

Table 3 shows that for the study period, Return on Net Worth Ratio of both SBI and ICICI bank were fluctuating.

The highest Return on Net worth Ratio of SBI was 15.74% in the year 2008-09, and for ICICI bank it was 12.61% in 2006-07. Whereas the lowest Return on Net Worth Ratio of SBI in the year 2010-11 was 11.34% and for ICICI bank it was 7.53% in 2008-09.

The average Net Worth Ratio of SBI is 13.83% and that of ICICI bank is 9.23%, which implies that the average Net Worth Ratio of SBI is 4.60% which is more than that of the ICICI bank.

Table 4 illustrates that for the study period, Earnings per Share of both SBI and ICICI bank were fluctuating.

The highest Earnings per Share of SBI was 144.39 in the year 2009-10 and that of ICICI bank was 44.70 in 2010-11. Whereas, the lowest Earnings per Share of SBI in the year

**Table 3: Return on Shareholder's Investment or Net Worth Ratio**

YEAR	SBI (Rs. in Crores)			ICICI (Rs. in Crores)		
	NET PROFIT	SHARE HOLDER'S FUND	RETURN ON NET WORTH RATIO	NET PROFIT	SHARE HOLDER'S FUND	RETURN ON NET WORTH RATIO
2006-07	4541.31	31298.56	14.50	3110.22	24663.26	12.61
2007-08	6729.12	49032.66	13.72	4157.73	46820.21	8.88
2008-09	9121.23	57947.70	15.74	3757.55	49883.02	7.53
2009-10	9166.05	65949.20	13.89	4024.98	51618.37	7.79
2010-11	7370.04	64986.04	11.34	5149.21	55090.93	9.34
	AVERAGE		13.83	AVERAGE		9.23

**Table 4: Earnings Per Share [EPS]**

Year	SBI (Rs. in Crores)			ICICI (Rs. in Crores)		
	Net Profit	No. of Equity Shares	Earnings Per Share	Net Profit	No. Of Equity Shares	Earnings Per Share
2006-07	4541.31	52.62	86.30	3110.22	89.92	34.58
2007-08	6729.12	63.14	106.57	4157.73	111.26	37.36
2008-09	9121.23	63.48	143.68	3757.55	111.32	33.75
2009-10	9166.05	63.48	144.39	4024.98	111.48	36.10
2010-11	7370.04	63.49	116.08	5149.21	115.17	44.70
	AVERAGE		119.40	AVERAGE		37.29

2006-07 was 86.30 and that of ICICI bank in the year 2008-09 was 33.75.

The average Earnings per Share of SBI is 119.40 and ICICI bank is 37.29, which implies that the average Earnings per Share of SBI is 82.11, which is more than that of the ICICI bank.

Table 5 displays that for the study period, Total Assets Turnover Ratio of SBI was stable, whereas that of ICICI bank had fluctuating trend.

The highest Total Assets Turnover Ratio of ICICI bank in two years, i.e., in 2007-08 and 2008-09 was 0.10 times, whereas the lowest Total Assets Turnover Ratio in the year 2010-11 was 0.08 times.

The average Total Assets Turnover Ratio of SBI is 0.08 times and of ICICI bank is 0.09 times, which implies that the average Total Assets of ICICI bank is 0.01times, which is more than that of the SBI.

Table 6 shows that throughout the period of study, Dividend Pay-out Ratio of both SBI and ICICI bank were fluctuating.

The highest Dividend Pay-out Ratio of SBI was 0.26 in 2010-11 and that of ICICI bank it was 0.33 in 2009-10. Whereas, the lowest Dividend Pay-out Ratio of SBI was 0.16 in 2006-07 and that of ICICI bank was 0.29 in 2006-07 and 2007-2008.

The average Dividend Pay-out Ratio of SBI is 0.21 and ICICI bank is 0.31 which implies that the average Dividend Pay-out Ratio of ICICI bank is 0.10 times which is more than that of the SBI.

Table 7 displays that for the study period, Debt-Equity Ratio of both SBI and ICICI bank were fluctuating.

The highest Debt-Equity Ratio of SBI was 14.37 % in 2010-11 and that of ICICI bank it was 9.35 times in 2006-07. Whereas, the lowest Debt-Equity Ratio of SBI was 10.96 times in 2007-08, and 3.91times for ICICI bank in 2009-10.

**Table 5: Total Assets Turnover Ratio**

Year	SBI (Rs. in Crores)			ICICI (Rs. in Crores)		
	Net Sales	Total Assets	Total Assets Turnover Ratio	Net Sales	Total Assets	Total Assets Turnover Ratio
2006-07	46937.79	566565.24	0.08	29957.24	344658.11	0.09
2007-08	58348.74	721526.32	0.08	39667.19	399795.07	0.10
2008-09	76479.78	964432.08	0.08	39210.31	379300.96	0.10
2009-10	85962.07	1053413.74	0.08	32999.36	363399.71	0.09
2010-11	96329.45	1223736.20	0.08	33082.96	406233.67	0.08
	AVERAGE		0.08	AVERAGE		0.09

**Table 6: Dividend Pay-Out Ratio**

Year	SBI (Rs. in Crores)			ICICI (Rs. in Crores)		
	Dividend Per Equity Share	Earnings Per Share	Dividend Pay-Out Ratio	Dividend Per Equity Share	Earnings Per Share	Dividend Pay-Out Ratio
2006-07	14.00	86.30	0.16	10.00	34.58	0.29
2007-08	21.50	106.57	0.20	11.00	37.36	0.29
2008-09	29.00	143.68	0.20	11.00	33.75	0.32
2009-10	30.00	144.39	0.21	12.00	36.10	0.33
2010-11	30.00	116.08	0.26	14.00	44.70	0.31
	AVERAGE		0.21	AVERAGE		0.31

The average Debt-Equity Ratio of SBI is 12.85 times and that of ICICI bank is 5.40 times, which implies that the average Debt-Equity Ratio of SBI is 7.45 times which is more than that of the ICICI bank.

Table 8 displays that for the study period, Proprietary Ratio of SBI was stable, while that of ICICI bank was fluctuating.

The highest Proprietary Ratio of SBI was 0.07 times in 2007-08 and that of ICICI bank it was 0.14 times in 2009-10. Whereas, the lowest Proprietary Ratio of SBI was 0.05 times in 2010-11, and 0.07 times for ICICI bank in 2006-07.

The average Proprietary Ratio of SBI is 0.06 times and that of ICICI bank is 0.11 times which implies that the average Proprietary Ratio of ICICI bank is 0.05 times which is more than that of the SBI.

Table 9 explains that for the study period, Interest Expended to Interest Earned Ratio of both SBI and ICICI bank were in fluctuation.

The highest Interest Expended to Interest Earned Ratio of SBI was 67.28% in the year 2008-09, and for ICICI bank it was 76.28% in 2007-08. Whereas the lowest Interest Expended to Interest Earned Ratio of SBI was 59.34% in 2006-07, and for ICICI bank in the year 2010-11 was 65.28%.

The average Interest Expended to Interest Earned Ratio of SBI is 63.71% and that of ICICI bank is 70.84%, which implies that the average Interest Expended to Interest Earned Ratio ICICI bank is 7.13%, which is more than that of the SBI.

## 8. HYPOTHESIS TESTING

H01: There is no significant difference between performance of SBI and ICICI Bank in terms of Deposits.

H02: There is no significant difference between performance of SBI and ICICI Bank in terms of Advances.

**Table 7: Debt-Equity Ratio**

Year	SBI (Rs. in Crores)			ICICI (Rs. in Crores)		
	Outsider's Fund	Share-Holder's Fund	Debt-Equity Ratio	Outsider's Fund	Share-Holder's Fund	Debt-Equity Ratio
2006-07	435521.09	31298.56	13.92	230510.19	24663.26	9.35
2007-08	537403.94	49032.66	10.96	244431.05	46820.21	5.22
2008-09	742073.13	57947.70	12.80	218347.82	49883.02	4.38
2009-10	804116.23	65949.20	12.19	202016.60	51618.37	3.91
20210-11	933932.81	64986.04	14.37	225602.11	55090.93	4.10
	AVERAGE		12.85	AVERAGE		5.40

**Table 9: Interest Expended to Interest Earned Ratio**

Year	SBI (Rs. in Crores)			ICICI (Rs. in Crores)		
	Interest Expended	Interest Earned	Ratio	Interest Expended	Interest Earned	Ratio
2006-07	23436.82	39491.03	59.34	16358.50	22994.29	71.14
2007-08	31929.08	48950.31	65.22	23484.24	30788.34	76.28
2008-09	42915.29	63788.43	67.28	22725.93	31092.55	73.09
2009-10	47322.48	70993.92	66.66	17592.57	25706.93	68.43
2010-11	48867.96	81394.36	60.04	16957.15	25974.05	65.28
	AVERAGE		63.71	AVERAGE		70.84

H03: There is no significant difference between performance of SBI and ICICI Bank in terms of Investments.

H04: There is no significant difference between performance of SBI and ICICI Bank in terms of Net Profit.

H05: There is no significant difference between performance of SBI and ICICI Bank in terms of Total Assets.

Table value = 2.306 @5 % level of significance

Table 10 demonstrates the Performance of SBI and ICICI Bank in terms of Deposits, Advances, Investments, Net Profit, and Total Assets by applying the t- test.

## 9. DEPOSITS

The calculated value of Deposits 5.14 is greater than the table value 2.306. Therefore, H01 is rejected. Hence, it is inferred that there is a significant difference between the performance of SBI and ICICI Bank in terms of Deposits.

## 10. ADVANCES

The calculated value of Advances 9.90 is greater than the table value 2.306. Therefore, H02 is rejected. Hence, it is inferred that there is a significant difference between the performance of SBI and ICICI Bank in terms of Advances.

## 11. INVESTMENTS

The calculated value of Investments 4.18 is greater than the table value 2.306. Therefore, H03 is rejected. Hence, it is inferred that there is a significant difference between the performance of SBI and ICICI Bank in terms of Investments.

## 12. NET PROFIT

The calculated value of Net Profit 3.64 is greater than the table value 2.306. Therefore, H04 is rejected. Hence, it is inferred that there is a significant difference between the performance of SBI and ICICI Bank in terms of Net profit.

**Table 10: Performance of Sbi and Icici Bank – Application of T-Test**

VARIABLES	MEAN1	MEAN2	SD	d.f.	C. V
Deposits	6906.09	2241.81	1432.91	8	5.14**
Advances	2391.98	1122.69	479.39	8	9.90**
Investments	73.85	40.40	14.53	8	4.18**
Net Profit	53.70	20.74	11.88	8	3.64**
Total Assets	90.59	37.86	38.37	8	5.29**

Table value = 2.306 @5 % level of significance

### 13. TOTAL ASSETS

The calculated value of Total Assets 5.29 is greater than the table value 2.306. Therefore, H05 is rejected. Hence, it is inferred that there is a significant difference between the performance of SBI and ICICI Bank in terms of Total assets.

### 14. FINDINGS, SUGGESTIONS, AND CONCLUSIONS

#### FINDINGS

The study provides key findings according to the data analysis and arrives on some conclusions based on the findings.

- The average Net Profit Ratio of SBI is 10.29% and ICICI bank is 11.64%, which implies that the Net Profit Ratio of ICICI bank is 1.35%, which is more than that of the SBI.
- The average Operating Profit Ratio of SBI is 17.65% and that of ICICI bank is 15.99%, which implies that the Operating Profit Ratio of SBI is 1.66%, which is more than that of the ICICI bank.
- The average Net worth Ratio of SBI is 13.83% and that of ICICI bank is 9.23%, which implies that the average Net Worth Ratio of SBI is 4.60% which is more than that of the ICICI bank.
- The average Earnings per Share of SBI is 119.40 and ICICI bank is 37.29, which implies that the average Earnings per Share of SBI is 82.11, which is more than that of the ICICI bank.
- The average Total Assets Turnover Ratio of SBI is 0.08 times and of ICICI bank is 0.09 times, which implies that the average Total Assets of ICICI bank is 0.01times, which is more than that of the SBI.
- The average Dividend Pay-out Ratio of SBI is 0.21 and ICICI bank is 0.31 which implies that the average Dividend Pay-out Ratio of ICICI bank is 0.10 times which is more than that of the SBI.
- The average Debt-Equity Ratio of SBI is 12.85 times and that of ICICI bank is 5.40 times, which implies that the average Debt-Equity Ratio of SBI is 7.45 times which is more than that of the ICICI bank.
- The average Proprietary Ratio of SBI is 0.06 times and that of ICICI bank is 0.11 times which implies that the average Proprietary Ratio of ICICI bank is 0.05 times which is more than that of the SBI.
- The average Interest Expended to Interest Earned Ratio of SBI is 63.71% and that of ICICI bank is 70.84%, which implies that the average Interest Expended to Interest Earned Ratio ICICI bank is 7.13%, which is more than that of the SBI.
- Performance of SBI and ICICI Bank in terms of

Deposits, Advances, Investments, Net Profit, and Total Assets is tested by applying the t- test.

- The calculated value of Deposits 5.14, Advances 9.90, Investments 4.18, Net Profit 3.64 and Total Assets 5.29 is greater than the table value 2.306. Therefore, it is inferred that there is a significant difference in the performance of SBI and ICICI Bank in terms of Deposits, Advances, Investments, Net Profit, and Total Assets. SBI showed a more satisfactory operation in those variables than ICICI Bank.

### 15. SUGGESTIONS

- An Earnings per Share (EPS) of ICICI Bank is very low when compared to SBI. Therefore, the ICICI Bank may take some measures to increase income over expenditure for increasing Earning per Share.
- Debt-equity Ratio of SBI is higher when compared to ICICI Bank. As a result, SBI should have a control on their debts.
- Interest Expended to Interest Earned ratio of ICICI Bank is less satisfactory when compared to SBI. It is suggested that the ICICI Bank may take some steps to increase the interest earning capacity of the bank.
- As the Advances of ICICI Bank is low and it is suggested that the bank should concentrate on Advances by providing the loans with affordable interest rate.

### 16. CONCLUSION

State Bank of India (SBI) and ICICI Bank are the two largest banks in India in public and private sectors respectively. To compare the financial performance of the banks, various ratios have been used to measure the banks' profitability, solvency position, and management efficiency.

According to the analysis, both the banks are maintaining the required standards and running profitably. The comparison of the performance of SBI and ICICI Bank indicates that are significant difference between performance of SBI and ICICI Bank in terms of Deposits, Advances, Investments, Net Profit, and Total Assets. It is inferred that SBI have an extensive operation than ICICI Bank.

This study will help enhance further research on the subject by researchers and academicians.

### REFERENCES

- Bhayani, S. J., and Gohil, D. C. (2007). Role of Transaction Cost in the Financial Performance of Co-operative Banks. *The Journal Accounting and Finance*, 21(2), pp. 89-100.
- Bodla, B. S., and Verma, R. (2006). Evaluating Performance of Banks through CAMEL Model: A Case Study of SBI

- and ICICI. *The ICAI Journal of Bank Management*, 5(3), pp.49-63.
- Gupta, K., Shashi, C., Sharma, R. K., and Gupta, N. (2006). *Management Accounting*, New Delhi: Kalyani Publishers.
- Kothari C. R. (2004). *Research Methodology Methods and Techniques*. New Delhi: *New Age International Publishers*.
- Gupta S. B. (1997). *Statistical Methods*. New Delhi: *Sultan Chand and Sons Publishers*.
- Pai, V. S. (2006). Trends in the Indian Banking Industry: Analyses of Inter-Regional Trends in Deposits and Credits. *The ICAI Journal of Management Research*, January, 5(1), pp. 65-72.
- Prabakkar Rajkumar k (2007) in his paper entitled "The Earning Performance of Private Sector Banks During 2005-2006" *The Journal Accounting and Finance*, Vol.21, No.2, Apr-Sep 2007, Pg.66-77.
- Samad, A. (2007). Comparative Analysis of Domestic and Foreign Bank Operations in Bangladesh. *The Global Journal Finance and Economics*, April 4 (1), pp. 37-46.
- Ram Pratap Sinha and Biswajit Chatterjee (2009) " Bank Ownership and Deposit Mobilization: A Non- parametric Approach" *Prajnan- Journal of Social and Management Sciences*, Vol.XXXVIII, NO.3, Oct-Dec 2009, Pg.159-180.
- Shobana V K (2010) " Operational Efficiency of Public Sector Banks in India- A Non-Parametric Model" *The Journal Accounting and Finance*, Vol.24, No.2, Apr-Sep 2010, Pg.85-96.
- Richa Verma et al. (2011) "Performance of Scheduled commercial banks in India: An application of DEA" *Decision-Indian Institute of Management*, Calcutta, Vol.28, No.1, Apr 2011, Pg.05-76.

### WEBSITES

[www.sbi.com](http://www.sbi.com)

[www.icicibank.com](http://www.icicibank.com)

[www.google.com](http://www.google.com)