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A Comparative Study of Financial Report of SBI And ICICI Bank.

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1. Introduction:

A COMPARATIVE STUDY OF FINANCIAL REPORT OF SBI AND ICICI BANK is the Analysis and interpretation of the financial statement has now become an important technique of credit appraisal. Though the basic technique of appraisal remains the same in all the cases but the approach and the emphasis in analysis vary. Analysis of financial statement is necessary because it help in depicting the financial position on the basis of past and current records. Analysis of financial statement helps in making the future decision and strategies. Therefore, it is very necessary for every organization whether it is a financial or manufacturing etc. to make financial statement and to analysis it. Income statement analyses which is done by using ratio analyses is gives the true picture of the company.

In order to understand and analyses is Ratio we have used balance sheet of both banks. The analysis showed various aspect of bank regarding their financial system. Observation also indicated most widely emphasized goal of the firm is to maximize the value of the firm to its to meet the long term and short term requirements. Fund share invariably required to carry on the various activities of a business. On the basis of ratio analysis, we have suggested some issues which will helpful to bank regarding their financial systems analysis of financial statements helped me to know how ratio analysis helps the banker to know the financial position of the business. Among the various tools for evaluating the financial statements, ratio analysis is the most widely used tool, as it helps us to measure the financial and operational performance of any business. Studying the financial performance of SBI & ICICI was a meaningful and knowledgeable. We as a team made it possible the financial analysis of the company.

COMPANY PROFILE: -

SBI (STATE BANK OF INDIA)

The State Bank of India, popularly known as SBI, is one of the leading banks in India. The bank traces its origin to the first decade of the 19th century. Later on, it was merged with the Imperial Bank. In the year 1955, the Government of India nationalized the Imperial Bank along with the Reserve Bank of India. Ever since that time, the bank acquired its present name this SBI.

The State Bank of India is India's largest commercial bank. SBI provides a range of banking products through its vast network in India and overseas, including products aimed at NRIs. With an asset base of \$126 billion and its reach, it is a regional banking behemoth. SBI has laid emphasis on reducing the huge manpower through Golden Handshake schemes and computerizing its operations. The State Bank Group, with over 16000 branches, has the largest branch network in India. It has a market share among Indian commercial banks of about 20% in deposits and advances.

ICICI BANK (INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA)

ICICI Bank is India's second-largest bank with total assets of Rs. 4,736.47 billion (US\$ 93 billion) at March 31, 2012 and profit after tax Rs. 64.65 billion (US\$ 1,271 million) for the year ended March 31, 2012. The Bank has a network of 2,758 branches and 9,363 ATMs in India, and has a presence in 19 countries, including India.

ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management.

1.1 Literature Review:

- (1) Dr. M. Kumar swami, Jayprasad D.(2014),The study was based on Customer Relationship Management in KaveriGrameena Bank, The respondents have shown unfavourable views with respect to banking experience, transaction accuracy and promptness. However, customers share positive views concerning bank trustworthiness and accuracy of banking solutions. Therefore, it can be argued that customers trust their bank. Indeed, trust is seen as a critical construct in a range of discipline areas including CRM. Further, within the realm of relationship marketing, trust has been recognized as an important variable for the success of relationships in the banking sector.

- (2) N.Satghiya,(2013),A study on customer relationship management practices (with reference to Salem district ,In the study The total number of Public Sector Banks, 5 Private Sector Banks, in the Salem district has been taken into consideration to decide about the number of banks for the purpose of study in each category. 2. By the above process totally 22 banks were chosen for the purpose of study. From each of the 22 banks 25 customers were selected as respondents. 3. The branches situated in the North, South and Central part of the Salem district were covered for the purpose of study. The findings says that the customers of banking industries strongly believed that advertisements, reports, communication, guidance, may I help you counter, information pamphlets and ombudsman committee role to achieve the customer satisfaction. The customer staff relationships in CRM depend upon employee's personal touch with their customers and employee's performance.
- (3) Navinkumar Mishra and VijaykumarPandey(may 2013) in their paper "customer satisfaction –A comparison of public and private sector banks of India in which research is done to compare public and private sector banks of India by evaluating their customer satisfaction. This research is mainly based on primary data which has been collected through a well-structured questionnaire (adapted from three different studies). The questionnaire has been distributed to 350 different respondents on different chosen locations. This paper makes a useful contribution as there are very low number of studies has been conducted in India on such areas like price, technology, reliability, customer service, location and infrastructure. Their findings says that most of people prefer to deal with public sector banks due to safety and reliability factors.
- (4) Uppal R K and Poonam Rani (2012), in their study titled Customer Perception towards Better Banking Services in India- An Empirical Study, analyzed customer perception about CRM, reliability, accuracy, security and transparency among the customers of public sector banks, Indian private sector banks and foreign banks in Amritsar, Punjab. They have found that most of the customers are satisfied with banking services and that customer satisfaction can be improved by ensuring more speed in rendering transactions and giving prompt services.
- (5) Jaspal Singh and Gagandeep Kaur(2009) in "Determinants of Customer Satisfaction: An Empirical Study of Select Indian (Universal) Banks" in which they investigate the determinants of customer satisfaction of Indian(Universal) banks. Data was collected from a sample of 180 respondents using convenience sampling technique. Factor analysis results reveals that responsiveness, tangibles, services innovation, reliability and accessibility, assurance, pricing and other facilities, problem solving capability and convenient working hours are the main determinants of customer satisfaction .Their result shows that customer satisfaction is influenced by nine factors, namely, Responsiveness, tangibles like appearance of a bank's physical facilities', equipment 6 and employees, Reliability and accessibility, assurance, pricing and other facilities, problem solving capability and convenient working hours of bank.
- (6) Manoj p. K, (2010) in "Determinants of Profitability and Efficiency of Old Private Sector Banks in India with Focus on Banks in Kerala State:" An Econometric Study paper which Focuses on the OPBs based at Kerala state (KOPBs) in the Indian union, this paper seeks to identify the determinants of profitability and operational efficiency of KOPBs, using an econometric methodology. For the sake of comparison of KOPBs, the general case of OPBs and New generation Private sector Banks (NPBs) in India have also been analyzed. Their study results that priority sector advances are do not affect either profitability or risk management adversely, as against the popular belief in this regard. The strategies as above have got special significance in respect of OPBs in general and KOPBs in particular in the ongoing globalized regime of industrial competition; because higher profitability, and strong risk management capability are vital for these banks for survival and growth.
- (7) Pooja Mengi (2008) in "Customer satisfaction with service quality-An empirical study of public and private sector banks" The study compares customers' perceptions of service quality of public and private banks of Jammu. The service quality of both the banks has been measured using SERVQUAL (service quality) scale. It was found that customers of public sector banks are more satisfied with the service quality, than those of private sector banks. The results of the study indicate that tangibility and reliability provides Maximum satisfaction to customers of private as well as public sector banks.. Superior SERVQUAL performance will ensure maximum customer satisfaction and also help in attaining customer's loyalty. Improved customer satisfaction through SERVQUAL would result in a positive word-of-mouth and consequently better customer acquisition and retention.
- (8) B S Bodla and RichaVerma Bajaj (2006) in "An analysis of private sector banks India" .In this paper the researcher the Production approach of Data Envelopment Analysis (DEA) was applied to judge the efficiency of private sector banks. In this model, banks are considered as service providers, and while interest expenses, noninterest expenses and the Non-Performing Asset (NPA) ratio. The study findings say that the position of private banks is greatly affected by the output variables; Centurion Bank (64.17%) was the most inefficient bank among the private sector banks during their study period.

1.2 Objectives:

- To study financial performance of ICICI and SBI Bank.
- To study liquidity position of ICICI and SBI Bank.
- To study profitability position of ICICI and SBI Bank.

2. Research Method:

RESEARCH METHODOLOGY:

In this study, an attempt has been made to evaluate & compare the financial performance of SBI & ICICI and both of these are banks related with the private sector. The study is based on secondary data & the details are collected through websites, magazines and journals. Ratio analysis was applied to analyses the performance of these banks.

RESEARCH DESIGN:

A research design specifies the methods & procedures for conducting a particular study. Research design is important primarily because of the increased complexity in the market as well as marketing approaches available to the researchers. A research design is a pattern or an outline of a research project's working. It is a statement of only the essential elements of a study, those that provide the basic guidelines for the details of the project.

3. Conclusion

- Ratios make the related information comparable. A single figure by itself has no meaning, but when expressed in terms of a related figure, it yields significant inferences. Thus, ratios are relative figures reflecting the relationship between related variables. Their use as tools of financial analysis involves their comparison as single ratios, like absolute figures, are not of much use.
- Ratio analysis has a major significance in analysing the financial Performance of a company over a period of time. Decisions affecting product prices, per unit costs, volume or efficiency have an impact on the profit margin or turnover ratios of a company.
- Financial ratios are essentially concerned with the identification of Significant accounting data relationships, which give the decision-maker insights into the financial performance of a company.
- The analysis of financial statements is a process of evaluating the relationship between component parts of financial statements to obtain a better understanding of the firm's position and performance.
- The first task of financial analyst is to select the information relevant to the decision under consideration from the total information contained in the financial statements. The second step is to arrange the information in a way to highlight significant relationships. The final step is interpretation and drawing of inferences and Conclusions. In brief, financial analysis is the process of selection, relation and evaluation.

4. Acknowledgements

1. On the basis of entire analysis of customer's responses and employee's response as well also by incorporating their suggestions, as a researcher some suggestions are as follows from the entire evaluation of this study.
2. Another suggestion is about the delay in transaction. By asking many customers it is found that many of the employees from SBI takes more time than the required during completion of the transaction, for e.g. cashier takes unofficial breaks, to stand in a long queue to fill up passbook, many a times the employee's attitude is also not so courteous or supportive, they may not much attentive to the customers.
3. Every bank is required to use technologically updated service facilities now a day in the tough compo in banking sector private bank are ahead in this so SBI is suggested to use more techno friendly service for the customers.

5. References

Web sites:

WWW.GOOGLE.COM

WWW.SBI.COM

WWW.ICICI.COM

WWW.CAPTALMARKET.COM

WWW.WIKIPEDIA.COM