

**A Study Of M-Banking And Its Impact On Financial Performance Of
Indian Commercial Bank (A Comparative Study Among SBI & ICICI
Banks In India**

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Abstract:

The financial segment is significant for the monetary improvement of a nation. Customarily the banks functioned as account contributor and fund supplier just however by and by as the situation have changed and numerous strategies and other specialized changes have become the piece of economies in this manner currently banks additionally assume numerous jobs in the improvement of economy. The investigation is an endeavor to examine the budgetary presentation of SBI and ICICI banks. The State Bank of India, prominently known as SBI is one of the main bank of open division in India. SBI has 14 Local Head Offices and 57 Zonal Workplaces situated at significant urban areas all through the nation. ICICI bank is the second biggest, driving bank of private segment in India The Bank has 2,533 branches and 6,800 ATMs in India. The examination is expressive and diagnostic in nature. The gathered information was auxiliary in nature and gathered from different reports gave by these banks through web. The correlation of budgetary execution of these two banks was made based on proportion investigation. The outcomes demonstrated that the SBI is performing great and monetarily solid than ICICI Bank. Additionally the market position of SBI is superior to ICICI in terms to acquiring per share, value proportion per offer and profit payout proportion, yet then again ICICI bank is performing well regarding NPA and arrangement for NPA in examination of SBI bank.

Keywords: - Price Ratio per Share Dividend Payout Ratio, EPS, ICICI, & SBI

Background of the study

Banks are money related organizations that acknowledge investment funds of the general population and awards advances and advances to business, industry and society on the loose. Banks are viewed as significant money related go betweens in light of the fact that they result into prosperity of saver just as financial specialists. Banks are integral to the working of an economy due to their job in credit intermediation procedure, installment and repayment frameworks and money related arrangement transmission. Financing encourages the progression of merchandise and enterprises and the exercises of the legislature. It additionally gives an extraordinary segment of the mechanism of trade to the nation. A sound and effective financial framework is viewed as of vital significance for the development of the economy overall. Indian Banking industry is the foundation of the nation's economy and it assumes a fundamental job in fortifying the money related arrangement of the nation. Indian Banking Sector is separated into four classifications for example Open Sector Banks, Private Sector Banks, Foreign Banks in India and Co-employable and Regional Rural Banks. There has been a change in perspective in activities and working of monetary division when all is said in done and banking part specifically with the opening up of Indian economy and reception of advancement, privatization and globalization in 1991. In the present day setting, banks are on a nonstop way of development, extension and improvement. This has prompted a solid challenge between private segment and open segment banks in India and in this setting a relative presentation investigation of the two parts has been endeavored in this examination.

INTRODUCTION

Banking segment is spine of economy in the nation. The account gathered from this part works in economy as blood works in the body. The financial segment is portrayed by different administrations, for example, account office, ATM office, credit office, shared store office and numerous other budgetary administrations. These administrations help a resident to encourage his/her work life and private life from various perspectives. In India the financial area is seen different changes after progression and globalization. These progressions form and change the structure of banking framework. After globalization numerous banks has entered in India and has gave intense rivalry to the current banks in India The new age is receptive as far as new change and need to profit new offices offered by outside banks in this way inclining toward the outside banks over household banks and now slowly the method for

remote banks is getting simpler in India. Be that as it may, the present study is concentrating on the household banks and attempts to study the monetary exhibition of household banks to present the image before the majority by looking at the open and private division banks with the goal that the financial specialists, financiers, clients and government can see the understanding of local banks to make the connection with these banks in future. For this reason one private bank for example ICICI and one open division bank for example SBI have been taken to consider the money related execution based on proportion investigation. As SBI is one of the main open area banks in India and ICICI is the second biggest and driving bank of private area in India. Aside from this the NPA to propel examination between these two banks was likewise made to delineate the image of account holders which has gone to terrible obligations for these banks. The absolute salary delineation of the two banks was additionally made through chart to show the salary gaining position of the banks. In expansion to this, showcase test proportion was likewise determined to present the market position of banks as far as winning per share, cost winning proportion and profit payout proportion.

Profile of SBI

The State Bank of India famously known as SBI is one of the main banks of India. The State Bank Gathering, with more than 16000 branches gives a wide scope of banking items in India and abroad, including items went for NRIs. Its headquarter is at Mumbai. SBI has 14 Local Head Offices that are situated at significant urban communities all through the nation. It has additionally 130 branches out of the nation. It has a piece of the pie of about 20% in stores and credits among Indian business banks. The State Bank of India was comprised on first July 1955, compliant with the State Bank of India Act, 1955 to make a state-banded together and state-supported bank. The State Bank of India's is biggest manage an account with auxiliaries and joint endeavors outside India, including Europe, the United States, Canada, Mauritius, Nigeria, Nepal, and Bhutan. The Bank has the biggest retail banking client base in India. Because of its significance in Indian financial division, SBI has been chosen from among the open segment banks for the present investigation.

Profile of ICICI

ICICI Bank is significant banking and money related administrations association in India. It is the second biggest bank in India and the biggest private part bank in India by showcase capitalization. Its head quarter is at Mumbai. The Bank offers a wide scope of banking items and money related administrations to the corporate and retail clients. It likewise gives

benefits in the zones of investment speculation banking, resource the executives and life and non-extra security. ICICI Bank's value shares are recorded in India on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and its American Depositary Receipts (ADRs) are additionally recorded on the New York Stock Exchange (NYSE). Because of its critical job in Indian banking area, ICICI Bank has been chosen in the investigation from among the private segment banks.

DATA PRESENTATION AND ANALYSIS

Parameters Used

Capital Adequacy Ratio = (Tier I Capital + Tier II Capital)/ Risk weighted Assets

Net NPA to Net Advances = Net NPA/Net Advances X 100

Credit Deposit Ratio = Total Loans/ Total Deposits X 100

Debt Equity Ratio= Total Debt/ Shareholders Fund

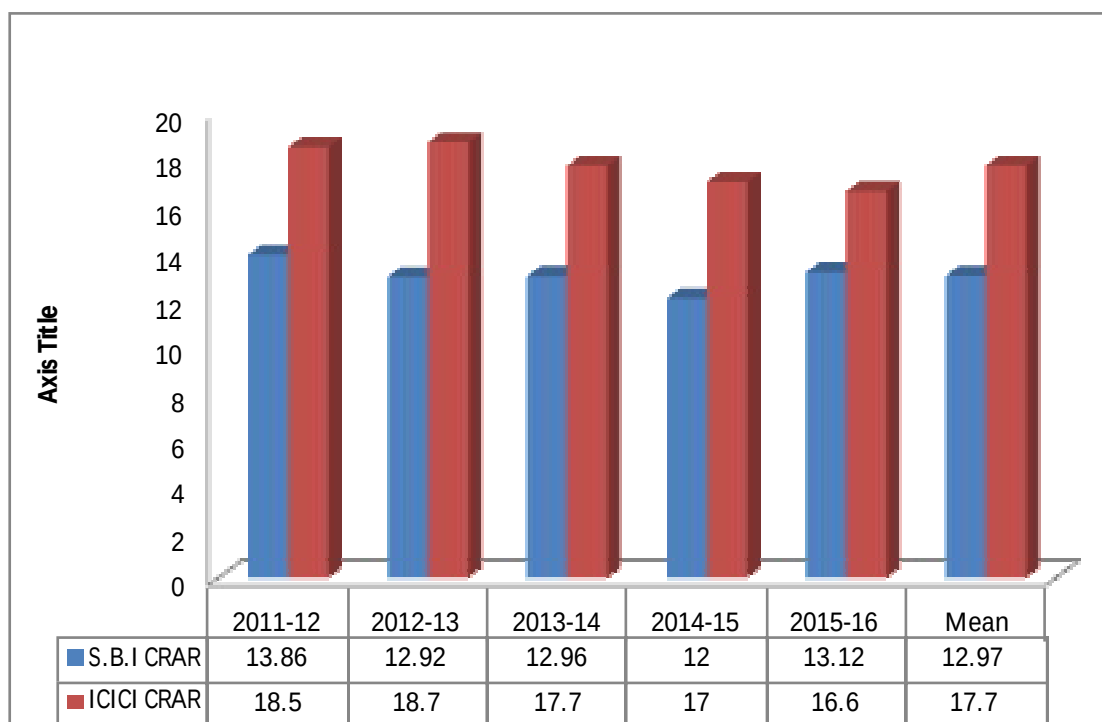
Current Ratio = Current Assets/ Current Liabilities

Quick Ratio = Quick Assets/ Quick Liabilities

Comparative Analysis of Capital Adequacy Ratio (CARA)

Bank	Ratio	2011-12	2012-13	2013-14	2014-15	2015-16	Mean
S.B.I	CRAR	13.86	12.92	12.96	12.00	13.12	12.97
ICICI	CRAR	18.50	18.70	17.70	17.00	16.60	17.70

Source: Annual Reports of SBI and ICICI from 2011-12 to 2015-16

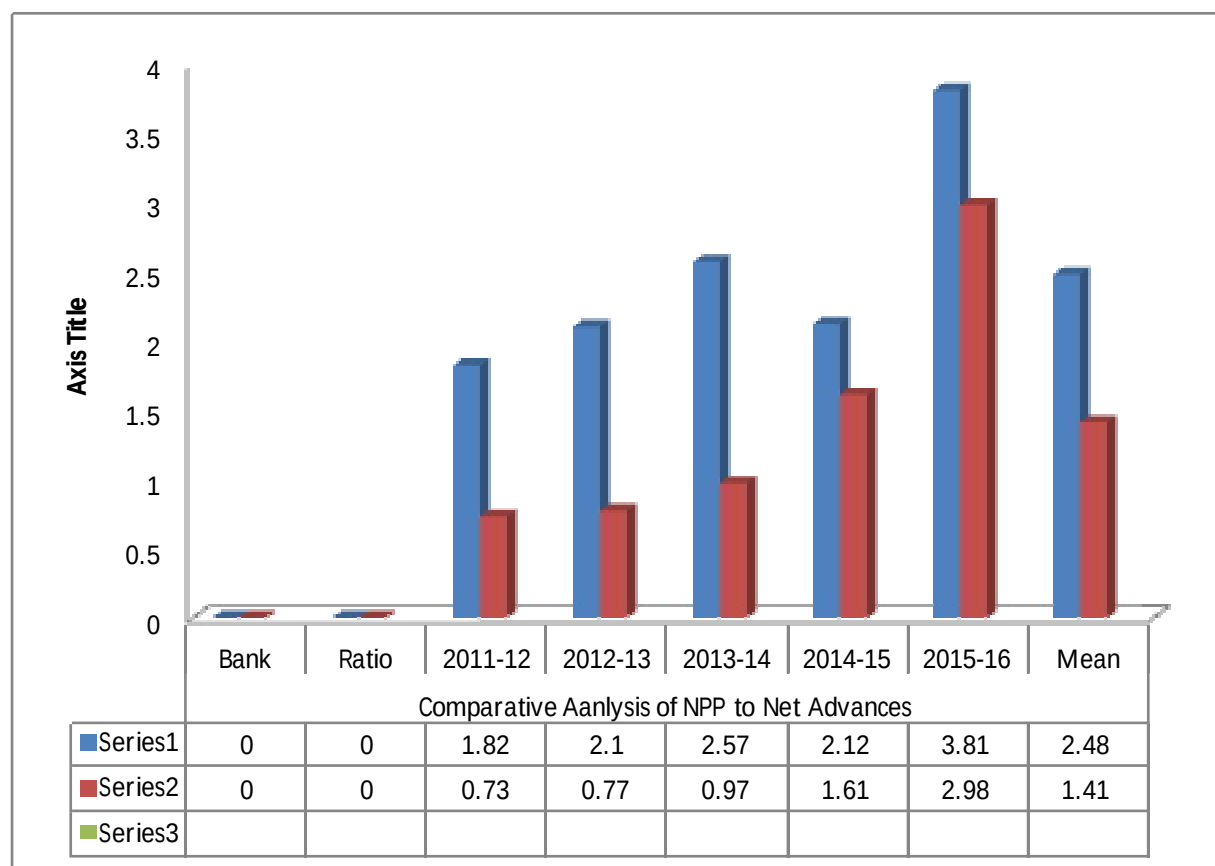


The Capital Adequacy Ratio (CRAR) of both the banks under investigation is exceptionally Acceptable and well over the standard set by RBI for Indian banks. The most elevated CRAR of both SBI and ICICI were enlisted in the year 2011-12 and were 13.86% and 18.50% individually, though the most minimal CRAR of SBI was 12% in the year 2014-15 and that of ICICI was 16.60% in the year 2015-16. From the table, it is clear that the mean CRAR of ICICI Bank (17.70%) is higher than that of SBI (12.97%) for the investigation time frame.

Comparative Analysis of NPP to Net Advances

Bank	Ratio	2011-12	2012-13	2013-14	2014-15	2015-16	Mean
S.B.I	Net NPA to Net Adv (%)	1.82	2.10	2.57	2.12	3.81	2.48
ICICI	Net NPA to Net Adv (%)	0.73	0.77	0.97	1.61	2.98	1.41

Source: Annual Reports of SBI and ICICI from 2011-12 to 2015-16

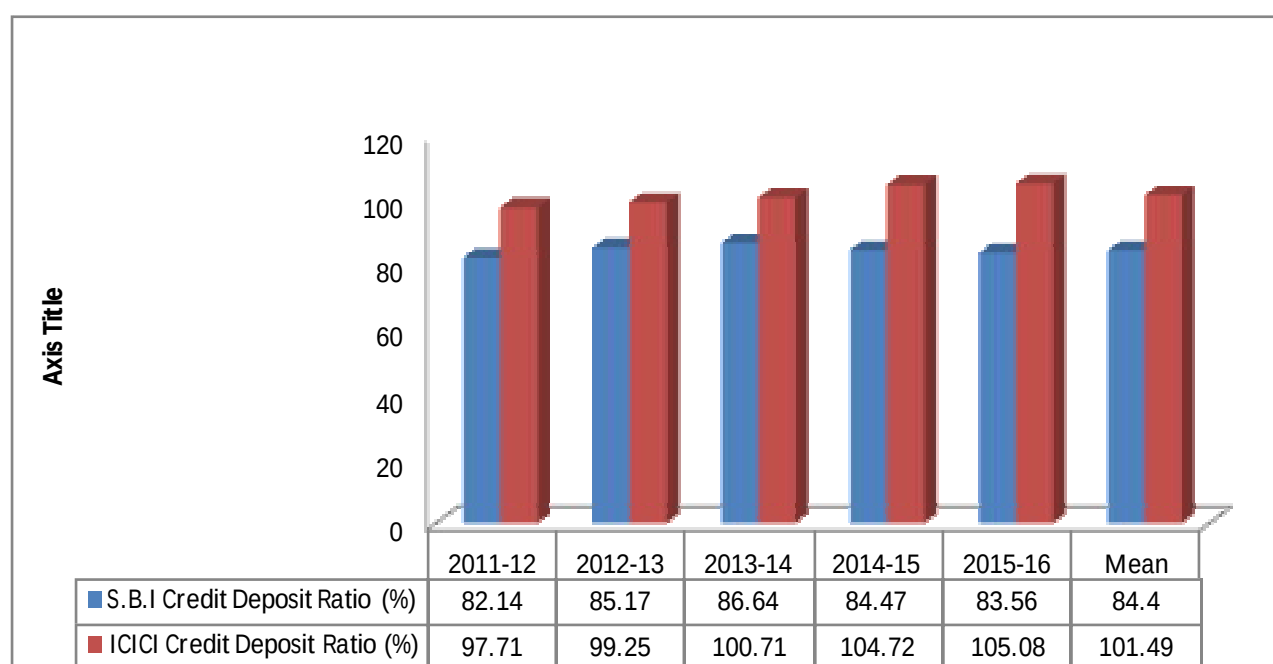


The Net NPA to Net Advances (%) of SBI and ICICI Bank for the investigation time frame is displayed in Table II. Net NPA to Net Advances is a significant parameter for deciding the capital amplexness and resource nature of the firm. It is a proportion of net Non-performing Assets (NPA) to the Net Advances of an undertaking. The lower the Net NPA level to Net Advances better is the inclusion of dangers from the point of view of banks. The most noteworthy Net NPA to Net Advances of both SBI and ICICI were 3.81 and 2.98 separately in the year 2015-16, while the most reduced Net NPA to Net Advances of SBI and ICICI was enrolled in the year 2015-16 and were 1.82% and 0.73% individually. From the table, unmistakably the mean Net NPA to Net Advances of ICICI Bank (1.41%) is lower than that of SBI (2.48%) for the investigation time frame, which infers that ICICI Bank has lower level of Net NPA to Net Advances than that of SBI.

Comparative Analysis of Credit Deposit Ratio (%)

Bank	Ratio	2011-12	2012-13	2013-14	2014-15	2015-16	Mean
S.B.I	Credit Deposit Ratio (%)	82.14	85.17	86.64	84.47	83.56	84.40
ICICI	Credit Deposit Ratio (%)	97.71	99.25	100.71	104.72	105.08	101.49

Source: Annual Reports of SBI and ICICI from 2011-12 to 2015-16

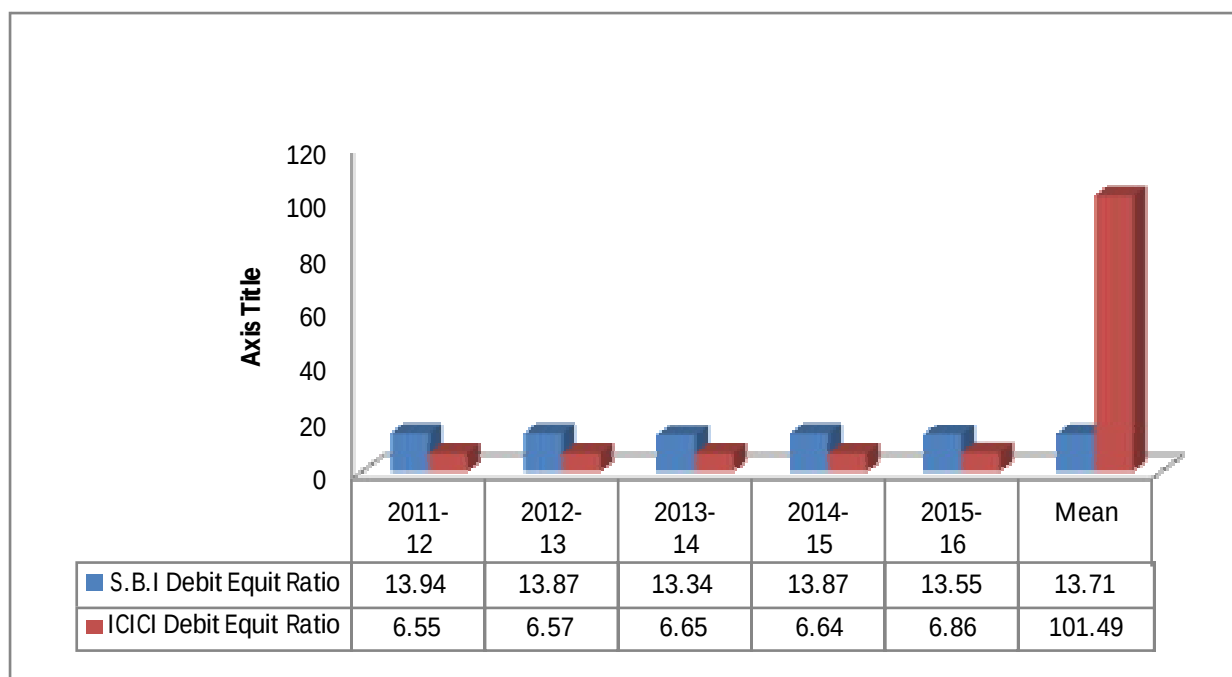


The Credit Deposit Ratio (%) of both the banks throughout the previous five years from 2011-12 to 2015-16. Credit Deposit Ratio means the extent of advance resources made by a bank from the stores gotten. The higher the credit store proportion better is the exhibition of bank. It is obvious from the table that the Credit Deposit Ratio of ICICI Bank is indicating an expanding pattern, while if there should be an occurrence of SBI, it is pretty much stable all through the examination time frame. The most elevated Credit Deposit Ratio of SBI was 86.64% in 2013-14 and that of ICICI was 105.08% in 2015-16 105.08%, though the most reduced Credit Store Ratio of both SBI and ICICI was enlisted in the year 2011-12 and were 82.14% and 97.71% individually. It is likewise clear from the table that the mean Credit Deposit Ratio of ICICI Bank (101.49%) is higher than that of SBI (84.40%) for the investigation time frame, which infers that ICICI Bank has made more credit resources from its stores when contrasted with SBI.

Comparative Analysis of Debit Deposit Ratio (%)

Bank	Ratio	2011-12	2012-13	2013-14	2014-15	2015-16	Mean
S.B.I	Debit Equity Ratio	13.94	13.87	13.34	13.87	13.55	13.71
ICICI	Debit Equity Ratio	6.55	6.57	6.65	6.64	6.86	101.49

Source: Annual Reports of SBI and ICICI from 2011-12 to 2015-16

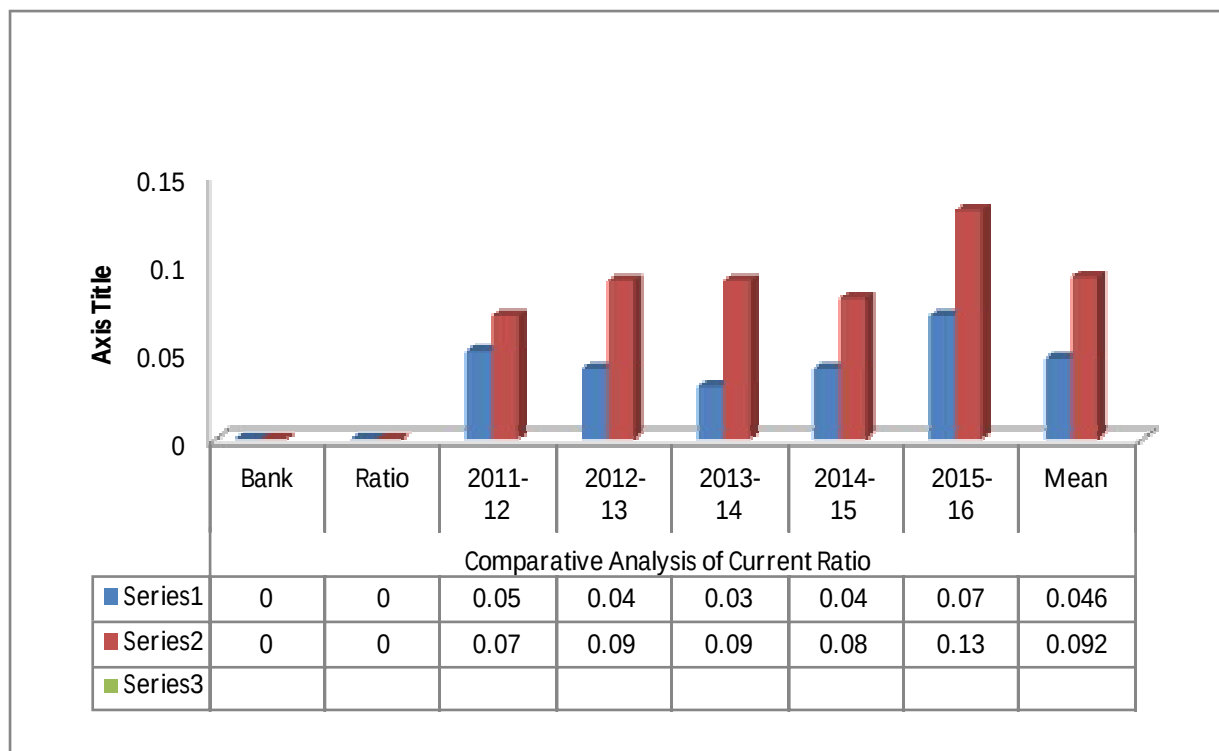


Obligation Equity Ratio of SBI and ICICI Bank for the examination time Obligation Equity Proportion is a proportion of the dissolvability and the board proficiency of an organization and is resolved as the proportion of all out obligation to investors support. From the table, obviously both the banks have kept up a steady Debt Equity Ratio over the period under investigation. The most elevated Debt Equity Ratio of SBI was 13.94 in 2011-12 and in the event of ICICI Bank, it was 6.86 in the year 2015-16, though the most minimal Debt Equity Ratio of SBI was 13.34 in 2013-14 and that ICICI Bank was 6.55 in 2011-12. It is additionally obvious that the mean Debt Equity Ratio of SBI (13.71) is higher than that for ICICI (6.65), which is an unmistakable marker of the way that SBI has kept up a for the most part more elevated level of Obligation Equity Ratio than that of ICICI for the whole examination time frame.

Comparative Analysis of Current Ratio

Bank	Ratio	2011-12	2012-13	2013-14	2014-15	2015-16	Mean
S.B.I	Current Ratio	0.05	0.04	0.03	0.04	0.07	0.046
ICICI	Current Ratio	0.07	0.09	0.09	0.08	0.13	0.092

Source: Annual Reports of SBI and ICICI from 2011-12 to 2015-16

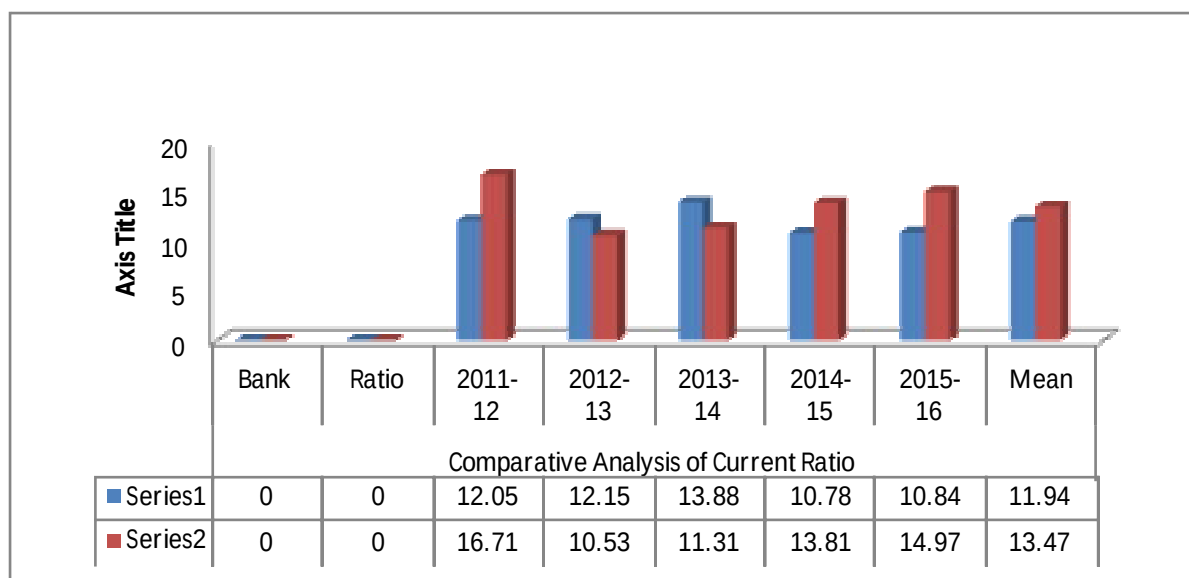


The Current Ratio of SBI and ICICI Bank for the examination time frame and it is very certain that both the banks have a low level of current proportion. Current Ratio is a pointer of the liquidity position of an endeavor and is estimated by the proportion of current resources for current liabilities. From this table, unmistakably the most noteworthy Current Ratio of both SBI and ICICI was seen in 2015-16 and were 0.07 and 0.13 separately. While, the most reduced Current Ratio of SBI was 0.03 in 2013-14 and that of ICICI Bank was 0.07 in 2011-12. The mean Current Ratio of ICICI (0.092) is higher than that of SBI (0.046) and all things considered, it might be presumed that ICICI Bank has been a superior entertainer of the two as far as Current Ratio for the period under investigation.

Comparative Analysis of Current Ratio

Bank	Ratio	2011-12	2012-13	2013-14	2014-15	2015-16	Mean
S.B.I	Quick Ratio	12.05	12.15	13.88	10.78	10.84	11.94
ICICI	Quick Ratio	16.71	10.53	11.31	13.81	14.97	13.47

Source: Annual Reports of SBI and ICICI from 2011-12 to 2015-16



The Quick Ratio of SBI and ICICI Bank for the examination time frame and it is very certain that both the banks have a significant level of brisk proportion. Brisk Ratio is another proportion of the liquidity position of a firm and is controlled by the proportion of fast resources for brisk liabilities. It is apparent from Table X that the most elevated Brisk Ratio of SBI, for example 13.88, was seen in 2013-14 and that of ICICI Bank, for example 16.71, was seen in 2011-12. While, the most minimal Quick Ratio of SBI was 10.78 in 2014-15 and that of ICICI Bank were 10.53 in 2012-13. It is likewise certain that the mean Quick Ratio of ICICI (13.47) is higher than that of SBI (11.94) and as such, it might be presumed that ICICI Bank has kept up a higher Quick Ratio than SBI for the period under study.

REVIEW OF LITERATURE

Singh, B. A. and Tandon, P. (2012) the financial arrangement of India is highlighted by a huge system of bank offices, serving numerous sorts of money related administrations of the individuals. The State Bank of India, prominently known as SBI is one of the main bank of open area in India. ICICI Bank is second biggest and driving bank of private area in India. The present examination is directed to analyze the money related execution of SBI and ICICI Bank based on proportions, for example, credit store, net revenue and so on. The time of concentrate taken is from the year 2007-08 to 2011-12. The investigation found that SBI is performing well and monetarily stable than ICICI Bank however in setting of stores and use ICICI bank has better overseeing productivity than SBI.

Kumbirai, M. and Webb, R. (2010) the execution of South Africa's business banking part for the period 2005-2009. Money related proportions are utilized to measure the productivity, liquidity and credit quality execution of five huge South African based business banks. The investigation found that general bank execution expanded significantly in the initial two years of the examination. A noteworthy change in pattern is seen at the beginning of the worldwide money related emergency in 2007, arriving at its top during 2008-2009. This brought about falling benefit, low liquidity and breaking down credit quality in the South African Banking area.

Mohi-ud-Din Sangmi; Nazir, T. (2010) In this paper, an exertion has been made to assess the budgetary presentation of the two significant banks working in northern India. This assessment has been done by utilizing CAMEL Parameters, the most recent model of budgetary investigation. Through this model, it is featured that the situation of the banks under examination is sound and agreeable so far as their capital sufficiency, resource quality, the executive's ability and liquidity is concerned.

Mitra, R. and Shankar, R. (2008) this paper attempts to model and assess the effectiveness of 50 Indian banks by utilizing Data Envelopment Analysis (DEA). DEA is able of taking care of various data sources and yields and the wellsprings of wastefulness can be dissected and evaluated for each assessed unit. The point of this paper is to evaluate and analyze productivity of the financial part in India. The investigation should confirm or dismiss the theory regardless of whether the financial area satisfies its intermediation work adequately to rival the worldwide players.

OBJECTIVE OF THE STUDY

1. To think about the market position of both the banks.
2. To think about the money related execution of SBI and ICICI banks.
3. To investigate the connection between Total Incomes what's more, PAT (Profit after duty).
4. To analyses the performance of SBI and ICICI using.

RESEARCH METHODOLOGY

The investigation has been led with reference to the information identified with SBI and ICICI bank. These banks have been thinks about with the conviction that they hold the

biggest market portion of banking business in India, in their individual part. The investigation looks at the budgetary exhibition of Indian banks dependent on the CAMEL factors and thinks about the execution of SBI and ICICI banks for the time of 2010-11 to 2014-15. For assessing the presentation of banks, the widely acclaimed CAMEL Model is received. CAMEL represents Capital Adequacy, Asset Quality, The board Quality, income Quality and Liquidity. It is considered the best strategy for assessing execution and strength of the banks since it thinks about all territories of banking activities.

The Study

The examination is an exploratory and explanatory in nature with an endeavor to investigate the money related execution of open part and private area saves money with reference to SBI and ICICI banks. In this investigation we fundamentally study the effect of home advance financing costs on the frame of mind of individuals towards purchasing their fantasy home.

The Sampling plan

For this investigation, information covers Profit and Loss A/C, Balance Sheets, Financial Highlights for a time of five years from 2010-11 to 2014-15 of SBI and ICICI Banks.

Source of Data Collection

For this research proposal secondary of data collection used in the form of reports through internet.

Tools for Data Collection

Progress of Banking of India
Government publications
Books and websites.

Tools for Data Analysis

For the analysis of collected secondary data following tools were used to know financial performance and business model of SBI and ICICI Banks.

Graphs (like bar charts and trend line diagrams) Different comparative tables.

Beneficiaries of Research Study

Customers: These are those individuals who too called account holders, they just will store their reserves when they will get most extreme enthusiasm for correlation of different banks, so the bank just give more intrigue when they will have surplus benefits, for measure such benefit this examination will support them.

Bank: This exploration wills exceptionally accommodating for both the banks to take vital measures for improve their money related execution as far as increment benefit, decrease in costs.

Further Researchers: The significant recipients from the task would be the analysts themselves as this investigation would upgrade their information about the theme. They get knowledge of the present situation of this industry as this is the developing industry in the monetary segment of the economy.

LIMITATIONS

The present examination is kept to optional information as it were what's more, restricted to money related figures. The examination depends on the optional information and the confinement of utilizing auxiliary information may influence the results. The auxiliary information was taken from the different yearly reports of the SBI and ICICI Bank consequently it might be conceivable that the information appeared in the yearly reports may be window dressed which doesn't show the real position of the banks. This investigation doesn't consider non-monetary realities and figures.

Data Findings

The mean CRAR of ICICI Bank (17.70%) is higher than that of SBI (12.97%) for the investigation time frame, which demonstrates that ICICI has performed superior to SBI in keeping up least funding to alleviate credit hazard, showcase chance and operational hazard. The mean Net NPA to Net Advances of ICICI Bank (1.41%) is lower than that of SBI (2.48%) for the study period, which suggests that ICICI Bank has lower extent of net Non-performing Assets (NPA) to the Net Advances than that of SBI. The mean Credit Deposit Ratio of ICICI Bank (101.49%) is higher than that of SBI (84.40%) for the study period, which infers that ICICI Bank has made more advance resources from its stores as contrasted with SBI. The mean Debt Equity Ratio of SBI (13.71) is higher than that for ICICI (6.65), which is an unmistakable pointer of the way that SBI has kept up a for the most part more elevated level of Debt Equity Ratio than that of ICICI for the whole examination time frame. The mean Current Ratio of ICICI (0.092) is higher than that of SBI (0.046) and all things considered, it might be inferred that ICICI Bank has dealt with its present resources more productively and wisely than SBI for the period under examination. The mean Quick Ratio of

ICICI (13.47) is higher than that of SBI (11.94) and thusly, it might be reasoned that ICICI Bank has enough assets to meet its quick fluid liabilities when contrasted with SBI.

Suggestions

Both SBI and ICICI have a low degree of profit for resources and in that capacity resources must be used in a increasingly productive way for improving the arrival on resources. SBI has an extremely high obligation value proportion when contrasted with ICICI and all things considered it is proposed that SBI acquaint a compelling measure with control absolute obligations. SBI has a marginally lower credit store proportion than ICICI and all things considered SBI must find a way to make a higher extent of credit resources from all out stores got.

CONCLUSIONS

State Bank of India is the biggest bank in the open division what's more; ICICI is in the private division. The market development of SBI is more as contrast with ICICI bank. SBI go into the provincial market and making increasingly more client. SBI likewise accompanies the new administrations and draw in to the clients. By examination of the budgetary exhibition of SBI and ICICI bank we can say that the SBI is monetarily solid as contrast with the ICICI bank. SBI have greater gainfulness since it goes into the business just as business showcase likewise and normally it improving their administration quality level. The ICICI bank likewise the pioneer in the private market also, it is equivalent contender of the SBI however SBI is performing better on the grounds that the reliability of individuals are more towards SBI as contrast with ICICI bank. With respect to NPA, again SBI has less awful obligations as contrast with ICICI; the explanation might be the sound picture of SBI according to clients. SBI is driving and has too numerous provincial and urban branches, it additionally invigorates SBI and makes it empower to cover the development given which thus pay off the terrible obligations of SBI though if there should be an occurrence of ICICI, it needs to make a solid effort to recoup the sum given as advance. The information likewise uncovers that ICICI has coursed more advances to the clients as contrast with SBI, this likewise one explanation which expands the awful obligations of ICICI. Market test proportion computation and diagram uncovers that the once more the market position of SBI is far superior to the ICICI. The one explanation can be that SBI is open segment bank; and the subsequent explanation can be that the SBI is the most established bank has caught the huge market which again improve and builds its market position. State Bank of India (SBI)

and ICICI Bank are the two biggest banks in India openly and private divisions individually. To think about the monetary presentation of the banks, different proportions have been utilized to measure the banks' productivity, dissolvability position, and the board proficiency. As indicated by the examination, both the banks are keeping up the necessary gauges and running beneficially. From the present examination, ICICI has been a superior entertainer as far as gainfulness and the executive's proficiency when contrasted with SBI for the examination time frame. This examination will assist improve with advancing exploration regarding the matter by scientists and academicians.

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