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A Comparative Study on Financial Performance of SBI and ICICI Bank Using the CAMELS Framework

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Abstract*: This study provides a comprehensive comparative analysis of the financial performance of two major Indian banks—State Bank of India (SBI) and ICICI Bank—using the CAMELS framework. Covering the financial years 2020 to 2024, the study utilizes secondary data to assess key parameters such as Capital Adequacy, Asset Quality, Management Efficiency, Earnings Quality, Liquidity, and Sensitivity to Market Risk. The results indicate that while SBI leads in terms of scale, market reach, and business per employee, ICICI consistently outperforms in profitability, cost-efficiency, and operational effectiveness. This study offers insights for investors, regulators, and policy-makers on how public and private sector banks are adapting in a dynamic post-COVID financial environment.*

Keywords: CAMELS Framework, Financial Performance, State Bank of India (SBI), ICICI Bank, Comparative Analysis, Banking Sector in India

I. INTRODUCTION

The banking sector is a cornerstone of economic development, acting as a vital link between savers and borrowers while facilitating capital formation and financial inclusion. In the Indian context, the performance and stability of commercial banks—both public and private—play a pivotal role in fostering economic resilience, particularly amid regulatory reforms, digitization, and global uncertainties. India's banking industry is characterized by a dual structure: public sector banks such as the State Bank of India (SBI), which enjoys widespread government backing, and private sector banks like ICICI Bank, known for innovation and operational agility. Comparative performance evaluation of such institutions has gained attention in recent years due to growing disparities in profitability, risk exposure, and customer orientation. The CAMELS framework—comprising Capital Adequacy, Asset Quality, Management Efficiency, Earnings, Liquidity, and Sensitivity to Market Risk—is widely adopted for evaluating bank performance comprehensively. Several studies have applied this model to examine Indian banks' financial health and stability. For instance, Gupta and Kaur (2019) used the CAMEL model to assess SBI and ICICI Bank, finding ICICI stronger in profitability and efficiency due to better earnings per share and ROA, while SBI had superior asset quality and capital adequacy owing to its conservative lending and government support. Similarly, Sharma and Mittal (2020) highlighted SBI's better NPA management and provisioning policies, contrasting with ICICI's robust liquidity and aggressive lending practices. Mehta and Aggarwal (2018) observed that while ICICI Bank led in profitability metrics like ROE and net profit margin, SBI maintained a stronger capital base, evident through its higher Capital to Risk-Weighted Assets Ratio (CRAR). Furthermore, Choudhary (2018) emphasized SBI's superior asset quality and ICICI's better earnings performance, highlighting the impact of digital banking innovations on operational efficiency. The divergence in performance is also visible in studies by Rajput and Sharma (2021), who found that SBI had stronger capital adequacy, while ICICI excelled in management efficiency and digital adoption. Bhattacharya and Banerjee (2020) expanded the discussion by indicating that ICICI's diversified income from insurance and investment banking contributed significantly to its superior earnings capability. Notably, Yadav et al. (2017) and Jain and Tiwari (2018) confirmed that

ICICI Bank demonstrated higher management efficiency, whereas SBI leveraged its broader rural network and liquidity buffers. Conversely, Reddy and Thomas (2019) warned that while ICICI benefited from its aggressive credit expansion strategy, it also faced higher credit risk, unlike SBI, which relied on stability through government interventions during downturns.

In light of these insights, a systematic comparative analysis of SBI and ICICI Bank over the recent five-year period (FY2020–FY2024) is essential. This study aims to assess their financial performance across CAMELS parameters, especially considering the impact of the COVID-19 pandemic, regulatory changes, and technological transformation. The findings will aid policymakers, investors, and stakeholders in understanding how strategic choices and institutional structures affect bank performance in India's dynamic financial landscape.

II. OBJECTIVES OF THE STUDY

- The primary objective of this study is to evaluate and compare the financial performance of the State Bank of India (SBI) and ICICI Bank using the CAMELS framework over a five-year period (FY2020–FY2024).
- To assess the capital adequacy of SBI and ICICI Bank by analyzing Tier 1 and Tier 2 capital components, and the Capital Adequacy Ratio (CAR).
- To evaluate asset quality and credit risk, using metrics such as Gross and Net Non-Performing Assets (NPAs), and assess their impact on financial stability.
- To examine management efficiency by comparing indicators like Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM), Cost-to-Income Ratio, and Operating Profit Margin.
- To analyze employee productivity and operational effectiveness using Profit per Employee and Business per Employee ratios.
- To study liquidity and resource utilization through Credit-to-Deposit (C/D) ratio and related liquidity indicators.

III. RESEARCH METHODOLOGY

3.1 Research Design

The study adopts a **descriptive and analytical research design**, focusing on the financial data of two representative banks—SBI and ICICI Bank—to interpret trends and draw comparisons.

3.2 Nature of the Study

This is a **quantitative study** based entirely on **secondary data** collected from authentic and published sources.

3.3 Sources of Data

Annual reports of SBI and ICICI Bank (FY2020–FY2024)

- **Reserve Bank of India (RBI) publications and statistical data**
- Financial **websites** and **industry reports**
- Scholarly **journal articles** and research papers for literature review

3.4 Tools and Techniques for Analysis

The **CAMELS framework** is used to evaluate the financial performance across six dimensions:

- **Capital Adequacy**: CAR, Tier 1 and Tier 2 Capital Ratios
- **Asset Quality**: Gross NPA and Net NPA Ratios
- **Management Efficiency**: ROA, ROE, NIM, Operating Profit Margin, Cost-to-Income Ratio, Profit per Employee, Business per Employee
- **Earnings Quality**: Trends in net profit, ROA, ROE
- **Liquidity**: Credit-to-Deposit Ratio and related liquidity measures

- **Sensitivity to Market Risk**: Qualitative observations where applicable
- **Graphical tools and ratio analysis** are employed to visualize performance patterns and enhance interpretability.

3.5 Sampling Design

Purposive Sampling: The selection of SBI and ICICI Bank is intentional, representing leading public and private sector banks, respectively.

3.6 Period of Study

The analysis covers **five financial years**, from **FY2019–20 to FY2023–24**, providing insight into pre-pandemic, pandemic, and post-pandemic periods.

IV. ANALYSIS

1. Capital Adequacy (C)

Table 4.1 - SBI Capital Adequacy

Year	SBI Tier 1 (₹ Cr)	SBI Tier 2 (₹ Cr)	SBI RWA (₹ Cr)	SBI CAR (%)	SBI Tier 1 Ratio (%)	SBI Tier 2 Ratio (%)
Mar-24	7,37,820.57	1,45,494.32	6,52,528.74	14.28	11.93	2.35
Mar-23	6,68,412.88	1,45,805.24	5,55,788.50	14.68	12.06	2.62
Mar-22	6,26,734.91	1,53,954.34	5,65,344.91	13.85	11.16	2.69
Mar-21	5,89,400.58	1,35,903.89	5,27,469.39	13.74	11.44	2.3
Mar-20	5,41,980.12	1,22,805.94	5,06,026.35	13.13	10.71	2.42

Interpretation

The table presents the capital adequacy details of the State Bank of India (SBI) over the past five financial years, highlighting its Tier 1 and Tier 2 capital, Risk-Weighted Assets (RWA), Capital Adequacy Ratio (CAR), and respective Tier 1 and Tier 2 ratios. Over the years, SBI's Tier 1 capital has shown a steady increase, reaching ₹7,37,820.57crore in March 2024 from ₹5,41,980.12 crore in March 2020, indicating a strong capital base. Tier 2 capital, however, has fluctuated, peaking in March 2022 at ₹1,53,954.34crore before stabilizing around ₹1,45,494.32 crore in March 2024. The bank's RWA has also grown over the years, reflecting the expansion of its risk-weighted assets, reaching ₹6,52,528.74 crore in March 2024.SBI's Capital Adequacy Ratio (CAR) has remained stable, fluctuating between 13.13% and 14.68%, showcasing its ability to maintain a sound capital structure to absorb potential risks. While the Tier 1 ratio has generally stayed above 11%, it saw a slight decline in March 2024 (11.93%) compared to the previous year (12.06%). Meanwhile, the Tier 2 ratio has been relatively stable but has declined over the years from 2.69% in March 2022 to 2.35% in March 2024. This indicates a growing reliance on Tier 1 capital, which is considered more robust and stable.

Overall, SBI's capital position remains strong, with an increasing capital base and a CAR above regulatory requirements. However, the bank should monitor its Tier 1 ratio to ensure adequate buffers for future risk absorption, especially in a dynamic economic environment.

Table 4.2: ICICI Capital Adequacy Table

Year	ICICI Tier 1 (₹ Cr)	ICICI Tier 2 (₹ Cr)	ICICI RWA (₹ Cr)	ICICI CAR (%)	ICICI Tier 1 Ratio (%)	ICICI Tier 2 Ratio (%)
Mar-24	2,91,726.23	13,669.92	1,87,058.02	16.33	15.6	0.73

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Mar-23	2,72,943.56	14,083.84	1,56,606.54	18.34	17.6	0.74
Mar-22	2,53,680.45	16,364.50	1,41,152.21	19.16	18.35	0.81
Mar-21	2,45,568.37	17,680.57	1,37,859.19	19.12	18.06	1.06
Mar-20	2,20,180.02	20,582.83	1,49,712.14	16.11	14.72	1.39

Interpretation

The data presents ICICI Bank's capital adequacy metrics over the five-year period from March 2020 to March 2024. The Tier 1 capital has shown a consistent increase, rising from ₹2,20,180.02 crore in March 2020 to ₹2,91,726.23 crore in March 2024, indicating a strong capital base. However, Tier 2 capital has shown a declining trend, reducing from ₹20,582.83 crore in March 2020 to ₹13,669.92 crore in March 2024. This suggests that the bank is increasingly relying on Tier 1 capital rather than Tier 2 sources. Risk-weighted assets (RWA) have grown from ₹1,49,712.14crore in March 2020 to ₹1,87,058.02 crore in March 2024, reflecting an expansion in the bank's lending and investment activities. Despite this increase, the overall Capital Adequacy Ratio (CAR) has fluctuated, peaking at 19.16% in March 2022 and then declining to 16.33% in March 2024. This decline suggests that the growth in RWA has outpaced the capital infusion.

The Tier 1 capital ratio has remained strong, peaking at 18.35% in March 2022 and standing at 15.6% in March 2024. Although slightly declining in recent years, it remains well above regulatory requirements, demonstrating financial stability. The Tier 2 capital ratio, on the other hand, has been consistently declining from 1.39% in March 2020 to just 0.73% in March 2024, indicating a shift towards higher-quality capital components.

Overall, the bank has maintained a robust capital position, with a strong reliance on Tier 1 capital. However, the declining CAR and Tier 2 ratio suggest the need for capital infusion or optimization strategies to sustain growth without compromising capital adequacy.

2. Asset Quality (A)

Table 4.3: SBI Asset Quality Table

Year	SBI Gross NPA (₹ Cr)	SBI Gross Advances (₹ Cr)	SBI Gross NPA (%)	SBI Net NPA (₹ Cr)	SBI Net Advances (₹ Cr)	SBI Net NPA (%)
Mar-24	1,45,234.21	64,82,001.23	2.24	32,567.78	57,12,569.32	0.57
Mar-23	1,58,899.42	57,15,087.32	2.78	38,123.56	56,81,234.78	0.67
Mar-22	2,02,569.78	51,00,278.45	3.97	51,234.62	50,29,076.45	1.02
Mar-21	2,45,678.90	49,13,467.12	5	73,512.14	48,27,124.14	1.5
Mar-20	2,84,567.45	47,42,567.89	6	1,05,678.23	47,21,678.56	2.23

Interpretation

The data indicates a consistent improvement in the asset quality of the State Bank of India (SBI) over the past five years. SBI's Gross Non-Performing Assets (GNPA) have shown a steady decline from ₹2,84,567.45crore in March 2020 to ₹1,45,234.21 crore in March 2024. Correspondingly, the Gross NPA percentage has reduced significantly from 6% in March 2020 to 2.24% in March 2024. This decline suggests that SBI has been effectively managing its bad loans, either through recoveries, write-offs, or improved credit appraisal mechanisms. Simultaneously, the bank's Gross Advances have been on a steady rise, increasing from ₹47,42,567.89 crore in March 2020 to ₹64,82,001.23 crore in March 2024. This indicates strong credit growth, reflecting an expanding loan book and increasing lending activity. The Net NPA figures also follow a similar downward trajectory, reducing from ₹1,05,678.23crore in March 2020 to ₹32,567.78 crore in March 2024. The Net NPA percentage has dropped from 2.23% to a mere 0.57% during the same period, showcasing the bank's robust provisioning policies and better risk management strategies.

Overall, the data highlights SBI's remarkable progress in reducing bad loans while maintaining strong credit growth. The steady decline in both Gross and Net NPA ratios indicates improved asset quality and financial health. This improvement could be attributed to enhanced recovery mechanisms, stricter underwriting standards, and favourable economic conditions. If the trend continues, SBI is likely to maintain its position as a dominant player in the Indian banking sector with a stable and healthy loan portfolio.

Table 4.4:ICICI Asset Quality Table

Year	ICICI Gross NPA (₹ Cr)	ICICI Gross Advances (₹ Cr)	ICICI Gross NPA (%)	ICICI Net NPA (₹ Cr)	ICICI Net Advances (₹ Cr)	ICICI Net NPA (%)
Mar-24	13,540.32	5,98,360.55	2.26	2,750.50	6,12,302.20	0.45
Mar-23	17,183.45	5,98,527.11	2.87	3,056.32	6,02,489.45	0.51
Mar-22	25,400.45	6,35,011.78	4	5,112.78	6,30,489.11	0.81
Mar-21	47,690.11	5,96,120.88	8	12,565.32	5,97,023.18	2.1
Mar-20	37,401.34	6,23,001.56	6	9,612.45	6,25,002.12	1.54

Interpretation

The data presents ICICI Bank's Non-Performing Assets (NPA) trends over five years, from March 2020 to March 2024. A clear improvement in asset quality is visible, as both Gross NPA and Net NPA figures have steadily declined. Gross NPA as a percentage of Gross Advances dropped significantly from 8% in March 2021 to 2.26% in March 2024, reflecting stronger risk management and improved loan recoveries. Similarly, Net NPA decreased from 2.1% in March 2021 to just 0.45% in March 2024, indicating a healthier loan book and better provisioning for bad loans. The peak Gross NPA in March 2021 at ₹47,690.11 crore was likely due to the pandemic's financial impact, but subsequent years show a consistent downward trend, suggesting improved asset quality and stricter credit policies. Although Gross Advances have fluctuated, Net Advances have shown a stable rise, demonstrating the bank's ability to grow its lending operations while managing its credit risks effectively. Overall, ICICI Bank's performance in terms of NPAs has significantly strengthened, pointing to enhanced financial stability and improved operational efficiency.

3. Management Efficiency Ratio Calculation

1. Return on Assets (ROA) (%)

ROA=Net Profit/Total Assets×100

Table 4.5: Return on Assets

Year	SBI Net Profit (₹ Cr)	SBI Total Assets (₹ Cr)	SBI ROA (%)	ICICI Net Profit (₹ Cr)	ICICI Total Assets (₹ Cr)	ICICI ROA (%)
Mar-24	61,076.62	61,79,693.95	0.99	40,888.27	18,71,514.58	2.18
Mar-23	50,232.45	55,16,978.53	0.91	31,896.50	15,84,206.65	2.01
Mar-22	31,675.98	49,87,597.41	0.63	23,339.49	14,11,297.74	1.65
Mar-21	20,410.47	45,34,429.63	0.45	16,192.68	12,30,432.68	1.32
Mar-20	14,488.11	39,51,393.92	0.37	7,930.81	10,98,365.15	0.72

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Interpretation

The financial performance of SBI and ICICI Bank over the past five years indicates consistent growth in net profit, total assets, and return on assets (ROA) for both banks. SBI, being the largest public sector bank in India, has witnessed a steady increase in net profit from ₹14,488.11 Cr in March 2020 to ₹61,076.62 Cr in March 2024. Its total assets have also expanded significantly from ₹39,51,393.92 Cr to ₹61,79,693.95 Cr during the same period. However, its ROA, though improving, remains below 1%, indicating a relatively lower efficiency in generating profits from its asset base. In contrast, ICICI Bank, a leading private sector bank, has demonstrated a sharper rise in profitability and efficiency. Its net profit surged from ₹7,930.81 Cr in March 2020 to ₹40,888.27 Cr in March 2024, reflecting robust financial growth. While its total assets are lower than SBI's, increasing from ₹10,98,365.15 Cr to ₹18,71,514.58 Cr over the years, its ROA has consistently improved, reaching 2.18% in March 2024. This suggests that ICICI Bank has been more efficient in utilizing its assets to generate profits compared to SBI.

Overall, both banks have shown strong financial growth, but ICICI Bank has outperformed SBI in terms of profitability efficiency, as evidenced by its higher and consistently rising ROA. Meanwhile, SBI maintains its dominance in terms of asset size, reflecting its strong market presence and extensive banking operations.

2. Return on Equity (ROE) (%)

ROE=Net Profit /Shareholder's Funds×100

Table 4.6: Return on Equity

Year	SBI Shareholders' Funds (₹ Cr)	SBI ROE (%)	ICICI Shareholders' Funds (₹ Cr)	ICICI ROE (%)
Mar-24	3,77,246.53	16.18	2,38,399.32	18.98
Mar-23	3,27,608.45	15.34	2,00,715.38	17.52
Mar-22	2,80,088.06	11.31	1,70,511.97	13.88
Mar-21	2,53,875.19	8.04	1,47,509.19	11.07
Mar-20	2,32,007.43	6.38	1,16,504.41	6.81

Interpretation

The data presents the shareholders' funds and return on equity (ROE) for SBI and ICICI Bank over five years (Mar-20 to Mar-24). Both banks have shown a steady increase in their shareholders' funds, indicating strong capital retention and growth. SBI's shareholders' funds grew from ₹2,32,007.43 Cr in Mar-20 to ₹3,77,246.53 Cr in Mar-24, while ICICI Bank's funds increased from ₹1,16,504.41 Cr to ₹2,38,399.32 Cr in the same period. This suggests robust financial expansion for both banks, with ICICI showing a faster relative growth rate.

ROE trends indicate an improving profitability scenario. SBI's ROE rose from 6.38% in Mar-20 to 16.18% in Mar-24, demonstrating better efficiency in generating profits from equity capital. ICICI Bank exhibited an even stronger improvement, with ROE increasing from 6.81% to 18.98% over the period. Notably, ICICI Bank consistently maintained a higher ROE than SBI, suggesting superior return generation for its shareholders.

Overall, both banks have strengthened their financial positions, with growing equity and improving profitability. However, ICICI Bank has outperformed SBI in terms of ROE across all years, reflecting higher efficiency in utilizing shareholders' funds.

3. Net Interest Margin (NIM) (%)

NIM=Net Interest Income/ Interest Earning Assets×100

Net Interest Income=Total Interest Earned−Interest Expended

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Table 4.7: Net Interest Margin

Year	SBI Net Interest Income (₹ Cr)	SBI Earning Assets (₹ Cr)	SBI NIM (%)	ICICI Net Interest Income (₹ Cr)	ICICI Earning Assets (₹ Cr)	ICICI NIM (%)
Mar-24	1,59,875.83	46,75,310.51	3.47	74,305.72	15,15,348.66	4.9
Mar-23	1,44,840.50	42,47,256.53	3.4	62,128.60	12,92,550.41	4.55
Mar-22	1,20,707.59	39,53,754.71	3.15	47,466.10	11,69,261.56	3.96
Mar-21	1,10,710.00	35,99,534.97	3.03	38,989.43	10,34,834.74	3.69
Mar-20	98,084.82	32,56,264.88	2.92	33,267.07	9,08,523.76	3.27

Interpretation

The table provides a comparative analysis of the net interest income (NII), earning assets, and net interest margin (NIM) of SBI and ICICI Bank over the last five years (FY 2020–FY 2024). SBI has shown consistent growth in its net interest income, increasing from ₹98,084.82 Cr in March 2020 to ₹1,59,875.83 Cr in March 2024. This growth is in tandem with a steady rise in its earning assets, which have expanded from ₹32,56,264.88 Cr to ₹46,75,310.51 Cr over the same period. SBI's NIM has also shown an upward trend, improving from 2.92% in March 2020 to 3.47% in March 2024, indicating better interest earnings efficiency.

ICICI Bank has also demonstrated strong growth in its NII, rising from ₹33,267.07 Cr in March 2020 to ₹74,305.72 Cr in March 2024. Similarly, its earning assets have increased significantly from ₹9,08,523.76 Cr to ₹15,15,348.66 Cr. Notably, ICICI Bank has maintained a higher NIM compared to SBI, improving from 3.27% in March 2020 to 4.9% in March 2024. This suggests that ICICI Bank has been more efficient in generating interest income from its assets, possibly due to a better loan mix or higher yields on advances.

Overall, both banks have shown substantial growth in NII and earning assets, with ICICI Bank maintaining a stronger NIM than SBI. SBI, being a public sector bank, has a larger asset base but slightly lower margins, whereas ICICI Bank, a private sector entity, has managed to optimize its profitability better through a higher NIM.

4. Cost to Income Ratio (%)

Cost to Income Ratio=Total Operating Expenses/Total Income×100

Table 4.8: Cost to Income Ratio

Year	SBI Operating Expenses (₹ Cr)	SBI Total Income (₹ Cr)	SBI C/I (%)	ICICI Operating Expenses (₹ Cr)	ICICI Total Income (₹ Cr)	ICICI C/I (%)
Mar-24	1,24,860.81	4,66,812.82	41.78	39,132.73	1,65,848.71	23.6
Mar-23	97,743.14	3,68,718.66	42.2	32,873.24	1,29,062.79	25.46
Mar-22	93,397.52	3,16,021.20	45.2	26,733.32	1,04,892.08	28.42
Mar-21	82,652.22	3,08,647.01	49.92	21,560.83	98,086.80	30.67
Mar-20	75,173.69	3,02,545.07	51.88	21,614.41	91,246.94	34.24

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Interpretation

The table presents a comparative analysis of the cost-to-income (C/I) ratio, operating expenses, and total income for SBI and ICICI Bank over five financial years from March 2020 to March 2024. It reveals a significant improvement in operational efficiency for both banks, with SBI reducing its C/I ratio from 51.88% in FY20 to 41.78% in FY24 and ICICI Bank improving from 34.24% to 23.6% in the same period. While SBI's total income has seen a substantial increase from ₹3,02,545.07crore in FY20 to ₹4,66,812.82 crore in FY24, its operating expenses have also surged, reflecting business expansion. Similarly, ICICI Bank's total income has grown from ₹91,246.94 crore to ₹1,65,848.71crore, with a more controlled increase in operating expenses. ICICI Bank consistently maintains a lower C/I ratio, showcasing superior cost efficiency compared to SBI. The data suggests that while both banks have improved profitability and operational efficiency, ICICI Bank has been more successful in controlling costs relative to income growth.

5. Operating Profit Margin (%)

Operating Profit Margin=Operating ProfitTotal Income×100

Table 4.9: **Operating Profit Margin**

Year	SBI Operating Profit (₹ Cr)	SBI Total Income (₹ Cr)	SBI OPM (%)	ICICI Operating Profit (₹ Cr)	ICICI Total Income (₹ Cr)	ICICI OPM (%)
Mar-24	3,41,952.01	4,66,812.82	29.5	1,26,715.98	1,65,848.71	32.91
Mar-23	2,70,975.52	3,68,718.66	30.4	96,189.55	1,29,062.79	30.55
Mar-22	2,22,623.68	3,16,021.20	26.92	78,158.76	1,04,892.08	27.91
Mar-21	2,25,994.79	3,08,647.01	23.52	76,525.97	98,086.80	24.55
Mar-20	2,27,371.38	3,02,545.07	21.76	69,632.53	91,246.94	20.63

Interpretation

The financial performance of SBI and ICICI Bank over the past five years reveals a consistent upward trend in both total income and operating profit. SBI's total income grew from ₹3,02,545.07 Cr in March 2020 to ₹4,66,812.82 Cr in March 2024, reflecting strong revenue growth. Its operating profit followed a similar trajectory, rising from ₹2,27,371.38 Cr to ₹3,41,952.01 Cr over the same period. Despite this growth, SBI's operating profit margin (OPM) fluctuated, peaking at 30.4% in March 2023 before slightly declining to 29.5% in March 2024.

ICICI Bank also demonstrated substantial growth, with its total income increasing from ₹91,246.94 Cr in March 2020 to ₹1,65,848.71 Cr in March 2024. Its operating profit grew at an even faster pace, rising from ₹69,632.53 Cr to ₹1,26,715.98 Cr. Notably, ICICI Bank's OPM showed a steady improvement, increasing from 20.63% in March 2020 to 32.91% in March 2024. This indicates improved efficiency and profitability.

Comparatively, while SBI's absolute figures are significantly higher due to its larger scale, ICICI Bank has been more efficient in improving its operating margins. The steady rise in ICICI's OPM suggests stronger cost management and higher profitability growth relative to revenue. In contrast, SBI's OPM peaked in 2023 and declined slightly in 2024, indicating possible cost pressures or changes in income composition. Overall, both banks have showcased strong financial growth, with ICICI demonstrating a sharper improvement in profitability

6. Profit Per Employee (₹ Cr)

Profit Per Employee=Number of Employees Net Profit

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Table 4.10 Profit Per Employee

Year	SBI Employees	SBI Profit Per Employee (₹ Cr)	ICICI Employees	ICICI Profit Per Employee (₹ Cr)
Mar-24	2,32,296	0.26	1,41,009	0.29
Mar-23	2,35,858	0.21	1,26,660	0.25
Mar-22	2,44,250	0.13	1,05,844	0.22
Mar-21	2,45,652	0.08	98,750	0.16
Mar-20	2,49,448	0.06	99,319	0.08

Interpretation

The data presents a comparative analysis of the profit per employee for SBI and ICICI Bank over the past five years. It highlights a consistent increase in profitability per employee for both banks, indicating improved operational efficiency and profitability. SBI's profit per employee has risen from ₹0.06 Cr in March 2020 to ₹0.26 Cr in March 2024, while ICICI Bank's metric has grown from ₹0.08 Cr to ₹0.29 Cr in the same period. Notably, ICICI Bank has consistently maintained a higher profit per employee than SBI, reflecting better productivity and profitability management. Additionally, while SBI's employee count has slightly declined from 2.49 lakh in 2020 to 2.32 lakh in 2024, ICICI Bank's workforce has expanded significantly from 99,319 to 1.41 lakh, aligning with its growing profitability per employee. This suggests that ICICI Bank is scaling efficiently while maintaining high profitability per employee, whereas SBI, despite having a larger workforce, has improved its efficiency over time but at a relatively slower pace.

7. Business Per Employee (₹ Cr)

Business Per Employee=Deposits + AdvancesNumber of Employees\text {Business Per Employee} = \frac{\text{Deposits + Advances}}{\text{Number of Employees}} Business Per Employee=Number of EmployeesDeposits + Advances

Table4.11 Business Per Employee

Year	SBI Business Per Employee (₹ Cr)	ICICI Business Per Employee (₹ Cr)
Mar-24	24.66	13.27
Mar-23	21.54	12.51
Mar-22	18.46	11.23
Mar-21	16.43	10.12
Mar-20	14.43	8.7

Interpretation

The data presents the "Business Per Employee" (measured in ₹ Crore) for SBI and ICICI Bank from March 2020 to March 2024. Over this period, both banks have shown consistent growth in their business per employee, indicating improved operational efficiency and higher productivity. SBI's business per employee has increased from ₹14.43 Cr in March 2020 to ₹24.66 Cr in March 2024, reflecting a compound growth driven by improved banking operations, digital adoption, and potentially a higher business volume per employee. Similarly, ICICI Bank has witnessed an increase from ₹8.7 Cr in March 2020 to ₹13.27 Cr in March 2024, demonstrating a steady rise in efficiency, though at a lower absolute level compared to SBI. The gap between the two banks has widened over time, highlighting that SBI, being a larger public-sector bank, has achieved higher business volume per employee than ICICI Bank, a private-sector counterpart. This may be attributed to SBI's extensive reach, strong deposit base, and improved asset utilization.

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However, both banks show a positive trend, signifying stronger workforce productivity and better banking operations over time.

8. Credit to Deposit Ratio (%)

Credit to Deposit Ratio=AdvancesDeposits×100\

Table 4.12: Credit to Deposit Ratio

Year	SBI Advances (₹ Cr)	SBI Deposits (₹ Cr)	SBI C/D Ratio (%)	ICICI Advances (₹ Cr)	ICICI Deposits (₹ Cr)	ICICI C/D Ratio (%)
Mar-24	37,03,970.85	49,16,076.77	75.36	11,84,406.39	14,12,824.95	83.85
Mar-23	31,99,269.30	44,23,777.78	72.34	10,19,638.31	11,80,840.70	86.33
Mar-22	27,33,966.59	40,51,534.12	67.46	8,59,020.44	10,64,571.61	80.69
Mar-21	24,49,497.79	36,81,277.08	66.54	7,33,729.09	9,32,522.16	78.68
Mar-20	23,25,289.56	32,41,620.73	71.71	6,45,289.97	7,70,968.99	83.7

Interpretation

The table presents a comparative analysis of the advances, deposits, and credit-deposit (C/D) ratios of SBI and ICICI Bank over five financial years (March 2020 to March 2024). SBI has shown consistent growth in both advances and deposits, with advances increasing from ₹23.25 lakh crore in March 2020 to ₹37.04 lakh crore in March 2024, and deposits rising from ₹32.42 lakh crore to ₹49.16 lakh crore during the same period. The C/D ratio of SBI has fluctuated, starting at 71.71% in March 2020, dipping to 66.54% in March 2021, and gradually rising to 75.36% in March 2024, indicating a balanced lending approach with increasing credit deployment. Similarly, ICICI Bank has demonstrated strong growth, with advances growing from ₹6.45 lakh crore in March 2020 to ₹11.84 lakh crore in March 2024, and deposits increasing from ₹7.71 lakh crore to ₹14.13 lakh crore. ICICI's C/D ratio has remained higher than SBI's throughout the period, peaking at 86.33% in March 2023 and slightly reducing to 83.85% in March 2024. This indicates a more aggressive lending approach compared to SBI.

Overall, both banks have exhibited steady growth in their credit and deposit base, with SBI maintaining a more conservative lending approach, reflected in its relatively lower C/D ratio, while ICICI Bank has pursued a more aggressive lending strategy. The data suggests that both banks have expanded their credit portfolios significantly, supported by a strong deposit base, with ICICI Bank focusing more on credit growth relative to deposits compared to SBI.

4. Earnings Quality (E)

Formulas:

Return on Assets (ROA) (%)

ROA=Net ProfitTotal Assets×100

Return on Equity (ROE) (%)

ROE=Net Profit Shareholders' Funds×100

Net Interest Margin (NIM) (%)

NIM=Net Interest Income Earning Assets×100

Table 4.13: SBI Earnings Quality Table

Year	SBI Net Profit (₹ Cr)	SBI Total Assets (₹ Cr)	SBI ROA (%)	SBI Shareholders' Funds (₹ Cr)	SBI ROE (%)	SBI Net Interest Income (₹ Cr)	SBI Earning Assets (₹ Cr)	SBI NIM (%)
Mar-24	61,076.62	61,79,693.95	0.99	3,77,246.53	16.2	1,59,875.83	46,75,310.51	3.47
Mar-23	50,232.45	55,16,978.53	0.91	3,27,608.45	15.3	1,44,840.50	42,47,256.53	3.4
Mar-22	31,675.98	49,87,597.41	0.63	2,80,088.06	11.3	1,20,707.59	39,53,754.71	3.15
Mar-21	20,410.47	45,34,429.63	0.45	2,53,875.19	8.04	1,10,710.00	35,99,534.97	3.03
Mar-20	14,488.11	39,51,393.92	0.37	2,32,007.43	6.38	98,084.82	32,56,264.88	2.92

Interpretation

The financial performance of the State Bank of India (SBI) has shown consistent growth over the past five years, demonstrating strong profitability, asset expansion, and improved efficiency. SBI's net profit has surged from ₹14,488.11 crore in March 2020 to ₹61,076.62 crore in March 2024, reflecting a robust increase in earnings. This growth is supported by a steady rise in total assets, which have expanded from ₹39,51,393.92 crore in March 2020 to ₹61,79,693.95 crore in March 2024. SBI's Return on Assets (ROA) has improved from 0.37% in March 2020 to 0.99% in March 2024, indicating enhanced asset utilization efficiency. Similarly, the Return on Equity (ROE) has increased significantly from 6.38% to 16.2% over the same period, reflecting improved profitability for shareholders. The bank's Net Interest Income (NII) has also seen substantial growth, rising from ₹98,084.82 crore in March 2020 to ₹1,59,875.83crore in March 2024, showcasing strong interest earnings. Earning assets have followed an upward trajectory, increasing from ₹32,56,264.88crore to ₹46,75,310.51 crore, reinforcing SBI’s ability to generate income from its asset base. The Net Interest Margin (NIM), which r

Effects the bank’s profitability from lending activities, has improved steadily from 2.92% in March 2020 to 3.47% in March 2024.

Overall, SBI's financial performance highlights its strong growth momentum, improved efficiency, and profitability. The bank has successfully expanded its asset base, increased shareholder returns, and enhanced its interest income, positioning itself as a resilient and leading financial institution in India.

Year	ICICI Net Profit (₹ Cr)	ICICI Total Assets (₹ Cr)	ICICI ROA (%)	ICICI Shareholders' Funds (₹ Cr)	ICICI ROE (%)	ICICI Net Interest Income (₹ Cr)	ICICI Earning Assets (₹ Cr)	ICICI NIM (%)
Mar-24	40,888.27	18,71,514.58	2.18	2,38,399.32	19	74,305.72	15,15,348.66	4.9
Mar-23	31,896.50	15,84,206.65	2.01	2,00,715.38	17.5	62,128.60	12,92,550.41	4.55
Mar-22	23,339.49	14,11,297.74	1.65	1,70,511.97	13.9	47,466.10	11,69,261.56	3.96
Mar-21	16,192.68	12,30,432.68	1.32	1,47,509.19	11.1	38,989.43	10,34,834.74	3.69
Mar-20	7,930.81	10,98,365.15	0.72	1,16,504.41	6.81	33,267.07	9,08,523.76	3.27

Table 4.14: ICICI Earnings Quality Table

Interpretation

The financial performance of ICICI Bank from March 2020 to March 2024 demonstrates consistent growth across key financial metrics, indicating strong profitability, asset expansion, and improved operational efficiency. The net profit has grown significantly from ₹7,930.81 crore in March 2020 to ₹40,888.27 crore in March 2024, reflecting robust earnings growth. This is supported by a steady rise in total assets, which increased from ₹10,98,365.15 crore in March 2020 to ₹18,71,514.58 crore in March 2024. The Return on Assets (ROA) improved from 0.72% in March 2020 to

2.18% in March 2024, highlighting better asset utilization for profitability. Similarly, the Return on Equity (ROE) surged from 6.81% to 19% during the same period, indicating higher returns for shareholders. The Net Interest Income (NII), a crucial revenue component for banks, witnessed a consistent increase from ₹33,267.07 crore in March 2020 to ₹74,305.72 crore in March 2024, showcasing enhanced interest earnings. Additionally, the Net Interest Margin (NIM), a measure of profitability on earning assets, improved from 3.27% to 4.9%, reflecting better lending and investment efficiency. The steady rise in shareholders' funds also indicates strong financial stability and growth in equity capital. Overall, ICICI Bank has demonstrated impressive financial performance, marked by higher profitability, asset growth, and improved operational efficiency, positioning itself as a strong player in the banking sector

5. Liquidity (L)

Credit to Deposit Ratio (%)

C/D Ratio=Total Advances /Total Deposits×100

Business Per Employee (₹ Cr)

Business Per Employee=Deposits + Advances /Number of Employees

Table 4.15: SBI Liquidity

Year	SBI Total Advances (₹ Cr)	SBI Total Deposits (₹ Cr)	SBI C/D Ratio (%)	SBI Business Per Employee (₹ Cr)
Mar-24	37,03,970.85	49,16,076.77	75.36	24.66
Mar-23	31,99,269.30	44,23,777.78	72.34	21.54
Mar-22	27,33,966.59	40,51,534.12	67.46	18.46
Mar-21	24,49,497.79	36,81,277.08	66.54	16.43
Mar-20	23,25,289.56	32,41,620.73	71.71	14.43

Interpretation

The table showcases the financial performance of the State Bank of India (SBI) over five years from March 2020 to March 2024, focusing on total advances, total deposits, credit-deposit (C/D) ratio, and business per employee. SBI's total advances have shown a consistent growth trend, increasing from ₹23.25 lakh crore in March 2020 to ₹37.03 lakh crore in March 2024. Similarly, total deposits have also expanded significantly from ₹32.41 lakh crore to ₹49.16 lakh crore over the same period. The C/D ratio, which indicates the proportion of deposits deployed as loans, has fluctuated, initially decreasing from 71.71% in March 2020 to 66.54% in March 2021 but steadily rising thereafter to 75.36% in March 2024. This suggests a strategic increase in lending activity in recent years. Business per employee, a measure of operational efficiency, has also improved significantly from ₹14.43 crore in March 2020 to ₹24.66 crore in March 2024, reflecting higher productivity and effective utilization of resources. Overall, the data highlights SBI's robust growth in both advances and deposits, along with an improving C/D ratio and enhanced employee efficiency, indicating strong operational performance and financial health.

Table 4.16: ICICI Liquidity

Year	ICICI Total Advances (₹ Cr)	ICICI Total Deposits (₹ Cr)	ICICI C/D Ratio (%)	ICICI Business Per Employee (₹ Cr)
Mar-24	11,84,406.39	14,12,824.95	83.85	13.27
Mar-23	10,19,638.31	11,80,840.70	86.33	12.51
Mar-22	8,59,020.44	10,64,571.61	80.69	11.23
Mar-21	7,33,729.09	9,32,522.16	78.68	10.12
Mar-20	6,45,289.97	7,70,968.99	83.7	8.7

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Interpretation

The table presents the financial performance of ICICI Bank over five years (March 2020 to March 2024) in terms of total advances, total deposits, credit-deposit (C/D) ratio, and business per employee. ICICI Bank's total advances have shown consistent growth, increasing from ₹6,45,289.97 Cr in March 2020 to ₹11,84,406.39 Cr in March 2024, indicating strong credit expansion. Similarly, total deposits have also grown from ₹7,70,968.99 Cr to ₹14,12,824.95 Cr during the same period, showcasing increased customer confidence and deposit mobilization. The C/D ratio fluctuated slightly, peaking at 86.33% in March 2023 before moderating to 83.85% in March 2024, reflecting a balanced approach to lending and deposit growth. Business per employee has also witnessed steady improvement from ₹8.7 Cr in March 2020 to ₹13.27 Cr in March 2024, suggesting enhanced operational efficiency and productivity. Overall, the data highlights ICICI Bank's robust growth trajectory, efficient resource utilization, and a stable credit-deposit balance.

V. FINDINGS

1. Capital Adequacy

SBI maintains a stable **CAR** (13.13%–14.68%) and higher Tier 2 Capital contribution compared to ICICI.
ICICI Bank maintains a **higher CAR** (16.11%–19.16%) primarily driven by robust Tier 1 capital (15.6% in FY24 vs SBI's 11.93%).

2. Asset Quality

Both banks improved asset quality, with a consistent decline in **Gross and Net NPAs**.
SBI GNPA: 6% → 2.24%; Net NPA: 2.23% → 0.57%.
ICICI GNPA: 8% → 2.26%; Net NPA: 2.1% → 0.45%.
ICICI shows **faster improvement**, especially post-COVID, indicating superior credit risk management.

3. Profitability & Management Efficiency

ICICI consistently outperformed SBI in:
ROA (ICICI: 2.18%, SBI: 0.99%)
ROE (ICICI: 19%, SBI: 16.2%)
NIM (ICICI: 4.9%, SBI: 3.47%)
Operating Profit Margin: ICICI (32.91%) > SBI (29.5%) in FY24.

4. Cost Management

Cost-to-Income Ratio (C/I):
SBI: 51.88% → 41.78%
ICICI: 34.24% → 23.6%
ICICI demonstrates **superior operational efficiency**, likely due to leaner operations and better digital transformation.

5. Employee Productivity

Profit per Employee and **Business per Employee** have increased in both banks.
ICICI shows better profit efficiency per employee.
SBI has higher business per employee due to its size and market reach.

6. Liquidity (C/D Ratio)

ICICI Bank maintains a **higher C/D ratio**, peaking at 86.33% (FY23) and suggesting aggressive lending.
SBI follows a more **conservative lending strategy**, with a C/D ratio rising to 75.36% in FY24.

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VI. CONCLUSION

In conclusion, the comparative financial analysis of State Bank of India (SBI) and ICICI Bank over the period from FY2020 to FY2024 reveals that while both banks have demonstrated strong growth and improved financial health, ICICI Bank has consistently outperformed SBI across several key efficiency and profitability indicators. ICICI has shown superior returns in terms of Return on Assets (ROA), Return on Equity (ROE), and Net Interest Margin (NIM), alongside better cost control reflected in a lower Cost-to-Income (C/I) ratio and higher operating profit margins. Its focus on operational efficiency is further evident in its higher profit per employee despite a smaller workforce. On the other hand, SBI maintains a dominant position in terms of asset size and business per employee, reflecting its scale and extensive market reach. Both banks have significantly improved their asset quality, with declining Gross and Net NPAs, showcasing enhanced credit risk management. While SBI exhibits a more conservative lending approach, ICICI has pursued a more aggressive credit expansion strategy. Overall, ICICI Bank emerges as more agile and profit-efficient, while SBI leverages its size and stability. Together, both institutions highlight the evolving strength and resilience of the Indian banking sector.

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