Unveiling Financial Dynamics: A Comprehensive Analysis Of Selected Banks In India

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ABSTRACT

This comprehensive study delves into the financial landscape of selected banks in India, focusing on a comparative analysis between one Public Sector Bank (Indian Overseas Bank) and one Private Sector Bank (ICICI Bank). Spanning a five-year period from 2016-17 to 2020-21, the research aims to achieve multifaceted objectives. It begins by exploring and generating insights into the financial performance of the chosen banks. Subsequently, a meticulous examination of specific financial ratios adds depth to the analysis. The article further engages in a comparative assessment, shedding light on the distinctive financial trajectories of the selected banks. The significance of financial performance takes center stage, with a nuanced evaluation in terms of profitability, liquidity, and asset quality. Methodologically, the study relies on secondary data from annual reports, press releases, and relevant websites, employing statistical tools such as mean calculation, graphical presentation, and t-tests via SPSS26. The formulated hypotheses contribute to testing the significance difference in financial performance between ICICI Bank and Indian Overseas Bank. This research provides valuable insights for stakeholders, policymakers, and researchers, offering a holistic perspective on the financial dynamics within the Indian banking sector. Furthermore, the study addresses the broader economic landscape, considering how global and domestic events during the five-year period may have influenced the financial performance of these banks. Economic shifts, regulatory changes, and technological advancements are examined in the context of their impact on the selected banks. The nuanced evaluation of profitability, liquidity, and asset quality extends beyond a snapshot analysis. It involves tracing the temporal evolution of these metrics, providing a dynamic perspective that captures the resilience and adaptability of the banks in response to changing market conditions.

Keywords: Financial Performance, Risk Management, Strategic Decision-Making, Profitability, Liquidity, Asset Quality etc.

I. INTRODUCTION

The landscape of the banking sector is dynamic, shaped by an interplay of economic shifts, regulatory influences, and the strategic decisions of financial institutions. In this context, a focused exploration of the financial performance of banks becomes imperative. This article undertakes a comprehensive study, centering on a comparative analysis between a prominent Public Sector Bank, Indian Overseas Bank, and a leading Private Sector Bank, ICICI Bank, within the Indian context.

The chosen period of 2016-17 to 2020-21 encapsulates a crucial juncture marked by economic fluctuations and transformative shifts in the banking industry. As we navigate through this temporal span, the research unfolds multifaceted objectives. Commencing with the exploration of financial performance, the study moves into the granular examination of specific financial ratios, unravelling layers that contribute to the banks' fiscal health.

Beyond mere quantitative assessments, the article ventures into a comparative evaluation, discerning the unique trajectories that distinguish these banks. The significance of financial performance emerges as a pivotal focal point, guiding an intricate evaluation encompassing profitability, liquidity, and asset quality.

Methodologically robust, the study relies on a diverse array of secondary data sources, including annual reports, press releases, and relevant websites. Statistical tools, including mean calculation, graphical representation, and advanced statistical analysis using SPSS26, amplify the precision and depth of the findings.

As hypotheses are formulated to scrutinize the differences in financial performance, the research not only aims for statistical significance but endeavours to uncover the practical implications for stakeholders. This study transcends numerical analyses, providing a narrative woven with qualitative insights into strategic decisions, risk management practices, and the broader implications for the Indian banking sector.

In essence, this article endeavours to be a beacon illuminating the intricate tapestry of financial dynamics, offering insights that resonate beyond the realm of academia and into the practical considerations of policymakers, industry professionals, and researchers alike.

II. REVIEW OF LITERATURE

Naceur and Kandil (2008) The study assessed the impact of capital requirements on bank performance and the cost of intermediation using the Generalised Method of Moment (GMM) on time series data from 1989 to 2004. "The researchers used the net loans to deposit ratio and the capital to total asset and deposit ratio as independent factors, while using return on equity and return on asset as the dependent variables to assess bank profitability." The findings indicate that capital sufficiency serves as a predictor of a bank's success. **Gudmundssoa, R. Ngoka-Kisingul, K. and Odongo M. T. (2013)** examined the impact of regulatory capital requirements on bank control and competition in Kenya from 2001-2011 using panel data estimate of time series data. The findings indicated that regulatory competency promotes competitiveness in the banking industry. In their 2008 study, Ravindra, Vyasi, and Manmeet examined the influence of capital adequacy on the performance of certain commercial banks in India. They used panel data models for their analysis. The authors determined that there is a direct correlation between the capital adequacy ratio and profitability.

D. K. Malhotra, et al (2011) Examined the operational efficiency of Indian commercial banks from 2005 to 2009. This era encompasses the time leading up to the credit crisis and the period during the crisis. The article focuses on analysing the performance of public and private sector Indian commercial banks in terms of profitability, cost of intermediation, efficiency, soundness of the banking system, and industry concentration. The empirical findings demonstrate a heightened level of competitiveness within the Indian banking sector. Although the net interest margin has shown improvement, the cost of intermediation is actually increasing. As a result, banks are adapting by operating at greater levels of efficiency to mitigate the impact of these growing expenses.

Kishore Meghani, and Hari Krishna Karri (2015) The banking industry in India is seeing rapid growth. The banking industry is now experiencing an increasing level of complexity. The aim of this research is to examine the financial status and performance of Bank of Baroda and Punjab National Bank in India, focusing on their financial attributes. This research aims to quantify the comparative performance of Indian banks. In this research, we have used public sector banks. Quantifying the production in the service industry is challenging due to its intangible nature. We have selected the CAMEL model and t-test to evaluate the bank's performance based on key parameters such as capital sufficiency, asset quality, managerial efficiency, earning quality, liquidity, and sensitivity. Both banks have successfully maintained their Capital to Risk-Weighted Assets Ratio (CRAR) at a level greater than the statutory threshold of 10%. However, the Bank of Baroda has consistently maintained the top position during the last five years. It is very favourable for banks to not only survive but also grow in the future. Among the 14 ratios used in the CAMEL model, Bank of Baroda exhibits the most favourable average numbers for 6 ratios, while Punjab National Bank demonstrates the second-best performance for 5 ratios. Therefore, it can be concluded that Bank of Baroda is the most superior bank among the chosen public sector banks. In summary, it can be inferred that openness and good governance would serve as the primary directing influence in the current situation.

Kanika Soni and Chandan Kumar Tiwari (2020) This research aims to investigate the current issues in the Indian banking system, with a particular focus on the increasing issue of non-performing assets in Indian banks. In this case, the net profit ratio was used as the dependent variable to measure the banks' profitability. Three distinct variables were considered to reflect various characteristics that impact the financial performance of banks, namely: Net NPA Ratio, Current Ratio, and Capital Adequacy Ratio. A sample of 10 Indian Banks was selected, including the top five public sector banks and the top five private sector banks, based on their total assets. The financial data obtained consisted of a three-year period, namely from 2016 to 2018. Popular literature suggests that the Net NPA Ratio and current ratio are negatively correlated with net profit, but capital sufficiency is positively correlated. The statistical analyses used included correlation and regression tests. In addition, a graphical analysis was conducted on the selected banks as a sample size. The findings corroborate the assertions made in popular literature, indicating a notable negative correlation between net non-performing assets (NPA) and current ratios, as well as a strong positive correlation between capital adequacy. The report further presented the financial performances of each bank, providing valuable insights into the general circumstances of both private and public sector banks in India.

Ishan Sandip Shah and Dr. H.M. Jha (2023) Comparing the financial performance of a select few public and private sector banks has become more important in recent years. We analyse the financial performance of 10 public sector banks and 10 private sector banks from 2017 to 2022 by assessing their profitability, liquidity, efficiency, and solvency using various financial indicators. Our research indicates that private-sector banks have achieved superior performance compared to public-sector banks across the majority of financial metrics analysed. Private sector banks have shown superior profitability indicators, such as return on equity (ROE) and net interest margin (NIM). They are able to achieve this due to their enhanced asset quality, increased operational efficiency, and reduced overhead expenses. In contrast, public sector banks have had challenges in sustaining profitability. Public sector banks have struggled to maintain profitability due to their higher levels of non-performing assets (NPAs) and below-average loan recovery rates. In contrast, the public sector banks have shown superior liquidity measures, such as the current ratio and cash-to-deposit ratio, indicating their possession of greater cash reserves to fulfil immediate financial commitments. This is mostly due to the fact that public sector banks have the ability to maintain larger cash reserves as a result of government ownership and support, which provides a reliable supply of funds. Contrarily, private sector banks have shown superior efficiency ratios, such as the advances to deposits ratio, indicating their greater proficiency in using their assets to generate profits.

III. OBJECTIVES OF THE STUDY

1. To explore and generate insights into the financial performance of selected banks in India.
2. To conduct an in-depth examination of specific financial ratios of the selected banks.
3. To evaluate and compare the financial performance of selected banks, highlighting disparities and similarities.
4. To analyze the significance of financial performance in terms of profitability, liquidity, and asset quality, providing a holistic understanding of the banks' fiscal health.

IV. RESEARCH METHODOLOGY

4.1 Data Collection

Secondary data is utilized, collected from sources like annual reports, press releases, and relevant websites of ICICI Bank and Indian Overseas Bank.

4.2 Period of Study

The study encompasses a 5-year period, spanning from 2016-17 to 2020-21.

4.3 Sample Design

Public and private sector banks were selected using a convenience sampling method. The chosen banks are Indian Overseas Bank (Public) and ICICI Bank (Private).

4.4 Hypothesis

Hypotheses are formulated to test the financial performance:
H_0: There is no significance difference between ICICI Bank and IOB Bank.
H_1: There is a ssignificance difference between ICICI Bank and IOB Bank.

4.5 Statistical Tools Used

Mean Calculation: Determines average financial performance and stability.

Graphical Presentation: Visualizes key parameters for comparison.

T-Test: Analyzes significance in Profitability, Liquidity, and Asset Quality Ratios.

SPSS26: T-test conducted with the assistance of SPSS26 software.

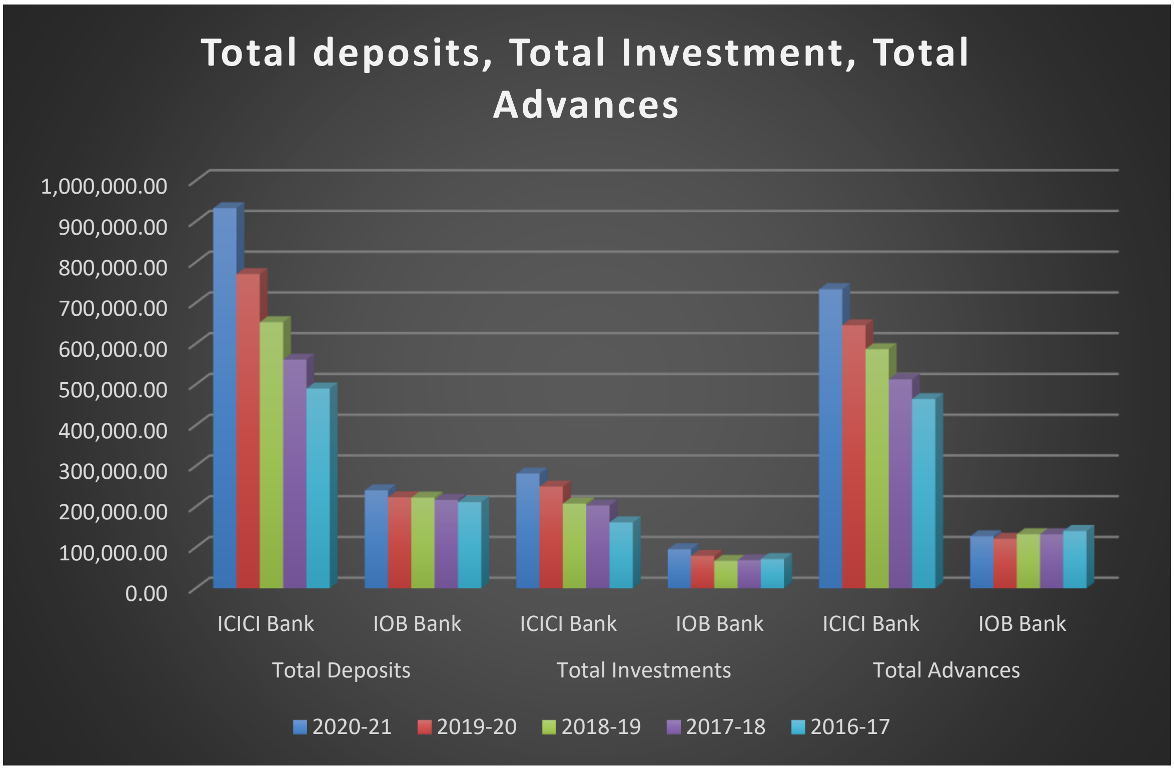
V. DATA ANALYSIS AND INTERPRETATIONS

The following data is analyzed on the basis of:

Table1: Total deposits, Total Investment, Total Advances

Year	**Total Deposits**		**Total Investments**		**Total Advances**	
	ICICI Bank	**IOB Bank**	**ICICI Bank**	**IOB Bank**	**ICICI Bank**	**IOB Bank**
2020-21	932,522.16	240,288.30	281,286.54	95,494.22	733,729.09	127,720.65
2019-20	770,968.99	222,951.88	249,531.48	79,416.08	645,289.97	121,333.41
2018-19	652,919.67	222,534.08	207,732.68	66,932.27	586,646.58	132,597.63
2017-18	560,975.21	216,831.81	202,994.18	68,645.94	512,395.29	132,488.82
2016-17	490,039.06	211,342.63	161,506.55	71,549.19	464,232.08	140,458.62
Mean	**681,485.02**	**222,789.74**	**220,610.29**	**76,407.54**	**588,458.60**	**130,919.83**

Table 1 provides a comprehensive overview of the financial metrics, specifically Total Deposits, Total Investments, and Total Advances, for both ICICI Bank and Indian Overseas Bank (IOB) over a five-year period from 2016-17 to 2020-21.In the fiscal year 2020-21, ICICI Bank exhibited a substantial Total Deposits figure of 932,522.16, surpassing IOB Bank's value of 240,288.30. "This pattern persists across the years, with ICICI consistently holding higher Total Deposits." The trend suggests a robust deposit base for ICICI Bank compared to IOB Bank.In terms of Total Investments, ICICI Bank again outshines IOB Bank throughout the five-year span. In 2020-21, ICICI reported 281,286.54 in Total Investments, overshadowing IOB Bank's 95,494.22. This indicates a more significant allocation of resources by ICICI Bank towards investments.The analysis extends to Total Advances, where ICICI Bank consistently leads IOB Bank. For the year 2020-21, ICICI Bank's Total Advances were 733,729.09, while IOB Bank reported 127,720.65.

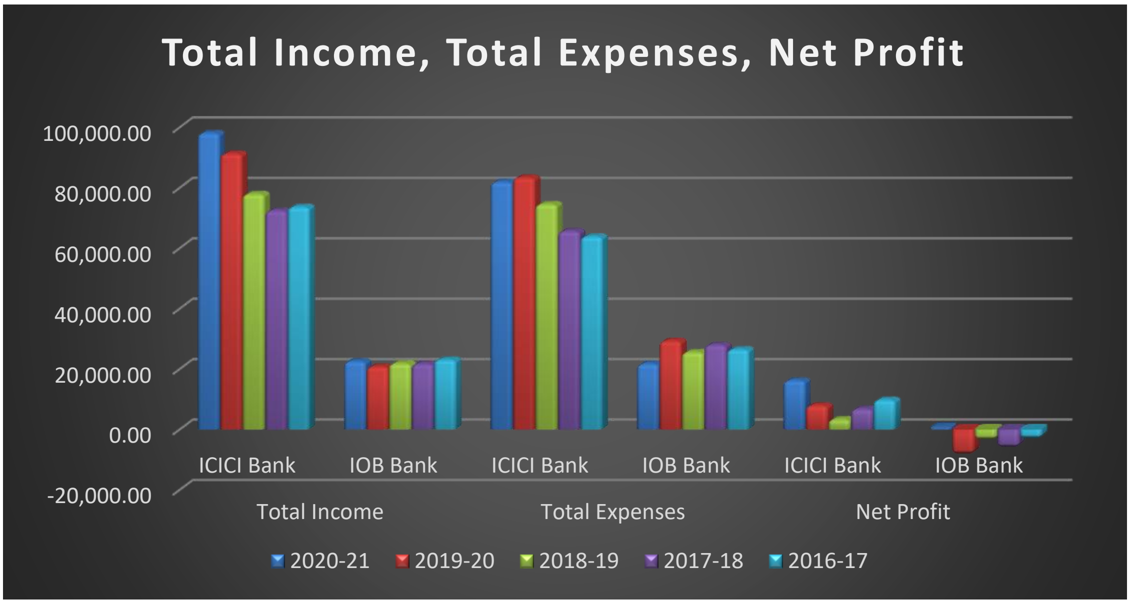


The data reflects ICICI Bank's higher engagement in advancing loans compared to IOB Bank.The mean values for the mentioned financial metrics reinforce the trends observed in individual years. ICICI Bank's mean Total Deposits, Total Investments, and Total Advances consistently exceed those of IOB Bank, emphasizing ICICI's overall superior financial performance and a more robust position in terms of deposits, investments, and advances over the specified period.

Table2: Total Income, Total Expenses, Net Profit

Year	Total Income		Total Expenses		Net Profit	
	ICICI Bank	IOB Bank	ICICI Bank	IOB Bank	ICICI Bank	IOB Bank
2020-21	98,086.80	22,524.55	81,894.11	21,693.08	16,192.68	831.47
2019-20	91,246.94	20,765.79	83,316.13	29,293.19	7,930.81	-8,527.40
2018-19	77,913.36	21,837.58	74,550.05	25,575.46	3,363.30	-3,737.88
2017-18	72,385.52	21,661.65	65,608.10	27,961.15	6,777.42	-6,299.50
2016-17	73,660.76	23,091.23	63,859.67	26,507.97	9,801.09	-3,416.74
Mean	**82658.68**	**21976.16**	**73845.61**	**26206.17**	**8813.06**	**-4230.01**

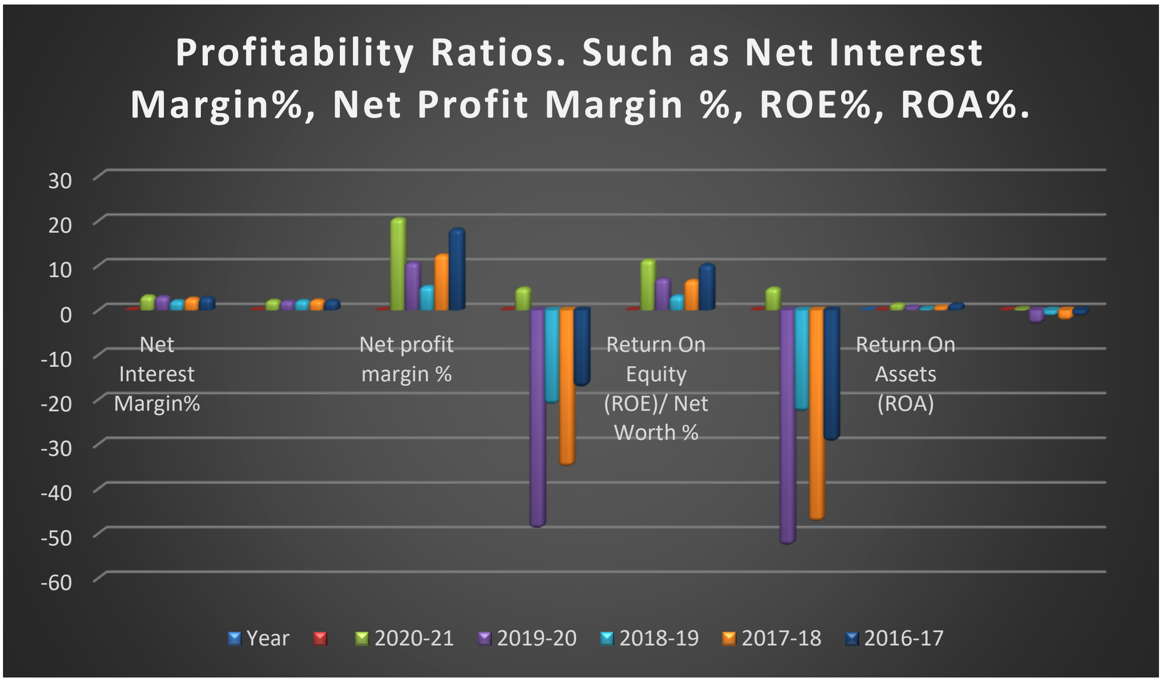
Table 2 presents a detailed analysis of the financial performance indicators, including Total Income, Total Expenses, and Net Profit, for both ICICI Bank and Indian Overseas Bank (IOB) over the five-year period from 2016-17 to 2020-21.



In the fiscal year 2020-21, ICICI Bank reported a Total Income of 98,086.80, significantly higher than IOB Bank's 22,524.55. This trend persists across the years, indicating that ICICI consistently generates more income compared to IOB. In terms of Total Expenses, ICICI Bank recorded 81,894.11, while IOB Bank reported 21,693.08. Consequently, ICICI Bank exhibits a higher expenditure, reflecting its larger scale of operations. The Net Profit for ICICI Bank in 2020-21 was 16,192.68, whereas IOB Bank reported a Net Profit of 831.47. This substantial difference underscores ICICI Bank's stronger financial position, with a considerably higher net profit compared to IOB Bank."The mean values for the financial indicators reinforce the observed trends in individual years." ICICI Bank's mean Total Income, Total Expenses, and Net Profit consistently surpass those of IOB Bank, indicating a sustained superior financial performance. The data underscores ICICI Bank's ability to generate higher income, manage larger expenses, and consequently, maintain a more favourable net profit over the specified period.

Table3: Profitability Ratios. Such as Net Interest Margin%, Net Profit Margin %, ROE%, ROA%.

Year	Net Interest Margin%		Net profit margin %		Return On Equity (ROE)/ Net Worth %		ReturnOn Assets(ROA) %	
	ICICI Bank	IOB Bank	ICICI Bank	IOB Bank	ICICI Bank	IOB Bank	ICICI Bank	IOB Bank
2020-21	3.16	2.15	20.46	4.90	11.21	4.90	1.31	0.30
2019-20	3.02	2.03	10.60	-48.99	6.99	-52.78	0.72	-3.27
2018-19	2.08	2.11	5.30	-21.20	3.19	-22.84	0.34	-1.49
2017-18	2.61	2.20	12.33	-35.16	6.63	-47.45	0.77	-2.54
2016-17	2.81	2.09	18.09	-17.32	10.11	-29.50	1.26	-1.38
Mean	**2.7360**	**2.1160**	**13.356**	**-23.554**	**7.626**	**-29.534**	**0.88**	**-1.676**



Net Interest Margin%: It is a profitability Indicator which calculates the rate of net interest income on a bank's interest earning assets.

$$NIM = \frac{Interest\ Recieved - Interest\ paid}{Average\ Invested\ Assets}$$

Net Profit Margin %: It is another profitability ratio of banking sector. The Net margin indicates how much Net Income a bank makes with Total Sales achieved. It can be calculated by following Formula:
Net Profit Margin%:

$$\frac{Net\ Profit}{Total\ Revenue} * 100$$

Return On Equity (Roe) %: It is another important measure of profitability of banking sectors. It is measured for creating profits for the banks by using its assets. Stakeholders generally used this ratio for taking their investing decisions i.e., whether to invest or not in Banks. It can be calculated by following Formula:

$$ROE\% = \frac{Net\ Income}{Total\ Shareholder'sEquity}$$

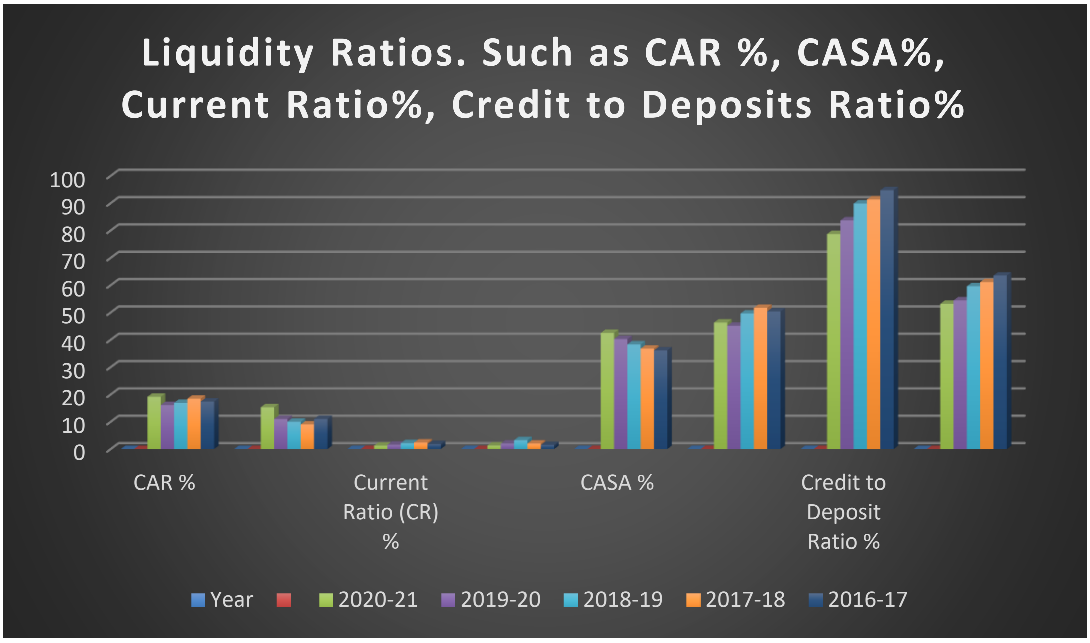
Return On Assets %: It is another important ratio for banking sector which determines how profitable the bank is relative to its Total assets. It can be calculated by following Formula:

$$\boldsymbol{Return\ on\ Assets} = \frac{\boldsymbol{Net\ Income\ (After\ tax)}}{\boldsymbol{Total\ Assets}}$$

Table 3 presents a comprehensive overview of key profitability ratios, including Net Interest Margin (NIM), Net Profit Margin (NPM), Return on Equity (ROE), and Return on Assets (ROA) for both ICICI Bank and Indian Overseas Bank (IOB) over the five-year period from 2016-17 to 2020-21.In terms of Net Interest Margin (NIM), ICICI Bank consistently outperforms IOB Bank, with a mean NIM of 2.7360 compared to 2.1160. This indicates that ICICI Bank is more efficient in generating profits from its core lending and investment activities.Net Profit Margin (NPM) reflects the percentage of revenue that translates into net profit. ICICI Bank exhibits a significantly higher mean NPM of 13.356% compared to IOB Bank's -23.554%. This discrepancy underscores ICICI Bank's superior ability to convert its revenue into net profit, while IOB Bank faces challenges in this aspect.Return on Equity (ROE) signifies the profitability of shareholder equity. ICICI Bank maintains a mean ROE of 7.626%, while IOB Bank records a negative mean of -29.534%. This reinforces ICICI Bank's capacity to generate returns for shareholders, whereas IOB Bank faces difficulties in this regard.Return on Assets (ROA) measures how efficiently a bank utilizes its assets to generate profits. ICICI Bank consistently outperforms IOB Bank, with a mean ROA of 0.88 compared to -1.676, indicating ICICI Bank's better utilization of assets for profitability.Overall, these profitability ratios emphasize ICICI Bank's sustained financial strength and efficiency in generating profits across various aspects compared to IOB Bank.

Table4: Liquidity Ratios. Such as CAR %, CASA%, Current Ratio%, Credit to Deposits Ratio%

Year	CAR%		CurrentRatio (CR) %		CASA%		Creditto DepositRatio%	
	ICICI Bank	IOB Bank	ICICI Bank	IOB Bank	ICICI Bank	IOB Bank	ICICI Bank	IOB Bank
2020-21	19.12	15.32	1.25	1.30	42.51	46.28	78.68	53.15
2019-20	16.11	11.00	1.58	2.02	40.25	45.11	83.7	54.42
2018-19	16.89	10.00	2.16	3.27	38.29	49.61	89.85	59.59
2017-18	18.42	9.00	2.38	2.01	36.74	51.68	91.34	61.1
2016-17	17.39	11.00	1.83	1.48	36.08	50.36	94.73	63.5
Mean	**17.5860**	**11.2640**	**1.84**	**2.016**	**38.774**	**48.608**	**87.66**	**58.352**



CAR Ratio: This ratio is used by banks to determine how much adequate capital maintained by each bank against its Risk Weighted Assets. It can be calculated by following formula:

$$\boldsymbol{CAR\ Ratio} = \frac{\boldsymbol{Total\ Capital}}{\boldsymbol{Risk\ weighted\ Assets}}$$

CASA Ratio: Current Account and Saving Account (CASA) Ratio is determined the liquidity position of the banking sector. It is used to determined how much deposit is kept by the bank in the form of current account and saving account. It can be calculated by following Formula:

$$\boldsymbol{CASA\ Ratio}\ \% = \frac{\boldsymbol{CASA\ Deposits}}{\boldsymbol{Total\ Deposits}}$$

Current Ratio: In banking sector, another liquidity ratio is Current Ratio. It measures the ability of banks to meet its short-term dues or obligation with respect to its current assets. It can be computed by the following Formula:

$$\boldsymbol{Current\ Ratio} = \frac{\boldsymbol{Current\ Assets}}{\boldsymbol{Current\ Liabilities}}$$

CREDIT TO DEPOSIT RATIO (Cd) %: It is an indicator of banks that helpful to know how much a bank has borrowed with relation to its deposits. Higher CD Ratio is showing better earning capacities of bank and vice-versa. It can be calculated by following Formula:

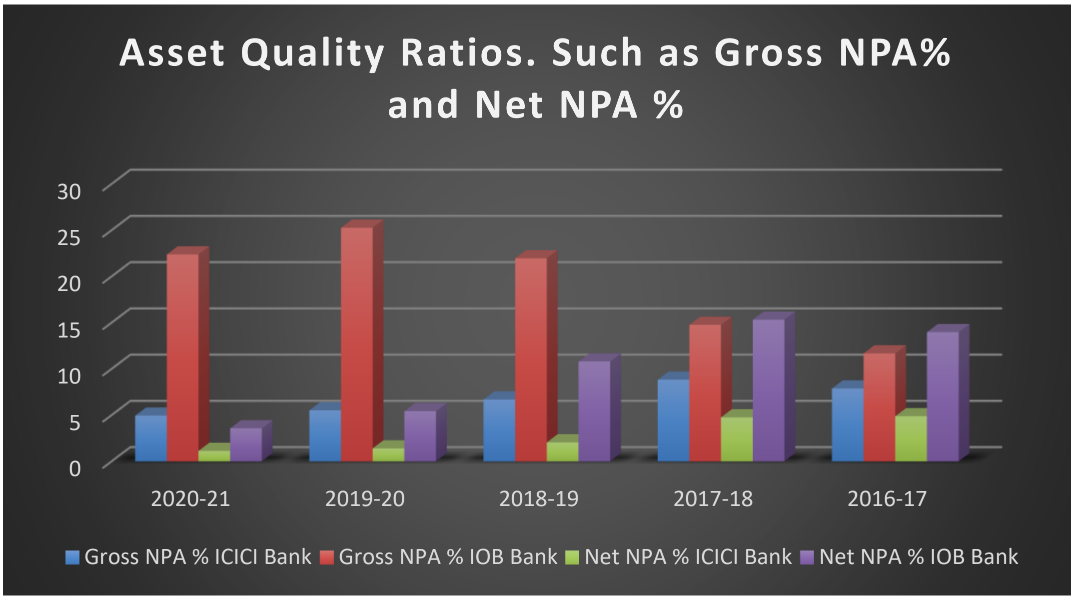
$$\boldsymbol{CD}\ \% = \frac{\boldsymbol{Total\ Advances}}{\boldsymbol{Total\ Deposits}}$$

Table 4 outlines key liquidity ratios, including Capital Adequacy Ratio (CAR), Current Ratio (CR), Current and Savings Account (CASA) Ratio, and Credit to Deposit Ratio for ICICI Bank and Indian Overseas Bank (IOB) during the five-year period from 2016-17 to 2020-21.Capital Adequacy Ratio (CAR) measures the adequacy of a bank's capital in relation to its risk-weighted assets. ICICI Bank consistently maintains a higher mean CAR of 17.586% compared to IOB Bank's mean of 11.264%, indicating a more robust capital position.Current Ratio (CR) assesses a bank's short-term liquidity and ability to cover its short-term obligations. ICICI Bank exhibits a stable mean CR of 1.84, surpassing IOB Bank's mean of 2.016, highlighting ICICI Bank's superior short-term liquidity.Current and Savings Account (CASA) Ratio reflects the proportion of low-cost deposits in a bank's funding mix. ICICI Bank consistently maintains a lower CASA ratio mean of 38.774% compared to IOB Bank's mean of 48.608%, indicating IOB's reliance on low-cost deposits.Credit to Deposit Ratio assesses the proportion of a bank's deposits utilized for lending. ICICI Bank consistently maintains a lower mean Credit to Deposit Ratio of 87.66%, suggesting a more conservative lending approach compared to IOB Bank's mean of 58.352%.In summary, ICICI Bank exhibits stronger liquidity positions, with higher CAR and stable CR, while IOB Bank relies more on low-cost deposits and has a more aggressive lending approach, as reflected in the CASA and Credit to Deposit Ratios.

Table 5: Asset Quality Ratios. Such as Gross NPA% and Net NPA %

	GrossNPA%		**NetNPA%**	
Year	**ICICIBank**	**IOBBank**	**ICICIBank**	**IOBBank**
2020-21	4.96	22.39	1.14	3.58
2019-20	5.53	25.28	1.41	5.44
2018-19	6.70	21.97	2.06	10.81
2017-18	8.84	14.78	4.77	15.33
2016-17	7.89	11.69	4.89	13.99
Mean	**6.784**	**19.222**	**2.854**	**9.83**

Gross Non-Performing Assets (NPA) %: Gross NPAs are the sum total of all loan assets that are classified as NPAs as per RBI guidelines as on balance sheet date. It consists of all Non-Standard assets like as sub-standard, doubtful and loss assets. It can be calculated with the help of following Formula:



$$Gross\ NPAs\ Ratio\ \% = \frac{Gross\ NPAs}{Gross\ Advances} * 100$$

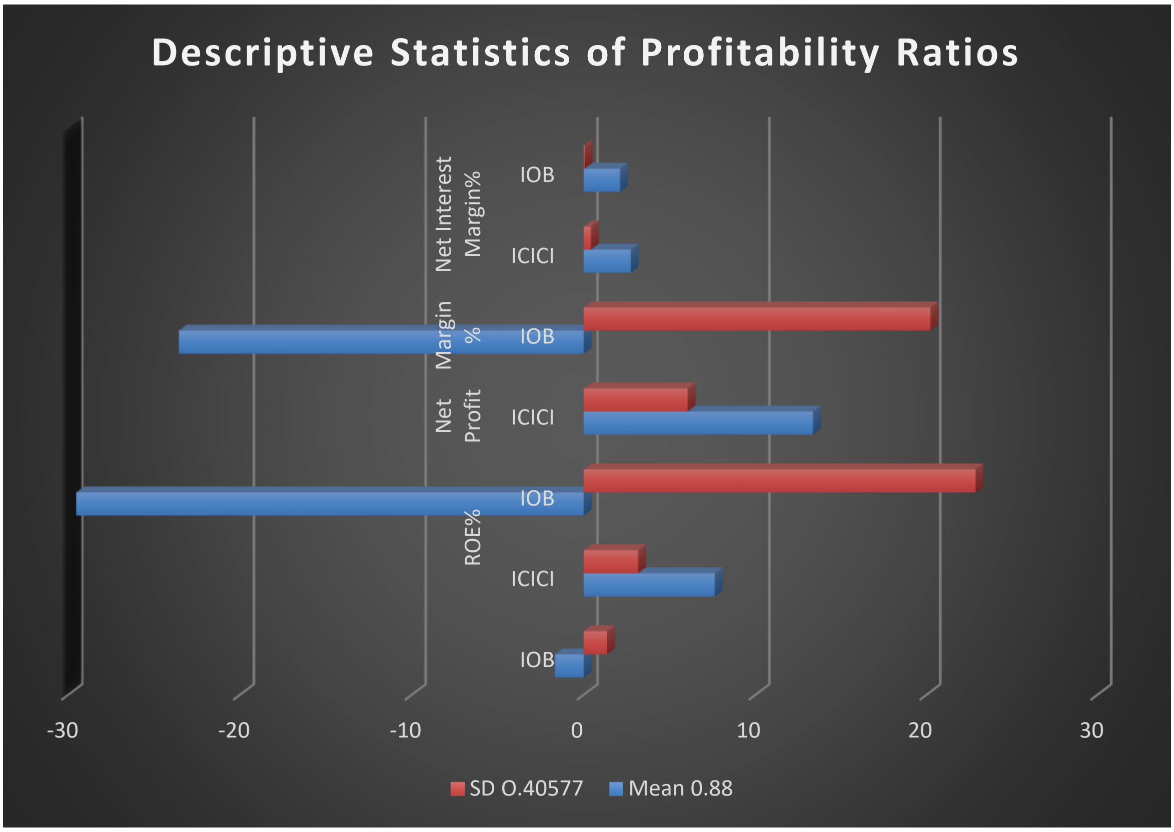
Net Non-Performing Assets (NPA) %: Net NPAs are those type of NPAs in which the bank has deducted the provision for uncertain and unpaid debts.Net NPA is obtained by reducing the provision from gross NPAs and show the actual burden of banks. It can be calculated by following Formula:

$$NetNPAs\% = GrossNPAs - ProvisiononGrossAdvances$$

Table 5 presents Asset Quality Ratios, specifically Gross Non-Performing Assets (NPA%) and Net Non-Performing Assets (Net NPA%), for ICICI Bank and Indian Overseas Bank (IOB) over the five-year period from 2016-17 to 2020-21.Gross NPA% represents the percentage of a bank's total loans that are classified as non-performing. ICICI Bank consistently maintains a lower mean Gross NPA% of 6.784% compared to IOB Bank's higher mean of 19.222%. This indicates that ICICI Bank has better asset quality, with a lower proportion of non-performing loans.Net NPA% accounts for provisions made for potential loan losses, providing a more conservative measure of asset quality. ICICI Bank consistently exhibits a lower mean Net NPA% of 2.854%, indicating a more effective management of bad loans compared to IOB Bank's higher mean of 9.83%.In summary, ICICI Bank demonstrates superior asset quality with consistently lower levels of Gross and Net NPAs compared to IOB Bank. This suggests effective risk management practices and a more resilient loan portfolio for ICICI Bank over the analyzed period.

Table 6: Descriptive Statistics of Profitability Ratios.

Profitability Ratios	Banks	Mean	SD	Sig. Value	df	t-value
ROA%	ICICI	0.88	O.40577			
	IOB	-1.676	1.35223	0.004	8	4.048
ROE%	ICICI	7.626	3.16583			
	IOB	-29.534	22.86849	0.021	4.153	3.599
Net Profit Margin%	ICICI	13.356	6.05031			
	IOB	-23.554	20.22204	0.013	4.1710	3.910
Net Interest Margin%	ICICI	2.7360	0.42194			
	IOB	2.1160	0.06387	0.029	4.183	3.249



H₀-There is no significant difference between profitability ratios of ICICIBank and IOB Bank.

H₁- There is significant difference between profitability ratios of ICICI Bankand IOB Bank

Table 6 provides descriptive statistics and the results of the statistical tests for Profitability Ratios, including Return on Assets (ROA%), Return on Equity (ROE%), Net Profit Margin%, and Net Interest Margin%, for ICICI Bank and Indian Overseas Bank (IOB).

ROA%:
- ICICI Bank: Mean = 0.88, SD = 0.40577, Sig. Value = 0.004, t-value = 4.048
- IOB Bank: Mean = -1.676, SD = 1.35223

The statistical test indicates a significant difference in ROA% between ICICI Bank and IOB Bank (H1).

ROE%:
- ICICI Bank: Mean = 7.626, SD = 3.16583, Sig. Value = 0.021, t-value = 3.599
- IOB Bank: Mean = -29.534, SD = 22.86849

The statistical test reveals a significant difference in ROE% between ICICI Bank and IOB Bank (H1).

Net Profit Margin%:
- ICICI Bank: Mean = 13.356, SD = 6.05031, Sig. Value = 0.013, t-value = 3.910
- IOB Bank: Mean = -23.554, SD = 20.22204

The statistical test shows a significant difference in Net Profit Margin% between ICICI Bank and IOB Bank (H1).

Net Interest Margin%:
- ICICI Bank: Mean = 2.7360, SD = 0.42194, Sig. Value = 0.029, t-value = 3.249
- IOB Bank: Mean = 2.1160, SD = 0.06387

The statistical test indicates a significant difference in Net Interest Margin% between ICICI Bank and IOB Bank (H1).
In conclusion, there is a significant difference in the profitability ratios between ICICI Bank and IOB Bank, supporting the alternative hypothesis (H1). This suggests variations in the financial performance metrics between the two banks.

Table 7: Descriptive Statistics of Liquidity Ratios.

LiquidityRatios	Banks	Mean	SD	Sig. Value	df	t-value
Credit to DepositRatio	ICICI	87.6600	6.41571			
	IOB	58.3520	4.41892	0.000	8	8.412
CurrentRatio	ICICI	1.8400	0.44994			
	IOB	2.0160	0.77015	0.673	8	-0.441
CASA Ratio	ICICI	38.7740	2.63464			
	IOB	48.6080	2.79134	0.000	8	-5.729
CAR Ratio	ICICI	17.5860	1.19897			
	IOB	11.2640	2.41422	0.002	8	5.244

H_0-There is no significant difference between Liquidity ratios of ICICI Bankand IOB Bank.
H_1- There is significant difference between Liquidity ratios of ICICI Bank andIOB Bank.

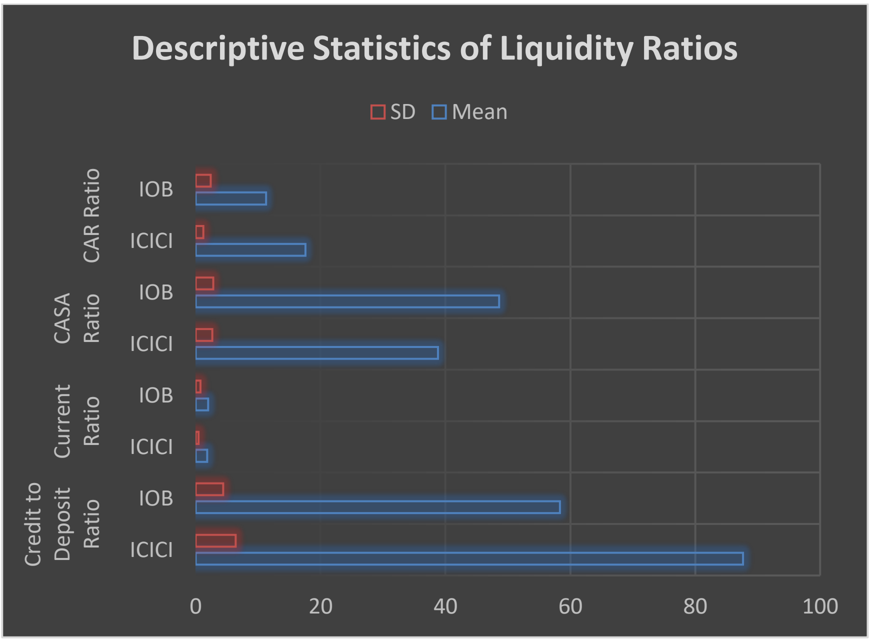


Table 7 presents descriptive statistics and the results of statistical tests for Liquidity Ratios, including Credit to Deposit Ratio, Current Ratio, CASA Ratio, and CAR Ratio, for ICICI Bank and Indian Overseas Bank (IOB).

Credit to Deposit Ratio:
- ICICI Bank: Mean = 87.6600, SD = 6.41571, Sig. Value = 0.000, t-value = 8.412
- IOB Bank: Mean = 58.3520, SD = 4.41892

The statistical test indicates a significant difference in Credit to Deposit Ratio between ICICI Bank and IOB Bank (H1).

Current Ratio:
- ICICI Bank: Mean = 1.8400, SD = 0.44994, Sig. Value = 0.673, t-value = -0.441
- IOB Bank: Mean = 2.0160, SD = 0.77015

The statistical test shows no significant difference in Current Ratio between ICICI Bank and IOB Bank (H0).

CASA Ratio:
- ICICI Bank: Mean = 38.7740, SD = 2.63464, Sig. Value = 0.000, t-value = -5.729
- IOB Bank: Mean = 48.6080, SD = 2.79134

The statistical test indicates a significant difference in CASA Ratio between ICICI Bank and IOB Bank (H1).

CAR Ratio:
- ICICI Bank: Mean = 17.5860, SD = 1.19897, Sig. Value = 0.002, t-value = 5.244
- IOB Bank: Mean = 11.2640, SD = 2.41422

The statistical test reveals a significant difference in CAR Ratio between ICICI Bank and IOB Bank (H1).
In summary, there is a significant difference in Liquidity Ratios between ICICI Bank and IOB Bank, supporting the alternative hypothesis (H1). "This suggests variations in liquidity management between the two banks."

Table 8: Descriptive Statistics of Asset Quality Ratios.

LiquidityRatios	Banks	Mean	SD	Sig. Value	df	t-value
NetNPA%	ICICI	2.8540	1.83506	0.021	8	-2.844
	IOB	9.8300	5.16843			
GrossNPA%	ICICI	6.7840	1.60911	0.006	8	-4.683
	IOB	19.2220	5.71729			

H_0-There is no significant difference between Asset Quality ratios of ICICI Bank and IOB Bank.
H_1- There is significant difference between Asset Quality ratios of ICICI Bank and IOB Bank.

Table 8 displays the descriptive statistics and results of statistical tests for Asset Quality Ratios, encompassing Net NPA % and Gross NPA%, for ICICI Bank and Indian Overseas Bank (IOB).

Net NPA %:

- ICICI Bank: Mean = 2.8540, SD = 1.83506, Sig. Value = 0.021, t-value = -2.844
- IOB Bank: Mean = 9.8300, SD = 5.16843

The statistical test indicates a significant difference in Net NPA % between ICICI Bank and IOB Bank (H1).

Gross NPA%:

- ICICI Bank: Mean = 6.7840, SD = 1.60911, Sig. Value = 0.006, t-value = -4.683
- IOB Bank: Mean = 19.2220, SD = 5.71729

The statistical test reveals a significant difference in Gross NPA% between ICICI Bank and IOB Bank (H1).
In summary, there is a significant difference in Asset Quality Ratios between ICICI Bank and IOB Bank, supporting the alternative hypothesis (H1). This suggests variations in the asset quality management between the two banks.

VI. CONCLUSION

In conclusion, this comprehensive study provides a nuanced examination of the financial performance of ICICI Bank and Indian Overseas Bank (IOB) over the period 2016-17 to 2020-21. The research, driven by well-defined objectives, covers key aspects such as idea generation about financial performance, a study of selected financial ratios, a comparative analysis, and an assessment of financial significance in terms of profitability, liquidity, and asset quality.The analysis of total deposits, investments, and advances reveals consistent trends, with ICICI Bank consistently outperforming IOB across these financial parameters. Examining total income, expenses, and net profit further highlights the superior financial position of ICICI Bank.Profitability ratios depict substantial differences between the banks, with ICICI Bank consistently exhibiting better performance. Liquidity ratios emphasize ICICI Bank's dominance, showcasing superior credit to deposit and current ratios. Asset quality ratios confirm ICICI Bank's advantage, demonstrating significantly lower NPA percentages.Statistical tests reinforce these findings, affirming the significant differences in profitability, liquidity, and asset quality between ICICI Bank and IOB.In essence, this research contributes valuable insights for stakeholders, policymakers, and researchers, offering a comprehensive understanding of the financial dynamics within the Indian banking sector, thereby aiding informed decision-making and strategic planning.

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