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FUNDAMENTAL ANALYSIS OF LEADING INDIAN BANKS: A COMPARATIVE STUDY OF HDFC BANK, ICICI BANK, SBI, AND AXIS BANK

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Abstract:
This research paper studies and compares the financial performance of four major Indian banks — HDFC Bank, ICICI Bank, State Bank of India (SBI), and Axis Bank — using fundamental analysis. The study focuses on important financial ratios like Net Profit Margin, Return on Equity, Return on Assets, Net Interest Margin, Gross Non-Performing Assets (NPA), and Gross Net Profit Margin from the year 2020 to 2024.
The purpose of this research is to understand how well these banks are performing and to help investors make better decisions. By comparing these financial ratios, we can see which bank is more profitable, more efficient, and more reliable for investment. The study finds that private sector banks like HDFC and ICICI show stronger performance in many areas, while SBI and Axis Bank also show improvements over time.
This research will be helpful for investors, students, and anyone interested in understanding the financial strength of Indian banks.
Keywords: Bank, Ratios, Investment, HDFC, ICICI, AXIS, SBI

Introduction

Background of the Banking Sector in India

India's banking industry is crucial to the expansion of the national economy. In addition to offering loans to people, companies, and sectors, banks also assist consumers in safely saving money. This promotes infrastructure development, employment creation, and the nation's general progress.

Over time, the Indian financial sector has expanded significantly. It began with a small number of government-owned banks but now consists of cooperative banks, private sector banks, foreign banks, and regional rural banks. India's central bank is the Reserve Bank of India (RBI). It oversees and regulates every bank to ensure that they abide by the regulations.

Economic liberalisation is the term for the significant economic reforms India implemented in 1991. Since then, government banks like SBI have gained popularity alongside commercial banks like HDFC Bank, ICICI

Bank, and Axis Bank. These banks provide a wide range of contemporary services, including digital payments, online banking, and mobile banking.

The Indian banking industry is robust, cutthroat, and expanding quickly right now. It helps individuals with their financial demands and is essential to India's development as a digital and advanced economy.

Current Position of the Banking Sector in India

India's banking industry is expanding quickly and modernising these days. To make banking easier for its clients, the majority of banks today employ digital technologies including online banking, smartphone applications, and UPI (Unified Payments Interface). These days, people may use their phones at any moment to transmit money, pay bills or check their balance.

Private sector banks like HDFC Bank, ICICI Bank, and Axis Bank, as well as public sector banks like SBI, are doing well and providing a wide range of services to its clientele. The Reserve Bank of India (RBI) and the government both assist the banking industry by enacting beneficial regulations and providing funding when required.

Following some difficulties during COVID-19, banks have performed better. They are now making more money and have fewer bad loans, often known as non-performing assets, or NPAs. A lot of banks are also concentrating on small enterprises and rural regions, which contributes to the nation's development. To put it briefly, the Indian banking industry is robust, secure, and prepared to help the country's future economic development.

Future of the Banking Sector in India

The Indian banking industry appears to have a highly promising future. Technology is helping to make banking easier, quicker, and more user-friendly. More residents of small towns and villages will have access to financial services via digital platforms and mobile phones in the upcoming years.

To better understand client wants and provide better services, banks will keep using cutting-edge technologies like chatbots, artificial intelligence (AI), and data analytics. The majority of work will be completed online, and there will be less paperwork.

In order to promote social welfare and the environment, banks will also put more of an emphasis on sustainable financing and green banking.

By implementing new technologies, decreasing bad loans, and enhancing customer service, banks in both the public and private sectors will become more resilient. The industry will continue to get assistance from the government and RBI to increase its stability and security.

In summary, the future of banking in India will be more intelligent, digital, and open to everybody.

Bank's Introduction

Introduction to HDFC Bank

One of India's largest private sector banks is HDFC Bank. Its official name is Housing Development Finance Corporation Bank, and it was founded in 1994. Mumbai, Maharashtra, is home to the bank's headquarters.

Among the numerous services that HDFC Bank provides are current and savings accounts, credit cards, loans, fixed deposits, and online banking. It is renowned for its excellent customer service, cutting-edge technology, and quick service.

The bank operates a vast branch and ATM network throughout India. Through its net banking services and mobile app, it is also well-represented in the digital banking .

Over the years, HDFC Bank has performed well. It generates strong returns for its investors, makes good profits, and has fewer bad loans (NPAs). It targets both companies and retail clients (individuals).

Services Offered

Among the many financial services offered by HDFC Bank are:

• Retail banking includes credit cards, loans, fixed deposits, current accounts, and savings accounts. Corporate banking is the provision of banking services to major corporations, firms, and industries.

• Wealth management includes financial planning, mutual funds, insurance, and investment services.

• Digital banking includes online transactions, UPI, mobile banking, and internet banking.

HDFC BANK PROFILE

Category	Details
Headquarters	Mumbai, India
Parent Company	HDFC Ltd. (merged with HDFC Bank in 2023)
Industry	Banking & Financial Services
Key Services	Retail Banking, Corporate Banking, Wealth Management, Loans, Credit Cards, Digital Banking
Number of Branches & ATMs	8,000+ branches and 18,000+ ATMs across India (as of 2025)
Number of Employees	1,80,000+
Revenue (FY 2023-24)	₹1.02 lakh crore
Founded	1994
Major Merger	Merged with HDFC Ltd. in 2023
Market Capitalization	₹12.5 lakh crore (as of 2024)
Research & Innovation Centers	Focus on digital banking, AI-driven financial solutions
Corporate Headquarters	HDFC Bank House, Mumbai
Former Headquarters	NA (Headquartered in Mumbai since inception)
Controversies	Issues with the RBI regarding digital banking outages, penalty for non-compliance with banking regulations

Introduction to ICICI Bank

One of India's biggest private banks is ICICI Bank. Its headquarters are in Mumbai, Maharashtra, and it was founded in 1994. Industrial Credit and Investment Corporation of India (ICICI) Bank is the bank's full name.

Numerous financial services, including credit cards, loans, savings accounts, and online banking, are offered by ICICI Bank. It is renowned for its cutting-edge technology, quick service, and extensive branch and ATM network throughout India.

ICICI Bank is renowned for its cutting-edge technology, robust digital banking system, and user-friendly services. Its extensive network of India includes over 15,000 ATMs and over 6,000 branches. The bank offers investment alternatives, credit cards, loans, insurance, savings accounts, and mobile banking, among other things.

ICICI Bank has had fast growth over the years, entering overseas markets in the United States, United Kingdom, Canada, and the United Arab Emirates. Its creative financial solutions and customer service have earned it several accolades.

Through the use of cutting-edge technology, online banking, and mobile apps, the bank is committed to making banking simple and available to everyone. With millions of clients receiving safe and effective financial services, ICICI Bank is a major force in India's banking industry.

The bank's robust digital banking system, which makes it simple for clients to do transactions online, is another reason for its popularity. One of the most reputable Indian banks, it has also entered several foreign markets. ICICI Bank provides safe, dependable, and creative financial solutions to businesses and individual consumers. It has developed into one of the top banks in India's financial industry throughout the years.

ICICI BANK PROFILE

Category	Details
Headquarters	Mumbai, India
Founded	1994
Industry	Banking and Financial Services
Key Services	Retail Banking, Corporate Banking, Loans, Credit Cards, Investment Services, Digital Banking
Number of Branches	6,000+
Number of ATMs	15,000+
Market Capitalization	₹7.6 lakh crore (as of 2023)
International Presence	USA, UK, Canada, UAE, Singapore, and more
Major Acquisitions	Bank of Rajasthan (2010)
Digital Banking	Internet banking, Mobile banking, UPI, and Digital Wallets
Awards & Achievements	Multiple awards for digital innovation and customer service
Challenges	Tough competition, RBI regulations, Cybersecurity risks
Future Plans	Expanding digital banking, reaching rural areas, improving AI-based banking services

Introduction to SBI Bank

The biggest public sector bank in India and one of the nation's oldest banks is State Bank of India (SBI). Originally established as the Bank of Calcutta in 1806, it changed its name to SBI in 1955. The Government of India owns the bank, which is headquartered in Mumbai, Maharashtra.

With millions of clients in cities, towns, and countryside, SBI has the biggest branch and ATM network in India. It offers a variety of banking services, such as current and savings accounts, credit cards, loans, insurance, and investment opportunities. Along with being a pioneer in digital banking, SBI provides services including UPI payments, mobile banking, and internet banking. With branches in over 30 nations, the bank has grown globally and is now a global financial organisation.

SBI contributes significantly to the financial stability and economic progress of India thanks to its solid financial standing, government backing, and public confidence. By using new technology and extending its services to both urban and rural regions, it keeps growing.

SBI BANK PROFILE

Category	Details
Headquarters	Mumbai, India
Founded	1806 (as Bank of Calcutta), became SBI in 1955
Industry	Banking and Financial Services
Ownership	Government of India (Public Sector Bank)
Key Services	Retail Banking, Corporate Banking, Loans, Credit Cards, Insurance, Investment Services, Digital Banking
Number of Branches	22,000+
Number of ATMs	65,000+
Market Capitalization	₹5.5 lakh crore (as of 2023)

International Presence	More than 30 countries, including the USA, UK, Canada, UAE, and Singapore
Major Acquisitions	Merged with 5 associate banks and Bharatiya Mahila Bank in 2017
Digital Banking	Internet banking, Mobile banking, YONO app, UPI payments
Awards & Achievements	Multiple awards for customer service and digital innovation
Challenges	High number of bad loans (NPAs), competition from private banks, and cybersecurity risks
Future Plans	Expanding digital banking, improving rural banking, and AI-driven banking services

Introduction to AXIS Bank

One of the best private sector banks in India, Axis Bank is renowned for its quick service, solid financial foundation, and cutting-edge banking options. Its headquarters are in Mumbai, Maharashtra, and it was founded in 1993.

The bank provides a wide range of services, including investment products, credit cards, fixed deposits, insurance, home and personal loans, and savings and current accounts. Additionally, it offers financial solutions to large corporations and enterprises. In India, Axis Bank has a vast network of about 4,800 branches and 15,000 automated teller machines. In order to provide international banking services, it also has offices abroad in places like Singapore, Dubai, and the United Kingdom.

The bank places a lot of emphasis on its digital expansion. It provides the Axis Mobile App, UPI, online banking, and user-friendly mobile banking. Additionally, it generally accepts QR code and UPI payments. Axis Bank is renowned for collaborating with fintech and startup businesses to create innovative and intelligent banking solutions. It makes banking simple and available to everyone by promoting financial inclusion, digital innovation, and consumer pleasure.

AXIS BANK PROFILE

Category	Details
Headquarters	Mumbai, Maharashtra
Founded	1993
Industry	Banking and Financial Services
Ownership	Private Sector Bank
Key Services	Savings & Current Accounts, Loans, Credit Cards, Insurance, Investments, Digital Banking
Number of Branches	4,800+ branches across India
Number of ATMs	15,000+ ATMs
Market Capitalization	Around ₹3.6 lakh crore (as of 2023)
International Presence	Offices in Dubai, Singapore, UK and more
Digital Banking	Axis Mobile App, Internet Banking, UPI, QR Payments
Major Acquisitions	Freecharge (2017) – to boost digital payments
Awards & Achievements	Awards for innovation in banking, digital transformation, and customer service
Challenges	Strong competition, changing regulations, and need for advanced technology
Future Plans	Focus on digital growth, AI-based banking, rural banking expansion

Literature Review

1. **Gupta, D. O., & Dongre, N. (2024).** Fastening on important fiscal criteria including profitability, asset quality, and liquidity, Dr. O. P. Gupta and Neetu Dongre(2024) compared the fiscal performance of SBI and HDFC Bank from 2018 – 19 to 2022 – 23. To estimate the ROA, ROE, NIM, NPA, and liquidity rates, the study used correlation matrices and rate analysis. The results showed that HDFC Bank continuously beat SBI in terms of asset quality and profitability, flaunting better credit threat operation and functional effectiveness. HDFC maintained further stability and fiscal health indeed though SBI made progress in loweringnon-performing means(NPAs) and adding profitability. The report highlights HDFC's strategic fiscal operation and SBI's nonstop advancement in important performance areas, offering perceptive information to investors and policymakers.
2. **Ramesh, K. M., Pathania, A., & Yadav, N. (2024).** The fiscal performance of Axis Bank and State Bank of India(SBI) over a five- time period(2019 – 2023) was compared by Kaushik Meenakshi, Amita Pathania, and Nisha Yadav(2024). The profitability, effectiveness, and fiscal health of the banks were assessed by the exploration using important fiscal statistics including ROE, EPS, P/ E rate, DPS, and profit perimeters. The disquisition showed that Axis Bank had better request value and net profit perimeters, but SBI was stronger in ROE and tip payments. The study helps stakeholders make strategic opinions by offering new perspectives on the fiscal and functional dynamics of both organisations. The study highlights the value of relative assessments for a deeper appreciation of institutional performance in India's dynamic banking assiduity, despite its limitation to fiscal measures and secondary data.
3. **Iyer, A. H., Agrawal, P., & Painter, K. (2020)**. The Indian public and private sector banks SBI, BOB, PNB, HDFC Bank, ICICI Bank, and Axis Bank were among those that were the subject of a abecedarian examination by Ananth H. Iyer, Prachi Agrawal, and Kinjal Painter. The exploration estimated profitability and performance using pivotal pointers similar Net Profit periphery, Operating Profit periphery, Return on means, Earnings per Share, and CASA, as well as secondary data from 2016 to 2020. Results indicated that PNB had the worst performance, whereas HDFC Bank did better on crucial criteria, particularly earnings per share. Analysis styles included average, standard divagation, and ANOVA. Private banks frequently handed investors with advanced returns, according to the study's findings, but public sector banks like SBI and BOB showed pledge if nonsupervisory changes addressed problems like loan reclamations andnon-performing means.
4. **Rai, N. K. (2020)**. Nikhil Kumar Rai(2020) used important fiscal criteria including interest generated, net profit, andnon-performing means(NPA) situations to compare the performance of India's top three public and private sector banks between 2016 and 2020. The study set up that public sector banks plodded with profitability because of a large chance ofnon-performing means, indeed though they had a lesser request penetration and earned further interest profit. On the other hand, while being youngish and having a lower client base, private sector banks showed superior effectiveness and steady profitability, which were bolstered by a drop innon-performing means and bettered operating procedures. Grounded on secondary data, the study reveals notable differences between public and private banks' fiscal health and operation strategies, furnishing guidance for enhancing effectiveness and threat control in the Indian banking assiduity.
5. **JACKSON, T., & ELIZABATH, A. (2024)**. The significance of assessing banks using important fiscal measures including capital adequacy, asset quality, profitability, and functional effectiveness is emphasised in the body of exploration on fiscal performance analysis. The significance of rate analysis in assessing a bank's stability, threat exposure, and overall performance has been emphasised by studies by Teresa Jackson, Agnus Elizabeth, and Aiswary V. S. Different strategic approaches to NPA operation, profitability, and capital deployment are revealed by former studies comparing Indian private sector banks similar as HDFC Bank and Axis Bank. Axis Bank is known for its adding functional effectiveness and competitive profit perimeters, whereas HDFC Bank is generally praised for its steady capital strength and asset quality. These comparison analyses help stakeholders comprehend performance patterns and make well- informed opinions in India's changing banking assiduity.

6. **Pandit, S., & Gandhi, J. (2021).** Dr. Seema Pandit and Jash Gandhi(2020) used the CAMEL model to compare the fiscal performance of HDFC Bank and State Bank of India(SBI) during a seven time period(2013 – 14 to 2019 – 20). The exploration analysed secondary data from websites, publications, and periodic reports to concentrate on five important parameters capital acceptability, asset quality, operation, earnings, and liquidity. While SBI showed better liquidity, HDFC Bank did better in capital acceptability, asset quality, and operation effectiveness, according to the findings. The quality of earnings for both banks was identical. The two banks' substantial differences were verified by ANOVA testing. The study provides important perceptivity into the performance dynamics of Indian public and private sector banks, despite its limitations of only two institutions and a seven- time timeframe.
7. **Jyothilinga, V. (2022).** A exploration by Jyothilinga V and Venkatesha assessed the threat and return of a many public and private sector banking equities that were listed on the National Stock Exchange between April 1, 2020, and March 31, 2021. The study examined the performance of eight banks, four from each sector, using secondary data and varied it with the Bank Nifty indicator. The results showed that YES Bank had the smallest, indeed negative, return, while Indian Bank had the stylish mean return. When compared to private sector banks, public sector banks displayed lesser situations of threat. In order to reduce unsystematic threat and get favourable returns with lower volatility, the study underscored that investors should diversify their portfolio, employ abecedarian analysis, and choose equities like HDFC and Indian Bank.
8. **Zahoor,** A. A In his comparison analysis, Aamir Zahoor uses secondary data from sanctioned publications, journals, and periodic reports to examine the fiscal performance of HDFC Bank and ICICI Bank. The exploration assesses variables such the credit- deposit rate, net profit periphery, return on equity, income, expenditure, deposits, and advances using rate analysis, mean, composite growth rate(CGR), and bar maps. The results show that HDFC Bank has performed better than its challengers, with advanced CGRs for profitability, income, and advances, among other important fiscal criteria . HDFC has better growth and functional effectiveness indeed though ICICI Bank has larger absolute income and charges. According to the study's findings, HDFC Bank has a competitive edge in India's private banking request thanks to advanced customer preference and trust. Stakeholders can more grasp performance dynamics in the assiduity with the help of this comparison.

RESEARCH DESIGN

Data and Sample Selection

Since secondary data forms the foundation of this study, the material was gathered from pre-existing sources. The banks' annual reports served as the primary source of data for this study.

Four of the top Indian banks have been chosen for comparison. These banks were picked because of their standing in the market and level of popularity in the public and private banking sectors. The banks that were chosen are:

- HDFC Bank
- ICICI Bank
- Axis Bank
- State Bank of India (SBI)

These banks are among the best in the Indian banking sector and combine elements of the public and private sectors. The following financial ratios were employed in order to assess and contrast their performance:

Gross Non-Performing Assets (GNPA), Net Non-Performing Assets (NNPA), Return on Equity (ROE), Return on Assets (ROA), Net Profit Margin (NPM), and Net Interest Margin (NIM)

These ratios aid in our comprehension of the banks' asset quality, profitability, and efficiency. We may examine each bank's performance and financial health over time by contrasting these metrics.

Methodology

This study is based on secondary data, which means the data is collected from sources that are already available, such as bank annual reports and trusted online websites.

The main focus of this research is to compare some important financial ratios that are considered as the core indicators of a bank's performance. These ratios help us understand how well a bank is doing in terms of profitability, efficiency, and asset quality.

The study covers a time period of 5 years for each of the selected banks. This helps to see how the performance of these banks has changed over time and to make a proper comparison among them.

Limitations of the Study

Only data from the most recent five fiscal years—2020–2024—are used in this analysis. Therefore, it excludes any information or patterns prior to 2020.

Since the entire study relies on secondary data, the material was gathered from online and yearly report sources. The reliability and correctness of the sources determine how accurate the study is.

Brief Time Frame: The research solely examines the years 2020–2024. Prior to 2020, it does not provide historical performance or long-term trends.

Just Four Banks: Only four significant banks—HDFC, ICICI, Axis, and SBI—are compared in this study. The results might not be representative of the whole banking industry because other banks are not included.

Reliant on Publicly Available Reports: The research makes use of information from online and yearly reports. The study's findings might not be entirely accurate if these reports contain errors or insufficient information.

Restricted Ratios: Only a few number of financial ratios, such as GNPA, ROE, and NPM, are employed. It's possible that other crucial elements were overlooked, which would have affected the overall performance of the bank.

Absence of Primary Data: The study uses secondary data that already exists. Surveys and in-person interviews with bank representatives are absent, which would have provided more in-depth information.

External Factors Ignored: The research does not take into account global events (such as COVID-19), governmental policies, or changes in the economy that would have had an impact on bank performance.

Research Objectives

1. To compare the financial performance of selected Indian banks using key financial ratios like NPM, ROE, ROA, NIM, GNPA and CAR.
2. To evaluate the profitability, efficiency, and asset quality of HDFC Bank, ICICI Bank, Axis Bank, and SBI over a 5-year period (2020 to 2024).

ABOUT RATIO'

1. Net Profit Margin (NPM)

Definition:

Net Profit Margin shows how much profit a bank makes from its total income. It tells us how efficiently the bank is managing its expenses.

Formula:

Net Profit Margin = (Net Profit / Total Income) × 100

2. Return on Equity (ROE)

Definition:

ROE shows how much profit the bank is earning from the money invested by shareholders. Higher ROE means better returns for investors.

Formula:

Return on Equity = (Net Profit / Shareholders' Equity) × 100

3. Return on Assets (ROA)

Definition:

ROA tells us how well the bank is using its total assets to generate profit. It shows the bank's overall efficiency.

Formula:

Return on Assets = (Net Profit / Total Assets) × 100

4. Net Interest Margin (NIM)

Definition:

NIM measures the difference between the interest the bank earns (on loans) and the interest it pays (on deposits), as a percentage of its earning assets.

Formula:

Net Interest Margin = (Net Interest Income / Average Earning Assets) × 100

5. Gross Non-Performing Assets (GNPA)

Definition:

GNPA shows the percentage of loans that have not been repaid by borrowers. A lower GNPA means better loan recovery.

Formula:

GNPA = (Gross Non-Performing Assets / Gross Advances) × 100

6. Capital Adequacy Ratio (CAR)

Definition:

CAR shows the bank's financial strength and its ability to handle losses. It tells whether the bank has enough capital to absorb potential risks.

Formula:

CAR = (Capital / Risk-Weighted Assets) × 100

Analysis And Discussion

1. Net Profit Margin

The Net Profit Margin (NPM) of these four banks shows how much profit they make after covering all their expenses. Looking at the data from 2020 to 2024, we can see some interesting trends.

Table 1 : Net Profit Margin

YEARS	HDFC Bank (%)	Axis Bank (%)	ICICI Bank (%)	SBI (%)
2020	22.3	2.9	10.6	5.63
2021	24.8	11.2	20.46	7.69
2022	28	20.5	27.02	11.49
2023	26.9	12.4	29.2	15.12
2024	22.6	23.4	28.61	14.71

Observations (NPM 2020-2024)

Over the years, HDFC Bank's profit margin remained steady and robust, peaking at 28% in 2022. The bank made less money in 2024 than it had in prior years, though, as the profit margin fell to 22.6%. HDFC Bank continues to rank among the best-performing banks in spite of this decline.

In 2020, Axis Bank had an extremely low NPM of 2.9%, which indicated that it was earning a relatively small profit. However, it became much better over time, rising to 23.4% in 2024. This demonstrates how Axis Bank improved its profitability and strengthened its financial position.

The profit margins of ICICI Bank increased steadily from 10.6% in 2020 to 29.2% in 2023. Despite a minor decline to 28.61% in 2024, the bank continued to generate substantial profits, establishing itself as one of the top-performing financial institutions.

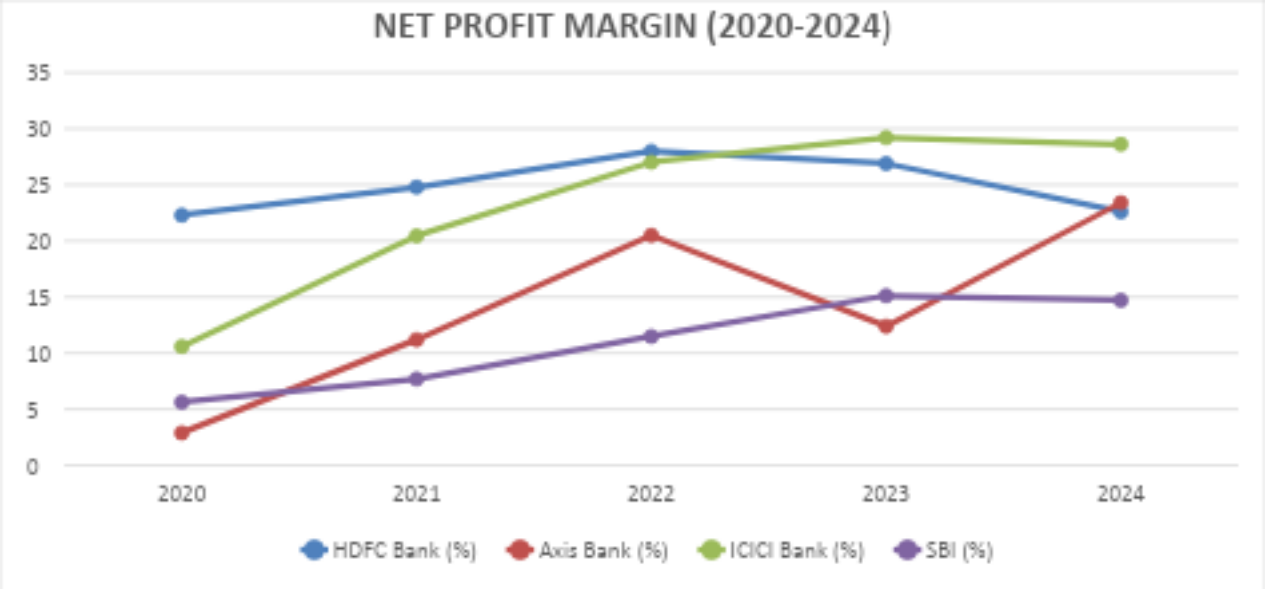


Figure SEQ Figure * ARABIC 1 : Net Profit Margin

Out of the four banks, SBI had the lowest NPM. Its profit margin was just 5.63% in 2020, but it steadily increased to 15.12% in 2023. It did, however, significantly decline to 14.71% in 2024. This indicates that although SBI has been increasing its profitability, it continues to trail behind other banks.

All things considered, ICICI Bank and HDFC Bank continued to generate a healthy profit over these years. Of the four banks, SBI had the lowest NPM despite showing growth, while Axis Bank saw the largest increase in earnings. Understanding how well these banks are handling their earnings over time is made easier by this data.

2. RETURN ON EQUITY

The Return on Equity (ROE) data from 2020 to 2024 for HDFC Bank, ICICI Bank, SBI, and Axis Bank shows how well these banks used their shareholders' money to generate profit.

Year	HDFC Bank (%)	ICICI Bank (%)	SBI (%)	Axis Bank (%)
2020	15.05	10.13	7.74	1.91
2021	16.05	11.93	9.94	6.48
2022	16.57	13.99	13.92	11.3
2023	18.01	16.36	19.43	7.63
2024	11.56	17.82	20.32	16.45

Table 2 : Return on Equity

Observations (ROE 2020-2024):

1. HDFC Bank had a strong ROE over the years, peaking at 18.01% in 2023. However, it dropped to 11.56% in 2024, which means the bank's profitability from shareholders' equity has decreased.

2. ICICI Bank consistently improved its ROE, rising from 10.13% in 2020 to 17.82% in 2024. This shows that ICICI Bank has been growing efficiently and making better use of its equity over time.

3. SBI (State Bank of India) had the lowest ROE in 2020 at 7.74%, but it improved steadily each year, reaching 20.32% in 2024. This indicates that SBI has significantly increased its profitability and is now the best performer in 2024.

4. Axis Bank had the lowest ROE in 2020 at just 1.91%, meaning it was struggling to generate returns. However, it showed a strong improvement, reaching 16.45% in 2024. This implies that Axis Bank changed significantly to increase profitability and is now a competitive force.

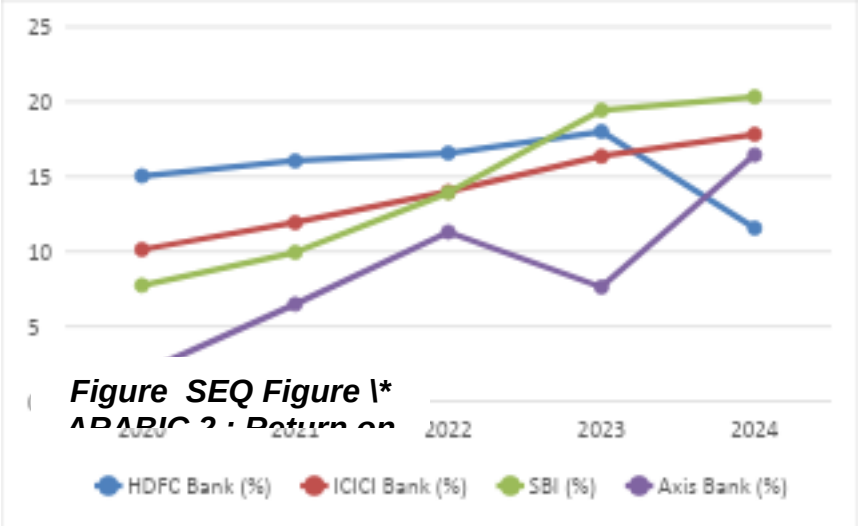


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3. RETURN ON ASSETS

YEARS	HDFC Bank (%)	ICICI Bank (%)	SBI (%)	Axis Bank (%)
2020	1.71	0.72	0.36	0.17
2021	1.78	1.31	0.45	0.66
2022	1.78	1.65	0.63	1.1
2023	1.78	2.01	0.91	0.72
2024	1.68	2.18	0.98	1.68

Table 3: Return on Assets

Observation & Analysis (ROA 2020–2024):

One crucial metric for assessing how well a bank uses its assets to produce profits is the Return on Assets (ROA). HDFC Bank performed consistently when the ROA of a few chosen Indian banks was examined between 2020 and 2024. From 2020 to 2023, the ROA was consistent between 1.71% and 1.78%, indicating consistent and effective use of its resources. Although the ROA somewhat declined to 1.68% in 2024, the bank's overall performance over the five years remained solid and consistent.

Over the years, ICICI Bank's return on assets (ROA) showed a distinct rising trend. Its ROA was only 0.72% in 2020, but it increased yearly till it reached 2.18% in 2024. This steady expansion shows that ICICI Bank has gotten more efficient over time and has greatly enhanced its capacity to make money off of its assets.

In 2020, State Bank of India (SBI), a prominent public sector bank, had a poor return on assets (ROA) of 0.36%. It did, however, steadily become better each year, hitting 0.98% in 2024. The increasing trend indicates that SBI has achieved significant strides in asset utilisation and profitability, even if its ROA is still lower than that of private sector banks like HDFC and ICICI.

With a ROA of just 0.17% in 2020, Axis Bank has the lowest ROA of all the chosen banks. Axis Bank shown a robust comeback and steady development throughout the years, despite the poor start. Its return on assets (ROA) rose to 1.68% by 2024, nearly matching HDFC Bank's level. This noteworthy expansion demonstrates the bank's enhanced asset utilisation and financial management throughout the five-year span.

Analysis of ROA (2020–2024):

The Return on Assets (ROA) is an important ratio that shows how efficiently a bank uses its total assets to generate profit. From 2020 to 2024, ICICI Bank showed the best performance in terms of ROA growth. It started at just 0.72% in 2020 and steadily improved each year, reaching 2.18% in 2024. This growth shows that ICICI Bank has become more efficient in using its assets to earn profits.

HDFC Bank maintained a stable ROA throughout the five years, ranging from 1.71% to 1.78%, with a slight decline to 1.68% in 2024. This indicates that the bank has strong operational consistency and has been managing its resources well.

On the other hand, SBI started with a low ROA of 0.36% in 2020 but improved each year, reaching 0.98% in 2024. Although its ROA is still lower than the private sector banks, the improvement shows that SBI has been working towards better asset utilization and profitability.

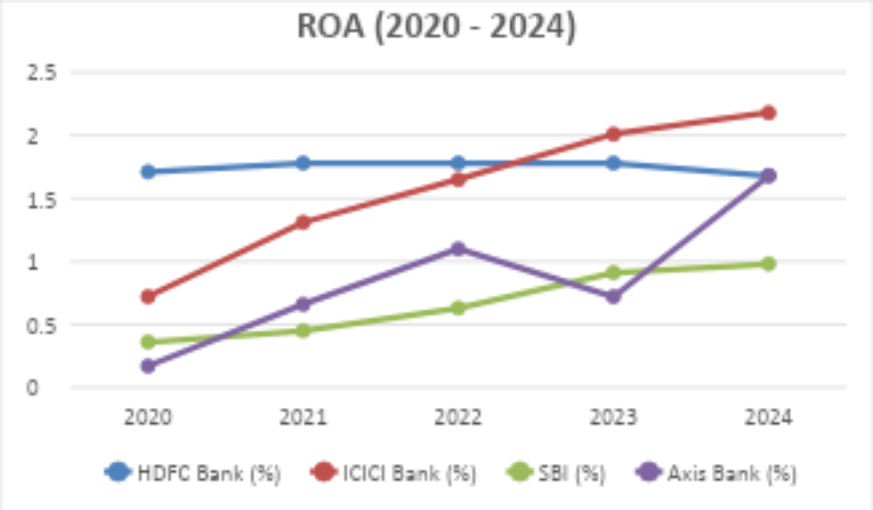


Figure SEQ Figure * ARABIC 3 : Return on Asset

Axis Bank had the lowest ROA in 2020 at only 0.17%, but it showed great progress by increasing it to 1.68% in 2024. This sharp improvement highlights Axis Bank's efforts in strengthening its financial performance and improving its profitability over the years.

4. **NET INTEREST MARGINE**

YEARS	HDFC Bank (%)	ICICI Bank (%)	SBI (%)	Axis Bank (%)
2020	3.67	3.02	2.48	2.75
2021	3.71	3.16	2.44	2.93
2022	3.48	3.36	2.42	2.81
2023	3.52	3.92	2.62	3.26
2024	3	3.97	2.58	3.37

Table 4: Net Interest Margine

Observation of NIM (2020–2024):

For banks, the Net Interest Margin (NIM) is a crucial metric since it illustrates the difference between the amount they make from lending and the interest they pay on deposits. Better profitability and more effective use of money are typically associated with higher NIM.

With a solid NIM of 3.67% in 2020 and a little improvement to 3.71% in 2021, HDFC Bank demonstrated robust lending business earnings. Although there was a slight decrease and recovery in 2022 and 2023 (3.48% and 3.52%, respectively), the NIM fell to 3.00% in 2024, the lowest level the bank had seen in five years. This decline might be an indication of narrower interest rate spreads, higher deposit costs, or more market competition. Nevertheless, during the course of the five years, HDFC kept up a respectable average NIM.

ICICI Bank's NIM trended steadily rising. In 2024, it increased from 3.02% in 2020 to 3.97%. Strong loan growth, improved interest revenue, and effective cost control are all shown by this consistent increase. Additionally, it shows that ICICI Bank's core banking operations have grown more lucrative and efficient every year.

Out of the four banks, SBI (State Bank of India) had the lowest NIM. It began at 2.48% in 2020, dropped to 2.42% in 2022, and then gradually improved to 2.58% by 2024. It has a low NIM, but it hasn't changed significantly. This could be because SBI has a greater number of customers in the government and rural sectors, where deposit fees are higher and loan interest rates are lower.

Additionally, Axis Bank's NIM increased, rising from 2.75% in 2020 to 3.37% in 2024. The bank maintained a solid trend despite occasional minor ups and downs. This increase implies that Axis Bank is increasing its interest revenue and strengthening its position as a lender.

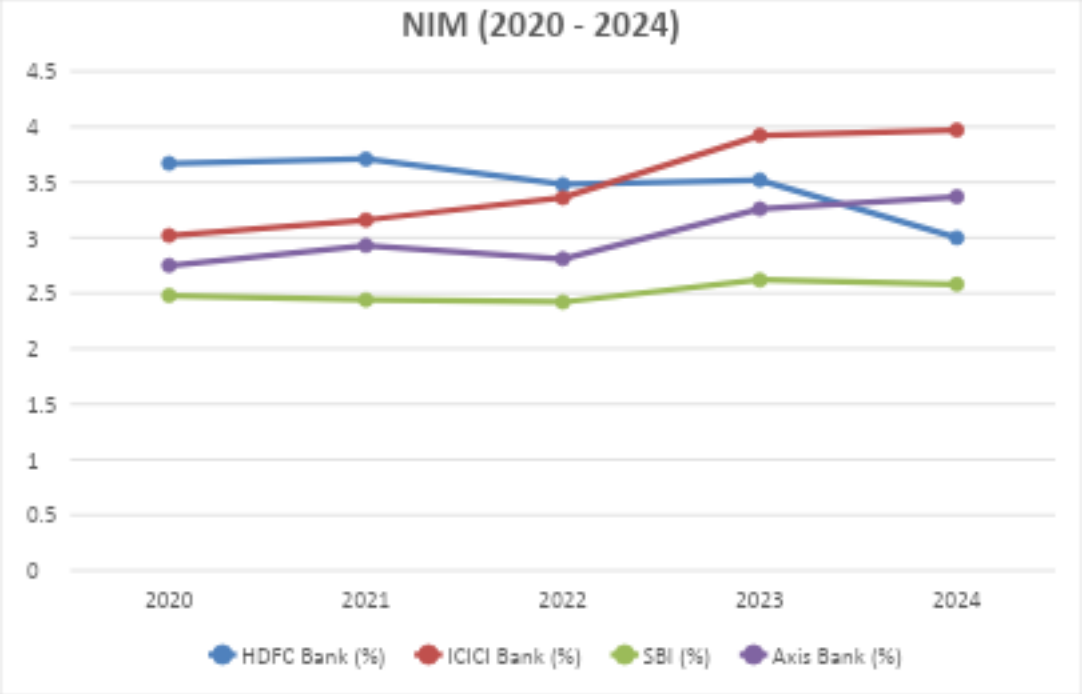


Figure SEQ Figure * ARABIC 4: Net Interest Margine

ANALYSIS:

One important measure of a bank's profitability is its Net Interest Margin (NIM), which displays the amount of money the bank makes from lending after deducting interest on deposits. With its NIM increasing from 3.02% to 3.97% throughout the five-year period from 2020 to 2024, ICICI Bank demonstrated the most steady and robust increase. This points to improved income management and improved interest-based business success. Additionally, Axis Bank's NIM increased steadily from 2.75% to 3.37%, indicating improved financial efficiency. After maintaining a high NIM in the early years, HDFC Bank's NIM fell to 3.00% in 2024 from 3.52% in 2023, which might indicate pressure on interest income. However, SBI consistently generated lesser revenue from its loan operations, maintaining the lowest NIM throughout the course of the five years, fluctuating between 2.42% and 2.62%. In general, private sector banks such as ICICI and Axis outperformed public sector bank SBI in terms of NIM.

5. GROSS NET PROFIT MARGIN

YEAR	HDFC Bank (₹ Cr)	HDFC Bank (%)	ICICI Bank (₹ Cr)	ICICI Bank (%)	SBI (₹ Cr)	SBI (%)	Axis Bank (₹ Cr)	Axis Bank (%)
2024	31,173.32	1.24%	27,961.68	2.16%	84,276.33	2.24%	15,127.12	1.43%
2023	18,019.03	1.12%	31,183.70	2.81%	90,927.78	2.78%	18,604.23	2.02%
2022	16,140.96	1.17%	33,919.52	3.60%	112,023.37	3.97%	21,822.32	2.82%
2021	15,086.00	1.32%	41,373.42	4.96%	126,389.02	4.98%	25,314.84	3.70%
2020	12,649.97	1.26%	41,409.16	5.53%	149,091.85	6.15%	30,233.82	4.86%

Table 5: Groos Net Profit Margin

Observation & Analysis (GNPA 2020–2024):

A thorough picture of the asset quality and loan management of four significant Indian banks is provided by the examination of their Gross Non-Performing Assets (GNPA) over the last five years (2020–2024). Over the whole period, HDFC Bank has performed admirably in keeping its GNPA levels low. From ₹31,173.32 crore in 2020 to ₹12,649.97 crore in 2024, the GNPA amount dropped dramatically. Between 1.12% and 1.32%, the GNPA proportion was constant. This indicates that HDFC Bank has effectively managed its loan portfolio, upheld solid recovery mechanisms, and maintained high asset quality.

However, the success of ICICI Bank was not as impressive. From ₹27,961.68 crore in 2020 to ₹41,409.16 crore in 2024, its GNPA grew. Additionally, the GNPA proportion rose gradually from 2.16% to 5.53%. This increasing trend shows that the bank's loan portfolio is becoming riskier, indicating that ICICI Bank should improve its credit risk management in order to keep future bad loans under control.

Of all the institutions examined, State Bank of India (SBI) had the highest GNPA value. From ₹84,276.33 crore in 2020 to ₹149,091.85 crore in 2024, its GNPA increased significantly. Likewise, the GNPA percentage rose from 2.24% to 6.15%, indicating a significant decline in the asset quality. This makes it abundantly evident that SBI is having trouble managing and recovering bad loans, and that it urgently needs to enhance its credit approval and monitoring procedures.

Additionally, Axis Bank's GNPA trended upward. From ₹15,127.12 crore in 2020 to ₹30,233.82 crore in 2024, the GNPA amount increased. During this time, the GNPA proportion nearly quadrupled, rising from 1.43% to 4.86%. This trend indicates that Axis Bank may need to review its credit evaluation procedures since it is also under mounting pressure in loan recovery.

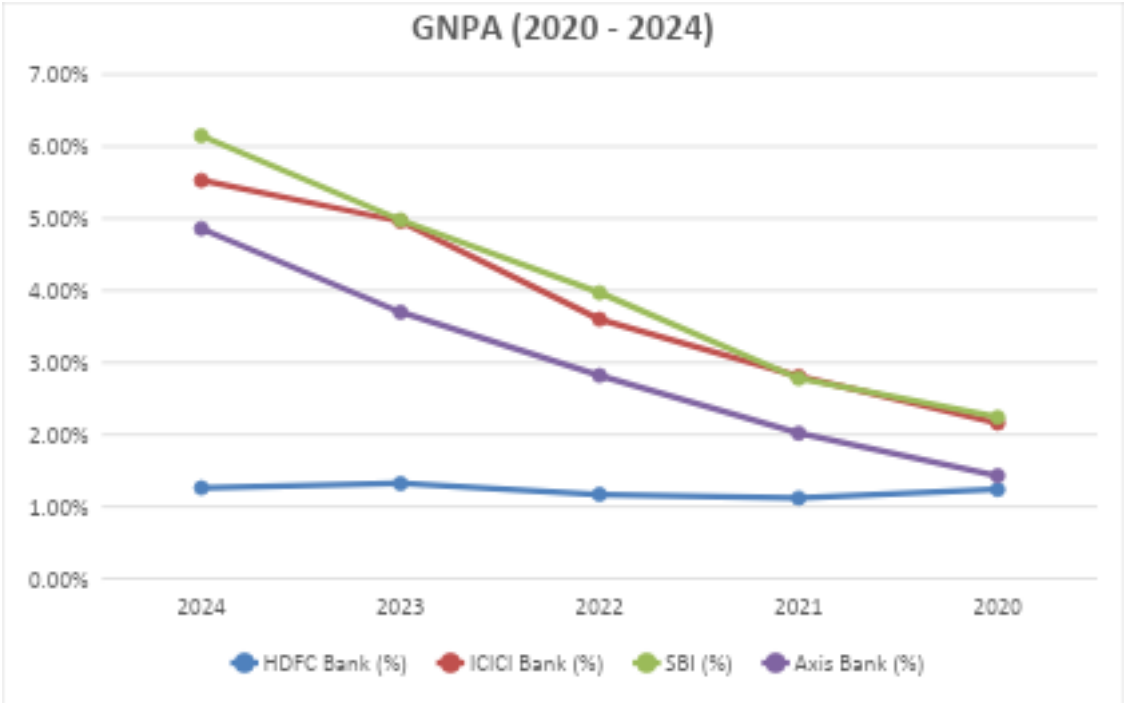


Figure SEQ Figure * ARABIC 5: Gross Net Profit Margin

ANALYSIS:

HDFC Bank is performing admirably. It has low and controlled bad loans (GNPA). Actually, from ₹31,173.32 crore in 2020 to ₹12,649.97 crore in 2024, the overall amount of GNPA has decreased. Additionally, the GNPA percentage is modest and consistent, ranging from 1.12% to 1.32%. This demonstrates how well HDFC Bank manages its loans and how successfully its clients are repaying them.

There are issues with ICICI Bank. Between 2020 and 2024, its GNPA increased from ₹27,961.68 crore to ₹41,409.16 crore. Additionally, the GNPA proportion increased from 2.16% to 5.53%. This indicates that more loans from the bank are not being repaid on schedule. To prevent more losses, it must enhance the way it verifies and grants loans.

Out of the four banks, SBI (State Bank of India) has the highest GNPA. By 2024, it had grown from ₹84,276.33 crore in 2020 to ₹149,091.85 crore. Additionally, the proportion increased from 2.24% to 6.15%. This indicates that SBI has to enhance its loan-checking and recovery mechanism because it is having trouble recovering its debts.

The GNPA at Axis Bank is also significantly increasing. Between 2020 and 2024, it increased from ₹15,127.12 crore to ₹30,233.82 crore. Additionally, the GNPA proportion rose from 1.43% to 4.86%. This indicates that

more of its loans are defaulting, and the bank must exercise greater caution when making loans and recovering them.

6. NET NON-PERFORMING ASSETS

Year	HDFC Bank *(₹ Cr)*	HDFC Bank (%)	ICICI Bank *(₹ Cr)*	ICICI Ban (%)	SBI *(₹ Cr)*	SBI (%)	Axis Bank *(₹ Cr)*	Axis Bank (%)
2024	8,091.74	0.33%	5,377.79	0.42%	21,051.08	0.57%	3,247.47	0.31%
2023	4,368.43	0.27%	5,155.07	0.48%	21,466.64	0.67%	3,558.92	0.39%
2022	4,407.68	0.32%	6,960.89	0.76%	27,965.71	1.02%	5,512.16	0.73%
2021	4,554.82	0.40%	9,180.20	1.14%	36,809.72	1.50%	6,993.52	1.05%
2020	3,542.36	0.36%	10,113.86	1.41%	51,871.30	2.23%	9,360.41	1.56%

Table 6: Net Non-Performing Assets

Observation & Analysis (NNPA 2020–2024):

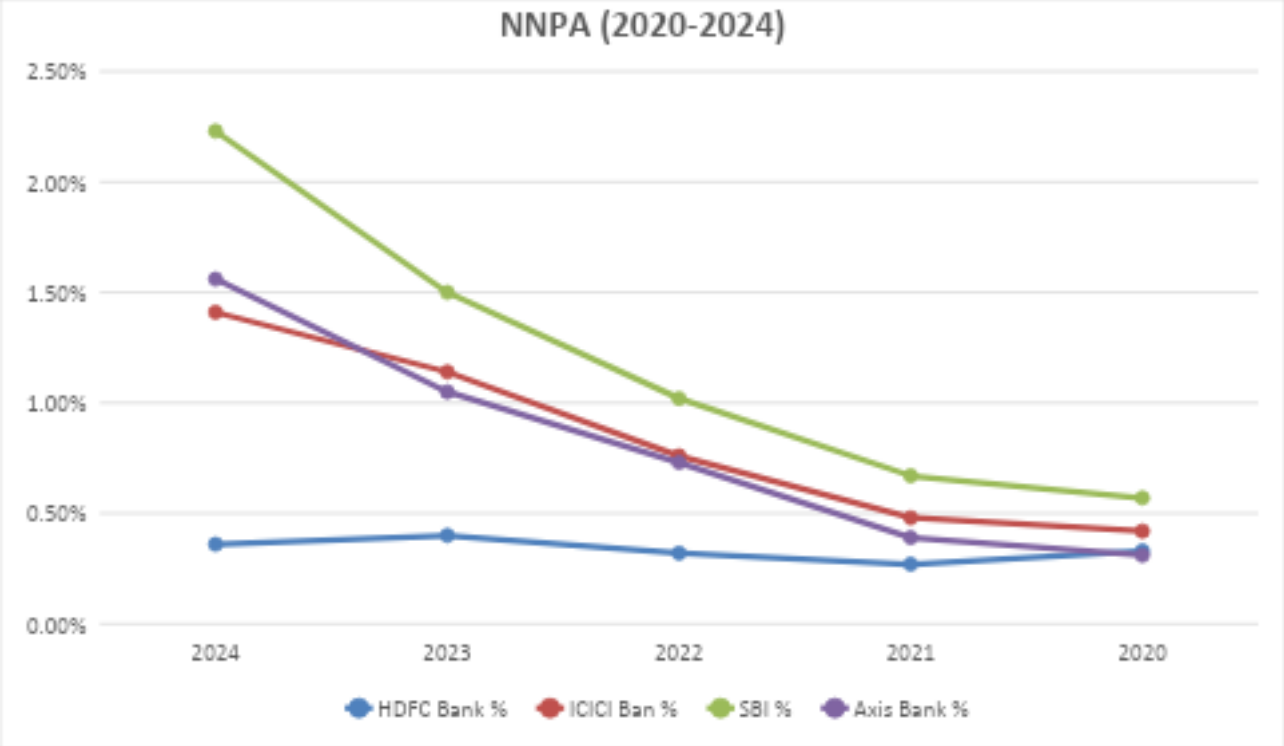


Figure 6: Net Non-Performing Assets

This table shows the Net Non-Performing Assets (NNPA) in both rupee value and percentage for four major Indian banks: HDFC Bank, ICICI Bank, SBI, and Axis Bank, from the years 2020 to 2024

HDFC Bank:

HDFC Bank has achieved great control over its Net NPA. Over a five-year period, the NNPA percentage fluctuated between 0.27% and 0.40%, making it the lowest of all banks. Although the rupee value of NNPA climbed from ₹3,542.36 Cr in 2020 to ₹8,091.74 Cr in 2024, the percentage remains low. This indicates that the bank's asset quality and loan recovery stayed strong.

ICICI Bank:

Positively, ICICI Bank's NNPA percentage consistently dropped from 1.41% in 2020 to 0.42% in 2024. It demonstrates that the bank decreased problematic loans and enhanced its recovery procedure. Better debt management was demonstrated by the NNPA's rupee value, which decreased from ₹10,113.86 Cr to ₹5,377.79 Cr.

SBI (State Bank of India):

Over the course of the five years, SBI had the highest Net NPA in terms of value. Its NNPA dropped from ₹51,871.30 Cr (2.23%) in 2020 to ₹21,051.08 Cr (0.57%) in 2024. This significant improvement demonstrates that SBI has taken decisive action to cut down on problematic loans, and the effects are evident.

Axis Bank:

Axis Bank similarly improved its asset quality over time. Between 2020 and 2024, its Net NPA decreased from ₹9,360.41 Cr (1.56%) to ₹3,247.47 Cr (0.31%). The rupee amount and percentage both sharply decreased, indicating that the bank improved its ability to collect loans and control credit risks.

7. Capital Adequacy Ratio (CAR)

Year	SBI	Axis Bank	ICICI Bank	HDFC Bank
2020	13.06%	19.12%	16.33%	18.50%
2021	13.74%	18.54%	18.34%	18.80%
2022	13.83%	17.64%	19.16%	18.90%
2023	14.68%	16.63%	19.12%	19.30%
2024	14.28%	17.01%	16.11%	18.80%

Table 7 : Capital Adequacy Ratio

OBSERVATION AND ANALYSIS: (CAR 2020 - 2024)

One crucial indicator of a bank's soundness and risk-taking capacity is the Capital Adequacy Ratio (CAR). It demonstrates if a bank has adequate capital to safeguard depositors and cover unforeseen losses. All four of the chosen banks-maintained CAR levels above the RBI's mandated limit between 2020 and 2024, demonstrating their financial soundness.

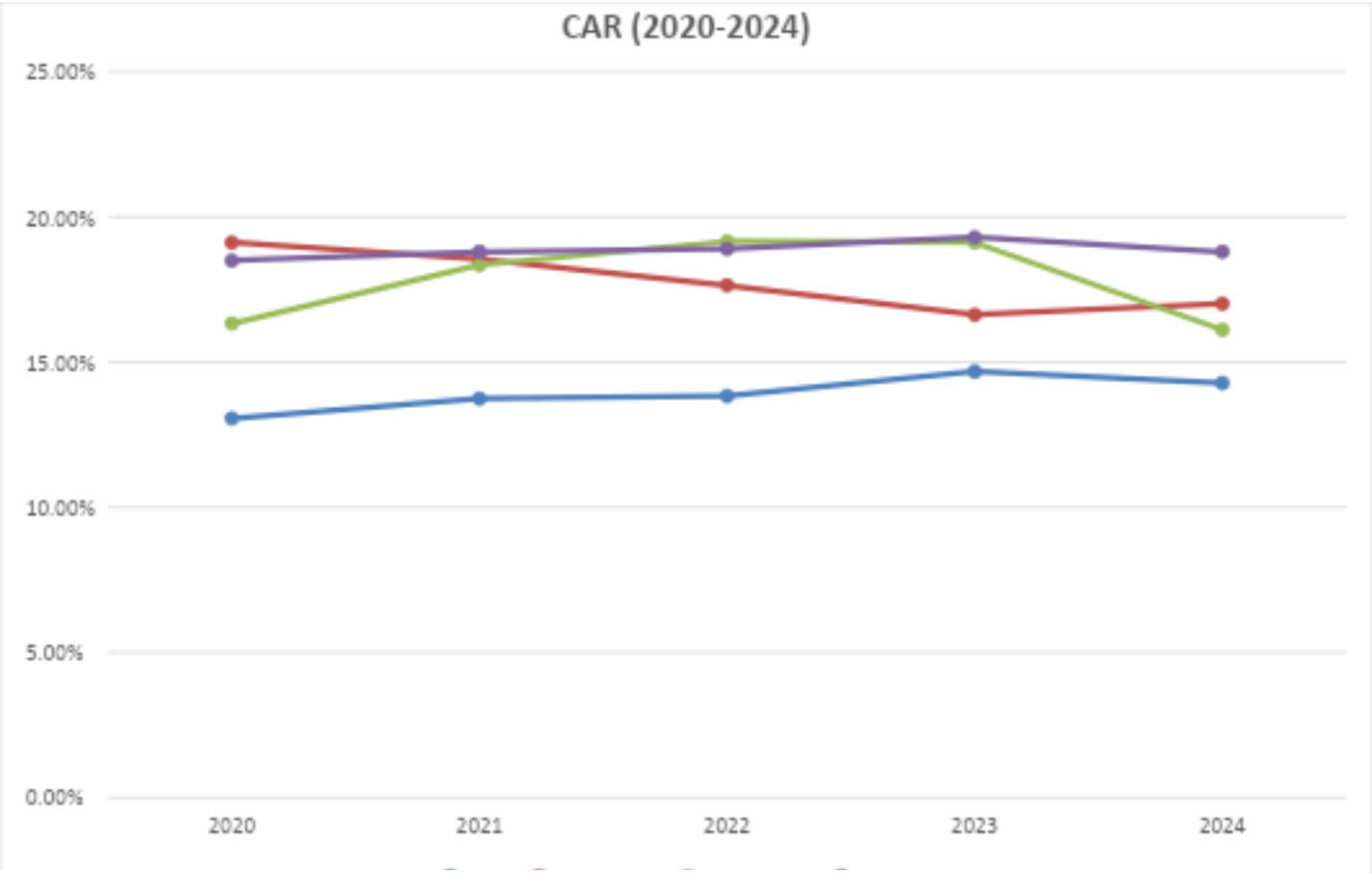


Figure SEQ Figure * ARABIC 7: Capital Adequacy Ratio

From 13.06% in 2020 to 14.68% in 2023, SBI's CAR progressively increased, indicating a strengthening trend in its capital. Though it still showed a solid position, it marginally decreased to 14.28% in 2024. The CAR of Axis Bank peaked in 2020 at 19.12%, but it steadily decreased over time, ending in 2024 at 17.01%. Although it is still well-capitalized, this decline can be the result of increasing lending or risk-weighted assets.
From 16.33% in 2020 to 19.16% in 2022, ICICI Bank's CAR increased, indicating robust capital growth over that period. But in 2024, its CAR dropped to 16.11%, presumably as a result of growth or increased exposure to riskier assets. However, during the course of the five years, HDFC Bank demonstrated high and steady capital adequacy. From 18.50% in 2020 to 19.30% in 2023, it increased before somewhat dropping to 18.80% in 2024. This steady performance demonstrates HDFC Bank's strong capital management and stable financial standing.
Overall, the data indicates that all banks maintained a good capital position, with HDFC Bank and Axis Bank displaying higher CAR levels than the others, notwithstanding minor variations seen by a few.

ANALYSIS:

The four banks are secure for depositors and have sound financial standing since they maintained their Capital Adequacy Ratio (CAR) over the RBI's minimal threshold of 11.5%. The two with the highest CARs were HDFC Bank and Axis Bank. This demonstrates that they take a more cautious and steady approach, maintaining sufficient funds to manage hazards. Although SBI and ICICI Bank did well as well, their CAR somewhat declined in 2024. To ensure that their capital stays robust in the future, they should monitor this shift.

8. TOTAL ADVANCES

Year	SBI (₹ in Cr)	Axis Bank (₹ in Cr)	ICICI Bank (₹ in Cr)	HDFC Bank (₹ in Cr)
2020	2,325,289.56	571,424.16	645,289.97	993,702.88
2021	2,449,497.79	623,720.19	733,729.09	1,132,836.63
2022	2,733,966.59	707,695.95	859,020.44	1,368,820.93
2023	3,199,269.30	845,302.84	1,019,638.31	1,600,585.90
2024	3,703,970.85	965,068.38	1,184,406.39	2,484,861.52

Table 8: Total Advances

Interpretation of Advances (2020–2024)

The data on advances from 2020 to 2024 shows that all four selected banks—SBI, Axis Bank, ICICI Bank, and HDFC Bank—have experienced steady growth in their lending activities. The State Bank of India (SBI) has shown a continuous rise in its advances, increasing from ₹2,32,5289.56 crore in 2020 to ₹3,70,3970.85 crore in 2024. This growth reflects SBI's strong expansion in loan disbursement and its ability to increase its customer base year after year.

Axis Bank also recorded consistent growth, with its advances increasing from ₹5,71,424.16 crore in 2020 to ₹9,65,068.38 crore in 2024. Although the total value of advances is lower compared to SBI and HDFC Bank, the year-on-year rise suggests that Axis Bank is maintaining a stable and healthy lending performance. Similarly, ICICI Bank showed strong growth, with advances rising from ₹6,45,289.97 crore in 2020 to ₹11,84,406.39 crore in 2024. This significant increase indicates the bank's expanding loan portfolio and its successful strategy in growing its lending business.

Among all the banks, HDFC Bank reported the highest growth in advances. The bank's advances more than doubled from ₹9,93,702.88 crore in 2020 to

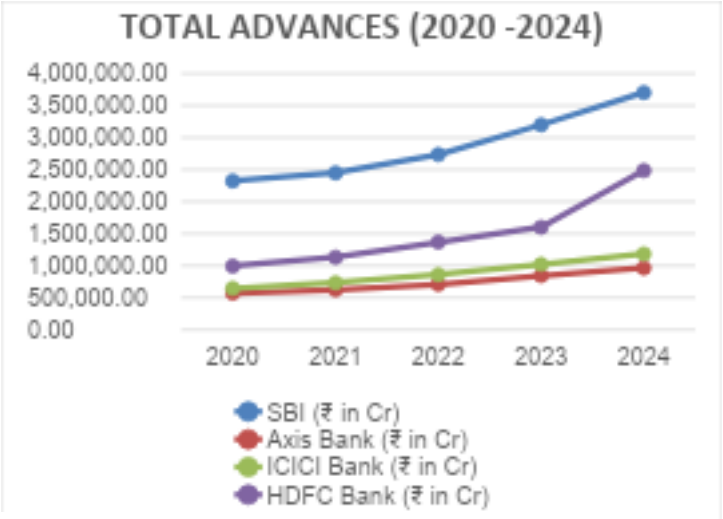


Figure SEQ Figure * ARABIC 8: Total Advances

₹24,84,861.52 crore in 2024. This sharp rise demonstrates HDFC Bank's strong market position and its aggressive expansion in providing loans.

In conclusion, the advances data clearly shows that all four banks have grown steadily over the last five years. HDFC Bank and SBI lead in terms of the total value of advances, while ICICI Bank and Axis Bank also show good performance. This reflects positive trends in the Indian banking sector and highlights the growing demand for credit in the economy.

Findings and Suggestion:

This research studied and compared the financial performance of four big Indian banks—HDFC Bank, ICICI Bank, Axis Bank, and SBI—from the year 2020 to 2024. The study looked at important numbers (ratios) that show how well the banks are doing in different areas like profit, loans, and safety.

In terms of profit, HDFC Bank was the most stable and earned the highest profits during these years. ICICI Bank showed big improvement and became one of the best performers. Axis Bank started with low profits but improved a lot later. SBI had the lowest profits in the beginning but also got better over time.

When we look at how well the banks used their money (capital and assets) to earn profits, HDFC Bank and ICICI Bank did a good job. They used their resources wisely. Axis Bank and SBI were not very good at this at first, but they improved in the later years.

Loan quality was checked by seeing how many bad loans (loans not paid back) each bank had. HDFC Bank had the fewest bad loans, which means most of its customers paid their loans on time. ICICI Bank and Axis Bank reduced their bad loans step by step, which shows they are doing better in recovery. SBI had the most bad loans in the beginning, but the situation got a little better by 2024.

In terms of interest income (money banks earn from loans), ICICI Bank earned the most. HDFC Bank also did well but saw a small drop in 2024. SBI earned the least from interest, maybe because it gives more loans under government schemes at lower interest rates.

All banks had enough capital to stay safe and cover future risks. This was measured by the Capital Adequacy Ratio (CAR). HDFC Bank and Axis Bank had the highest CAR, which means they were the safest. ICICI Bank and SBI had a little lower CAR but were still within the safe level as per RBI rules.

Lastly, all banks increased the amount of loans they gave out during these 5 years. HDFC Bank showed the fastest growth and nearly doubled its loans. SBI, being the biggest bank, had the highest total loan amount, even though its growth was not as fast.

Conclusion:

- Private banks (HDFC & ICICI) performed better than public banks (SBI) in profits, efficiency, and loan quality.
- Axis Bank improved the most, starting weak but catching up.
- SBI was the weakest in profits and bad loans but showed some improvement.
- HDFC Bank was the most stable and profitable overall

Suggestions for All Four Banks:

1. HDFC Bank

- Strength: With the lowest NPAs (GNPA & NNPA) and high NPM, ROE, and ROA, HDFC Bank is very profitable.
- • Recommendation: Despite its strong performance, HDFC Bank's return on equity (ROE) and net profit margin (NPM) declined in 2024. The bank should investigate the cause of this and take action to keep its profitability high.

2. ICICI Bank

- Strength: ICICI Bank decreased bad loans (GNPA & NNPA), increased efficiency (NIM), and enhanced profitability (ROE, ROA, and NPM).
- Recommendation: To maintain minimal NPAs, ICICI Bank should maintain its robust loan recovery procedure. In order to be profitable, it should also concentrate on keeping its high Net Interest Margin (NIM).

3. State Bank of India (SBI)

- Strength: Over time, SBI decreased GNPAs and NNPAs and increased its Return on Equity (ROE).
- Recommendation: Out of the four banks, SBI continues to have the biggest problematic loans (GNPA). To further lower NPAs, it could enhance recovery techniques and tighten its loan approval procedure. To increase earnings, SBI should also try to raise its Net Interest Margin (NIM).

4. Axis Bank

- Strength: Axis Bank greatly decreased its non-performing assets (NPAs) and had the largest increase in profitability (NPM, ROE, and ROA).
- Why Recommendation: Despite improvements, Axis Bank's ROE and ROA remain behind those of HDFC and ICICI. To increase returns, the bank should concentrate on improving asset management. It should also prevent future increases in bad loans (GNPA and NNPA).

General Advice for Every Bank:
Keep a Close Eye on NPAs: To prevent financial risks, all banks should maintain a stringent watch on bad loans (GNPA & NNPA).
Enhance Profit Margins: By reducing expenses and raising loan quality, banks should concentrate on raising Net Interest Margin (NIM) and Net Profit Margin (NPM).
Maintain Strong Capital (CAR): All banks have a solid CAR, but they should make sure it stays above safe thresholds.

Final Conclusion:

In terms of efficiency and profitability, private banks like HDFC, ICICI, and Axis are outperforming public banks like SBI.
To compete with commercial banks, SBI must increase loan recovery and interest revenue. For long-term stability, all banks should concentrate on lowering risks and raising earnings.

Contribution to the Study

This study uses important financial statistics like as ROA, ROE, NPM, NIM, GNPA, and CAR to help analyse the performance of major Indian banks during a five-year period. The study aids in determining the public and private sector banks' financial advantages and disadvantages. This study offers important insights into how well HDFC Bank, ICICI Bank, SBI, and Axis Bank are managing their resources, turning a profit, and preserving asset quality by contrasting them.
Investors will benefit from this study as it will help them identify which banks are doing well financially so they can make better judgements.
Researchers and students who wish to get a basic and useful understanding of financial ratio analysis and the banking industry.
Policymakers and banking professionals can use this report as a guide to examine market trends and enhance their tactics.
By providing actual financial data in an understandable and comparable manner, it also adds to the body of scholarly research by making it simple to comprehend the general performance patterns in Indian banking.

The survey also shows that public sector banks like SBI are steadily improving in terms of profitability and efficiency, but private sector banks are typically doing better.

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