

## A STUDY ON FINANCIAL PERFORMANCE OF ICICI BANK

**Nitish Kumar Singh**

Research scholar, Department of Commerce, Malikapura PG College Ghazipur, Veer Bahadur Singh  
Purvanchal University, Jaunpur (U.P)

### **ABSTRACT-**

ICICI become the main Indian organization and the principal bank or monetary foundation from non-Japan Asia to be recorded on the NYSE. This examination is insightful in nature. The fundamental motivation behind this investigation is to study the monetary exhibition of ICICI bank utilizing camel investigation. This investigation is logical in nature. Auxiliary Data is gathered from yearly reports, books, diaries and periodicals. The gathered information has been investigated utilizing proportion examination. The examination infers that ICICI bank was in a developing pattern and liquidity boundaries were on the top position.

The development of any economy depends on the monetary framework won in it. The significant segments of the monetary framework are monetary resources, monetary middle person/establishment, monetary business sectors, monetary instruments and monetary administrations. A monetary middle person plays a prevailing part in the framework. Monetary middle people incorporate financial framework, protection, improvement banks and other monetary associations. Execution assessment of the banking area is a powerful measure and marker to check the dependability of monetary exercises of an economy. The current examination centers around the individual assessment of ICICI Bank. The investigation embraces an insightful and unmistakable exploration plan.

**Key words-**Ratio analysis, Management Efficiency, Earning Ratio, Asset Quality, Private Banks

### **Introduction-**

The financial area has indicated an astounding responsiveness to the necessities of the arranged economy. It has achieved an impressive advancement in its endeavors at store activation and has taken a number of measures in the new past for quickening the pace of development of stores. The exercises of business banking have development in multi-directional ways just as multi-dimensional way.. As it were, business banks have arisen as key monetary organizations for quick financial improvement. By pooling the reserve funds together, banks can make accessible assets to specific establishments which money various areas of the economy, requiring capital for different purposes, dangers and spans. By adding to government protections, bonds and debentures of term – loaning foundations in the fields of

horticulture, enterprises and now lodging, banks are likewise giving these foundations with an admittance to the basic pool of reserve funds activated by them, to that degree easing them of the obligation of straightforwardly moving toward the saver. This intermediation job of banks is especially significant in the beginning phases of monetary turn of events and monetary detail. A nation like India, with various locales at various phases of improvement, presents an intriguing range of the advancing part of banks, in the matter of between intervention and past.

ICICI Bank was initially advanced in 1994 by ICICI Limited, an Indian monetary establishment, and was its entirely possessed auxiliary. ICICI's shareholding in ICICI Bank was diminished to 46% through a public contribution of offers in India in financial 1998, a value offering as ADRs recorded on the NYSE in monetary 2000, ICICI Bank's securing of Bank of Madura Limited in an all-stock combination in monetary 2001, and optional market deals by ICICI to institutional financial specialists in monetary 2001 and monetary 2002.

ICICI was framed in 1955 at the activity of the World Bank, the Government of India and agents of Indian industry. The primary target was to make an improvement monetary establishment for giving medium-term and long haul project financing to Indian organizations. In the 1990s, ICICI changed its business from an improvement monetary establishment offering just undertaking account to an expanded monetary administrations bunch offering a wide assortment of items and administrations, both straightforwardly and through various auxiliaries and partners like ICICI Bank. In 1999, ICICI become the primary Indian organization and the main bank or monetary foundation from non-Japan Asia to be recorded on the NYSE. After thought of different corporate organizing options with regards to the arising serious situation in the Indian financial industry, and the move towards general banking, the administrations of ICICI and ICICI Bank framed the view that the consolidation of ICICI with ICICI Bank would be the ideal key option for the two elements, and would make the ideal lawful structure for the ICICI gathering's all inclusive financial technique. The consolidation would upgrade an incentive for ICICI investors through the consolidated element's admittance to ease stores, more noteworthy freedoms for acquiring expense based pay and the capacity to take an interest in the installments framework and give exchange banking administrations. The consolidation would upgrade an incentive for ICICI Bank investors through an enormous capital base and size of tasks, consistent admittance to ICICI's solid corporate connections developed more than fifty years, passage into new business fragments, higher piece of the overall industry in different business sections, especially expense based administrations, and admittance to the huge ability pool of ICICI and its auxiliaries. ICICI Bank's value shares are recorded in India on Bombay Stock Exchange and the National Stock Trade of India Limited and its American Depositary Receipts (ADRs) are recorded on the New York Stock Exchange (NYSE).

### **Objectives:**

1. To consider the monetary presentation of the ICICI Bank.
2. To examine the pattern in profitability and benefit per worker.

**Research Methodology**

Research Design: Descriptive Exploration Design is utilized for the investigation and it is basically a reality discovering approach. It means to clarify the attributes of individual or gathering qualities and to decide the recurrence with very similar things happens.

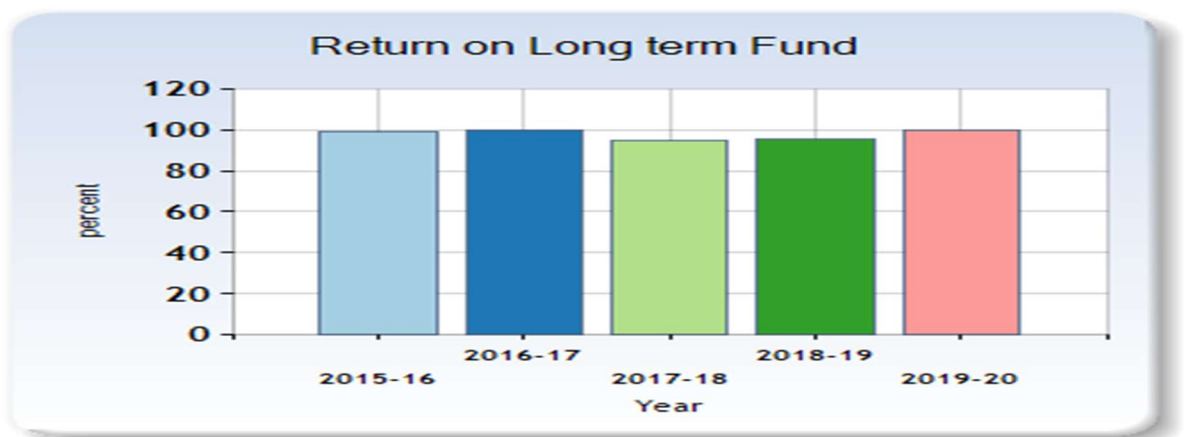
Data Collection: The information was gathered through yearly report from sources that are auxiliary in nature, for example, web, magazines, sites and books.

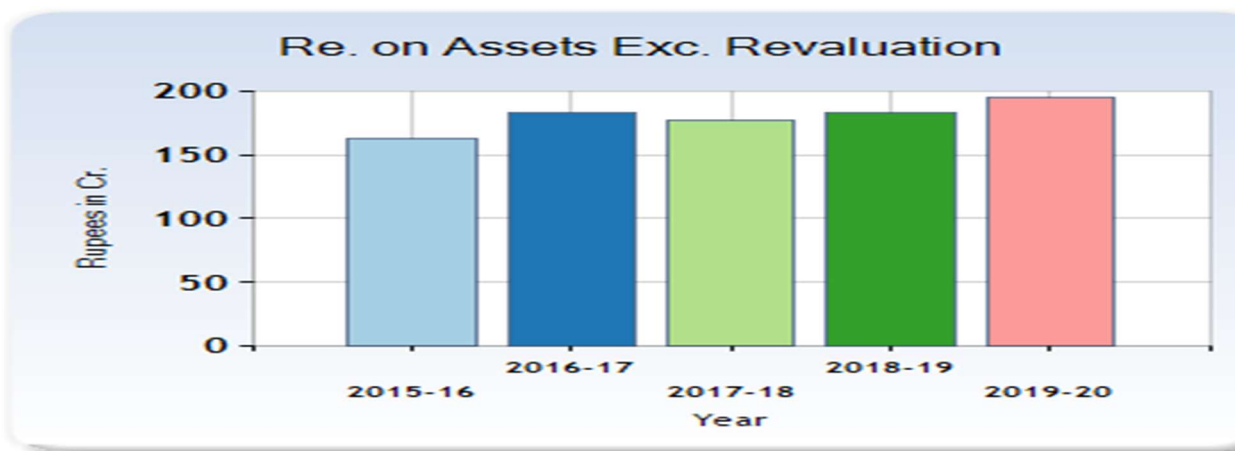
Period of study: This study covers a period of ten years, i.e., from 20015-16 to 2019-20

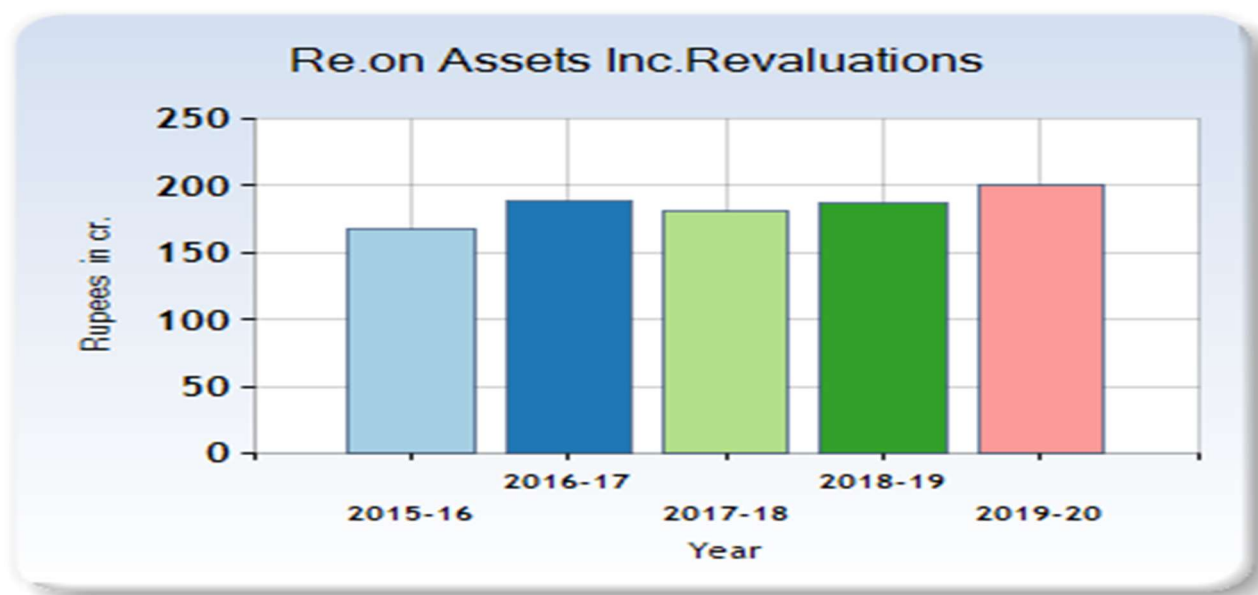
Financial Performance of Banks during 2015-16 to 2019-20

**PROFITABILITY RATIO**

S. N	Basis	Mar,16	Mar,17	Mar,18	Mar,19	Mar,20
1-	Interest Spread	6.94	6.85	6.76	6.73	7.61
2-	Adjusted Cash Margin(%)	53.13	57.06	56.17	50.23	51.63
3-	Net Profit Margin	17.16	16.71	12.40	5.91	11.27
4-	Return on Long Term Fund(%)	99.03	99.54	94.84	95.26	107.00
5-	Return on Net Worth(%)	11.15	10.03	7.16	3.82	7.98
6-	Adjusted Return on Net Worth(%)	58.09	62.81	61.25	58.47	63.57
7-	Return on Assets Excluding Revaluations	163.25	182.72	176.73	182.68	195.60
8-	Return on Assets Including Revaluations	168.11	187.98	181.44	187.44	200.46







### Per Share Ratios

Per Share Ratios	Mar 2020	Mar 2019	Mar 2018	Mar 2017	Mar 2016
Basic EPS (Rs.)	14.81	6.61	12.02	15.91	17.53
Diluted Eps (Rs.)	14.55	6.53	11.89	15.84	17.41
Book Value [Excl. Reval Reserve]/Share (Rs.)	185.08	172.45	167.37	174.35	156.97
Dividend/Share (Rs.)	0.00	1.00	1.50	2.50	5.00
Face Value	2	2	2	2	2

<b>Margin Ratios</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>	<b>Mar 2017</b>	<b>Mar 2016</b>
Net Interest Margin (%)	2.91	2.64	2.48	2.64	2.75
Operating Profit Margin (%)	-63.32	-74.51	-76.74	-67.47	-52.57
Net Profit Margin (%)	13.23	7.90	14.63	18.60	18.42
<b>Return Ratios</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>	<b>Mar 2017</b>	<b>Mar 2016</b>
Return on Networth / Equity (%)	7.98	3.82	7.16	10.03	11.15
ROCE (%)	2.60	2.39	3.10	3.75	3.46
Return On Assets (%)	0.69	0.34	0.68	1.03	1.10
<b>Valuation Ratios</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>	<b>Mar 2017</b>	<b>Mar 2016</b>
P/E (x)	21.86	60.59	23.16	15.82	12.27
P/B (x)	1.75	2.31	1.66	1.59	1.51
<b>Other Ratios</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>	<b>Mar 2017</b>	<b>Mar 2016</b>
CASA (%)	44.83	48.77	51.32	49.90	45.40
Capital Adequacy Ratios (%)	16.00	17.00	18.00	17.00	17.00

## **Conclusion**

1-ICICI Bank is a main private area bank in India. The Bank's united complete resources remained at Rs. 14.76 trillion at September 30, 2020. ICICI Bank right now has an organization of 5,288 branches and 15,158 ATMs across India.

2- With over Rs30 Trillion resources under administration, it is effectively the biggest Bank in the country and thus additionally the most secure bank in India. It is more than 2.5 occasions greater than the next in line for example ICICI Bank. Being a Government Bank, it is all around managed and is monitored by very much prepared staff.

3- Most reduced net NPA proportion in 14 quarters

The bank said its net non-performing resources (NPA) fell 51 percent for the quarter to Rs 11,857 crore toward the finish of June quarter from Rs 24,170 crore toward the finish of year-prior quarter. Net NPA for the quarter tumbled to 1.77 percent, the most reduced in the last 14 quarters. The net NPA for the bank remained at 4.19 percent in the year-back quarter. In gross terms.

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