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FINANCIAL RATIO ANALYSIS AND PERFORMANCE ASSESSMENT OF ICICI BANK

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ABSTRACT

Financial Statement Analysis is an essential tool for evaluating the financial performance, stability, and operational efficiency of an organization. This study analyzes the financial statements of ICICI Bank over a five-year period to assess its financial health and performance trends. The research is based on secondary data collected from the bank's annual reports, official publications, and financial records. Various analytical techniques, including comparative statement analysis, trend analysis, and ratio analysis, were employed to evaluate key financial indicators such as liquidity, profitability, solvency, earnings per share, return on capital employed, debt-equity ratio, and credit-deposit ratio. The findings reveal that ICICI Bank has demonstrated significant growth in deposits, advances, investments, and shareholders' funds during the study period. The bank has maintained a satisfactory profitability position, supported by increasing operating profits and strong credit performance. Although certain ratios indicate challenges related to liquidity and dependence on external borrowings, the overall financial position of the bank remains stable and robust. The study concludes that ICICI Bank has effectively managed its resources and financial operations, contributing to sustained growth and enhanced shareholder value. Continuous monitoring of financial performance and strategic financial planning can further strengthen the bank's competitive position in the banking sector.

Keywords: Financial Statement Analysis, Ratio Analysis, Financial Performance, ICICI Bank.

INTRODUCTION

ICICI Bank Limited is an Indian multinational bank and financial services company headquartered in Mumbai with registered office in Vadodara. It offers a wide range of banking and financial services for corporate and retail customers through a variety of delivery channels and specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management.

This development finance institution has a network of 5,900 branches and 16,650 ATMs across India and has a presence in 17 countries. The bank has subsidiaries in the United Kingdom and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Qatar, Oman, Dubai International Finance Centre, China and South

Africa as well as representative offices in United Arab Emirates, Bangladesh, Malaysia and Indonesia. The company's UK subsidiary has also established branches in Belgium and Germany.

RESEARCH METHODOLOGY

Research methodology refers to the systematic and scientific approach adopted for conducting a research study. It encompasses the procedures, techniques, and logical framework employed to collect, organize, analyze, and interpret data in order to achieve the objectives of the study. A well-defined methodology ensures accuracy, reliability, and validity of the findings and provides a sound basis for drawing meaningful conclusions. In the present study, an appropriate research methodology has been adopted to assess the financial performance of ICICI Bank through the analysis of various financial indicators and ratios.

Research Design

Research design is the conceptual framework within which the research is conducted. It provides a systematic plan for the collection, measurement, and analysis of data in accordance with the objectives of the study. It acts as a blueprint that guides the researcher from the formulation of the research problem to the final interpretation and presentation of results. An appropriate research design facilitates effective data collection and enhances the reliability and validity of the study.

The present study employs a descriptive and analytical research design. Descriptive research is concerned with describing the characteristics and trends associated with the financial performance of the bank, whereas analytical research focuses on examining and interpreting financial information in order to draw meaningful conclusions. The adoption of both approaches enables a comprehensive assessment of the financial position and operational efficiency of ICICI Bank.

The study has been undertaken with clearly defined objectives and relies on historical financial information available in the published financial statements of the bank. These data have been critically analyzed to evaluate the liquidity position, profitability, solvency, and overall financial performance of the bank during the study period. The descriptive and analytical nature of the research facilitates a systematic examination of financial trends and helps in understanding the factors influencing the performance of the bank.

Research Design Used in the Study

The present investigation is based on a descriptive and analytical research design. Descriptive research design has been adopted to provide an accurate representation of the financial performance of ICICI Bank, while analytical research has been employed to evaluate and interpret the financial information derived from the bank's annual reports and other secondary sources. This combination of research designs minimizes bias and enhances the reliability and validity of the findings.

The study is confined to the analysis of the financial performance of ICICI Bank for a period of five years from 2019 to 2023. The financial statements and related information have been examined to identify trends and evaluate the overall efficiency, profitability, and solvency of the bank. The findings obtained through the analysis provide insights into the financial strengths and weaknesses of the bank and facilitate meaningful interpretation of its performance.

Data Collection Method

Data collection constitutes an important stage in any research study, as the quality and reliability of findings largely depend upon the adequacy and authenticity of the information collected. Data for research may generally be classified into primary data and secondary data.

Primary Data

Primary data refer to the information collected directly by the researcher for a specific purpose. Such data are obtained firsthand through methods such as interviews, observations, questionnaires, and personal

interactions. Although primary data provide valuable insights, they have not been utilized extensively in the present study because the analysis is mainly based on published financial information.

Secondary Data

Secondary data refer to information that has already been collected and published by various organizations and institutions. Secondary data are economical, reliable, and useful for conducting financial analysis. Since the present study focuses on evaluating the financial performance of ICICI Bank, secondary data constitute the principal source of information.

Type Of Data Used in the Study

The present study is primarily based on secondary data. Relevant information required for the analysis has been collected from various authentic and published sources. These sources include:

- Annual reports and audited financial statements of ICICI Bank.
- Official publications and statistical reports issued by the Reserve Bank of India (RBI).
- Information available on the official website of ICICI Bank (www.icicibank.com).
- Financial databases and reports published by recognized financial institutions.
- Books, journals, research articles, and other scholarly publications related to banking and financial management.

The use of these sources ensures the reliability, authenticity, and adequacy of the data employed in the study.

Methods Of Data Analysis

The collected data were carefully edited, classified, and tabulated for the purpose of analysis and interpretation. Various financial and statistical tools have been employed to evaluate the performance of ICICI Bank during the period from 2019 to 2023. These analytical tools facilitate a comprehensive assessment of the bank's liquidity position, profitability, solvency, and operational efficiency.

Comparative statement analysis has been used to examine changes in financial variables over different years and to identify variations in the financial position of the bank. Trend analysis has been employed to study the direction and magnitude of changes in financial indicators over the study period. Ratio analysis has been utilized to evaluate the liquidity, profitability, leverage, and efficiency aspects of the bank. In addition, percentage analysis has been applied to determine the relative significance of various financial components and to facilitate meaningful interpretation of the data.

The application of these analytical tools provides a comprehensive understanding of the financial performance of ICICI Bank and enables the formulation of appropriate conclusions regarding its operational and financial efficiency.

RESULT AND DISCUSSION

In view of the financial management or according to the tests satisfied, various ratios have been classified as below:

Liquidity Ratios: These are the ratios which measure the short-term solvency or financial position of a firm. These ratios are calculated to comment upon the short-term paying capacity of a concern or the firm's ability to meet its current obligations. **Long –Term Solvency and Leverage Ratios:** Long-term solvency ratios convey a firm's ability to meet the interest cost and repayment schedules of its long-term obligation e.g., Debit Equity Ratio and Interest Coverage Ration. **Leverage Ratios.**

Activity Ratios: Activity ratios are calculated to measure the efficiency with which the resource of a firm has been employed. These ratios are also called turnover ratios because they indicate the speed with which assets are being turned over into sales e.g., debtor turnover ratio.

Profitability Ratios: These ratios measure the results of business operations or overall performance and effective of the firm e.g., gross profit ratio, operating ratio or capital employed. Generally, two types of profitability ratios are calculated.

(a) In relation to Sales, (b) In relation in Investment

Balance Sheet of ICICI Bank Ltd.

As On Mar 2019, Mar 2020, Mar 2021, Mar2022, Mar2023. (Rs. In crores)

CAPITAL & LIABILITIES:	2019	2020	2021	2022	2023
Total Share Capital	1086.75	1239.83	1249.34	1462.68	1463.29
Equity Share Capital	736.75	889.83	899.34	1112.68	1113.29
Share Application Money	0.02	0.00	0.00	0.00	0.00
Preference Share Capital	350.00	350.00	350.00	350.00	350.00
Reserves	11813.20	21316.16	23413.92	45357.53	48419.73
Revaluation Reserves	0.00	0.00	0.00	0.00	0.00
Net Worth	12899.97	22555.99	24663.26	46820.21	49883.02
Deposits	99818.78	165083.17	230510.19	244431.05	218347.82
Borrowing s	33544.50	38521.91	51256.03	65648.43	67323.69
Total Debt	146263.25	226161.17	306429.48	356899.69	335554.53

Other Liabilities and Provisions	21396.17	25227.88	38228.64	42895.39	43746.43
Total Liabilities	167659.42	251388.95	344658.12	399795.08	379300.96
ASSETS:					
Cash And Balances With RBI	6344.90	8934.37	18706.88	29377.53	17536.33
Balances With Banks, Money at Call	6585.07	8105.85	18414.45	8663.60	12430.23
Advances	91405.15	146163.11	195865.60	225616.08	218310.85
Investment s	50487.35	71547.39	91257.84	111454.34	103058.31
Gross Block	5525.65	5968.57	6298.56	7036.00	7443.71
Accumulated Depreciation	1487.61	1987.85	2375.14	2927.11	3642.09
Net Fixed Assets	4038.04	3980.72	3923.42	4108.89	3801.62
Capital Work in Progress	96.30	147.94	189.66	0.00	0.00
Other Assets	8702.59	12509.57	16300.26	20574.63	24163.62

Total Assets	167659.40	251388.95	344658.11	399795.07	379300.96
Contingent liabilities	97507.79	119895.78	177054.18	371737.36	803991.92
Bills for collection	9803.67	15025.21	22717.23	29377.55	36678.71
Book value (Rs.)	170.35	249.55	270.37	417.64	445.17
EPS	27.22	28.55	34.59	37.37	33.78
No. of equity shares	736716094	889823901	899266672	1112687495	1113250642

Profit And Loss Account of ICICI Bank Ltd.

For The Year Ended Mar2019, Mar2020, Mar2021, Mar2022, Mar2023 (Rs. In Crores)

INCOME:	2019	2020	2021	2022	2023
Interest Earned	9409.90	13784.49	22994.29	30788.34	31092.55
Other Income	3416.14	4983.14	5929.17	8810.77	7603.72
Total Income	12826.04	18767.63	28923.46	39599.11	38696.27
EXPENDITURE:					
Interest Expended	6570.89	9597.45	16358.50	23484.24	22725.93
Operating Expenses	3299.15	4479.51	6690.56	8154.18	7045.11
Total Expenses	9870.04	14076.96	23049.06	31638.42	29771.04
Operating Profit	2956	4690.67	5874.40	7960.69	8925.23
Other Provision & Contingencies	428.80	1594.07	2226.36	2904.59	3808.26
Provision For Tax	522	556.53	537.82	898.37	1358.84
Net Profit	2019.20	2540.07	3110.22	4157.73	3758.13
Extraordinary Items	0.00	0.00	0.00	0.00	(0.58)
Profit B/F	53.09	188.22	293.44	998.27	2436.32
Total	2058.29	2728.29	3403.66	5156.00	6193.87
Preference	0.00	0.00	0.00	0.00	0.00
Dividend					
Equity Dividend	632.96	759.33	901.17	1227.70	1224.58
Corporate Dividend Tax	90.10	106.50	153.10	149.67	151.21

Per share Data					
Eps (Rs.)	27.22	28.55	34.59	37.37	33.78
Equity Dividend (%)	85.00	85.00	100.00	110.00	110.00
Book Value (Rs)	170.35	249.55	270.37	417.64	445.17
Appropriations					
Transfer To Statutory Reserve	547.00	248.69	1351.12	1342.31	2022.42
Transfer To Other Reserve	600.01	1320.34	0.00	0.01	0.01
Proposed Dividend/Transfer to Govt	723.06	865.83	1054.27	1377.37	1375.79
Balance C/F To Balance Sheet	188.22	293.44	998.27	2436.32	2809.65
Total	2058.29	2728.30	3403.66	5156.01	6193.87

Financial Statement Analysis

Comparative Balance Sheet of ICICI Bank From 2019-2020 To 2022-2023

PARTICULARS	(Rs. in crores)							
	2019-2020		2020-2021		2021-2022		2022-2023	
Capital and Liabilities	Absolute change	% Of change	Absolute change	% Of change	Absolute change	% Of change	Absolute change	% Of change
Capital	153.08	14	9.51	0.8	213.34	17	0.61	.04
Reserve & surplus	9502.96	80	2097.76	10	21943.61	94	3062.2	7
Deposits	65264.39	65	65427.02	40	13920.86	6	(26083.23)	(11)
Borrowings	4977.41	15	12734.12	33	14392.4	28	1675.26	2.5
Other Liabilities and Provisions	3831.71	18	13000.76	51.5	4666.75	12	851.04	2
Total Capital and Liabilities:	83729.55	50	93269.17	37	55136.96	16	(20494.12)	(5.1)
Assets:								
Investments	21060.04	42	19710.45	27.5	20196.5	22	(8396.03)	(7.5)
Advances	54757.96	60	49702.49	34	29750.48	15	(7305.23)	(3.25)

Fixed assets	(57.32)	(1.4)	(57.3)	(1.4)	185.47	5	(307.27)	(7.5)
Capital Work in Progress	51.64	54	41.72	28.2	(189.66)	-100	0.00	0.00

Current assets	7917.23	37	23871.8	81	5194.17	10	(4485.58)	(8)
Total Assets:	83729.55	50	93269.16	37	55136.96	16	(20494.11)	(5.1)

Interpretation

Capital Fluctuation:

Capital increased by 14% in 2019-20, 0.8% in 2020-21, 17% in 2021-22, and 0.04% in 2022-23, indicating variable growth rates. Notably, higher increases were observed in 2019-20 and 2021-22.

Reserves and Surplus Utilization:

Significant fluctuation in the rate of increase in reserves and surplus suggests effective utilization of these funds by the bank.

Deposit Dynamics:

Deposits surged by 65% in 2019-20, 40% in 2020-21, a modest 6% in 2021-22, and a decline of 11% in 2022-23, indicating a repayment trend in the latter year.

Borrowings Management:

Fluctuating rates of increase in borrowings, notably a low increase in 2022-23, suggest strategic repayments, reducing dependence on external debt.

Investment Trends:

Investments show a consistent increase, albeit at lower rates compared to previous years.

Advances Variation:

Advances rose by 60% in 2019-20, 34% in 2020-21, 15% in 2021-22, and a slight decrease of 3.25% in 2022-23.

Fixed Assets Decline:

Consistent decline in fixed assets, with a 7.5% decrease in 2022-23, primarily attributed to increased depreciation rates.

Current Assets Fluctuation:

Current assets increased by 37% in 2019-20, spiked to 80% in 2020-21, followed by a more modest 10% increase. A decline of 8% in 2022-23 is attributed to deposit repayments.

Ratio Analysis

Current Ratio:

An indication of a company's ability to meet short-term debt obligations; the higher the ratio, the more liquid the company is. Current ratio is equal to current assets divided by current liabilities. If the current assets of a

company are more than twice the current liabilities, then that company is generally considered to have good short-term financial strength. If current liabilities exceed current assets, then the company may have problems meeting its short-term obligations.

Current Ratio = Current Assets / Current Liabilities

Year	Current Assets (Rs. In crores)	Current Liabilities (Rs. In crores)	Current Ratio
2019	21632.56	21396.16	1.01
2020	29549.79	25227.88	1.17
2021	53421.59	38228.64	1.39
2022	58615.76	42895.38	1.36
2023	54130.18	43746.43	1.23

Interpretation:

An ideal solvency ratio is 2. The ratio of 2 is considered as a safe margin of solvency due to the fact that if current assets are reduced to half (i.e.) 1 instead of 2, then also the creditors will be able to get their payments in full.

Liquid Ratio:

Liquid ratio is also known as 'Quick' or 'Acid Test' Ratio. Liquid assets refer to assets which are quickly convertible into cash. Current Assets other stock and prepaid expenses are considered as quick assets.

Quick Ratio = $\frac{\text{Total Quick Assets}}{\text{Total Current Liabilities}}$

Total Current Liabilities Quick
Assets = Total Current Assets – Inventory

Years	Quick Assets	Current Liabilities	Liquid Ratio
2019	12929.97	21396.16	0.60
2020	17040.22	25227.88	0.67
2021	37121.33	38228.64	0.97
2022	38041.13	42895.38	0.88
2023	29966.56	43746.43	0.68

Interpretation:

A quick ratio of 1:1 is considered favorable because for every rupee of current liability, there is at least one rupee of liquid assets. A higher value of ratio is considered favorable. Here this ratio is less than 1 in 2019, 2020 & 2023 but in 2021 & 2022 it is close to 1 which is not satisfactory. This means the bank has not managed its funds properly in this particular period. Therefore, bank should rationally utilize its funds to maintain an ideal liquid ratio.

Earnings per share:

In order to avoid confusion on account of the varied meanings of the term capital employed, the overall profitability can also be judged by calculating earnings per share with the help of the following formula:

$$\text{Earning Per Equity Share} = \frac{\text{Net Profit after Tax} - \text{Preference Dividend}}{\text{No. of Equity shares}}$$

No. of Equity shares

The earning per share of the company helps in determining the market price of the equity shares of the company. A comparison of earning per share of the company with another will also help in deciding whether the equity share capital is being effectively used or not. It also helps in estimating the company's capacity to pay dividend to its equity shareholders.

Year	Net Income Available for Shareholders (Rs. In crores)	No. of Equity Shares (Rs. In crores)	EPS
2019	2019.2	73.6716	27.22
2020	2540.07	88.9823	28.55
2021	3110.22	89.9266	34.59
2022	4157.73	111.2687	37.37
2023	3758.13	111.325	33.78

Interpretation:

Earnings Per Share is the most commonly used data which reflects the performance and prospects of the company. It affects the market price of shares.

Here the Earning Per Share is shows a persistent increase till the year 2022 after that in the year 2023 Earnings Per share is followed by a downfall due to decline in profits.

Net Profit Ratio:

This ratio indicates the Net margin on a sale of Rs.100. It is calculated as follows:

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Sales}} \times 100$$

Net Sales

This ratio helps in determining the efficiency with which affairs of the business are being managed. An increase in the ratio over the previous period indicates improvement in the operational efficiency of the business. The ratio is thus an effective measure to check the profitability of business.

Years	Net Profit (Rs. In crores)	Sales (Rs. In crores)	Net Profit Ratio (in %)
2019	2019.2	9409.9	21.3
2020	2540.07	13784.49	18.42
2021	3110.22	22994.29	13.52

2022	4157.73	30788.34	13.5
2023	3758.13	31092.55	12.08

Interpretation:

Although both the sales and net profit have increased during the above period but the Net Profit Ratio of the bank is declining continuously. This is because of the reason that net profits have not increased in the same proportion as of the sales.

Operating Profit Ratio:

This ratio is calculated as follows:

$$\text{Operating Profit Ratio} = \text{Operating Profit} / \text{Net Sale} \times 100$$

The difference between net profit ratio and net operating profit ratio is that net operating profit is calculated without considering non-operating expenses and non-operating incomes. If we deduct this ratio from 100, the result will be operating ratio. Higher operating profit ratio enables the organization to recoup non-operating expenses out of operating profits and provide reasonable returns.

Year	Operating Profit (Rs. In crores)	Sales (Rs. In crores)	Operating Profit Ratio (in %)
2019	2956	9409.9	31.41
2020	4690.67	13784.49	34.02
2021	5874.4	22994.29	25.54
2022	7960.69	30788.34	25.85
2023	8925.23	31092.55	28.7

Interpretation:

In the year 2019 & 2020 the operating profit is 31.41% & 34.02% respectively. After that it has been consistently declined from the year 2021 till 2022 and again gaining momentum in 2023. This may be due to the reason that operating expenses have been increased more as compared to sales during the above period consequently reducing the operating profits. Therefore, the bank should check on unnecessary operating expenses to correct this situation and to provide a sufficient return.

Return On Net Worth:

The profitability of the business in view of the shareholders. It judges the earning capacity of It measures the company and the adequacy of return on proprietor's funds. Shareholders and potential investors are interested in this ratio. It is calculated as below

$$\text{On Net Worth} = \frac{\text{Net Profit After Interest and Tax}}{\text{Net Worth}} \times 100$$

Return Shareholder's Funds

Year	Net Profit After Interest and Tax (Rs. In crores)	Shareholder's Fund (Rs. In crores)	Return On Net Worth (in %)
2019	2019.2	12899.97	15.54
2020	2540.07	22555.99	11.26
2021	3110.22	24663.26	12.61
2022	4157.73	46820.21	8.88
2023	3758.13	49883.02	7.53

Interpretation:

The net profit after interest and tax have increased slowly till the year 2022 followed by a downfall due to high interest payments, operating expenses and taxation liability. Consequently, the net worth ratio has declined considerably and has reduced to more than half in the year 2023 than it was in 2019.

Return On Capital Employed:

It establishes relationship between profit before interest and tax and capital employed. It indicates the percentage of return on the total capital employed in the business. This ratio is also known as Return on Investment. It measures the overall efficiency and profitability of the business in relation to investment made in business. It also shows how efficiently the resources are used in the business. Comparison of one unit with that of the other or performance in one year with that of the same unit is possible. It is calculated as below:

Year	Net Profit Before Interest and Tax (Rs. In crores)	Capital Employed (Rs. In crores)	Return On Capital Employed (in %)
2019	9098.09	146263.25	6.22
2020	12694.05	226161.17	5.61
2021	20006.54	306429.48	6.52
2022	28540.34	356899.69	7.99
2023	27842.9	335554.53	8.29

Interpretation:

The above table exhibit the return on capital employed ratio of the bank for last five years. This ratio measures the earning of the net assets of the business. The ratio was 6.22% in year 2019. After that it raised to the tune of 5.61%, 6.52%, 7.99% and 8.29% in year 2020, 2021, 2022 and year 2023 respectively. It led to the conclusion bank rising but very little proportion of return on capital employed.

Debt- Equity Ratio:

The Debt-Equity ratio is calculated to find out the long-term financial position of the firm. This ratio indicates the relationship between long-term debts and shareholder's funds. The soundness of long-term financial policies of a firm can be determined with the help of this ratio. It helps to assess the soundness of long-term financial policies of a business. It also helps to determine the relative stakes of outsiders and shareholders. Long-term creditors can assess the security of their funds in a business. It indicates to what extent a firm

depends upon lenders to meet its long-term financial requirements. A low Debt-Equity ratio is considered better from the point of view of creditors.

Year	Debt (Rs. In crores)	Equity (Rs. In crores)	Debt Equity Ratio
2019	154759.45	12899.97	11.99
2020	228832.96	22555.99	10.14
2021	319994.86	24663.26	12.97
2022	352974.87	46820.21	7.53
2023	329417.94	49883.02	6.6

Interpretation:

The ratio shows the extent to which funds have been provided by long- term creditors as compared to the funds provided by the owners. Here the Debt- Equity ratio for the above period is always high. This shows that the bank is more relying on outside funds as compared to internal sources of capital, in its capital structure. From the long-term lenders point of view this ratio is not satisfactory.

Proprietary Ratio:

It is also called shareholders equity to total equity ratio or net worth to total assets ratio or equity ratio. It compares the shareholder's funds to total assets. It is calculated by dividing shareholder's funds by total assets.

$$\text{Proprietary Ratio} = \frac{\text{Shareholder's Fund}}{\text{Total Assets}}$$

Total Assets

It helps to determine the long-term solvency of a company. This ratio measures the protection available to the creditors. Higher the ratio, lesser is the likelihood of insolvency in future. Above table exhibits the proprietary ratio of the bank for last five years. It was 7% in 2019, After that was 8% in year 2020. Similarly, it was once again reduced to 7 % in the year 2021. After 2021 it registered increase and was 12% and 13% in the year 2022 and 2023 respectively. Hence it leads to the conclusion owners have less than 13% stake in the total assets of the bank. It is not a good sign as far the long-term solvency is concerned.

It measures the efficiency and profit earning capacity of the business. Higher the ratio, greater is the intensive utilization of fixed assets and a lower ratio shows underutilization of the fixed assets. This ratio has a special importance for manufacturing concerns where investment in fixed assets, is very high and the profitability is significantly dependent on the utilization of these assets.

Years	Shareholder's Funds (Rs. In crores)	Total Assets (Rs. In crores)	Proprietary Ratio
2019	12899.97	167659.4	0.07
2020	22555.99	251388.95	0.08
2021	24663.26	344658.11	0.07
2022	46820.21	399795.07	0.12
2023	49883.02	379300.96	0.13

Interpretation:

Here the fixed assets employed in the business shows a decreasing trend except in the year 2022 where fixed assets have again increased. This may be due to increase in rate of depreciation in subsequent years. Nevertheless, the fixed assets turnover ratio has been consistently increasing. It indicates that fixed assets have been effectively used in the business without much additional investment in the period of study and also the capital is not blocked-in fixed assets.

Credit-Deposit Ratio:

This ratio is very important to assess the credit performance of the bank. The ratio shows the relationship between the amount of deposit generated by the bank has well as their deployment towards disbursement of loan and advances. Higher credit deposit ratio shows overall good efficiency and performance of any banking institution.

$$\text{Credit Deposit Ratio} = \text{Credit} \times 100$$

Deposits

Credit means disbursement of advances, Deposit means sum of fixed deposit, Saving deposit and current deposit.

Year	Advances (Rs. In crores)	Deposits (Rs. In crores)	Credit Deposit Ratio (in%)
2019	91405.15	99818.78	91
2020	146163.11	165083.17	88
2021	195865.6	230510.19	84
2022	225616.08	244431.05	92
2023	218310.85	218347.82	99

Interpretation:

Above table exhibits credit deposit ratio of the bank during last 5 years. In the year 2019 ratio was 91% and it declined to 88% and 84% in the year 2020 and 2021 respectively. In the year 2022 and 2023 ratio was increased to 92% and 99% respectively. it leads to conclusion that credit performance of the bank is very good.

CONCLUSION

The financial analysis of ICICI Bank reveals a satisfactory overall performance. Despite a slower increase in income compared to expenses, the bank has maintained reasonable profitability. Share capital has seen a significant 50% increase in the last 5 years, with individuals being the major shareholders. The bank's major accomplishment lies in a substantial growth in deposits, aligning with its primary objective. Both fixed and current deposits exhibit an upward trend. Equity shareholders are witnessing a consistent rise in the return on their capital. While the current liquidity position may not be entirely satisfactory, the bank has successfully maintained a stable solvency position over the years. The ratio of external to internal equity indicates a reliance on external equity in the form of loans and borrowings over owner's equity. The bank's investments demonstrate a positive upward trend.

Notably, the increase in advances has positioned the interest earned from these advances as a significant income source for the bank. Overall, despite some challenges, ICICI Bank's financial position appears robust, showcasing strategic management and effective growth in key areas.

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