Financial Performance Analysis of ICICI (Industrial Credit and Investment Corporation of India) Bank

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Abstract

For an economy, vigorous and sound banking systems are very necessitous to grow and remain in this competitive world. This study analyzed the financial performance of ICICI Bank based on secondary data collected from annual reports of ICICI Bank. This study covered the period of five years from 2015-16 to 2019-20. This study used liquidity ratios, measurement of efficiency ratios, profitability ratios, solvency ratios and NPA's analysis to know the financial performance of ICICI Bank. This study concluded solvency position of ICICI Bank is satisfactory, which indicate the overall financial performance of Bank is performing Well

Keywords: Financial performance, ICICI Bank, Liquidity ratio, Activity ratio, Profitability ratios, Solvency ratios, NPAs of ICICI Bank.

Introduction

In the development of an economy, the Banking sector has been playing an important role. Hence the stability of the Banking sector is focal for the development of an economy. The vital function of any bank is to lend funds as loans to various sectors such as agriculture, industry, personal and housing and other to meet productive use of these funds. In recent times the banks have become very alert in extending advances, the reason is decline in financial performance. In the banking sector, managing financial position has emerged as one of the major challenges facing Indian Banks. Increasing in Non – Performing Assets (NPA's) has been also the reason for failure of financial performance of the banking sector. Thus, the Bankers have realized to have effective financial performance management on their priority list.

Review of Literature

1. (Parmar, 2014)This study has made an attempt to study the trends of Total Advances, net profit, gross NPA, net NPA of SBI and ICICI Bank, for the period of year 2011 to 2013. The result of this study is that during the last three years total advances and net profit has shown a growing trend in both the banks but compared to SBI, NPA in ICICI bank has shown a downward trend because of effective NPA management. It also highlights the relationship between net profit and net NPA, while SBI has shown positive relationship between net profit and net NPA, where negative relationship has been found in ICICI between net profit and net NPA.
2. (Lutfi et al., 2021) The aim of this research is to find out the effect of management performance on financial performance on PT. HM Sampoerna, TBK. The explanatory method has been used in this study. Analysis techniques have been used in statistical analysis with regression testing, correlation, determination, and hypothesis testing. The result of this was a management performance variable obtained an average value of 3.81%. Variable financial performance obtained an average value of 3.91%. Management performance has a positive and significant effect on financial performance with the regression equation value Y=13.198+7.981X, and the correlation coefficient value is 0.667 or has a strong relationship rate with a determination value of 44.5%. Hypothetical test obtained significance of 0.000<0.05.
3. (Joseph, 2014) The aim of present paper deals with the trends of NPA in banking industry, the factors that mainly contribute to NPA raising in

the banking industry and also provides some suggestions on how to overcome this burden of NPA on banking industry. NPA reflects the performance of banks. NPA has a direct impact on the profitability, liquidity, and solvency position of the bank. Higher NPA indicates inefficiency of the bank and lower NPA indicates better performance and management of funds. To improve the efficiency and profitability of the banks the NPA needs to be reduced and controlled.

4. (Devika et al., 2013)In this paper an attempt has been made to find out the financial position of the city union bank, borrowings of the bank, liquidity position and solvency of the bank through ratio analysis. The study revealed that the financial performance is better. City Union Bank has been able to maintain optimal cost positioning. Despite price drops in various products, the company has been able to maintain and grow its market share to make strong margins in the market, contributing to the strong financial position of the bank. The bank was able to meet its entire requirements for capital expenditures and higher level of working capital commitment with higher volume of operations and from its operating cash flows.
5. (Sutoyo & Sujatmika, 2017), This paper an attempt has been made to measure the financial performance by using a profitability ratio that consists of Return on Assets (ROA), Return on Equity (ROE), Profit Margin (PM) and Return on Investment (ROI). The objective of this research is to analyze the gap of financial performance before and after implementing ISAK No. 29 on mining companies. This study used 10 samples from 39 mining companies before being applied to ISAK No. 29 that listed in Indonesia Stock Exchange in the period 2014 – 2015 and the samples must meet the criteria. The difference analysis tool using t-test paired. From testing, t-test paired results are 0.421 for ROA, 0.380 for ROE, 0.268 for PM and 0.384 for ROI, the score of sig. are higher than 0.05, means haven't significant difference between before and after applying of ISAK No, 29.
6. (Dutta et al., 2013)This paper an attempt has been made on the determinants of ROA of public sector banks, very significant particularly when the banking system in India is predominantly led by public sector banks. From this study, it was found that the most significant factors influencing ROA of the public sector banks are spread (SP), Operating expenses, Provisions & Contingencies and non-interest income. The preset study concluded that the variables, viz., SP, OE, PC, NPA, NII were found to be the significant determinants of ROA of public sector banks. Of them, Spread (SP), and Non-interest income (NII) had positive influence and all others had negative impact. So, in order to improve their ROA, public sector banks should focus on reducing their operating expenses, Provision and Contingencies and NPAs. Positive spread and NII give the impression that public sector banks have done very well on maintaining their Spread Margins as well as Non-interest incomes.
7. (Maji, 2015) This paper an attempt has been made to analyze the financial performance of ONGC during the post liberalization period between 1999-2000 and 2013-2014. While tackling the issue addressed in this paper, the 'Corporate Distress Prediction Models' as suggested by prof. Jayadev has been used. The result of this study reflected the prominent financial performance of ONGC throughout the study period. This study also revealed a remarkable improvement in the financial position of ONGC over the study period.

Objective of the Study

1. To know the financial performance of ICICI bank by using Ratio analysis.
2. To study the NPAs of ICICI Bank

Research Methodology

For this study descriptive research has been chosen. The nature and characteristics of the financial statement of ICICI Bank have been described in this study. This study is based on secondary data which is collected from Annual reports of ICICI Bank journals, internet, published research paper, books etc. Ratio analysis has been used for a meaningful analysis and interpretation of collected data. And studied about NPAs of ICICI Bank to know the profitability trend of ICICI Bank. The duration of this study has been 5 years from 2015-16 to 2019-20.

Data Analysis and Interpretation

There are various methods of financial performance analysis. Of these, Ratio analysis is the most widely used method. It is the process of establishing and interpreting the quantitative relationship between figure and group of figures. With the help of ratios, the financial statement can be analyzed more clearly, and decisions can be made more logically. There researchers used various Ratios to analyze the financial performance of ICICI Bank.

Liquidity Ratios

Table 1 Liquidity ratios of ICICI Bank

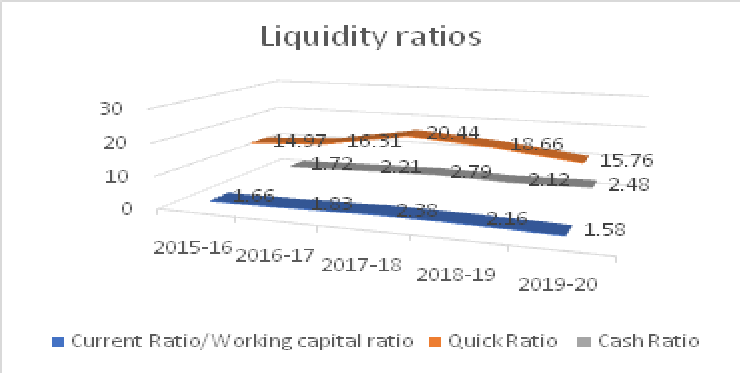
Years	Current ratio or Working capital ratio	Quick Ratio	Cash Ratio
2015-16	1.66	14.97	1.72
2016-17	1.83	16.31	2.21
2017-18	2.38	20.44	2.79
2018-19	2.16	18.66	2.12
2019-20	1.58	15.76	2.48

Interpretation : - The Current ratio of a firm indicates its ability to pay short-term obligations. As a convention, a current ratio of 2:1 is considered an ideal situation. So, it can be interpreting from the above table 1 is year 2017-18 and 2018-19 liquidity position of the ICICI Bank is good and able to pay its current liabilities immediately. But rest of the years Current Ratios are not good. It should be maintaining properly for the coming years.

Quick ratio establishes the relationship between liquid assets and current liabilities. It indicates the company's ability to pay its current obligations. As a convention, quick ratio of 1:1 is considered satisfactory. From the above table 1 it can be interpreting quick ratio of ICICI Bank is very high to meet its current liabilities it is good. But it should be used cautiously and 1:1 rule should not be used blindly, as it can be seen quick ratio of ICICI Bank is very high it may be due to low investment in Permanent Assets.

Cash ratio shows the relationship between cash & bank balances to Current liabilities. It shows the liquid position to meet its current liabilities. From the above table 1, can be interprets cash ratio of ICICI Bank is satisfactory to meet its current liabilities.

Above table 1 Liquidity ratios showing through graph : -



Activity Ratios / Turnover Ratios / measurement of Efficiency Ratios

Table 2 Efficiency ratios of ICICI Bank

Years	Inventory Turnover Ratio (in times)	W.C.T.R (in times)	Fixed assets turnover ratio (in times)
2015-16	0.07	1.04	0.08
2016-17	0.07	0.49	0.07
2017-18	0.06	0.39	0.06
2018-19	0.06	0.84	0.07
2019-20	0.07	1.24	0.07

Interpretation: - A firm must have maintained a certain level of inventory in comparison to sales. The level of inventory should neither be too high nor too low.The above table 2 showed in 2015-16 and 2016-17 Inventory Turnover Ratio is 0.07 times. In the year 2017-18 and 2018-19 ITR is 0.06 times. And again, in the year 2019- 20 the ITR is 0.07 times. It indicates the speed with which stock are being turned into sales. As it can be seen, the ITR of ICICI Bank is very low and should be high. High ITR indicates efficient management of inventory because stock are sold speedily.

Working Capital Turnover Ratio indicates the velocity of the utilization of working capital. This ratio indicates the number of times of working capital is turnover during the year. Above table 2 shows the WCTR of ICICI Bank in 2015-16 is 1.04 times, in 2016-17 is 0.49 times, in 2017-18 is 0.39, in 2018-19 is 0.84, in 2019-20 is 1.24, which is very low it indicates less efficient use of working capital. ICICI Bank should increase the WCTR because high WCTR ratio indicates the better utilization of working capital.

Fixed Assets Turnover Ratio indicates the efficiency as well as profit earning capacity of the firm. Above table 2 shows the FATR of ICICI Bank is very low which indicates underutilization of Fixed Assets. So ICICI Bank should be increase FATR because it indicates the better utilization of Fixed Assets.

Graphical presentation of above table 2 Turnover/Efficiency Ratio of ICICI Bank: -

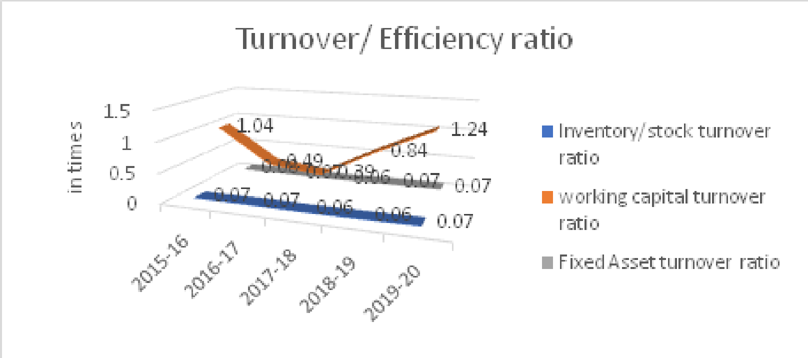


Table 3 Inventory conversion period of ICICI Bank

Years	365 / 366 (no. of days)	Inventory turnover ratio	Inventory Conversion period (in days)
2015-16	366	0.07	5214.28
2016-17	365	0.07	5214.28
2017-18	365	0.06	6083.33
2018-19	365	0.06	6083.33
2019-20	366	0.07	5214.28

Interpretation: - Inventory conversion period indicates average time taken for clearing the stock. Above table 3 shows the Inventory conversion period of ICICI Bank from the year 2015-16 to 2019-20 is very high it indicates ICICI Bank lots of average time taken for clearing the stocks which is not satisfactory.

Profitability Ratios

(i) Profitability in relation to sales.

Table 4 Gross Profit Ratio of ICICI Bank

Years	Gross profit (in crore)	Net sales (in crore)	100	Gross profit ratio (in %)
2015-16	23,863.53	52,739.43	100	45.25
2016-17	26,486.74	54,156.28	100	48.91
2017-18	24,741.53	54,965.89	100	45.01
2018-19	23,437.90	63,401.19	100	36.97
2019-20	28,101.28	74,798.32	100	37.57

Interpretation: Gross profit ratio indicate the relationship between Gross Profit to Net Sales. It is also called Gross Profit Margin Ratio. It measures the efficiency of the companies. From the above table 4 it can be interpreting gross profit ratio of ICICI Bank in the year 2016-17 is 48.91% higher which indicate better result of bank. But in the year 2017-18, 2018-19, 2019-20 gross profit are in decline mode which indicates bad result of ICICI Bank.

Graphical presentation of above table 4 Gross profit ratio of ICICI Bank: -

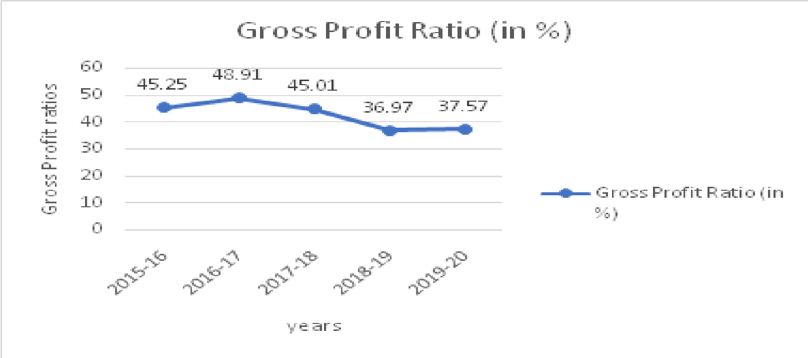


Table 5 Net Profit Ratio of ICICI Bank

Years	Net profit (in crore)	Net sales (in crore)	100	Net profit ratio (in %)
2015-16	9,726.29	52,739.43	100	18.44
2016-17	9,801.09	54,156.28	100	18.10
2017-18	6,777.42	54,965.89	100	12.33
2018-19	3,363.30	63,401.19	100	5.30
2019-20	7,930.81	74,798.32	100	10.60

Interpretation: Net profit ratio establishes the relationship between net profit and net sales. This ratio used to measure the overall profitability of a concern. It indicates the efficiency of management in financial, administrative, and selling activities of a firm. The above table 5 shows the Net Profit Ratio of ICICI Bank in the year 2015-16 and 2016-17 is higher which indicates better efficiency and profitability of the Bank. But in the year 2017-18, 2018-19, 2019-20 is shows bad efficiency of management.

Graphical presentation of above table 5 Net Profit Ratio of ICICI Bank:

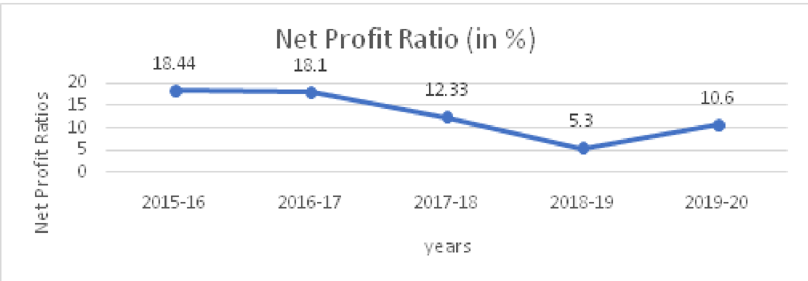


Table 6 Operating profit ratio of ICICI Bank

Years	Operating profit	Net Sales	100	Operating Profit Ratio (%)
2015-16	31,988.06	52,739.43	100	60.65
2016-17	24,193.09	54,156.28	100	44.67
2017-18	21,954.97	54,965.89	100	39.94
2018-19	25,650.99	63,401.19	100	40.46
2019-20	39,130.67	74,798.32	100	52.31

Interpretation: - Operating Profit ratio indicates the percentage of operating profit to net sales. Above table 6 shows the operating profit ratio of ICICI Bank in the year 2015-16 and 2019-20 operating ratio is higher which shows the better result of bank but in the year 2016-17, 2017-18 and 2018-19 is less which does not show the better result of ICICI Bank.

Table 7 Expenses Ratio of ICICI Bank

Years	Selling expenses ratio (%)	Administrative exp. Ratio (%)	Financial expenses ratio (%)	Cost of sales ratio (%)
2015-16	0.40	38.74	59.76	44.85
2016-17	0.53	14.57	59.86	25.69
2017-18	0.73	17.82	58.11	29.31
2018-19	1.15	46.43	57.39	58.32
2019-20	1.19	34.17	55.52	46.42

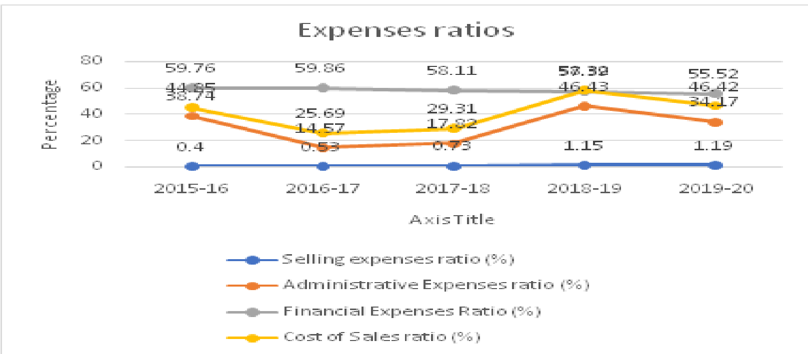
Interpretation: Above table 7 indicates the percentage of selling expenses to net sales of ICICI Bank. In the year 2015-16 selling expenses is less 0.40% which shows better efficiency of management. But in the year 2019-20 expenses is higher 1.19% which efficiency of management is not better.

above table 7 shows the percentage of administrative expenses to net sales of ICICI Bank. In the year 2016-17 and 2017-18 administrative expenses is less which shows better result but the years 2015-16, 2018-19 and 2019-20 expenses is higher which does not show better result of ICICI Bank.

Above table 7 indicates the percentage of financial expenses to net sales of ICICI Bank. In the year 2019-20 financial expenses is less which shows the better efficiency of management and higher growth in the net profit.

Above table 7 shows the percentage of cost of sale to net sales of ICICI Bank. This ratio indicates lower the ratio higher the profit and higher the ratio lowers the profit. In the year 2016-17 is less cost of sales ratio which indicates better result of Bank.

Graphical presentation of above table 7,Expenses ratios of ICICI Bank.



(II) Profitability Ratios in relation to investment: - Profit indicates overall efficiency of a business. The Profitability of the firm is not only measured in relation to sales, but it is also measured in terms if investment. Unless the profits are related with the size of the investment, they will not indicate the true state of efficiency.

Table 8 Return on Gross Capital Employed of ICICI Bank

Years	Adjusted net profit (EBIT)	Gross Capital employed=F. A+C.A	100	Return on Gross Capital Employed (%)
2015-16	55,378.93	62,333.15	100	88.84
2016-17	58,905.70	67,297.62	100	87.53
2017-18	56,681.58	76,627.12	100	73.97
2018-19	59,824.29	86,739.09	100	68.97
2019-20	69,632.53	81,273.08	100	85.68

Interpretation: - Above table 8 shows the return on gross capital employed which indicates the gross capital investment made in the business and get the return from this investment. In the year 2015-16, 2016-17, and 2019-20 ICICI Bank get the more Return from gross capital investment. And in the year 2017-18 and 2018-19 get less Return.

Above table 8 Return on Gross Capital Employed showing through graph: -

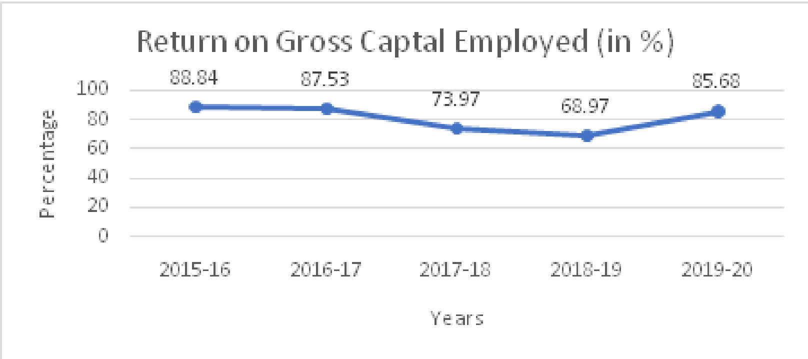


Table 9 Return on Net Capital Employed of ICICI Bank

Years	Adjusted net profit (EBIT)	Net Capital Employed	100	Return on Net Capital Employed (%)
2015-16	55,378.93	27,606.71	100	200
2016-17	58,905.70	33,048.46	100	178.24
2017-18	56,681.58	46,430.72	100	122.07
2018-19	59,824.29	48,887.63	100	122.37
2019-20	69,632.53	33,278.09	100	209.24

Interpretation: - Above table 9 shows the Return on Net Capital Employed which refers the Net capital investment made in the business and get the Return from this investment. In the year 2015-16 and 2019-20 get more Return from net Capital Employed by the ICICI Bank and the years 2016-17, 2017-18, and 2018-19 get less Return.

***Net Capital Employed =** Gross Capital Employed –Current Liabilities

Above table 9 Return on Net Capital Employed showing through graph:

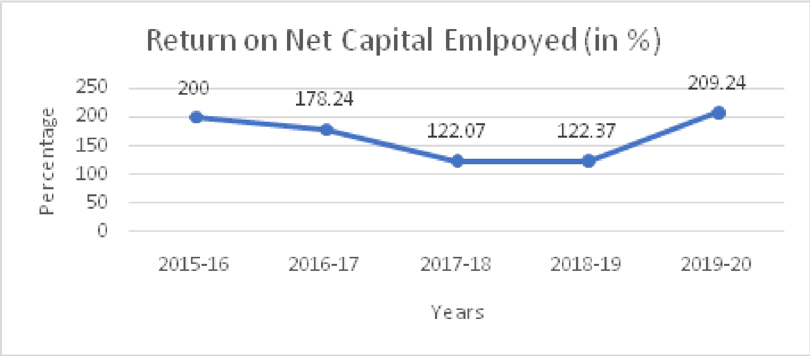


Table 10 Return on Shareholder's Equity or Net Worth of ICICI Bank

Years	Net Profit (PAT)	Shareholder's Funds	100	Return on shareholder's equity or net Worth (%)
2015-16	9,726.29	86,911.41	100	11.19
2016-17	9,801.09	96,902.68	100	10.11
2017-18	6,777.42	1,02,150.18	100	6.63
2018-19	3,363.30	1,05,318.86	100	3.19
2019-20	7,930.81	1,13,386.05	100	6.99

Interpretation: - Above table10 shows the Return on shareholder's equity or net worth which measures the profitability of the capital invested in the business by the shareholders. In the year 2015-16 and 2016-17 Return on shareholders equity is higher which indicates the better efficiency of ICICI Bank, but in the years 2017-18, 2018-19, and 2019-20 is very less return on equity shareholders which indicates inefficiency of the ICICI Bank.

Above table 10 Return on shareholders equity showing through graph: -

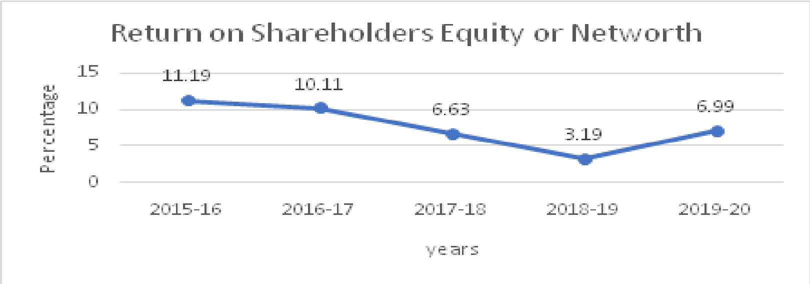


Table 11
Return on Total Assets of ICICI Bank

Years	Net Profit (PAT)	Average Total Assets	100	Return on Total Assets (%)
2015-16	9,726.29	6,83,412.19	100	1.42
2016-17	9,801.09	7,46,243.28	100	1.31
2017-18	6,777.42	8,25,490.31	100	0.82
2018-19	3,363.30	9,21,824.16	100	0.39

2019-20	7,930.81	10,31,412.15	100	0.77

Interpretation: - Above table 11 shows the return on Total Assets which indicates profits in terms of relationship between net profit and total Assets. In the year 2015-16 and 2016-17 is higher which indicates efficiency of the ICICI Bank and in the years 2017-18, 2018-19, and 2019-20 is less which indicates inefficiency of the ICICI Bank.

(iii) Profitability Ratios in relation to Equity Fund: -

Table 12 EPS and DPS of ICICI Bank

Years	Earnings per share (EPS)	Dividend per share (DPS)
2015-16	16.73	5.00
2016-17	16.83	0.00
2017-18	10.54	2.27
2018-19	5.22	1.50
2019-20	12.25	0.00

Interpretation: - Above table 12 shows the EPS which helps in determining the market price of the equity share of a company and it also indicates the company's capacity to pay dividend to its equity shareholders. And also help in deciding whether the equity share capital is being effectively used or not. In the years 2015-16 and 2016-17 EPS of ICICI Bank is higher, means equity share capital is being effectively used by ICICI Bank but in the years 2017-18, 2018-19 and 2019-20 EPS is decline means equity share capital doesn't used effectively.

Above table 12 shows the DPS of ICICI Bank given to the equity shareholders. In the year 2015-16, highest DPS given by the ICICI Bank which indicates the efficiency of bank but in the years 2016-17, 2017-18, 2018-19 and 2019-20 pay less DPS to the equity shareholders.

Above table 12 EPS and DPS showing through graph: -

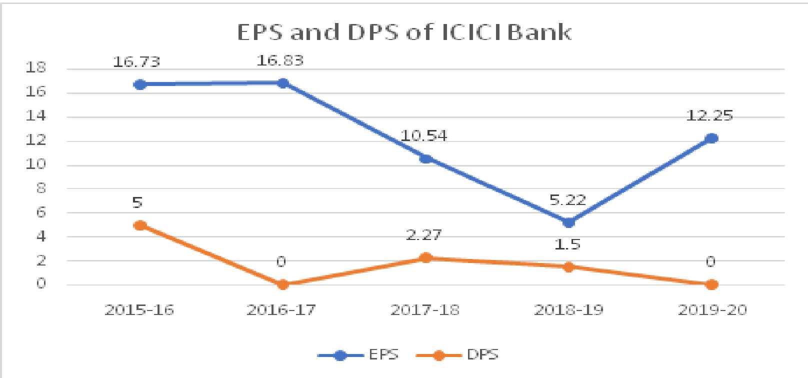
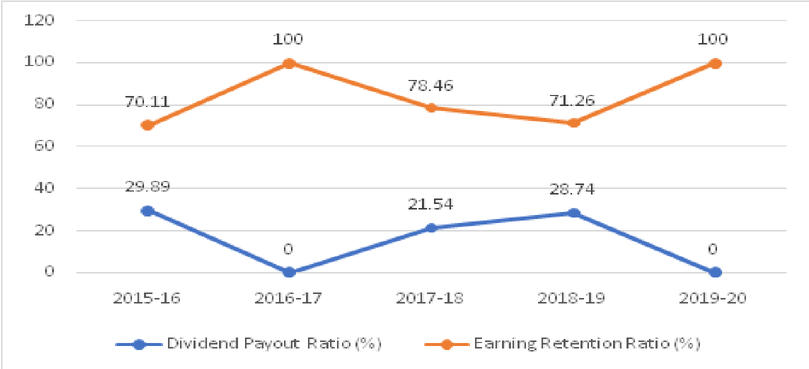


Table 13 Dividend Payout Ratio and earning retention ratio of ICICI Bank

Years	Dividend Payout Ratio (%)	Earning Retention Ratio (%)
2015-16	29.89	70.11
2016-17	0.00	100
2017-18	21.54	78.50
2018-19	28.74	71.26
2019-20	0.00	100



Interpretation: - Above table 13 shows the dividend payout ratio of ICICI Bank. In the years 2015-16, 2017-18, 2018-19 dividend payout ratio is 29.89%, 21.54%, and 28.74% respectively on EPS. But in the years 2016-17 and 2019-20 ICICI Bank has not given Dividend to its shareholders it represents all 100% of EPS is retained by Bank.

Above table 13 shows the Earning retention ratio of ICICI Bank. In the years 2016-17 and 2019-20 bank has retained 100% of EPS. But in the years 2015-16, 2017-18 and 2018-19 bank has retained 70.11%, 78.50% and 71.26% respectively.

Solvency / Capital structure / Leverage Ratios: -

Table 14 Debt Equity ratio of ICICI Bank

Years	Long-term debt (total debt)	Shareholder's Fund	Debt Equity Ratio
2015-16	6,30,959.53	89,735.58	7.03
2016-17	6,71,840.37	99,951.07	6.72
2017-18	7,74,030.23	1,05,158.94	7.36
2018-19	8,56,091.1	1,08,368.04	7.90
2019-20	9,81,860.74	1,16,504.41	8.43

Interpretation: - Above table 14 showing Debt Equity Ratio of ICICI Bank which indicates long term financial position or solvency of the business. From the year 2015-16 to 2019-20 Debt equity ratio is more than 1:1 so it may be considered satisfactory. But a very high ratio may be unfavorable not only from the creditors point of view but from the firm's point of view.

Above table 14 Debt Equity Ratio (DER) showing through graph: -

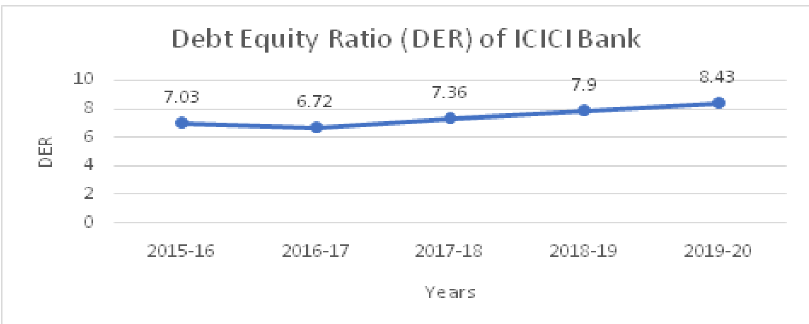


Table 15
Proprietary Ratio of ICICI Bank

Years	Shareholder's Fund	Total Tangible Assets	100	Proprietary Ratio (%)
2015-16	89,735.58	7,20,695.10	100	12.45
2016-17	99,951.07	7,71,791.45	100	12.95
2017-18	1,05,158.94	8,79,189.16	100	11.96
2018-19	1,08,368.04	9,64,459.15	100	11.23
2019-20	1,16,504.41	10,98,365.15	100	10.61

Interpretation: - Above table 15 showing the proprietary ratio of ICICI Bank which represents the relationship between owner's funds and total tangible assets. Higher the proprietary ratio indicates better solvency position of bank, and this ratio also indicates the interest of outsiders of the companies safe. In the years 2015-16 and 2016-17 higher the ratio and then 2017-18, 2018-19 and 2019-20 ratio is in decline mode which is not safe for the banks.
Above table 15 proprietary ratio of ICICI Bank showing through graph: -

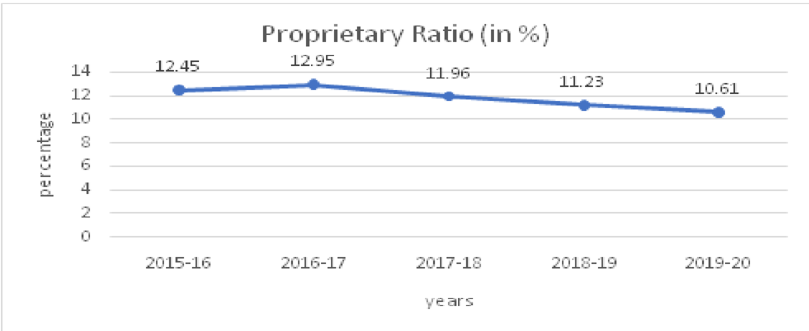


Table 16

Years	Capital Gearing Ratio	Solvency Ratio	Interest Coverage Ratio
2015-16	6.64	1.14	1.76
2016-17	6.37	1.15	1.82
2017-18	7.07	1.14	1.77
2018-19	7.55	1.13	1.64
2019-20	8.01	1.12	1.68

Interpretation: Above table 16 shows the Capital Gearing Ratio of ICICI Bank which indicates the risk of bank. In the above table from the years 2015-16 to 2019-20 the ratio is greater than 1 and in increasing mode, it shows that the bank is in highly geared because the burden of Fixed interest-bearing debt is more than Owners Equity, it is an indication of higher risk. On the other hand, if ratio is less than 1 the firm is said to be low geared, and risk is also low.

Above table 16 shows the solvency ratio of ICICI Bank which indicates the relationship between total Assets and total outsider's liabilities of the business. In the above table from the years 2015-16 to 2019-20 the solvency ratio is greater than 1 it is an indication of bank is solvent. But the solvency ratio of ICICI Bank is in decline mode after 2016-17 which can become critical condition for bank in the future.

Above table 16 shows the Interest coverage ratio of ICICI Bank which indicates how many times the profit covers the interest. In the above table from the years 2015-16 to 2019-20, EBIT is more than 1 times of fixed interest charges which shows the position of lenders is not unsafe but there is very least profit left for the shareholders.

Above table 16 showing through graphs: -

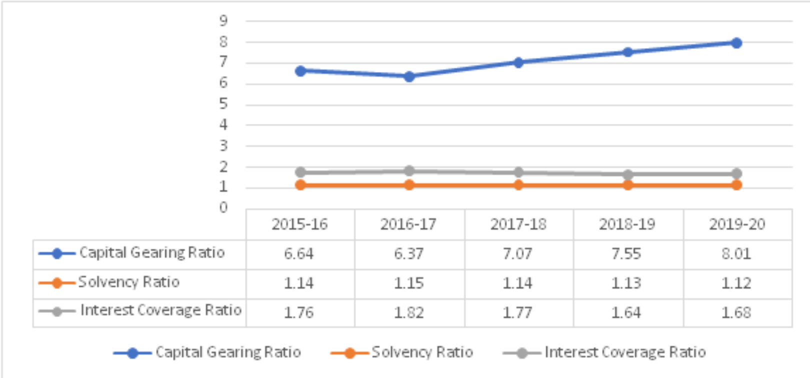
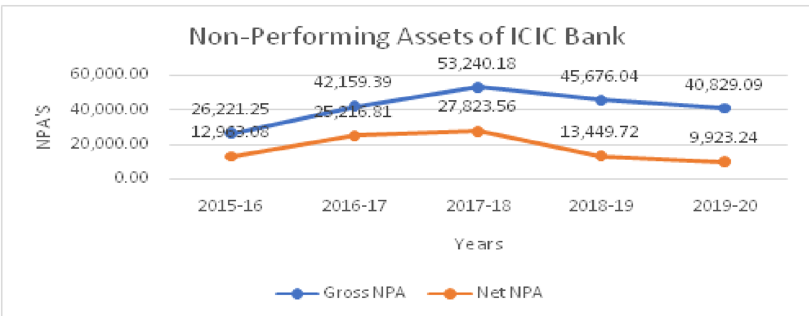


Table 17
Non – Performing Assets of ICICI Bank

Years	Gross NPA	Net NPA
2015-16	26,221.25	12,963.08
2016-17	42,159.39	25,216.81
2017-18	53,240.18	27,823.56
2018-19	45,676.04	13,449.72
2019-20	40,829.09	9,923.24

Interpretation: - Above table 17 shows the Non-Performing Assets of ICICI Bank which indicate the performance of banks. It can be seen in the above table years 2015-16, 2016-17, and 2017-18 the Gross NPA and Net NPA both are increasing which indicate performance of Bank is not well because of mismanagement of Banks. And in the years 2018-19 and 2019-20 Gross NPA and Net NPA both are declining which indicates performance of Banks is going very well due to better management of Banks.

Above table 17 Non – Performing Assets of ICICI Bank showing through graph: -



Conclusion

The ICICI bank is performing well during the study period, and it will be continuing to make profit and growth in the development of economy for next financial years. However, ICICI bank could be affected with considerable risk according to high operating expenses which obstruct the overall performance and Net income. The bank had percentage of Return on capital employed (ROCE) is positive but it is in declining mode year to year that means less efficiency in Capital employed of the bank but in the year 2019-20 ROCE is upward which is very effective for ICICI bank and capital should be invested in productive manner. This study concluded liquidity position of the bank is high. The Activity ratio is low which shows the inefficiency of bank. The gross profit, net profit, and operating profit are in downward but in the year 2019-20 these are in upward which is good sign for bank. The solvency position of the ICICI bank is satisfactory. The Gross NPA and Net NPA is declining in the year 2018-19 and 2019-20 by efficient management of bank. So, the overall performance of ICICI Bank is performing well during the study period. But it would be needed to improve their efficiency in the competitive environments.

Suggestions

1. Current Ratio of ICICI Bank fluctuates every 5 years than standard norms of current ratio 2:1. It means the liquidity position of the firm is not maintained properly. So, banks should properly utilize Current Assets and Liabilities.
2. Quick Ratio (QR) of ICICI Bank is much higher than standard norms of Quick Ratio 1:1. So banks should identify the factors why the QR is very high. It may be due to low investment in Permanent Assets and can be other factors.
3. Inventory Turnover Ratio of ICICI Bank is very low. It should be high by selling the stocks speedily and managed efficiently.
4. Inventory Conversion period of ICICI bank is very high. It means banks have been taking a long time taking in clearing the stocks which is not satisfactory. Banks should decline the Inventory conversion period by clearing the stocks speedily.
5. Gross profit ratio of ICICI Bank is declining after 2016-17. So, banks should have to improve the Gross Profit ratio by increasing closing stock.
6. Net Profit ratio of ICICI bank is declining after 2016-17. It should have to improve by efficient management of financial, administrative, and selling activities of a Bank.
7. Operating profit ratio of ICICI Bank is declining after 2016-16. It should have to increase by increasing operating profit.
8. The Expenses ratios i.e., selling expenses, administrative expenses, and financial expenses ratios are very high. It should be decline by decreasing in various expenses.
9. Return on Gross Capital Employed is declining after 2015-16. It should increase by efficient and effective investment in fixed Assets and Current assets of bank.
10. Return on net Capital Employed is declining after 2015-16 but in the year 2019-20 it has increased. It should be increase more by effective investment in Net Capital Employed.
11. Return on Total Assets of ICICI Bank is very low in every 5 years. It should be increase by investing in efficient Assets.
12. EPS of ICICI bank is declining after 2016-17. It should be increase by efficiently using of equity share capital and increasing Net Profit.
13. Debt Equity ratio (DER) indicates long term financial position or solvency of the business. DER of ICICI bank is more than 1:1 it may be considered satisfactory. But it should be maintaining efficiently and effectively.
14. Proprietary ratio of ICICI Bank is declining after 2016-17. It should be increase for better solvency position of bank by efficient investment and use of Tangible Assets.
15. Capital Gearing ratio of ICICI bank is more than 1 in every 5 years, which shows high risk of bank. So, it should have to decline so that risk is low.

16. Interest Coverage ratio of ICICI bank is low. It should be increase by lowering the Fixed interest charges and higher the EBIT for better performance of Bank.
17. The Gross NPA and Net NPA of ICICI bank is upward from 2015-16 to 2017-18, but in the years 2018-19 and 2019-20 it is downward which is good sign for bank, and it should be declining more by efficient management of banks. And find the mismanagement factors for better performance of bank.

Limitation of the Study

1. This study has been limited for a period of 5 years only.
2. This study covered only one bank i.e., ICICI Bank.
3. For this study data has been taken from published annual reports, so it can be possible data is not original it may be manipulated.

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