**CONTENTS**

|  |  |  |
| --- | --- | --- |
| ***Serial No.*** | ***Headings*** | ***Page No.*** |
| *1* | *Introduction* | *5* |
| *2* | *History* | *7* |
| *3* | *Research Methodology* | *9* |
| *4* | *Organizational Structure* | *10* |
| *5* | *Products & Services* | *12* |
| *6* | *Financial Statement Analysis* | *17* |
| *7* | *Profit & loss A/c* | *18* |
| *8* | *Cash Flow* | *20* |
| *9* | *Balance Sheet* | *21* |
| *10* | *Ratio Analysis* | *23* |
| *11* | *Earning Quality* | *30* |
| *12* | *Summary of Ratios* | *34* |
| *13* | *Conclusion* | *37* |
| *14* | *Suggestion* | *38* |
| *15* | *References* | *39* |

**INTRODUCTION**

ICICI Bank is India's second-largest bank with total assets of about Rs.1,67,659 crore at March 31, 2014 and profit after tax of Rs. 2,005 crore for the year ended March 31, 2014 (Rs. 1,637 crore in fiscal 2004). ICICI Bank has a network of about 560 branches and extension counters and over 1,900 ATMs. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. ICICI Bank set up its international banking group in fiscal 2002 to cater to the cross border needs of clients and leverage on its domestic banking strengths to offer products internationally. ICICI Bank currently has subsidiaries in the United Kingdom, Canada and Russia, branches in Singapore and Bahrain and representative offices in the United States, China, United Arab Emirates, Bangladesh and South Africa.

ICICI Bank's equity shares are listed in India on the Stock Exchange, Mumbai and the National Stock Exchange of India Limited and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE).

As required by the stock exchanges, ICICI Bank has formulated a Code of Business Conduct and Ethics for its directors and employees.

At April 4, 2014, ICICI Bank, with ***free float market capitalization*\*** of about Rs. 308.00 billion (US$ 7.00 billion) ranked third amongst all the companies listed on the Indian stock exchanges.

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46% through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all-stock amalgamation in fiscal 2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses. In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI become the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE.

After consideration of various corporate structuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking, the managements of ICICI and ICICI Bank formed the view that the merger of ICICI with ICICI Bank would be the optimal strategic alternative for both entities, and would create the optimal legal structure for the ICICI group's universal banking strategy. The merger would enhance value for ICICI shareholders through the merged entity's access to low-cost deposits, greater opportunities for earning fee-based income and the ability to participate in the payments system and provide transaction-banking services. The merger would enhance value for ICICI Bank shareholders through a large capital base and scale of operations, seamless access to ICICI's strong corporate relationships built up over five decades, entry into new business segments, higher market share in various business segments, particularly fee-based services, and access to the vast talent pool of ICICI and its subsidiaries. In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmadabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002. Consequent to the merger, the ICICI group's financing and banking operations, both wholesale and retail, have been integrated in a single entity.

**HISTORY**

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46% through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all-stock amalgamation in fiscal 2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses.    
  
 In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI become the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE.    
  
 After consideration of various corporate structuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking, the managements of ICICI and ICICI Bank formed the view that the merger of ICICI with ICICI Bank would be the optimal strategic alternative for both entities, and would create the optimal legal structure for the ICICI group's universal banking strategy. The merger would enhance value for ICICI shareholders through the merged entity's access to low-cost deposits, greater opportunities for earning fee-based income and the ability to participate in the payments system and provide transaction-banking services. The merger would enhance value for ICICI Bank shareholders through a large capital base and scale of operations, seamless access to ICICI's strong corporate relationships built up over five decades, entry into new business segments, higher market share in various business segments, particularly fee-based services, and access to the vast talent pool of ICICI and its subsidiaries. 

In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmadabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002. Consequent to the merger, the ICICI group's financing and banking operations, both wholesale and retail, have been integrated in a single entity.  

**Research Methodology**

For the purpose of study secondary data has been used for this purpose various articles, journals and annual reports of the bank has been studied. In this project various ratios were studied to find out the financial position of bank. These ratios are as follows:

1. Capital Adequacy Ratio : Capital

Risk

2. Debt Equity Ratio : Debit

Equity Funds

1. Net Turnover Margin Ratio : Net Profit

Net Sales (Operating Income)

4. Assets Turnover Ratio : Net Sales (Operating Income)

Total Assets

5. Return on Equity : Net Income

Equity Share Capital

6. Return on Assets Ratio : Net Profits

Average Total Assets

7. Price Earnings Ratio : Market Price of Shares

Earnings per Share

8. Debt Assets Ratio : Debit

Total Assets**ORGANISATIONAL STRUCTURE**

ICICI Bank’s organization structure is designed to be flexible and customer focused, while seeking while seeking to ensure effective control and supervision and consistency in standards across the organization and align all areas of operations to overall organizational objectives. The organization structure is divided into six principal groups Retail Banking, Wholesale Banking, International Banking, Rural (Micro-Banking) and Agriculture Banking, Government Banking and Corporate Center.

**RETAIL BANKING:**

The Retail Banking Group is responsible for products and services for retail customers and small enterprises including various credit products, liability products, Distribution of third party investment and insurance products and transaction banking services.

**WHOLESALE BANKING:**

The Wholesale Banking Group is responsible for products and services for large and medium-sized corporate clients, including credit and treasury products, investment banking, project finance, structured finance and transaction banking services.

**INTERNATIONAL BANKING:**

The International Banking Group is responsible for its international operations, including operations in various overseas markets as well as its products and services for non resident Indians and its international trade finance and correspondent banking relationships.

**RURAL AND AGRICULTURAL BANKING:**

The Rural, Micro-Banking & Agri Business Group is responsible for envisioning and implementing rural banking strategy, including agricultural banking and micro-finance.

**GOVERNMENT BANKING:**

The Government Banking Group is responsible for government banking initiatives.

**CORPORATE BANKING:**

Its corporate banking strategy is based on providing comprehensive and customized financial solutions to its corporate customers. It offer a complete range of corporate banking products including rupee and foreign currency debt, working capital credit, structured financing, syndication and transaction banking products and services. Fiscal 2012 saw continued demand for credit from the corporate sector, with growth and additional investment demand across all sectors. We were able to leave rage our international presence and deep corporate relationships to work on overseas acquisitions made by Indian companies and infrastructure projects in India. During fiscal 2012 we were involved in 75% of outbound mergers and acquisitions deals from India. We are now a preferred partner for Indian companies for syndication of external commercial borrowings and other fundraising in international markets and have been ranked number one in off shore loan syndications of Indian corporate in calendar year 2011.

**PRODUCTS AND SERVICES OF ICICI**

ICICI Bank offers a wide range of banking accounts such as Current, Saving, Life Plus Senior, Recurring Deposit, Young Stars, Salary Account etc. tailor made for every customer segments, from children to senior citizens, Convenience and ease to access are the benefits of ICICI Bank accounts.

**YOUNG STARS ACCOUNT:**

A special portal for children to learn banking basics, manage personal finances and have a lot of fun.

**BANK@CAMPUS:**

This student banking services gives students access to their account details at the click of a mouse. Plus, the student gets a cheque book, debit card and annual statements.

**SAVINGS ACCOUNTS:**

Convenience is the name of the game with ICICI bank’s savings account. Whether it is an ATM/debit card, easy withdrawal, easy loan options or internet banking, ICICI bank’s saving account always keep you in touch of money.

**FIXED DEPOSITS:**

ICICI Bank offers a range of deposit solutions to meet varying needs at every stage of life. It offers a range of tenures and other features to suit all requirements.

**INSURANCE:**

The ICICI group offers a range of insurance products to cover varying needs ranging from life, pensions and health, to home, motor and travel insurance. The products are made accessible to customers through a wide network of advisors, banking partners, corporate agents and brokers with the added convenience of being able to buy online.

**LIFE INSURANCE:**

The ICICI group provides the many life insurance products through ICICI Prudential Life Insurance Company.

**GENERAL INSURANCE:**

The ICICI group provides the many general insurance products like motor, travel and home insurance through ICICI Lombard General Insurance Company.

**LOANS:**

ICICI bank offers a range of deposits solutions to meet varying needs at every stage of life. It offers a range of tenures and other features to suit all requirements.

**HOME LOAN:**

The No. 1 Home Loans Provider in the country, ICICI Bank Home Loans offers some unbeatable benefits to its customers Doorstep Service, Simplified Documentation and Guidance throughout the Process. It's really easy!

**PERSONAL LOAN:**

ICICI Bank Personal Loans are easy to get and absolutely hassle free. With minimum documentation you can now secure a loan for an amount up to Rs. 15 lakhs.

**VEHICLE LOANS:**

The No. 1 financier for:-

**Car loans** in the country. Network of more than2500 channel partners in over 1000 locations. Tie-ups with all leading automobile manufacturers to ensure the best deals. Flexible schemes & quick processing are the main advantages are here. Avail attractive schemes at competitive interest rates from the No 1 Financier for

**Two Wheeler Loans** in the country. Finance facility up to 90% of the On Road Cost of the vehicle, repayable in convenient repayment options and comfortable tenors from 6 months to 36 months.

**CARDS:**

ICICI Bank offers a variety of cards to suit different transactional needs. Its range includes Credit Cards, Debit Cards and Prepaid cards. These cards offer you convenience for financial transactions like cash Withdrawal, shopping and travel. These cards are widely accepted both in India and abroad.

**CREDIT CARD:**

ICICI Bank Credit Cards give you the facility of cash, convenience and a range of benefits, anywhere in the world. These benefits range from lifetime free cards, Insurance benefits, global emergency assistance service, discounts, utility payments, travel discounts and much more.

**DEBIT CARD:**

The ICICI Bank Debit Card is a revolutionary form of cash that allows customers to access their bank account around the clock, around the world. The ICICI Bank Debit Card can be used for shopping at more than 3.5 Lakh merchants in India and 24 million merchants worldwide.

**TRAVEL CARD:**

ICICI Bank Travel Card. The Hassle Free way to Travel the world. Traveling with US Dollar, Euro, Pound Sterling or Swiss Francs; Looking for security and convenience; take ICICI Bank Travel Card. Issued in duplicate. Offers the Pin based security. Has the convenience of usage of Credit or Debit card.

**MOBILE BANKING:**

Bank on the move with ICICI Bank Mobile Banking. With ICICI Bank, Banking is no longer what it used to be. ICICI Bank offers Mobile Banking facility to all its Bank, Credit Card, Demat and Loan customers. ICICI Bank Mobile Banking can be divided into two broad categories of facilities:

**Alert facility:**

ICICI Bank Mobile Banking Alerts facility keeps you informed about the significant transactions in its Accounts. It keeps you updated wherever you go.

**Request facility:**

ICICI Bank Mobile Banking Requests facility enables you to query for its account balance.

**INVESTMENT PRODUCTS:**

 Along with Deposit products and Loan offerings, ICICI Bank assists you to manage its finances by providing various investment options ranging from ICICI Bank Tax Saving Bonds to Equity Investments through Initial Public Offers and Investment in Pure Gold. ICICI Bank facilitates following investment products:

• ICICI Bank Tax Saving Bonds

• Government of India Bonds

• Investment in Mutual Funds

• Initial Public Offers by Corporate

• Investment in "Pure Gold"

• Foreign Exchange Services

• Senior Citizens Savings Scheme,

**BANKING:**

Internet banking is available to all ICICI bank savings and deposit account holders, credit card, demat and loan customers. Internet banking service offers customers a world of convenience with services such as balance enquiry, transaction history, account statement, bill payments, and fund transfers and accounts related service requests.

**ATMs:**

With more than 2500 ATMs across the country, ICICI Bank has one of the largest ATM networks in India.

**PHONE BANKING:**

  Phone banking offers 24\*7 service across liability, asset and investment products to both retail and corporate customers.

**NRI-BANKING:**

A gamut of services to take care of all NRI banking needs including deposits, money transfers and private banking.

**MONEY2INDIA:**

A complete range of online and offline money transfer solutions to send money to India Requirements.

**BRANCHES:**

  ICICI Bank has a network of over 630 branches (of which 51are extension counters) across the country. The network puts a wide range of banking products and financial services within easy reach of retail and corporate customers.



**Financial Statement Analysis**

A financial statement analysis consists of the application of analytical tools and techniques to the data in financial statements in order to derive from them measurements and relationships that are significant and useful for decision making.

**Uses of Financial Statement Analysis:**

Financial Statement Analysis can be used as a preliminary screening tool in the selection of stocks in the secondary market. It can be used as a forecasting tool of future financial conditions and results. It may be used as process of evaluation and diagnosis of managerial, operating or other problem areas.

**Sources of Financial Information:**

The financial data needed in the financial analysis come from many sources. The primary source is the data provided by the company itself in its annual report and required disclosures. The annual report comprises of the income statement, the balance sheet, and the statement of cash flows.

**Tools of Financial Analysis:**

In the analysis of financial statements, the analyst has a variety of tools available to choose the best that suits his specific purpose. In this report we will confine ourselves to Ratio Analysis based on information provided from financial statements such as Balance Sheet and Profit & Loss Account.

**Profit** **loss account**

|  | **Mar ‘ 14** | **Mar ‘ 13** | **Mar ‘ 12** | **Mar ‘ 11** | **Mar ‘ 10** |
| --- | --- | --- | --- | --- | --- |
| Income |  |  |  |  |  |
| Operating income | 32,369.69 | 32,747.36 | 38,250.39 | 39,467.92 | 28,457.13 |
| Expenses |  |  |  |  |  |
| Material consumed | - | - | - | - | - |
| Manufacturing expenses | - | - | - | - | - |
| Personnel expenses | 2,816.93 | 1,925.79 | 1,971.70 | 2,078.90 | 1,616.75 |
| Selling expenses | 305.79 | 236.28 | 669.21 | 1,750.60 | 1,741.63 |
| Administrative expenses | 4,909.00 | 7,440.42 | 7,475.63 | 6,447.32 | 4,946.69 |
| Expenses capitalized | - | - | - | - | - |
| Cost of sales | 8,031.72 | 9,602.49 | 10,116.54 | 10,276.82 | 8,305.07 |
| Operating profit | 7,380.82 | 5,552.30 | 5,407.91 | 5,706.85 | 3,793.56 |
| Other recurring income | 7.26 | 305.36 | 330.64 | 65.58 | 309.17 |
| Adjusted PBDIT | 7,388.08 | 5,857.66 | 5,738.55 | 5,772.43 | 4,102.73 |
| Financial expenses | 16,957.15 | 17,592.57 | 22,725.93 | 23,484.24 | 16,358.50 |
| Depreciation | 562.44 | 619.50 | 678.60 | 578.35 | 544.78 |
| Other write offs | - | - | - | - | - |
| Adjusted PBT | -10,131.51 | -12,354.42 | -17,665.98 | 5,194.08 | 3,557.95 |
| Tax charges | 1,609.33 | 1,600.78 | 1,830.51 | 1,611.73 | 984.25 |
| Adjusted PAT | 5,110.21 | 3,890.47 | 3,740.62 | 4,092.12 | 2,995.00 |
| Nonrecurring items | 41.17 | 134.52 | 17.51 | 65.61 | 115.22 |
| Other non cash adjustments | -2.17 | - | -0.58 | - | - |
| Reported net profit | 5,149.21 | 4,024.98 | 3,757.55 | 4,157.73 | 3,110.22 |
| Earnings before appropriation | 8,613.59 | 6,834.63 | 6,193.87 | 5,156.00 | 3,403.66 |
| Equity dividend | 1,612.58 | 1,337.95 | 1,224.58 | 1,227.70 | 901.17 |
| Preference dividend | - | - | - | - | - |
| Dividend tax | 202.28 | 164.04 | 151.21 | 149.67 | 153.10 |
| Retained earnings | 6,798.73 | 5,332.63 | 4,818.07 | 3,778.63 | 2,349.39 |

## Cash Flow

|  | **Mar ‘ 14** | **Mar ‘ 13** | **Mar ‘ 12** | **Mar ‘ 11** | **Mar ‘ 10** |
| --- | --- | --- | --- | --- | --- |
| Profit before tax | 6,760.70 | 5,345.32 | 5,116.97 | 5,056.10 | 3,648.04 |
| Net cash flow-operating activity | -6,908.92 | 1,869.21 | -14,188.49 | -11,631.15 | 23,061.95 |
| Net cash used in investing activity | -2,108.82 | 6,150.73 | 3,857.88 | -17,561.11 | -18,362.67 |
| Net cash used in fin. Activity | 4,283.20 | 1,382.62 | 1,625.36 | 29,964.82 | 15,414.58 |
| Net inc/dec in cash and equivalent | -4,783.61 | 8,907.13 | -8,074.57 | 683.55 | 20,081.10 |
| Cash and equivalent begin of year | 38,873.69 | 29,966.56 | 38,041.13 | 37,357.58 | 17,040.22 |
| Cash and equivalent end of year | 34,090.08 | 38,873.69 | 29,966.56 | 38,041.13 | 37,121.32 |

## BALANCE SHEET

|  |  |
| --- | --- |
| **Balance Sheet of ICICI Bank** | **------------------- in Rs. Cr. -------------------** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Mar '14** | | | **Mar '13** | | | **Mar '12** | | | **Mar '11** | | | **Mar '10** | | | | | |
| **http://img1.moneycontrol.com/images/blank.gif** | | | | | | | | | | | | | | | | | | |
|  | 12 mths | | | 12 mths | | | 12 mths | | | 12 mths | | | 12 mths | | | | | |  |  |  |  |  |
| **http://img1.moneycontrol.com/images/blank.gif** | | | | | | | | | | | | | | | | | | |
| **Capital and Liabilities:** | |  | | | |  | | |  | | |  | | |  |  |  |  |  | |
| Total Share Capital | | | 1,151.82 | | 1,114.89 | | | 1,463.29 | | | 1,462.68 | | | 1,249.34 | | | | | | | | | | |  | | | | | | |  |  |  |  |
| Equity Share Capital | 1,151.82 | | | 1,114.89 | | | 1,113.29 | | | 1,112.68 | | | 899.34 | | | | | | | | | | | | |  |  |  |  |  |
| Share Application Money | 0.29 | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | | |  |  |  |  |  |
| Preference Share Capital | 0.00 | | | 0.00 | | | 350.00 | | | 350.00 | | | 350.00 | | | | | | | | | | | | |  |  |  |  |  |
| Reserves | 53,938.82 | | | 50,503.48 | | | 48,419.73 | | | 45,357.53 | | | 23,413.92 | | | | | | | | | | | | |  |  |  |  |  |
| Revaluation Reserves | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | | |  |  |  |  |  |
| **Net Worth** | **55,090.93** | | | **51,618.37** | | | **49,883.02** | | | **46,820.21** | | | **24,663.26** | | | | | | | | | | | | |  |  |  |  |  |
| Deposits | 225,602.11 | | | 202,016.60 | | | 218,347.82 | | | 244,431.05 | | | 230,510.19 | | | | | | | | | | | | |  |  |  |  |  |
| Borrowings | 109,554.28 | | | 94,263.57 | | | 67,323.69 | | | 65,648.43 | | | 51,256.03 | | | | | | | | | | | | |  |  |  |  |  |
| **Total Debt** | **335,156.39** | | | **296,280.17** | | | **285,671.51** | | | **310,079.48** | | | **281,766.22** | | | | | | | | | | | | |  |  |  |  |  |
| Other Liabilities & Provisions | 15,986.35 | | | 15,501.18 | | | 43,746.43 | | | 42,895.39 | | | 38,228.64 | | | | | | | | | | | | |  |  |  |  |  |
| **Total Liabilities** | **406,233.67** | | | **363,399.72** | | | **379,300.96** | | | **399,795.08** | | | **344,658.12** | | | | | | | | | | | | |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Mar '14** | **Mar '13** | **Mar '12** | **Mar '11** | **Mar '10** | | | | | | |  |  |  |  |  |
| **http://img1.moneycontrol.com/images/blank.gif** | | | | | |
|  | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths |  |  |  |  |  |
| **http://img1.moneycontrol.com/images/blank.gif** | | | | | |
| **Assets** | |  |  |  |  |  |  |  |  |  |
| Cash & Balances with RBI | 20,906.97 | 27,514.29 | 17,536.33 | 29,377.53 | 18,706.88 |  |  |  |  |  |
| Balance with Banks, Money at Call | 13,183.11 | 11,359.40 | 12,430.23 | 8,663.60 | 18,414.45 |  |  |  |  |  |
| **Advances** | **216,365.90** | **181,205.60** | **218,310.85** | **225,616.08** | **195,865.60** |  |  |  |  |  |
| **Investments** | **134,685.96** | **120,892.80** | **103,058.31** | **111,454.34** | **91,257.84** |  |  |  |  |  |
| Gross Block | 9,107.47 | 7,114.12 | 7,443.71 | 7,036.00 | 6,298.56 |  |  |  |  |  |
| Accumulated Depreciation | 4,363.21 | 3,901.43 | 3,642.09 | 2,927.11 | 2,375.14 |  |  |  |  |  |
| **Net Block** | **4,744.26** | **3,212.69** | **3,801.62** | **4,108.89** | **3,923.42** |  |  |  |  |  |
| Capital Work In Progress | 0.00 | 0.00 | 0.00 | 0.00 | 189.66 |  |  |  |  |  |
| Other Assets | 16,347.47 | 19,214.93 | 24,163.62 | 20,574.63 | 16,300.26 |  |  |  |  |  |
| **Total Assets** | **406,233.67** | **363,399.71** | **379,300.96** | **399,795.07** | **344,658.11** |  |  |  |  |  |
| http://img1.moneycontrol.com/images/blank.gif | | | | | |
| Contingent Liabilities | 883,774.77 | 694,948.84 | 803,991.92 | 371,737.36 | 177,054.18 |  |  |  |  |  |
| Bills for collection | 47,864.06 | 38,597.36 | 36,678.71 | 29,377.55 | 22,717.23 |  |  |  |  |  |

**Ratio Analysis**

**Capital Adequacy Ratio:**

A measure of a bank's capital. It is expressed as a percentage of a bank's risk weighted credit exposures. 

Table: 1.1

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Mar’ 10 | |  | | --- | | Mar '11 | | |  |  | | --- | --- | | Mar '12 |  | | Mar '13 | Mar '14 |
| 11.12 | 11.56 | 10.09 | 11.93 | 13.21 |

Figures: 1.1

(Source: Calculated from the annual report of ICICI Bank.)

Capital adequacy ratio (CAR) is a ratio of a bank's capital to its risk. National regulators track a bank's CAR to ensure that it can absorb a reasonable amount of loss and are complying with their statutory Capital requirements. The formula for Capital Adequacy Ratio is, (Tier 1 Capital + Tier 2 Capital)/Risk Weighted Assets. Capital adequacy ratio is the ratio which determines the capacity of the bank in terms of meeting the time liabilities and other risks such as credit risk, operational risk, etc. In the simplest formulation, a bank's capital is the "cushion" for potential losses, which protects the bank's depositors or other lenders. Here, in case of ICICI Bank we can see that its CAR showed a sudden dip in the year 2012 but after that it has shown a steady rise for the next 2 years which is a good sign for its depositors and investors.

**Debt-Equity Ratio:**

A measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.

Table: 1.2

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Mar’ 10 | |  | | --- | | Mar '11 | | |  |  | | --- | --- | | Mar '12 |  | | Mar '13 | Mar '14 |
| 69.93 | 84.22 | 102.11 | 186.19 | 234.24 |

Figure: 1.2

(Source: Calculated from the annual report of ICICI Bank.)

The debt-to-equity ratio (D/E) is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets. Here, in case of ICICI Bank we can see that the Debt-Equity ratio has increased over the years. This is because its equity capital showed no growth from the year 2010 to 2012 and it decreased by around Rs250 crore in 2013 and remained the same for the year 2014. But its debt capital has shown a steady increase over the past 5 years. From this we can infer that since ICICI Bank is a public sector undertaking it depends much more on debt capital rather than equity capital.

**CURRENT RATIO:**

Current Ratio may be defined as the relationship between current assets and current liabilities.

Table: 1.3

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Mar’ 10 | |  | | --- | | Mar '11 | | |  |  | | --- | --- | | Mar '12 |  | | Mar '13 | Mar '14 |
| 65.17 | 79.27 | 98.16 | 182.22 | 238.24 |

Figure: 1.3

|  |
| --- |
|  |

(Source: Calculated from the annual report of ICICI Bank.)

A relatively high current ratio is an indication that the firm is liquid and has the ability to pay its current obligations in time as and when they become due. An increase in the current ratio represent improvement in the liquidity position of the firm while a decrease in the current ratio indicates that there has been deterioration in the liquidity position of the firm.

**QUICK RATIO:**

Quick ratio also known as Acid test or Liquid Ratio is more rigorous test of liquidity than the current ratio.

Table: 1.4

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Mar’ 10 | |  | | --- | | Mar '11 | | |  |  | | --- | --- | | Mar '12 |  | | Mar '13 | Mar '14 |
| 62.16 | 72.37 | 96.14 | 165.46 | 213.26 |

Figure: 1.4

|  |
| --- |
| (Source: Calculated from the annual report of ICICI Bank.) |

Usually, a high test ratio is an indication that the firm is liquid and has the ability to meet its current or liquid liabilities in time and on the other hand a low quick ratio represent that the firm’s liquidity position is not good.

**DEBT TURNOVER RATIO:**

Debt turnover ratio indicates the velocity of debt collection of firm. In simple words, it indicates the number of times average debtors are turnover during the year.

Table: 1.4

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Mar’ 10 | |  | | --- | | Mar '11 | | |  |  | | --- | --- | | Mar '12 |  | | Mar '13 | Mar '14 |
| 15.46 | 16.45 | 11.87 | 17.46 | 19.25 |

Figure: 1.4

|  |
| --- |
|  |

(Source: Calculated from the annual report of ICICI Bank.)

Debtors Turnover indicates the number of times the debtors are turned over during a year. Generally, the higher the value of debtors turnover the more efficient is the management of debtors and more liquid are the debtors.

**Advances to Assets:**

A high ratio of Advances to Assets would mean that the chances of Non Performing Assets formation are also high, which is not a good scenario for a bank.

Table: 2.1

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Mar’ 10 | |  | | --- | | Mar '11 | | |  |  | | --- | --- | | Mar '12 |  | | Mar '13 | Mar '14 |
| 0.60 | 0.63 | 0.61 | 0.62 | 0.60 |

Figure: 2.1

(Source: Calculated from the annual report of ICICI Bank.)

“Advances to Asset” is also a good indicator of a firm’s Capital Adequacy. A high ratio of Advances to Assets would mean that the chances of Non Performing Assets formation are also high, which is not a good scenario for a bank. This would mean the credibility of its assets would go down. In case of ICICI Bank we can see that it is able to maintain a pretty steady ratio of its Advances to Assets which means the credibility of its assets is good.

**Government Securities to Total Investments:**

The ratio of Government Securities to Total investments shows how safe are the company’s investments.

Table: 2.2

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Mar’ 10 | |  | | --- | | Mar '11 | | |  |  | | --- | --- | | Mar '12 |  | | Mar '13 | Mar '14 |
| 0.81 | 0.83 | 0.83 | 0.86 | 0.86 |

Figure: 2.2

(Source: Calculated from the annual report of ICICI Bank.)

The ratio of Government Securities to Total investments shows how safe are the company’s investments. Here, in case of ICICI Bank we can see that its ratio of investments in Government Securities to Total Investments is very high and it has remained quite steady over the years with minimal fluctuations. The high ratio tells that ICICI Banks investment policy is conservative and their investments are safe.

**Earning Quality**

**Percentage Growth in Net Profits**

Table: 3.1 (Per cent)

|  |  |
| --- | --- |
| 2011 | 0.61 |
| 2012 | 0.30 |
| 2013 | 0.35 |
| 2014 | 0.81 |

Figure: 3.1

(Source: Calculated from the annual report of ICICI Bank.)

As per the analysis it can be seen that the net profit of the bank is going continuously from the year 2012 onwards. In the year 2011 -08 the net profit was decreased because of the subprime crises in USA. And again it was increased in 2012-09 as RBI did not stopped money flow in the market.

**Net Profit to total Assets**

Table: 3.2 (Per cent)

|  |  |
| --- | --- |
| 2010 | 0.0031 |
| 2011 | 0.0042 |
| 2012 | 0.0049 |
| 2013 | 0.0053 |
| 2014 | 0.0078 |

Figure: 3.2

(Source: Calculated from the annual report of ICICI Bank.)

Net profit to total assets is continue increasing from 2010 onwards .It means the bank is able to utilize its assets.

**Interest Income to Total Income**

Table: 3.3 (Per cent)

|  |  |
| --- | --- |
| 2010 | 7.61 |
| 2011 | 7.86 |
| 2012 | 8.39 |
| 2013 | 8.79 |
| 2014 | 8.06 |

Figure: 3.3

(Source: Calculated from the annual report of ICICI Bank.)

**Non-Interest Income to Total Income**

Table: 3.4 (Per cent)

|  |  |
| --- | --- |
| 2010 | 0.30 |
| 2011 | 0.32 |
| 2012 | 0.36 |
| 2013 | 0.35 |
| 2014 | 0.32 |

Figure: 3.4

(Source: Calculated from the annual report of ICICI Bank.)

**Summary of Ratios**

**Ratios**

|  | **Mar ‘ 14** | **Mar ‘ 13** | **Mar ‘ 12** | **Mar ‘ 11** | **Mar ‘ 10** |
| --- | --- | --- | --- | --- | --- |
| **Per share ratios** | |  |  |  |  |  |
| Adjusted EPS (Rs) | | 44.37 | 34.90 | 33.60 | 36.78 | 33.30 |
| Adjusted cash EPS (Rs) | | 49.25 | 40.45 | 39.70 | 41.97 | 39.36 |
| Reported EPS (Rs) | | 44.73 | 36.10 | 33.76 | 37.37 | 34.59 |
| Reported cash EPS (Rs) | | 49.61 | 41.66 | 39.85 | 42.56 | 40.64 |
| Dividend per share | | 14.00 | 12.00 | 11.00 | 11.00 | 10.00 |
| Operating profit per share (Rs) | | 64.08 | 49.80 | 48.58 | 51.29 | 42.19 |
| Book value (excl rev res) per share (Rs) | | 478.31 | 463.01 | 444.94 | 417.64 | 270.37 |
| Book value (incl rev res) per share (Rs.) | | 478.31 | 463.01 | 444.94 | 417.64 | 270.37 |
| Net operating income per share (Rs) | | 281.04 | 293.74 | 343.59 | 354.71 | 316.45 |
| Free reserves per share (Rs) | | 358.12 | 356.94 | 351.04 | 346.21 | 199.52 |
| **Profitability ratios** | |  |  |  |  |  |
| Operating margin (%) | | 22.80 | 16.95 | 14.13 | 14.45 | 13.33 |
| Gross profit margin (%) | | 21.06 | 15.06 | 12.36 | 12.99 | 11.41 |
| Net profit margin (%) | | 15.91 | 12.17 | 9.74 | 10.51 | 10.81 |
| Adjusted cash margin (%) | | 17.52 | 13.64 | 11.45 | 11.81 | 12.30 |
| Adjusted return on net worth (%) | | 9.27 | 7.53 | 7.55 | 8.80 | 12.31 |
| Reported return on net worth (%) | | 9.35 | 7.79 | 7.58 | 8.94 | 12.79 |
| Return on long term funds (%) | | 42.97 | 44.72 | 56.72 | 62.34 | 82.46 |
| **Leverage ratios** | |  |  |  |  |  |
| Long term debt / Equity | | - | - | 0.01 | 0.01 | 0.01 |
| Total debt/equity | | 4.10 | 3.91 | 4.42 | 5.27 | 9.50 |
| Owners fund as % of total source | | 19.62 | 20.35 | 18.46 | 15.95 | 9.52 |
| Fixed assets turnover ratio | | 3.55 | 4.60 | 5.14 | 5.61 | 4.52 |
| **Liquidity ratios** | |  |  |  |  |  |
| Current ratio | | 1.73 | 1.94 | 0.78 | 0.72 | 0.61 |
| Current ratio (inc. st loans) | | 0.11 | 0.13 | 0.13 | 0.10 | 0.08 |
| Quick ratio | | 15.86 | 14.70 | 5.94 | 6.42 | 6.04 |
| Inventory turnover ratio | | - | - | - | - | - |
| **Payout ratios** | |  |  |  |  |  |
| Dividend payout ratio (net profit) | | 35.23 | 37.31 | 36.60 | 33.12 | 33.89 |
| Dividend payout ratio (cash profit) | | 31.76 | 32.33 | 31.00 | 29.08 | 28.84 |
| Earning retention ratio | | 64.49 | 61.40 | 63.23 | 66.35 | 64.80 |
| Cash earnings retention ratio | | 68.01 | 66.70 | 68.87 | 70.51 | 70.22 |
| **Coverage ratios** | |  |  |  |  |  |
| Adjusted cash flow time total debt | | 39.77 | 44.79 | 49.41 | 52.34 | 65.12 |
| Financial charges coverage ratio | | 0.43 | 0.33 | 0.25 | 1.25 | 1.25 |
| Fin. charges cov. ratio (post tax) | | 1.34 | 1.26 | 1.20 | 1.20 | 1.22 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Component ratios** |  |  |  |  |  |
| Material cost component (% earnings) | - | - | - | - | - |
| Selling cost Component | 0.94 | 0.72 | 1.74 | 4.43 | 6.12 |
| Exports as percent of total sales | - | - | - | - | - |
| Import comp. in raw mat. Consumed | - | - | - | - | - |
| Long term assets / total Assets | 0.83 | 0.80 | 0.75 | 0.78 | 0.80 |
| Bonus component in equity capital (%) | - | - | - | - | - |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Book Value (Rs) | 478.31 | 463.01 | 444.94 | 417.64 | 270.37 |  |  |  |  |  |

**CONCLUSION**

The balance-sheet along with the income statement is an important tool for investors and many other parties who are interested in it to gain insight into a company and its operation. The balance sheet is a snapshot at a single point of time of the company’s accounts- covering its assets, liabilities and shareholder’s equity. The purpose of the balance sheet is to give users an idea of the company’s financial position along with displaying what the company owns and owes. It is important that all investors know how to use, analyze and read balance-sheet. P & L account tells the net profit and net loss of a company and its appropriation. In the case of ICICI Bank, during fiscal 2012, the bank continued to grow and diversify its assets base and revenue streams. Bank maintained its leadership in all main areas such as retail credit, wholesale business, international operation, insurance, mutual fund, rural banking etc. Continuous increase in the number of branches, ATM and electronic channels shows the growth take place in bank. Trend analysis of profit & loss account and balance sheet shows the % change in items of p & l a/c and balance sheet i.e. % change in 2010 from 2014 and %change in 2011 from 2010. It shows that all items are increased mostly but increase in this year is less than as compared to increase in previous year. In p& l a/c, all items like interest income, non-interest income, interest expenses, operating expenses, operating profit, profit before tax and after tax is increased but in mostly cases it is less than from previous year but in some items like interest income, interest expenses, provision % increase is more. Some items like tax, depreciation, lease income is decreased. Similarly in balance sheet all items like advances, cash, liabilities, and deposits are increased except borrowing switch is decreased. % increase in some item is more than previous year and in some items it is less.

Ratio analysis of financial statement shows that bank’s current ratio is better than the quick ratio and fixed/worth ratio. It means bank has invested more in current assets than the fixed assets and liquid assets. The cash flow statement shows that net increase in cash generated from operating and financing activities is much more than the previous year but cash generated from investing activities is negative in both years. Therefore analysis of cash flow statement shows that cash inflow is more than the cash outflow in ICICI Bank. Thus, the ratio analysis and trend analysis and analysis of cash flow statement show that ICICI Bank’s financial position is good. Bank’s profitability is increasing but not at high rate. Bank’s liquidity position is fair but not good because bank invests more in current assets than the liquid assets. As we all know that ICICI Bank is on the first position among the entire private sector bank of India in all areas but it should pay attention on its profitability and liquidity. Bank’s position is stable.

**SUGGESTIONS**

Some of the recommendation and suggestion are as follows:

• The attention is required on the areas of growth, profitability, service level and building talent.

• To increase the profit of bank, bank should decrease their operating expenses and increase their income.

• To increase its liquidity, bank should keep some more cash in its hand instead of giving more and more advances.

• Introduce quality consciousness and standardization of the work system and procedures.

• Make manager competitive and introduce spirit of market-orientation and culture of working for customer satisfaction.

• There is need to build the knowledge and skill bases among the employ eosin the context of technology.

• Performance measure should not only cover financial aspects i.e. quantitatively aspects but also the qualitative aspects.

• It is high time to focus on work than the work-achieved.

• Bank should increase its retail portfolio.

• Bank should manage its all-risk such as credit, market and operational risk properly and should be managed by a person who is highly skilled and qualified.

• Bank should pay attention on its subsidiary “ICICI Prudential Life Insurance Company Limited”