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A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF OF HDFC BANK LTD

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ABSTRACT

Any economy's development is dependent on the dominant financial system there. Financial assets, financial intermediaries/institutions, financial markets, financial instruments, and financial services make up the bulk of the financial system. The system heavily relies on a financial intermediary. The banking system, insurance, development banks, and other financial institutions all function as financial intermediates. An efficient way to assess an economy's economic activity's dependability is through the banking sector's performance. The current study concentrates on ICICI Bank's individual evaluation. The study uses a descriptive and analytical research design. The data was gathered from the bank's annual reports during a ten-year period, from 20014-15 to 2022-23.

Key words: Financial system, Intermediary, ratio and statistical tools

INTRODUCTION

The growth of an economy depends heavily on the banking sector. It provides the money necessary to sustain and accelerate industry growth across the board. Increases in branch count, deposits, credit, and other indicators of the banking industry's growth are used to measure it. Analysis of the banking industry aids in determining the direction that the nation's economy is heading. SBI and its affiliates combined into one company in 2017. The current list of commercial banks includes 1 SBI, 19 Nationalised Banks, IDBI

Bank, 26 Private Banks, 43 Private Foreign Banks, 31 State Co-operative Banks, and 56 Regional Rural Banks. The largest private sector bank in India is ICICI Bank.

STATEMENT OF THE PROBLEM

The competence and effectiveness of the national financial system are largely dependent on the performance and efficiency of commercial banks. Increased efficiency and bank profitability have been the overarching goals of India's banking sector reforms. Prior to banking reforms, public sector banks held a near-monopoly in the sector. However, the banking reforms provided a chance for more private and foreign banks to enter the market.

Operational efficiency is a measure that will aid management, regulators, and supervisors in understanding and assessing the relative effectiveness of the competitors in the banking industry. In order to examine the efficiency and solvency of ICICI Bank, this study makes an effort to apply several ratios to it.

OBJECTIVES OF THE STUDY

1. To research the ICICI Bank's financial standing.

2. To research the development of productivity and profit per worker.

RESEARCH TECHNIQUES

Research Design:

The study employs a descriptive research design, which is essentially a fact-finding strategy. It seeks to clarify an individual's or a group's traits and ascertain how frequently the same things happen.

Data Collection:

Secondary sources, including the internet, periodicals, websites, books, and journals, were used to compile the data for the annual report.

Banks' financial performance from 2014–2015 until 2022-23

Benchmarking is a method of assessing an entity's performance in comparison to a generally acknowledged benchmark. Here, an effort is made to examine the financial performance from 2007–2008 through 2016–2017. For the analysis during the study period, the following ratios are chosen: Coverage ratio, Performing Assets ratio, Business per Employee, Profit per Employee, Credit Deposit ratio, Return on Assets, and Income spread to total Assets ratio.

COVERAGE RATIO:

Owners' contributions to total assets are gauged by their coverage ratio. The link between the owners' equity and total assets can be measured and studied.

Coverage ratio = Net Worth – Net NPA/ Total Assets *100

COVERAGE RATIO OF ICICI BANK DURING 2014-15 TO 2022-23

Year	Net Worth	Net NPA	Net Worth – Net NPA	Total Assets	Coverage Ratio
2013-2014	732.13	33.01	699.12	5946.42	11.76%
2014-2015	804.29	63.05	741.24	6461.29	11.47%
2015-2016	897.36	132.97	764.39	7206.95	10.6%
2016-2017	999.51	254.51	745	7717.91	9.65%
2017-2018					
2018-2019					
2019-2020					
2020-2021					
2021-2022					
2022-2023					

Study period:

This study covers a period of ten years, i.e., from 2014-15 to 2022-23