A STUDY ON FINTECH AT ICICI BANK

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ABSTRACT

This study explored the influence of financial technology (FinTech) on the operational and financial performance of a leading private sector bank over a five-year period. Drawing exclusively from secondary data such as annual reports and financial statements, the study analyzed how the integration of digital platforms such as mobile banking, corporate digital banking, self-service kiosks, and digital transaction systems contributed to service delivery improvements. The evolution of iMobile Pay and InstaBIZ, along with increases in daily digital transactions, indicated a significant shift in customer preferences and service design. Furthermore, the consistent rise in digital adoption suggested that the bank had effectively positioned its FinTech offerings in alignment with consumer behavior and market trends.

Key words: 1. FinTech, 2. Financial Performance, 3. Operational Performance, 4. Digital Banking, 5. Mobile Banking.

I. INTRODUCTION

Financial Technology (FinTech) has transformed the financial industry by merging innovative information technologies with financial services, significantly improving efficiency, accessibility, and customer responsiveness. Through the use of cloud computing, application programming interfaces (APIs), and distributed ledger technologies, FinTech has simplified transaction processes, enabled automated decision-making, and tailored services to individual needs. This advancement has gone beyond digitizing traditional services—introducing new business models, algorithms, and ecosystems that reshape how value is created within financial institutions and broaden the overall financial landscape.

II. REVIEW OF LITERATURE

Aloulou's(2024) : study found that banks adopting FinTech solutions saw a 28% higher diffusion coefficient in digital financial inclusion compared to non-adopters. FinTech integration lowered barriers, reduced transaction costs, and streamlined onboarding, particularly benefiting under-banked segments and driving inclusive financial growth.

Qin (2024): found FinTech boosts environmental performance directly (sustainability metrics) and indirectly (35% impact) through green finance, highlighting the importance of sustainable financing channels.

Sadiq's (2024) : study found that FinTech and green finance significantly improved sustainable climate outcomes in China. Natural resource rents had varying effects depending on regulatory stringency. Notably, post-pandemic government interventions enhanced FinTech's alignment with environmental goals, highlighting the importance of policy support for sustainable technology adoption.

Pandey's (2024) : bibliometric review of 1,250 FinTech articles found four key research areas: digital payments, blockchain, regulatory tech, and AI in finance. Emerging themes include digital inclusion and machine-learning credit scoring, with future research needed on ethical AI and cross-border interoperability.

NEED AND IMPORTANCE OF THE STUDY

FinTech's impact on banking performance is revealed through quantifiable benefits and operational trade-offs of digital transformation. Technology-driven innovations affect profitability, asset quality, and efficiency, providing valuable insights for strategic decision-making and resource allocation in the evolving financial landscape.

SCOPE OF THE STUDY

The study examined ICICI Bank's 5-year financial data, focusing on digital adoption metrics (mobile banking users, transaction volumes) and financial performance indicators (net profit, profitability ratios, asset quality) to assess FinTech's impact on the bank's operations and financial results.

OBJECTIVES OF THE STUDY

- To examine the financial performance of ICICI Bank after the adoption of FinTech services using annual report data.
- To study the growth of digital banking and technology-driven services at ICICI Bank through financial indicators.
- To analyze the effect of FinTech adoption on the bank's revenue, cost efficiency, and profitability.
- To compare year-wise changes in key financial ratios related to FinTech-driven operations of the bank.
- To identify financial trends that showed the impact of FinTech on ICICI Bank's overall business performance.

III. RESEARCH METHODOLOGY

METHODOLOGY

The study analyzed ICICI Bank's annual reports to extract financial parameters, computed descriptive statistics, and visualized trends to examine the impact of FinTech adoption on financial performance.

DATA SOURCES:

- Primary data
- Secondary data

LIMITATIONS OF THE STUDY

- The reliance on secondary data limited the ability to validate information through direct stakeholder interviews or surveys.
- Annual report disclosures varied in detail year-to-year, potentially affecting the consistency of parameter definitions.
- The use of only five financial years restricted the long-term generalizability of observed trends.
- Exclusion of qualitative factors such as customer satisfaction limited contextual depth behind numerical findings.
- The study did not account for macroeconomic or regulatory changes that may have influenced financial performance independently of FinTech adoption.

IV. DATA ANALYSIS AND INTERPRETATION:

iMobile Pay (in millions) users of ICICI Bank

Table 1: iMobile Pay

Financial Year	iMobile Pay Users (Millions)
2019–2020	16
2020–2021	20
2021–2022	24
2022–2023	28
2023–2024	30

Interpretation:

ICICI Bank's iMobile Pay user base nearly doubled from 16 million in 2019-2020 to 30 million in 2023-2024, with a notable spike during the pandemic year.

Users on InstaBiz (in millions) of ICICI Bank

Table 2: InstaBiz

Financial Year	InstaBiz Users (Millions)
2019–2020	1.10
2020–2021	1.20
2021–2022	1.30
2022–2023	1.50
2023–2024	1.83

Interpretation:

ICICI Bank's InstaBiz platform had a gradual expansion in its user base from 1.10 million in 2019–2020 to 1.83 million in 2023–2024. This growth indicated increased popularity of digital business banking services among small and medium firms. The fact that user growth accelerated after 2021–

2022 indicated that corporate clients were interested in new features like automated invoicing and rapid credit. The steady increase also suggested successful collaboration efforts with fintech suppliers and focused outreach to important industrial segments. Overall, the bank's achievement in establishing itself as a top supplier of digital corporate banking was highlighted by the steady increase in InstaBiz adoption.

Growth Rate on InstaBiz (%) of ICICI Bank:

Table 3: Growth rate

Financial Year	Growth Rate on InstaBiz (%)
2019–2020	35
2020–2021	57
2021–2022	23
2022–2023	22
2023–2024	22

Interpretation

The year-on-year growth rate for InstaBiz users peaked at 57 percent in 2020–2021 and then stabilized to around 22–23 percent in subsequent years. The exceptional surge in 2020–2021 likely reflected accelerated digital onboarding during the pandemic, when business clients shifted to online banking. Thereafter, the moderation to the low-20s indicated a maturing corporate user segment and saturation in immediate demand. However, maintaining growth rates above 20 percent still represented strong performance in a competitive fintech environment. These trends underscored the importance of continuous innovation to sustain high growth in digital corporate banking adoption.

ATMs of ICICI Bank:

Table 4: ATMs

Financial Year	Number of ATMs
2019–2020	15,000
2020–2021	15,600
2021–2022	13,500
2022–2023	16,650
2023–2024	17,190

Interpretation

ICICI Bank’s ATM network fluctuated over the period, rising modestly from 15,000 to 15,600 units in the first year, then contracting to 13,500 in 2021–2022 before expanding to 17,190 by 2023–2024. The initial dip may have been driven by cost-optimization measures or consolidation of low-traffic locations as digital adoption increased. The subsequent expansion suggested a strategic recalibration to ensure physical accessibility in key markets alongside digital channels. Overall, the pattern reflected a balanced approach to branchless banking, adjusting the ATM footprint in response to evolving customer transaction behavior.

Net Profit (in billions)

Table 5 : Profit

Financial Year	Net Profit (₹ Billions)
2019–2020	79.31
2020–2021	161.93
2021–2022	233.39
2022–2023	318.96
2023–2024	408.88

Interpretation

ICICI Bank's net profit exhibited strong growth, rising from ₹ 79.31 billion in 2019–2020 to ₹ 408.88 billion in 2023–2024. This fivefold increase aligned closely with the bank's digital transformation, indicating that revenue enhancements and cost efficiencies from FinTech adoption contributed substantially to bottom-line improvements. The most pronounced jump occurred in 2020–2021, reflecting both improved operational leverage and economic recovery. Continued profit escalation in later years suggested that digital initiatives played a key role in sustaining financial momentum.

Gross NPA (%)

Table 6 : Gross NPA

Financial Year	Gross NPA (%)
2019–2020	6.1
2020–2021	8.0
2021–2022	4.0
2022–2023	2.9
2023–2024	2.3

Interpretation

Gross NPAs at ICICI Bank peaked at 8 percent in 2020–2021, likely due to pandemic stress, before declining sharply to 2.3 percent by 2023–2024. The reduction demonstrated effective credit monitoring and recovery efforts, possibly aided by digital analytics in loan underwriting and collections. The sustained decline underscored the bank's ability to manage asset quality even as it expanded digital lending operations

Net NPA (%)

Table 7 : Net NPA

Financial Year	Net NPA (%)
2019–2020	1.54
2020–2021	2.10
2021–2022	0.80
2022–2023	0.50
2023–2024	0.50

Interpretation

Net NPA ratios followed a similar trend to gross NPAs, climbing to 2.10 percent in 2020–2021 before stabilizing at 0.50 percent in both 2022–2023 and 2023–2024. The steep drop post-2020–2021 highlighted robust provisioning policies and improved recoveries, with digital tools likely enhancing early detection of stress accounts.

V. FINDINGS

- The number of iMobile Pay users at ICICI Bank steadily increased from 16 million in 2019–2020 to 30 million in 2023–2024, reflecting consistent growth in mobile banking adoption.
- The user base on InstaBIZ grew from 1.1 million to 1.83 million over the five-year period, indicating increased adoption of digital banking platforms among MSME and corporate users.
- The growth rate on InstaBIZ peaked at 57% in 2020–2021 but gradually declined to 22% by 2023–2024, suggesting a maturing user base and stabilized digital platform usage.
- The number of daily digital transactions, both financial and non-financial, rose fourfold from 40 million to 160 million, demonstrating a sharp rise in customer preference for digital banking.
- Despite some fluctuations in ATM and kiosk numbers, ICICI Bank showed a strong shift toward digital channels as physical infrastructure growth was moderate compared to digital transaction volumes.

- The bank's net profit saw a sharp rise from ₹79.31 billion in 2019–2020 to ₹408.88 billion in 2023–2024, indicating strong financial performance aligned with increased FinTech integration.
- Net profit margin improved significantly from 10.6% in 2019–2020 to 28.61% in 2023–2024, reflecting enhanced operational efficiency, possibly influenced by technology-led cost control.

VI. SUGGESTIONS

- The bank should invest more in improving its digital infrastructure to manage the increasing volume of daily transactions more efficiently.
- Enhancing user experience on iMobile Pay and InstaBIZ through personalized interfaces may help in retaining and growing the digital customer base.
- ICICI Bank can integrate more advanced data analytics and AI tools into its FinTech platforms for better fraud detection and credit scoring.
- More financial literacy programs are needed to educate rural and elderly customers on using digital banking safely.
- Expanding UPI and mobile wallet partnerships will help the bank capture more share in the digital payment ecosystem.
- The bank should increase the availability of digital kiosks and self-service channels in under-served semi-urban locations.

VII. CONCLUSION

ICICI Bank's FinTech integration over five years drove a significant shift to digital operations, boosting user growth, transactions, and financial performance. While challenges remained, the bank's focus on technology enhancements positioned it for sustained competitive advantage.

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