

# Assessing Non-Performing Assets and Their Impact on Bank Profitability: A Comparative Analysis of HDFC Bank and ICICI Bank

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**Abstract:** *Non-Performing Assets (NPAs) significantly affect the stability and profitability of banks by reducing income and increasing provisioning requirements. This study investigates the impact of NPAs on bank performance, with a specific focus on HDFC Bank and ICICI Bank. Utilizing secondary data from 2019 to 2023, the research analyzes key metrics including Gross NPA Ratio, Net NPA Ratio, Provision Ratio, and Problem Asset Ratio. Findings reveal that HDFC Bank maintains superior performance with lower NPAs and more conservative provisioning compared to ICICI Bank. The study highlights the broader economic implications of NPAs and offers recommendations for improving NPA management. This research contributes valuable insights into effective strategies for managing NPAs and enhancing bank profitability.*

**Keywords:** Non-Performing Assets (NPAs), Bank Profitability, Gross NPA Ratio, Net NPA Ratio, Provision Ratio, Problem Asset Ratio, HDFC Bank, ICICI Bank, Financial Stability, Asset Management.