

ICICI Bank Q1 2024 Risk Analysis

1. Credit Risk

Non-Performing Assets (NPA)

- Gross NPA ratio: 2.76% (down from 2.81% in Q4 2023)
- Net NPA ratio: 0.48% (unchanged from Q4 2023)

Risk Assessment: Moderate to Low

- The declining trend in Gross NPA ratio indicates improving asset quality.
- Stable Net NPA ratio suggests consistent provisioning.

Provision Coverage

- Provision coverage ratio: 82.57% (calculated as 1 - Net NPA/Gross NPA)

Risk Assessment: Low

- High provision coverage ratio indicates strong buffer against potential losses.

2. Liquidity Risk

Liquidity Coverage Ratio (LCR)

- Not explicitly stated in the document.

Risk Assessment: Unable to assess accurately

- More information needed on short-term liquidity position.

Deposit Growth

- Total deposits: ₹1,238,736.60 crore (up 4.9% from Q4 2023)

Risk Assessment: Low

- Steady growth in deposits indicates strong liquidity position.

3. Market Risk

Interest Rate Risk

- Not enough information to assess directly.

Risk Assessment: Moderate

- As a bank, ICICI is inherently exposed to interest rate fluctuations.

Investment Portfolio

- Total investments: ₹398,139.53 crore (up 9.9% from Q4 2023)

Risk Assessment: Moderate

- Large investment portfolio exposes the bank to market fluctuations.

4. Capital Adequacy

Capital Adequacy Ratio (CAR)

- 16.71% (down from 18.34% in Q4 2023)

Risk Assessment: Low

- Well above the regulatory minimum, indicating strong capital position.
- Slight decrease warrants monitoring.

5. Operational Risk

- Not enough information to assess directly.

Risk Assessment: Unable to assess accurately

- More information needed on operational metrics and incidents.

6. Profitability Risk

Net Interest Margin (NIM)

- Not explicitly stated, but can be approximated.

Risk Assessment: Low

- Strong growth in interest income suggests healthy NIM.

Return on Assets (ROA)

- 2.39% (annualized, unchanged from Q4 2023)

Risk Assessment: Low

- Consistent and healthy ROA indicates strong profitability.

Overall Risk Assessment

Based on the available data, ICICI Bank appears to be in a strong financial position with well-managed risks. The bank shows improving asset quality, strong capital adequacy, and consistent profitability. However, more detailed information would be needed for a comprehensive risk assessment, particularly in areas like operational risk and specific market risks.

Key areas to monitor:

1. Slight decrease in Capital Adequacy Ratio
2. Market risks due to large investment portfolio
3. Operational risks (insufficient data available)