

Annex III: Financial Soundness and Macroeconomic Indicators

Core Set of Financial Soundness Indicators	Mar-13	Sep-13	Dec-13	Mar-14
Capital Base				
Regulatory capital to risk-weighted assets	17.4%	16.9%	17.3%	17.6%
Regulatory Tier 1 capital to risk-weighted assets	15.9%	14.8%	15.1%	15.3%
Non-performing loans net of provisions to capital	11.8%	12.9%	12.7%	12.8%
Asset Quality				
Non-performing loans to total gross loans	3.9%	4.1%	4.2%	4.4%
Sectoral distribution of loans to total loans				
<i>Interbank loans</i>	0.5%	1.1%	0.3%	0.1%
<i>Other financial corporations</i>	1.3%	1.2%	1.2%	1.3%
<i>Non-financial corporations</i>	33.5%	33.5%	34.7%	34.9%
<i>Other domestic sectors</i>	20.5%	21.0%	21.6%	22.0%
<i>Non-residents</i>	44.2%	43.2%	42.2%	41.7%
Earnings and Profitability				
Return on assets	1.2%	1.1%	1.2%	1.3%
Return on equity	15.7%	13.5%	14.1%	15.6%
Interest margin to gross income	69.8%	71.3%	68.6%	68.9%
Non-interest expenses to gross income	41.5%	43.7%	43.9%	42.5%
Liquidity				
Liquid assets to total assets	19.1%	17.5%	22.5%	22.6%
Liquid assets to short-term liabilities	27.9%	26.5%	31.0%	30.7%
Sensitivity to Market Risk				
Net open position in foreign exchange to capital	2.2%	2.3%	2.1%	3.1%
Encouraged Set of Financial Soundness Indicators				
Capital to assets	8.6%	8.1%	8.8%	9.3%
Value of large exposures to capital	171.7%	186.9%	195.9%	196.5%
Customer deposits to total (non-interbank) loans	134.2%	130.4%	137.0%	134.3%
Residential real estate loans to total loans	7.1%	8.5%	8.7%	8.9%
Commercial real estate loans to total loans	7.4%	6.7%	6.9%	7.2%
Trading income to total income	3.1%	4.6%	8.8%	10.2%
Personnel expenses to non-interest expenses	49.3%	51.5%	52.2%	52.0%

Annex III: Financial Soundness and Macroeconomic Indicators (Continued)

Macroeconomic Indicators	Mar-13	Sep-13	Dec-13	Mar-14
Headline inflation	3.6%	3.5%	3.5%	4.0%
Year-on-year inflation	3.6%	3.3%	4.0%	4.5%
Key Repo Rate (end of period)	4.90%	4.65%	4.65%	4.65%
Total Public Sector Debt/GDP (end of period)	58.1%	59.5%	60.0%	60.6%
Total Public Sector External Debt/GDP (end of period)	10.7%	12.6%	12.9%	13.2%
Import coverage of Gross International Reserves (No. of months)	4.9	5.1	5.2	5.6
Deposits/Broad Money Liabilities*	93.0%	93.0%	92.8%	93.3%
Household Debt/GDP (end of period)**	19.5%	20.3%	20.7%	20.7%
Corporate Debt/GDP (end of period)**	52.5%	52.2%	51.6%	51.0%
	2013Q1	2013Q3	2013Q4	2014Q1
Real GDP growth***	3.8%	3.4%	2.7%	2.4%
Unemployment rate	8.6%	8.0%	7.5%	8.0%
Current account deficit/GDP	8.6%	13.2%	9.3%	6.1%

* Rupee and foreign currency deposits from domestic banks.

** Debts contracted with banks only.

*** Percentage change over corresponding period of previous year.

1. FSIs are calculated on a domestic consolidation basis using the Financial Soundness Indicators Compilation Guide of the International Monetary Fund. Figures may be slightly different from other parts of this Report.

2. As from June 2012, figures include Non-Bank Deposit-Taking Institutions.

3. Total loans include advances to non-residents.

4. Figures may not add up due to rounding.