

## Annex 1: Selected Financial Stability Indicators

Core Set of Financial Soundness Indicators	Sep-12	Mar-13	Jun-13	Sep-13
<b>Capital Base</b>				
Regulatory capital to risk-weighted assets	17.2%	17.4%	16.4%	16.9%
Regulatory Tier 1 capital to risk-weighted assets	15.7%	15.9%	15.0%	14.8%
Non-performing loans net of provisions to capital	14.7%	11.8%	13.0%	12.9%
<b>Asset Quality</b>				
Non-performing loans to total gross loans	3.8%	3.9%	4.0%	4.1%
Sectoral distribution of loans to total loans				
<i>Interbank loans</i>	0.2%	0.5%	0.1%	1.1%
<i>Other financial corporations</i>	1.3%	1.3%	1.1%	1.2%
<i>Non-financial corporations</i>	32.8%	33.5%	32.6%	33.5%
<i>Other domestic sectors</i>	20.2%	20.5%	20.8%	21.0%
<i>Non-residents</i>	45.5%	44.2%	45.5%	43.2%
<b>Earnings and Profitability</b>				
Return on assets	1.5%	1.2%	1.2%	1.1%
Return on equity	19.6%	15.7%	15.2%	13.5%
Interest margin to gross income	65.2%	69.8%	71.3%	71.3%
Non-interest expenses to gross income	38.6%	41.5%	43.0%	43.7%
<b>Liquidity</b>				
Liquid assets to total assets	16.4%	19.1%	19.4%	17.5%
Liquid assets to short-term liabilities	25.1%	27.9%	28.0%	26.5%
<b>Sensitivity to Market Risk</b>				
Net open position in foreign exchange to capital	3.0%	2.2%	2.3%	2.3%
<b>Encouraged Set of Financial Soundness Indicators</b>				
Capital to assets	8.0%	8.6%	8.7%	8.1%
Value of large exposures to capital	214.8%	171.7%	174.5%	186.9%
Customer deposits to total (non-interbank) loans	124.0%	134.2%	130.7%	130.4%
Residential real estate loans to total loans	7.8%	7.1%	7.3%	8.5%
Commercial real estate loans to total loans	7.5%	7.4%	7.0%	6.7%
Trading income to total income	9.6%	3.1%	5.3%	4.6%
Personnel expenses to non-interest expenses	50.2%	49.3%	50.9%	51.5%

### Annex 1: Selected Financial Stability Indicators (Continued)

Macroeconomic Indicators	Sep-12	Mar-13	Jun-13	Sep-13
Headline inflation	4.4%	3.6%	3.6%	3.5%
Year-on-year inflation	3.9%	3.6%	3.6%	3.3%
Key Repo Rate (end of period)	4.90%	4.90%	4.65%	4.65%
Total public sector debt/GDP (end of period)	58.4%	58.1%	58.5%	59.6%
Total external public sector debt/GDP (end of period)	13.8%	13.9%	15.0%	15.7%
Import coverage of Gross International Reserves (No. of months)	4.7	5.2	5.6	5.4
Deposits/Broad Money Liabilities*	93.6%	93.0%	93.0%	93.0%
Household Debt/GDP (end of period)**	18.9%	19.5%	20.1%	20.3%
Corporate Debt/GDP (end of period)**	52.0%	52.5%	51.2%	52.3%
	<b>2012Q3</b>	<b>2013Q1</b>	<b>2013Q2</b>	<b>2013Q3</b>
Real GDP growth***	3.6%	3.7%	3.5%	3.5%
Unemployment rate	7.9%	8.7%	8.2%	7.8%
Current account deficit/GDP	12.3%	8.2%	8.3%	13.2%

\* Rupee and foreign currency deposits.

\*\* Debt 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 IMF. Figures may be slightly different from other parts of this Report.

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

3. Total loans include advances to non-residents.

4. Figures may not add up due to rounding.