

# Banking Surveillance Department

## Financial Soundness Indicators\*

Indicators	2005	2006	2007	2008	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10
<b>CAPITAL ADEQUACY</b>									
<b>Risk Weighted CAR**</b>									
Public Sector Commercial Banks	14.5	15.2	16.1	13.2	13.9	14.5	15.6	14.8	13.7
Local Private Banks	10.6	12.7	11.8	12.1	12.7	13.3	14.2	14.1	13.8
Foreign Banks	16.4	15.0	14.6	21.8	22.4	23.7	23.8	23.6	22.4
<b>Commercial Banks</b>	<b>11.9</b>	<b>13.3</b>	<b>12.8</b>	<b>12.7</b>	<b>13.3</b>	<b>14.0</b>	<b>14.9</b>	<b>14.6</b>	<b>14.1</b>
Specialized Banks	(7.7)	(8.3)	(6.2)	(4.9)	(2.1)	(3.4)	(5.0)	(2.1)	(0.1)
<b>All Banks</b>	<b>11.3</b>	<b>12.7</b>	<b>12.3</b>	<b>12.3</b>	<b>12.9</b>	<b>13.5</b>	<b>14.3</b>	<b>14.1</b>	<b>13.7</b>
<b>Tier 1 Capital to RWA</b>									
Public Sector Commercial Banks	8.8	11.1	12.2	11.0	11.6	12.0	12.8	12.4	11.6
Local Private Banks	8.3	10.4	9.9	10.2	10.7	11.2	11.8	11.5	11.4
Foreign Banks	16.1	14.3	14.0	21.3	21.9	23.1	23.3	23.1	22.0
<b>Commercial Banks</b>	<b>9.1</b>	<b>10.8</b>	<b>10.5</b>	<b>10.8</b>	<b>11.3</b>	<b>11.8</b>	<b>12.4</b>	<b>12.1</b>	<b>11.8</b>
Specialized Banks	(13.6)	(13.3)	(12.5)	(10.1)	(7.4)	(7.4)	(8.2)	(6.3)	(5.3)
<b>All Banks</b>	<b>8.3</b>	<b>10.0</b>	<b>10.0</b>	<b>10.2</b>	<b>10.8</b>	<b>11.3</b>	<b>11.9</b>	<b>11.6</b>	<b>11.4</b>
<b>Capital to Total Assets</b>									
Public Sector Commercial Banks	12.6	12.2	13.7	10.7	11.1	10.9	11.9	11.1	11.1
Local Private Banks	7.0	9.2	10.2	10.0	10.3	10.2	10.3	10.0	10.2
Foreign Banks	9.5	10.1	11.2	14.5	14.4	14.8	14.8	14.9	14.0
<b>Commercial Banks</b>	<b>8.4</b>	<b>9.9</b>	<b>10.9</b>	<b>10.3</b>	<b>10.6</b>	<b>10.5</b>	<b>10.8</b>	<b>10.4</b>	<b>10.5</b>
Specialized Banks	(8.1)	(8.0)	(5.4)	(3.2)	(2.7)	(2.5)	(3.4)	(1.8)	(0.9)
<b>All Banks</b>	<b>7.9</b>	<b>9.4</b>	<b>10.5</b>	<b>10.0</b>	<b>10.3</b>	<b>10.2</b>	<b>10.5</b>	<b>10.1</b>	<b>10.3</b>
<b>ASSET QUALITY</b>									
<b>NPLs to Total Loans</b>									
Public Sector Commercial Banks	10.0	9.0	8.4	16.3	17.5	16.8	17.4	16.4	17.6
Local Private Banks	6.4	5.2	6.5	8.6	9.7	9.8	10.5	10.7	11.6
Foreign Banks	1.2	1.0	1.6	2.9	3.6	4.5	5.3	6.5	7.3
<b>Commercial Banks</b>	<b>6.7</b>	<b>5.7</b>	<b>6.7</b>	<b>9.9</b>	<b>11.0</b>	<b>11.1</b>	<b>11.7</b>	<b>11.7</b>	<b>12.7</b>
Specialized Banks	46.0	39.1	34.3	28.8	29.0	25.8	31.4	25.4	24.2
<b>All Banks</b>	<b>8.3</b>	<b>6.9</b>	<b>7.6</b>	<b>10.5</b>	<b>11.5</b>	<b>11.5</b>	<b>12.4</b>	<b>12.2</b>	<b>13.1</b>
<b>Provision to NPLs</b>									
Public Sector Commercial Banks	86.8	84.5	89.0	66.9	65.3	65.9	67.2	69.0	68.0
Local Private Banks	76.4	78.7	88.5	70.2	71.2	71.6	72.1	72.3	72.1
Foreign Banks	145.9	191.7	157.0	81.9	81.3	83.4	81.3	72.4	78.1
<b>Commercial Banks</b>	<b>80.4</b>	<b>81.5</b>	<b>89.1</b>	<b>69.3</b>	<b>69.5</b>	<b>70.0</b>	<b>70.8</b>	<b>71.4</b>	<b>71.0</b>
Specialized Banks	64.8	64.1	68.6	72.4	66.4	72.8	57.1	66.3	68.1
<b>All Banks</b>	<b>76.7</b>	<b>77.8</b>	<b>86.1</b>	<b>69.6</b>	<b>69.2</b>	<b>70.2</b>	<b>69.7</b>	<b>71.0</b>	<b>70.9</b>
<b>Net NPLs to Net Loans</b>									
Public Sector Commercial Banks	1.5	1.5	1.0	6.1	6.9	6.4	6.5	5.7	6.4
Local Private Banks	1.6	1.1	0.8	2.7	3.0	3.0	3.2	3.2	3.5
Foreign Banks	(0.6)	(1.0)	(0.9)	0.5	0.7	0.8	1.0	1.9	1.7
<b>Commercial Banks</b>	<b>1.4</b>	<b>1.1</b>	<b>0.8</b>	<b>3.3</b>	<b>3.6</b>	<b>3.6</b>	<b>3.7</b>	<b>3.7</b>	<b>4.0</b>
Specialized Banks	23.1	18.7	14.0	10.0	12.1	8.6	16.4	10.3	9.3
<b>All Banks</b>	<b>2.1</b>	<b>1.6</b>	<b>1.1</b>	<b>3.4</b>	<b>3.9</b>	<b>3.7</b>	<b>4.1</b>	<b>3.9</b>	<b>4.2</b>
<b>Net NPLs to Capital</b>									
Public Sector Commercial Banks	5.5	6.4	3.4	30.3	31.6	30.0	27.6	26.2	28.8
Local Private Banks	13.0	7.1	4.1	15.9	15.4	15.6	15.8	15.9	17.2
Foreign Banks	(3.0)	(5.1)	(4.1)	1.6	2.0	1.9	2.4	4.8	4.1
<b>Commercial Banks</b>	<b>9.0</b>	<b>6.2</b>	<b>3.7</b>	<b>17.9</b>	<b>17.9</b>	<b>17.8</b>	<b>17.6</b>	<b>17.4</b>	<b>18.8</b>
Specialized Banks	-	-	-	-	-	-	-	-	-
<b>All Banks</b>	<b>14.3</b>	<b>9.7</b>	<b>5.6</b>	<b>19.4</b>	<b>19.6</b>	<b>19.0</b>	<b>19.9</b>	<b>18.9</b>	<b>20.2</b>
<b>EARNINGS</b>									
<b>Return on Assets (Before Tax)</b>									
Public Sector Commercial Banks	3.3	4.0	3.5	0.6	1.7	1.1	1.5	1.5	1.9
Local Private Banks	2.7	3.1	2.0	1.3	1.9	1.8	1.7	1.6	1.9
Foreign Banks	3.6	3.2	1.5	0.0	1.0	0.4	0.1	(0.3)	0.1
<b>Commercial Banks</b>	<b>2.9</b>	<b>3.2</b>	<b>2.3</b>	<b>1.1</b>	<b>1.8</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.8</b>
Specialized Banks	(1.0)	(1.3)	1.4	3.2	3.8	3.3	1.3	2.5	2.0
<b>All Banks</b>	<b>2.8</b>	<b>3.1</b>	<b>2.2</b>	<b>1.2</b>	<b>1.8</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>	<b>1.8</b>

\*Source: Quarterly FSIs are prepared on the basis of unaudited Quarterly Report of Condition submitted by banks.  
 \*\*Data of IDBP, PPCBL, and SME is based on Basel I.

# Banking Surveillance Department

## Financial Soundness Indicators\*

Indicators	2005	2006	2007	2008	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10
<b>EARNINGS</b>									
<u>Return on Assets (After Tax)</u>									
Public Sector Commercial Banks	2.2	2.7	2.5	0.5	0.9	0.6	1.0	0.9	1.3
Local Private Banks	1.8	2.1	1.4	0.9	1.2	1.1	1.0	1.0	1.2
Foreign Banks	2.5	2.1	0.7	0.3	0.4	0.1	(0.1)	(0.3)	0.1
<b>Commercial Banks</b>	<b>2.0</b>	<b>2.2</b>	<b>1.6</b>	<b>0.8</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>1.2</b>
Specialized Banks	(1.2)	(1.8)	0.7	1.8	2.4	1.9	(0.6)	0.6	0.1
<b>All Banks</b>	<b>1.9</b>	<b>2.1</b>	<b>1.5</b>	<b>0.8</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>1.1</b>
<u>ROE (Avg. Equity &amp; Surplus) (Before Tax)</u>									
Public Sector Commercial Banks	30.7	32.4	27.2	5.2	14.7	9.5	12.8	13.2	16.7
Local Private Banks	40.1	36.2	20.4	12.9	18.1	17.8	16.4	15.2	18.8
Foreign Banks	38.9	30.0	13.1	0.0	6.7	2.8	0.4	(2.1)	0.7
<b>Commercial Banks</b>	<b>37.2</b>	<b>34.7</b>	<b>21.8</b>	<b>10.6</b>	<b>16.8</b>	<b>15.2</b>	<b>14.7</b>	<b>13.9</b>	<b>17.4</b>
Specialized Banks	-	-	-	-	-	-	-	-	-
<b>All Banks</b>	<b>38.2</b>	<b>35.2</b>	<b>22.6</b>	<b>11.4</b>	<b>17.7</b>	<b>16.0</b>	<b>15.1</b>	<b>14.5</b>	<b>17.8</b>
<u>ROE (Avg. Equity &amp; Surplus) (After Tax)</u>									
Public Sector Commercial Banks	20.9	21.7	19.5	4.4	7.8	5.3	8.4	8.0	11.3
Local Private Banks	27.2	25.0	13.8	8.5	11.3	11.0	10.0	9.4	11.7
Foreign Banks	27.1	20.4	6.0	2.2	2.8	0.5	(0.9)	(2.0)	0.4
<b>Commercial Banks</b>	<b>25.4</b>	<b>23.7</b>	<b>15.0</b>	<b>7.3</b>	<b>10.1</b>	<b>9.2</b>	<b>9.1</b>	<b>8.5</b>	<b>11.0</b>
Specialized Banks	-	-	-	-	-	-	-	-	-
<b>All Banks</b>	<b>25.8</b>	<b>23.8</b>	<b>15.4</b>	<b>7.8</b>	<b>10.7</b>	<b>9.7</b>	<b>9.0</b>	<b>8.6</b>	<b>11.1</b>
<u>NII/Gross Income</u>									
Public Sector Commercial Banks	71.3	69.5	65.9	65.4	68.6	70.0	68.2	62.6	68.5
Local Private Banks	73.0	73.5	70.7	73.3	78.9	75.9	75.7	75.8	75.8
Foreign Banks	61.5	65.8	59.1	61.3	54.8	57.2	60.6	64.4	72.2
<b>Commercial Banks</b>	<b>71.3</b>	<b>72.1</b>	<b>69.2</b>	<b>71.3</b>	<b>76.1</b>	<b>74.1</b>	<b>73.8</b>	<b>73.1</b>	<b>74.4</b>
Specialized Banks	87.7	40.1	42.8	46.6	65.9	41.3	48.2	47.9	57.8
<b>All Banks</b>	<b>72.0</b>	<b>70.9</b>	<b>68.2</b>	<b>70.4</b>	<b>75.8</b>	<b>73.0</b>	<b>73.1</b>	<b>72.3</b>	<b>74.0</b>
<u>Cost / Income Ratio</u>									
Public Sector Commercial Banks	34.3	31.8	30.2	39.1	48.1	48.4	45.7	49.3	47.4
Local Private Banks	43.1	40.7	45.4	51.8	49.2	48.6	49.3	50.5	51.2
Foreign Banks	42.2	49.8	57.0	69.6	58.6	63.6	69.9	77.5	68.0
<b>Commercial Banks</b>	<b>41.2</b>	<b>39.4</b>	<b>42.8</b>	<b>50.2</b>	<b>49.5</b>	<b>49.3</b>	<b>49.7</b>	<b>51.5</b>	<b>51.2</b>
Specialized Banks	47.8	62.6	53.2	52.1	60.4	70.6	63.7	55.4	76.2
<b>All Banks</b>	<b>41.5</b>	<b>40.3</b>	<b>43.2</b>	<b>50.3</b>	<b>49.9</b>	<b>50.1</b>	<b>50.1</b>	<b>51.6</b>	<b>51.8</b>
<b>LIQUIDITY</b>									
<u>Liquid Assets/Total Assets</u>									
Public Sector Commercial Banks	35.6	33.9	37.0	30.5	31.4	30.2	29.3	29.8	29.7
Local Private Banks	32.4	31.1	32.5	27.4	29.5	30.5	30.9	32.2	32.2
Foreign Banks	41.8	41.0	41.6	45.3	49.6	54.7	57.2	54.7	58.2
<b>Commercial Banks</b>	<b>33.9</b>	<b>32.2</b>	<b>33.8</b>	<b>28.7</b>	<b>30.7</b>	<b>31.5</b>	<b>31.6</b>	<b>32.6</b>	<b>32.8</b>
Specialized Banks	25.8	23.0	27.9	24.5	21.6	22.2	19.0	19.0	15.5
<b>All Banks</b>	<b>33.7</b>	<b>31.9</b>	<b>33.6</b>	<b>28.6</b>	<b>30.5</b>	<b>31.2</b>	<b>31.4</b>	<b>32.3</b>	<b>32.4</b>
<u>Liquid Assets/Total Deposits</u>									
Public Sector Commercial Banks	44.7	42.6	47.1	38.8	40.3	38.6	38.7	38.4	38.0
Local Private Banks	40.3	40.6	42.9	35.7	39.3	39.9	41.2	43.4	42.7
Foreign Banks	57.9	61.1	61.1	71.9	79.6	84.2	83.3	82.2	88.3
<b>Commercial Banks</b>	<b>42.7</b>	<b>42.0</b>	<b>44.3</b>	<b>37.6</b>	<b>41.0</b>	<b>41.2</b>	<b>42.3</b>	<b>43.7</b>	<b>43.4</b>
Specialized Banks	183.2	205.4	247.7	229.4	243.7	206.9	193.5	155.3	148.9
<b>All Banks</b>	<b>43.5</b>	<b>42.7</b>	<b>45.1</b>	<b>38.2</b>	<b>41.5</b>	<b>41.7</b>	<b>42.7</b>	<b>44.1</b>	<b>43.7</b>
<u>Advances/Deposits</u>									
Public Sector Commercial Banks	59.8	64.6	60.0	68.4	65.2	65.0	67.0	65.1	63.9
Local Private Banks	70.8	74.5	70.1	75.4	71.4	69.2	68.8	66.9	65.4
Foreign Banks	68.7	80.1	75.2	69.1	65.1	57.5	50.2	56.3	51.2
<b>Commercial Banks</b>	<b>68.4</b>	<b>72.7</b>	<b>73.8</b>	<b>73.8</b>	<b>69.9</b>	<b>67.9</b>	<b>67.8</b>	<b>66.2</b>	<b>64.6</b>
Specialized Banks	400.7	528.4	507.3	577.0	721.3	597.2	683.3	544.9	669.3
<b>All Banks</b>	<b>70.2</b>	<b>74.6</b>	<b>69.7</b>	<b>75.5</b>	<b>71.7</b>	<b>69.6</b>	<b>69.6</b>	<b>67.9</b>	<b>66.4</b>

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