



Comparative study on global financial soundness indicators

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Source of data

- The study is based on IMF's Financial Soundness Indicators database.
- Aim of the study is to see India's position amongst its global peers in terms of the health of the financial system.
- Data used is the latest available for the chosen countries
 - For most countries data pertains to Mar'22 or Dec'21. For some, it is also as of Mar'21.

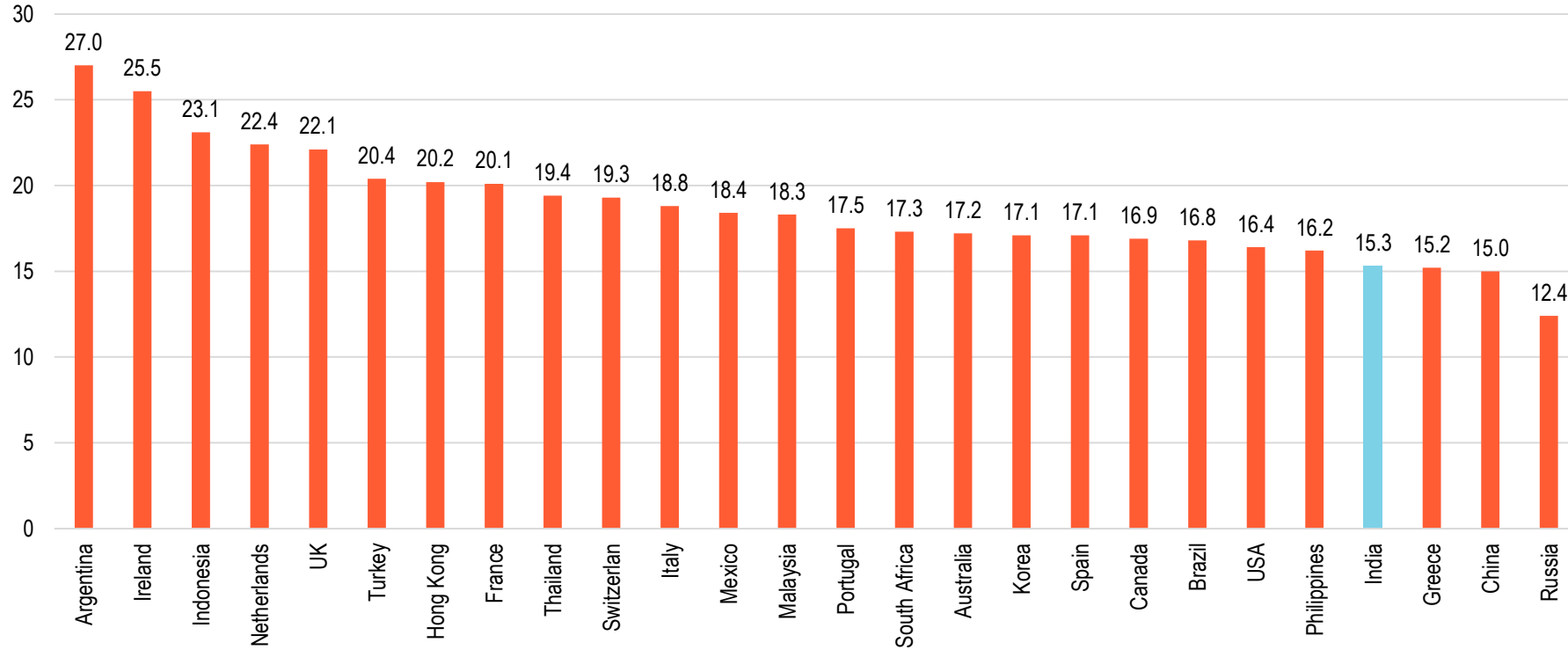
Key takeaways

- India's regulatory capital-RWA ratio at 15.3% is relatively low when compared to countries like UK, Indonesia, Netherlands.
 - It is on par with ratios of Greece and China. US maintains slightly higher ratio than India.
- India's NPA ratio is on the higher end of the scale in global comparison.
 - Amongst major economies, only Russia and Greece have ratios higher than India.
 - Korea, Canada, US, UK have some of the lowest NPA ratios.
- Amongst the set of countries, India has relatively better provisioning to NPA ratio.
 - However, it is still lower than Brazil, China, Mexico, Argentina.
 - UK provisions to NPA ratio is the lowest.
- Returns on Assets in India are similar to that of Australia and Canada and slightly lower than the US.
 - Countries like China, Italy, France and UK have the lowest RoAs.

Key takeaways (contd...)

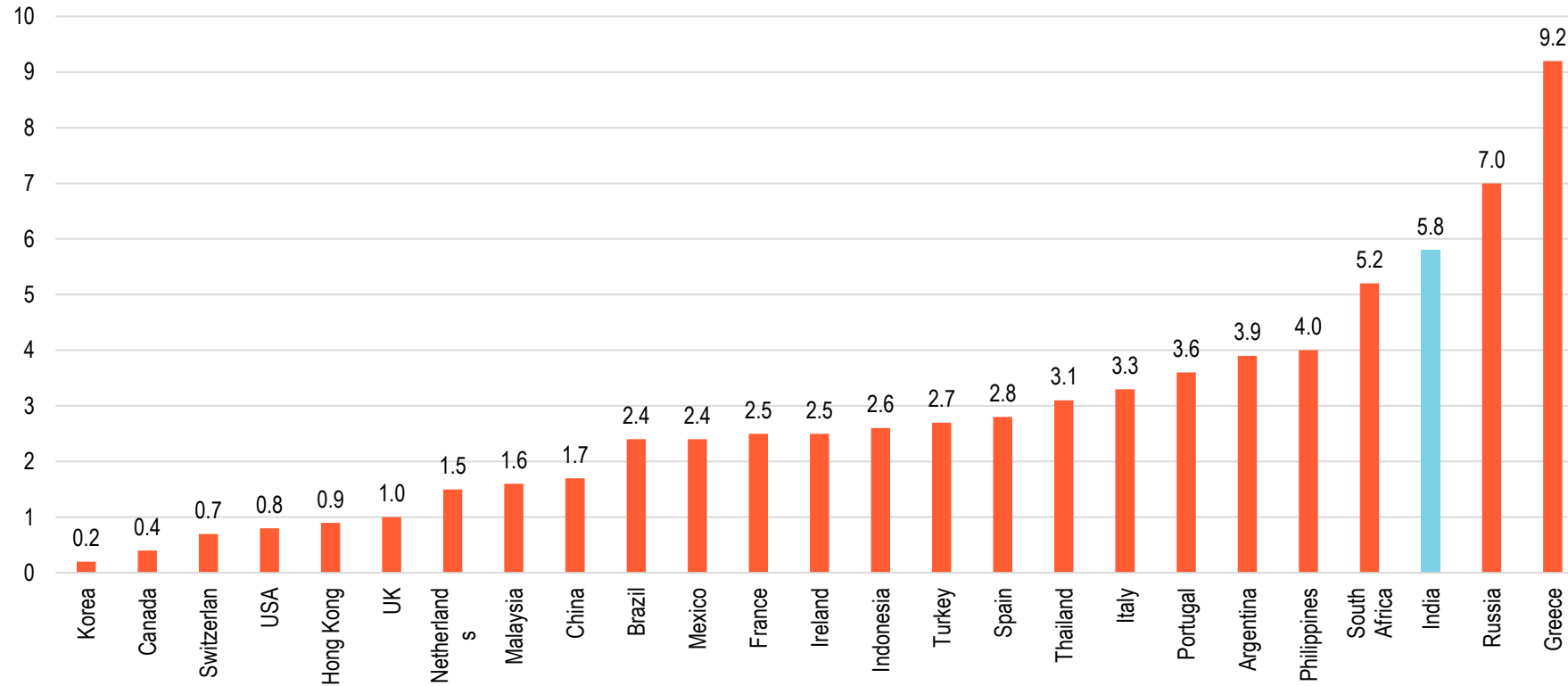
- Returns on Equity in India is also similar to that of Spain.
 - It is lower than countries like, Russia, Indonesia, Australia, US.
 - However it is higher than Spain, Korea, UK, China.
- India's reliance on interest income is higher than most countries, like France, UK, Malaysia.
 - This signifies greater dependence on loan book and less on fee income.
 - Countries like US, Korea, China Greece, have even higher dependence.
- Non-interest expense to gross income ratio for India is on the lower side in global comparison.
 - Levels are similar to/better than US, UK, France, Italy, Turkey.
 - China, Malaysia, Indonesia, Korea, Australia have ratios less than India.

Regulatory capital to risk weighted assets (%)



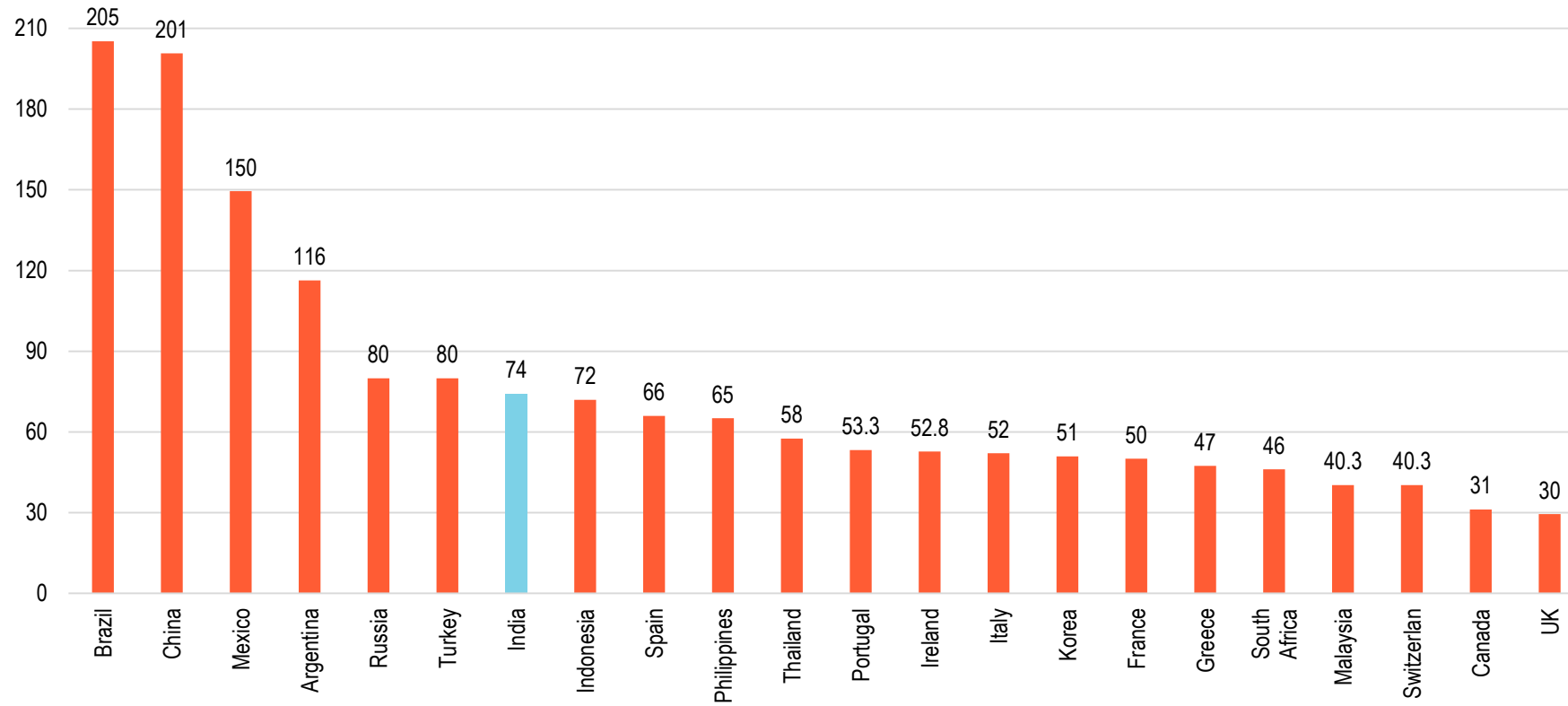
Source: IMF, Bank of Baroda Research

NPA ratio (%)



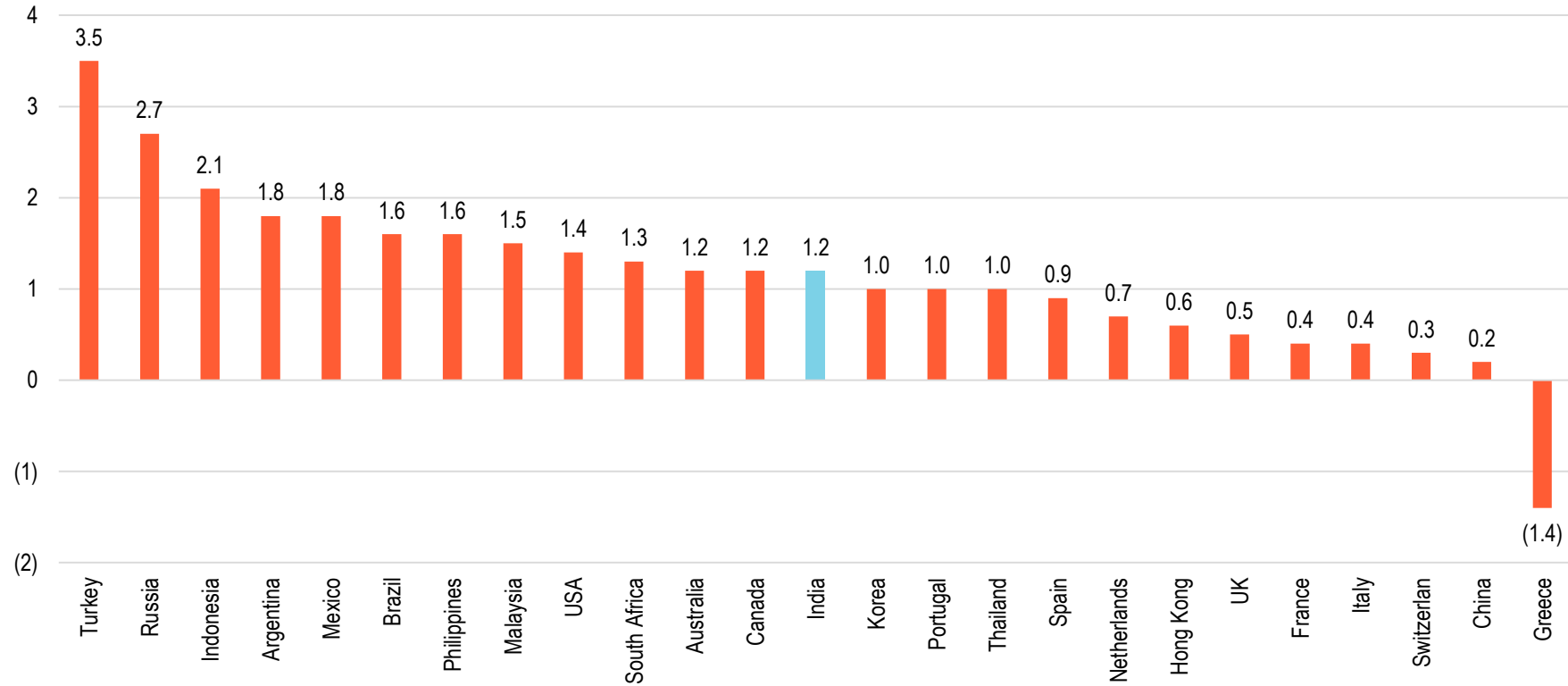
Source: IMF, Bank of Baroda Research

Provisions to NPA ratio (%)



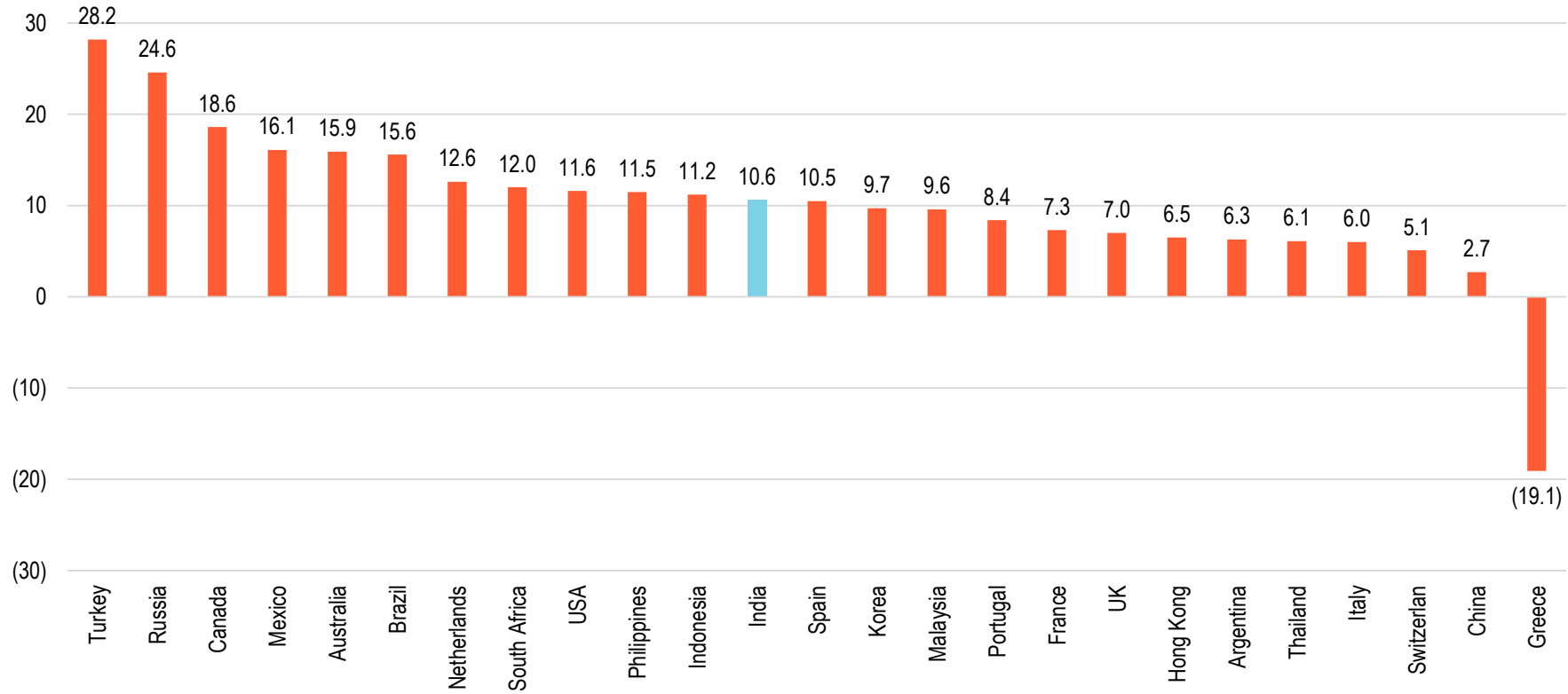
Source: IMF, Bank of Baroda Research

Return on Assets (%)



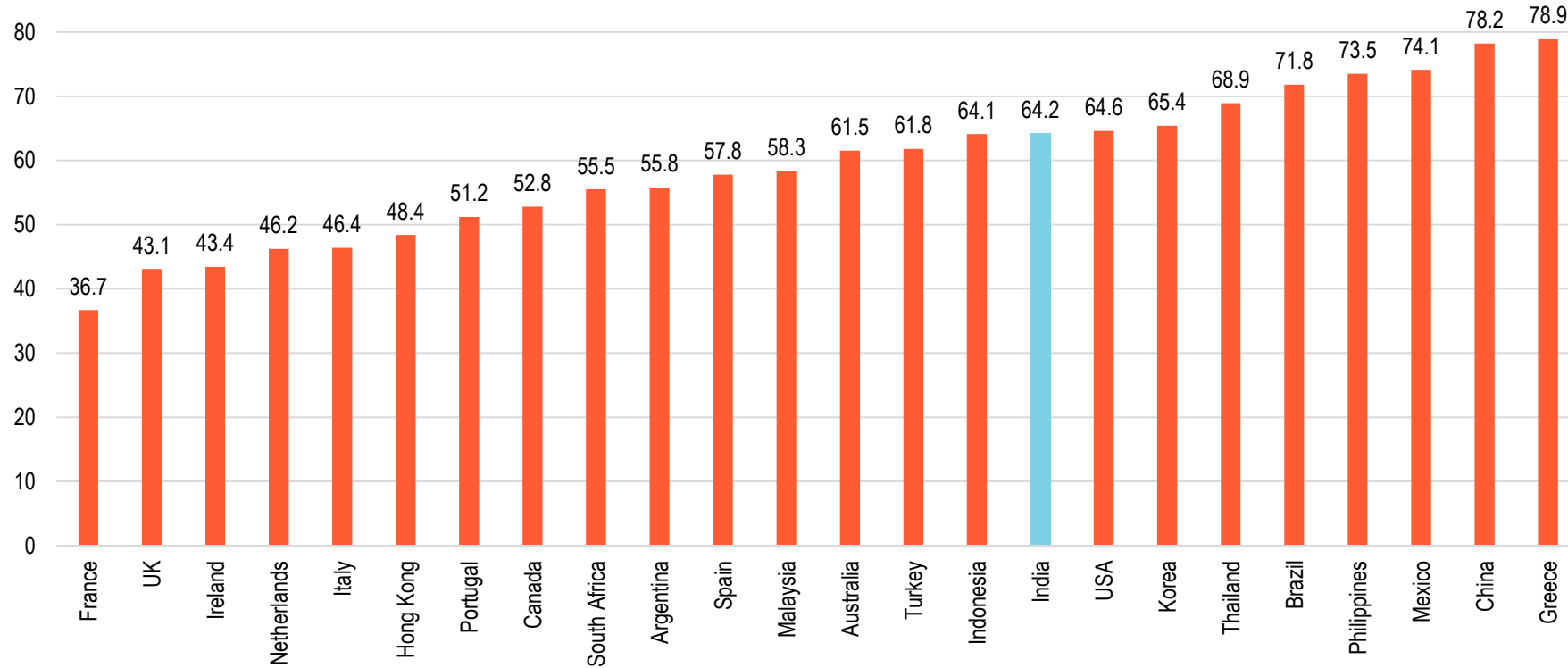
Source: IMF, Bank of Baroda Research

Return on equity (%)



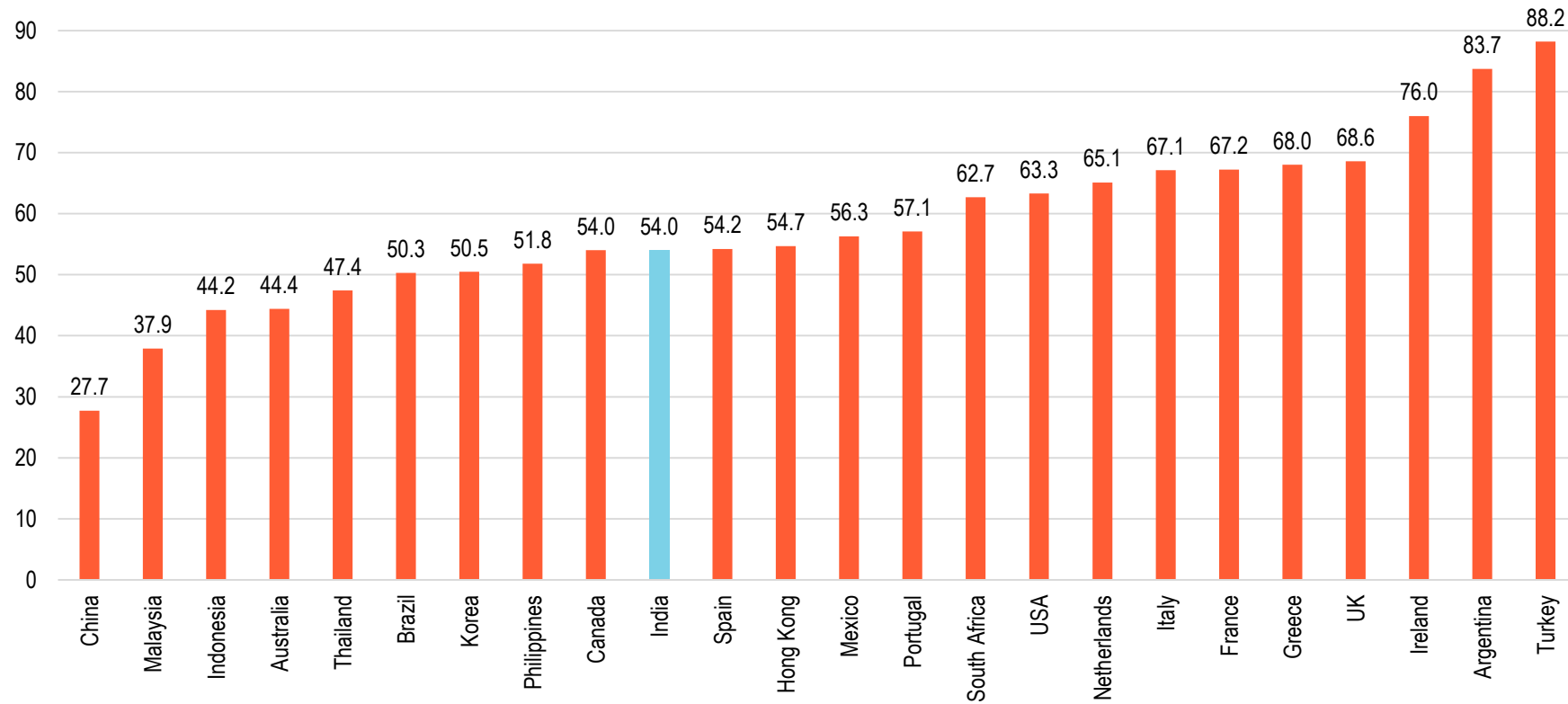
Source: IMF, Bank of Baroda Research

Interest margin to gross income ratio (%)



Source: IMF, Bank of Baroda Research

Non-interest expense to gross income ratio (%)



Source: IMF, Bank of Baroda Research

Thank You

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