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Management of non performing assets - study of private sector and foreign banks in India

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ABSTRACT

Indian banking sector faced the many challenges due to enlarging NPAs in the banks. The profitability of the banks is not only adversely affected due to these NPAs' but also enhanced the carrying cost. The net worth of the banks is also adversely affected. Due to the enlarging NPAs in banks, the RBI made stringent rules to curb the alarming situation. But in 2009, the RBI has to liberalised the norms in January 2009 due to the slowdown of Indian Economy. The private sector banks and the foreign banks exhibited the good show in bringing down the NPAs as most of the private and foreign banks brought down the NPA level up to 2 percent. Their sub-standard assets, doubtful assets and loss assets have decreased considerably over the time. The present paper is an attempt to study NPA problem in Private Sector and Foreign Banks in India.

Introduction

NPA. The three letters Strike terror in banking sector and business circle today. NPA is short form of "Non Performing Asset". The dreaded NPA rule says simply this: when interest or other due to a bank remains unpaid for more than 90 days, the entire bank loan automatically turns a non performing asset. The recovery of loan has always been problem for banks and financial institution. Banking sector reforms in India has progressed promptly on aspects like interest rate deregulation, reduction in statutory reserve requirements, prudential norms for interest rates, asset classification, income recognition and provisioning. But it could not match the pace with which it was expected to do. The biggest challenge faced by Indian banking sector is the availability of quality assets. In advanced economies, the financial markets are well-developed and segmented, with various players operating in identified niches, catering to various user/risk segments. This constitutes an effective institutional mechanism for targeting risks to players with an appetite for such risks. Commercial banking is conducted in a highly risk-managed and mitigated ambience, unlike its Indian counterparts who are often required to take unmitigated risks as a part of business policy. The origination of NPAs in the Indian banking landscape can be broadly discussed in two stages:

a) Before 1991; and

b) After 1991.

a) Before 1991

In the context of accretion to NPAs in the banking system, the contributory factors during this period were mainly the following:

i) All-round economic and demand recessions due to down-swings in agricultural sectors triggered by monsoon vagaries..

ii) The scale of the economy in relation to international was compromised, leading to high capital costs per unit of production.

iii) The Public Sector Units (PSUs) became commercially unviable in the absence of a proper growth plan when faced with burgeoning employee costs during their life cycle.

iv.) Banks were not in a position to price the risk premium in the controlled interest rate regime. This led to cross-subsidization across the risk profile of the loan assets.

v.) It was difficult for the banking system to appraise project viability with any degree of certainty during the loan pay-back period.

b) After 1991

The macroeconomic policies of India were conservative until the early eighties. After 1991, Indian Government started liberalization in the form of de-licensing of select industries. With the commencement of reform of the economy in 1991, banks were to follow the Basel Capital Accord. Consequently, the Reserve Bank of India (RBI) issued the first set of comprehensive guidelines for Income Recognition and Assets Classification (IRAC) in April 1992. The central bank, with a cautious move, adopted a time-based provisioning method and averted a near crisis situation by not imposing a write-off of the entire loan asset impairment amount based on present value of realizable cash flow upon recognition of NPA. On the face of a liquidity crisis, many of these projects had to borrow at abnormally high rates of interest. However, towards the end of the decade, the mistake was realized as those loan assets started showing signs of impairment. The volume of NPAs in the system reached a peak level, requiring focused attention. Many banks set up taskforces, special asset management groups, etc. to deal with the situation in a focused manner by creating a type of bad bank within the bank. In 2002, the Securitisation Act has been enacted mainly for tackling the growing menace non-performing assets by securitisation of assets by sale to ARC, which is to issue of security receipts to the investor and for enforcement of security interest by banks and financial institutions. Initially, many were delighted to find that the securitisation process as a class has come to stay in the Indian legal system, and the problem of the non-performing assets of banks and financial institution would stand resolved since the banks and financial institutions would be able to enforce its

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security interest without intervention of the courts. As a result,1) net NPAs in the system declined significantly, which was also due to setting up of a self-help mechanism, namely Corporate Debt Restructuring (CDR), under the aegis of the RBI. The CDR forum has done a commendable job during the period since inception in 2002 to restrict the flow of NPAs in the system. The prudential norms for the treatment of non-performing assets in the context of ongoing slowdown in the Indian economy were liberalised by the Reserve Bank of India on 2nd January,2009 said all accounts which were standard accounts on September 1, 2008 would be treated as standard accounts on restructuring provided the restructuring is taken up on or before January 31, 2009 and the restructuring package is put in place within a period of 120 days from the date of taking up the restructuring package. The period for implementing the restructuring package has also been extended from 90 days to 120 days in respect of those accounts. The special regulatory treatment will also be available to 'standard' and 'sub-standard accounts'. These provisions would be in addition to the usual provisions as per the current regulation.

Literature Review

A synoptic review of the literature brings to the fore insights into the determinants of NPA. Mcgoven (1993) was of the view that banks have suffered loan losses through relaxed lending standards, unguaranteed credits, the influence of the 1980s culture and the borrowers perception. Sergio(1996) found that an increase in the riskiness of loan assets is rooted in a bank's lending policy adducing to relatively unselective and inadequate assessment of sectoral assessment. Bhattacharya (2001) points to the fact that, banks would have no option but to dilute the quality of borrowers thereby increasing the probability of generation of NPAs specially in an increasing rate regime when quality borrowers would switch over to other avenues such as capital markets for their requirement of funds. Muniappan,2002 was of the opinion that the problem of NPAs is related to several internal and external factors confronting the borrowers.. Rajaraman and Vasishtha (2002) in an empirical study provided an evidence of significant bi-variate relationship between an operating inefficiency indicator and the problem loans of public sector banks. Das and Ghosh (2003) empirically examined non-performing loans of Indian public sector banks in terms of various indicators. Mohan,Rakesh(2003) conceptualized 'lazy banking' while critically reflecting on banks' investment portfolio and lending policy. (Reddy, 2004) provided a considered view is that banks' lending policy could have crucial influence on nonperforming loans. He critically examined various issues pertaining to terms of credit of Indian banks. Jain, Vibha(2007) was of the opinion that the RBI and the Government of India Have been sincere in complying with the remedial measures like setting up of Debt Recovery Tribunals, Asset Reconstruction Companies and Lok Adalats, etc. However, surprisingly the problem got accentuated. Ahmed, J.U.(2008) was of the view that the extent of NPA is comparatively higher in public sector banks than that of its competitors' viz., private and foreign banks. The earning capacity and profitability of the public sector banks is highly affected due to this.

Objectives of the Study

The objectives of the study are as follows:

1. To study the magnitude and trends of non-performing assets of various categories of banks in India.
2. To examine the asset quality of Private sector and Foreign banks in India..
3. To assess the health of various categories of loan assets in Private sector and Foreign banks.

Research Methodology

The present study is investigative in nature. In this study, the state of NPAs in the private sector banks and foreign banks during the period 2004-05 to 2008-09 is examined. This study is based on the secondary data which is collected from the various Reports on Trend and Progress of Banking in India and Economic Surveys. The collected data have been tabulated to analyze the situation of NPAs in various banks in India. The study examined the trends in Gross NPAs to Gross Advances, Net NPAs to Net Advances and the classification of various assets. Various statistical tools such as mean, standard deviation, correlation, regression, Coefficient of determination, ANOVA and Post-Hoc Tukey HSD test are used to study the behaviour of NPAs in case of Private Sector and Foreign Banks.

Hypothesis

H_0 : Null Hypothesis that there is no significant association between GNPAs & gross advances of the private sector and foreign banks.

H_0 : Null Hypothesis that there is no significant association between NNPAs & Net advances of the private sector and foreign banks.

H_0 : Null Hypothesis that there is no significant difference between difference between average sub-standard assets, doubtful assets and loss assets of the private sector and foreign banks.

Results and Discussion

(1) Trend of Gross Advances and Gross Non Performing Assets

A perusal of Table 1 reveals that

(i) The gross advances of private sector also exhibits the increasing trend as they have rose to Rs.5,85,065 crore in the year 2008-09 from Rs. 1,97,832 crore in the year 2004-05.The gross NPA of the banks decreased in the year 2005-06 to Rs. 7,782 crore from Rs. 8,526 crore in 2004-05. But after that they show an increasing trend to reach Rs.16,924 crore in the year 2008-09.

(ii) The gross advances of the foreign banks also shows increasing trend as they have increased from Rs.77,026 crore in 2004-05 to Rs.1,69,716 crore in 2008-09. The gross NPA of the banks declined to reach Rs.1,927 crore in 2005-06 from Rs. 2,192 crore in the year 2004-05. In the next three years of the study they showed a increasing trend to reach Rs. 6,833 crore in 2008-09. A sharp increased is also noticed in the year 2008-09 as they increased from Rs. 2,857 crore in 2007-08 to Rs.6,833 crore in 2008-09.

1. The Statistical test of Association between Gross Advances and Gross NPA of Private Sector Banks shows that R=0.866, P=0.057 and since P>0.05 the hypothesis is accepted. In the test R square is 0.751 and adjusted R square is 0.668 which shows that 66.8% of variation in GNPAs of Private Sector Banks is explained by variation in Gross Advances which again accepts the hypothesis that there is no significant association between GNPAs & Gross Advances of New Private Sector Banks. ANOVA values show that In the test F = 9.033, P = 0.057(p > 0.05 => S) Thus, hypothesis is accepted that there is significant association between GNPAs & Gross Advances of Private Sector Banks.

2. The Statistical test of Association between Gross Advances and Gross NPA of Foreign banks shows that R=0.695, P=0.193 and since P>0.05 the hypothesis is accepted. In the test R square is 0.483 and adjusted R square is 0.310 which shows that only 31.0% of variation in GNPAs is explained by variation in Gross Advances which again proves the hypothesis that there is no

significant association between GNPAs & Gross Advances of Foreign banks. ANOVA values show that in the test F = 2.800, P = 0.193 (p > 0.05 => NS).Thus, hypothesis is accepted that there is no significant association between GNPAs & Gross Advances of Foreign Banks.

(2)Trend of Net Advances and Net NPA

(i) The net advances of Private Sector also exhibits the increasing trend as they have rose to Rs.5,75,336 crore in the year 2008-09 from Rs.1,91,397 crore in the year 2004-05.The net NPA of the banks shows a increasing trend except the year 2005-06 in which they declined from Rs.4,085 crore to Rs.3,160 crore. In the last year of study, i.e. 2008-09,the net increased almost by 50 percent in comparison of the previous year as they increased from Rs.5,647 crore in 2007-08 to reach a level of Rs.7,411 crore in 2008-09.

(ii) The net advances of the foreign banks also shows increasing trend as they have increased from Rs.75,354 crore in 2004-05 to Rs.1,65,415 crore in 2008-09. The net NPA of the banks showed an increasing trend to reach Rs. 2,996 crore in 2008-09 from Rs. 648 crore in the year 2004-05.

A sharp increased is also noticed in the year 2008-09 as they increased from Rs. 1,247 crore in 2007-08 to Rs.2,996 crore in 2008-09.

1. The Statistical test of Association between Net Advances and Net NPA of Private Sector Banks shows that R=0.884, P=0.046 and since P<0.05 the hypothesis is rejected. In the test R square is 0.782 and the adjusted R square is 0.709 which shows that 70.9% of variation in NNPAs of Private Sector Banks is explained by variation in Net Advances which again rejects the hypothesis that there is no significant association between NNPAs & Net Advances of Private Sector Banks. ANOVA values show that In the test F = 10.763, P = 0.046 (p<0.05 => S) Thus, hypothesis is rejected that there is significant association between NNPAs & Net Advances of Private Sector Banks.

2. The Statistical test of Association between Net Advances and Net NPA of Foreign banks shows that R=0.747, P=0.147 and since P>0.05 the hypothesis is accepted. In the test R square 0.558 and adjusted R square is 0.411 which shows that only 41.1% of variation in NNPAs is explained by variation in Net Advances which again proves the hypothesis that there is no significant association between NNPAs and Net Advances of Foreign banks. ANOVA values show that in the test F = 3.787, P = 0.147 (p> 0.05 => NS). Thus, hypothesis is accepted and there is no significant association between NNPAs and Net Advances of Foreign Banks.

(3) Assets-wise Classification of NPAs

The NPAs of banks can be classified in four heads as per their health i.e. standard assets, sub-standard assets, doubtful assets and loss assets:

(i) In case of Private Sector Banks, sub- standard assets have decreased from 1.1 percent in 2004-05 to 0.8 percent in 2005-06 and then increased in the next three years to reach a level of 1.8 percent in 2008-09. Loss assets have decreased from 0.4 percent in 2004-05 to 0.2 percent in 2005-06 and then remain same in the next three years of period under study. The doubtful assets of the banks have decreased from 3.0 percent in the year 2004-05 to 0.8 percent in 2006-07 and then increased marginally to 0.9 percent in the year 2008-09.

(ii) The sub-standard assets of the Foreign Banks shows an increasing trend as it increased from 0.9 percent in the year 2004-05 to 3.5 percent in 2008-09. The doubtful assets of the banks show a mixed trend ranging from 0.5 percent to 1.3 percent. The loss assets of banks also showed the declined trend as it declined from 0.7 percent in 2004-05 to 0.2 percent in 2007-08 and then increased marginally to 0.3 percent in 2008-09.The results of one way ANOVA in case of Private Sector banks F=6.140 and p value is 0.015(Table 8). Since the p value is less than 0.05, the null hypothesis of no significant difference between average sub-standard assets, doubtful assets and loss assets is rejected. Hence, it is found that there is significant difference in the average loan assets under different categories. Whereas in case of foreign banks F= 2.725 and p value is 0.106. Since the p-value is more than 0.05, the null hypothesis is accepted that there is significant difference between average sub-standard, doubtful assets and loss assets.

Further, Post Hoc Tukey HSD test for multiple comparisons between various loan assets reveals that there is significant difference between means of sub-standard assets and doubtful assets of private sector banks(Table 9A and 9B) but sub-standard assets and doubtful assets do not significantly differs from loss assets (Table 9A & 9B). In case of foreign banks, sub-standard assets, doubtful assets and loss assets differ significantly from each other (Table 9C & 9D).

4) Distribution of Private Sector Banks by Ratio of Net NPAs to Net Advances

It has been observed that the number of private sector banks in the category up to 2 percent has increased from 9 in 2004-05 to 22 in the year 2007-08 but then fall to 18 in the year 2008-09(Table 10). The number of banks in the category of above 2 and up to 5 percent has decreased from 15 in 2004-05 to 1 in 2007-08. It increased again to 4 in 2008-09. In the category of above 5 and up to 10 percent, the number of banks have decreased from 5 in 2004-05 to 1 in 2006-07. But after that no bank fall under this category. No bank is having NPA above 10 percent. In case of Foreign Banks, the number of banks have increased to 27 in 2006-07 from 23 in 2004-05, but in the next two it goes on decreasing and the number reached to 24 in 2008-09. In the second category, the number of banks have decreased from 2 in 2004-05 to nil in 2005-06

(Table 10). But in the next three years, it shows increasing trend and reached to 6 in 2008-09. Under the category of above 5 and up to 10 percent, the number of banks have decreased from 2 in 2004-05 to nil in 2006-07 but in the next two years, it shows an increasing trend and reached to 1 in 2007-08 and remained same in the year 2008-09.Under the last category, i.e. above 10 percent, no foreign bank was found after 2006-07.

Statistical analysis reveals that the highest number of banks on an average approximately 18 in case of Private Sector Banks and 25 in case of Foreign Banks fall in the category of up to 2 percent NPAs(Table 11). On the basis of One Way ANOVA, it was found that F=19.246 and 235.897 in case of Private Sector Bank and Foreign Banks respectively. The p-value is 0.000 in both the banks which shows the highly significant difference in the average number of banks (Table 12) falling in the four categories of Net NPAs to Net Advances Ratio. Further, the results obtained from Tukey HSD test shows that on an average 17.6 or 18 banks in case of Private sector Banks and 25 in case of Foreign Banks have Net NPAs to Net Advances Ratio in the category of up to 2 percent (Table 13A & 13B).

Multiple comparison of distribution of number of banks by Net NPAs to Net Advances shows that up to 2 percent category has no significance with other three categories(Table 14A) in case of Private sector Banks. But above 2 and up to 5 percent and above 5 and up to 10 percent and above 10 percent have significant relationship with each other. In case of Foreign Banks, table 14B reveals that up to 2 percent category has no significance with other three categories. But the other three categories, i.e. above 2 and up to 5 percent, above 5 percent and up to 10 percent and above 10 percent categories have significant relationship with each other.

Conclusion

Public sector banks dominate the Indian banking as these occupy almost two third shares of total advances to the economy. Private sector banks and foreign banks have also expanded their operations over the last two decades. It was found in the present study that the situation of NPA in banks has improved over the period of study. But in 2008-09, the NPA in foreign banks have almost grown to four times in comparison of the year 2007-08. In general, it may be concluded that the position of NPA has improved considerably in the Private and Foreign Sector banks in India.

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Table 1: Gross Advances and Gross NPA (Amount in Rs. crore)

Year	Private Sector Banks		Foreign Banks	
March End	Gross Advances	Gross NPA	Gross Advances	Gross NPA
2005	1,97,832	8,526	77,026	2,192
2006	3,17,690	7,782	98,965	1,927
2007	4,20,145	9,256	1,27,872	2,263
2008	5,25,845	12,983	1,62,966	2,857
2009	5,85,065	16,924	1,69,716	6,833

Source: Various Reports on Currency and Finance

Table 2: Statistical Results (Correlation and ANOVAs)

Banks	R	R^2	Adjusted R^2	S.E. of Estimate	Sig.(two tailed)
Pvt. Sector Banks	.866[a]	.751	.668	2204.90617	.057
Foreign Banks	.695[a]	.483	.310	1703.37409	.193

a Predictor Constant- Gross Advances
b Dependent Variable- Gross NPA

Table 3: ANOVA Results

Bank/Model	Sum of Squares	d.f.	Mean Squares	F	Significance
Private Sector Banks					
Regression	4.391E7	1	4.391E7	9.033	.057[a]
Residual	1.458E7	3	4861611.235		
Total	5.850E7	4			
Foreign Banks					
Regression	8125413.301	1	8125413.301	2.800	.193[a]
Residual	8704449.899	3	2901483.300		
Total	1.683E7	4			

a Predictor Constant- Gross Advances
b Dependent Variable- Gross NPA

Table 4: Net Advances and Net NPA (Amount in Rs. Crore)

Year	Private Sector Banks		Foreign Banks	
March End	Net Advances	Net NPA	Net Advances	Net NPA
2005	1,91,397	4,085	75,354	648
2006	3,11,985	3,160	97,555	808
2007	4,14,752	4,028	1,26,339	927
2008	5,18,403	5,647	1,61,133	1,247
2009	5,75,336	7,411	1,65,415	2,996

Source: Various Reports on Currency and Finance

Table 5: Statistical Results (Correlation and ANOVAs)

Banks	R	R^2	Adjusted R^2	S.E. of Estimate	Sig.(Two Tailed)
Pvt. Sector Banks	.884[a]	.782	.709	999.22026	.046
Foreign Banks	.747[a]	.558	.411	730.12829	.147

a Predictor Constant- Net Advances
b Dependent Variable- Net NPA

Table 6: ANOVA Results

Bank/Model	Sum of Squares	d.f.	Mean Squares	F	Significance
Private Sector Banks					
Regression	1.075E7	1	1.075E7	10.763	.046[a]
Residual	2995323.395	3	998441.132		
Total	1.374E7	4			
Foreign Banks					
Regression	2018822.844	1	2018822.844	3.787	.147[a]
Residual	1599261.956	3	533087.319		
Total	3618084.800	4			

a Predictor Constant- Gross Advances
b Dependent Variable- Gross NPA

Table 7: Asset- wise Classification of NPAs (Amount in Rs. Crore)

Bank Group/Year	Sub-standard Assets		Doubtful Assets		Loss Assets	
	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
Private Sector Banks						
2005	2,233	1.1	5,929	3.0	883	0.4
2006	2,427	0.8	4,406	1.4	939	0.3
2007	4,368	1.0	3,930	0.9	941	0.2
2008	7,289	1.4	4,452	0.8	1,244	0.2
2009	10,592	1.8	5,035	0.9	1,345	0.2
Foreign Banks						
2005	715	0.9	1,035	1.3	570	0.7
2006	946	1.0	670	0.7	441	0.5
2007	1367	1.1	605	0.5	447	0.3
2008	1962	1.2	764	0.5	358	0.2
2009	5874	3.5	1004	0.6	416	0.3

Source: Various Reports on Currency and Finance

Table 8 : Classification of Loan Assets

	Between Groups	Within Groups	Total
Pvt. Sector Banks			
Sum of Squares	5.442E7	5.298E7	1.072E8
d.f.	2	12	14
Mean Square	2.711E7	4415220.600	
F	6.140		
Sig.	.015		
Foreign Banks			
Sum of Squares	8264595.733	1.820E7	2.646E7
df	2	12	14
Mean Square	4132297.867	1516561.767	
F	2.725		
Sig.	.106		

Table 9A: Post Hock Tukey Results of Multiple Comparison for Classification of Loan Assets (Private Sector Banks)

(I) Private Sector Banks	(J) Private Sector Banks	Mean Difference (I-J)	Std. Error	Sig.
Substandard Assets	Doubtful Assets	631.40000	1328.94253	.884
	Loss Assets	4311.40000*	1328.94253	.018
Doubtful Assets	Substandard Assets	-631.40000	1328.94253	.884
	Loss Assets	3680.00000*	1328.94253	.042
Loss Assets	Substandard Assets	-4311.40000*	1328.94253	.018
	Doubtful Assets	-3680.00000*	1328.94253	.042

***The mean difference is significant at the 0.05 level**

Table 9B: Homogeneous Subsets of Classification of Loan Assets (Private Sector Banks)

Pvt. Sector Banks	N	Subset for Alpha =0.05	
		1	2
Loss Assets	5	1070.4000	
Doubtful Assets	5		4750.4000
Substandard Assets	5		5381.8000
Sig.		1.000	.884

Means for groups in homogeneous subsets are displayed. Uses Harmonic Mean Sample Size = 5.000.

Table 9C: Post Hock Tukey Results of Multiple Comparison for Classification of Loan Assets (Foreign Banks)

(I) Foreign Banks	(J) Foreign Banks	Mean Difference(I-J)	Std. Error	Sig.
Substandard Assets	Doubtful Assets	1357.20000	778.86116	.230
	Loss Assets	1726.40000	778.86116	.109
Doubtful Assets	Substandard Assets	-1357.20000	778.86116	.230
	Loss Assets	369.20000	778.86116	.885
Loss Assets	Substandard Assets	-1726.40000	778.86116	.109
	Doubtful Assets	-369.20000	778.86116	.885

Table 9D: Homogeneous Subsets of Classification of Loan Assets (Foreign Banks)

Foreign Banks	N	Subset for Alpha=0.05
		1
Loss Assets	5	446.4000
Doubtful Assets	5	815.6000
Substandard Assets	5	2172.8000
Sig.		.109

Means for groups in homogeneous subsets are displayed. Uses Harmonic Mean Sample Size = 5.000.

Table 10: Distribution of Banks by Ratio of Net NNPAs to Net Advances (Number of Banks)

Bank Group	At the End of March				
	2005	2006	2007	2008	2009
Private Sector Banks					
Up to 2 Percent	09	17	22	22	18
Above 2 and Up to 5 percent	15	09	02	01	04
Above 5 and Up to 10 percent	05	01	01	00	00
Above 10 Percent	00	00	00	00	00
Foreign Banks					
Up to 2 Percent	23	26	27	25	24
Above 2 and Up to 5 percent	02	00	01	02	06
Above 5 and Up to 10 percent	02	00	00	01	01
Above 10 Percent	04	03	01	00	00

Table 11: Descriptive For Distribution of Number of Banks by NNPAs to Net Advances

	N		Mean		Std. Deviation	
	Private Sector Banks	Foreign Banks	Private Sector Banks	Foreign Banks	Private Sector Banks	Foreign Banks
Up to 2 Percent	5	5	17.60	25.0	5.31977	1.58114
Above 2 and Up to 5 percent	5	5	6.20	2.20	5.80517	2.28035
Above 5 and Up to 10 percent	5	5	1.40	0.80	2.07364	.83666
Above 10 Percent	5	5	0.00	1.60	0.0000	1.81659
Total	20	20	6.3	7.4	8.02037	10.55512

Table12: ANOVA Results F…..or Distribution of Banks by NNPAs To Net Advances

	Between Groups	Within Groups	Total
Pvt. Sector Banks			
Sum of Squares	957.000	265.200	1222.200
d.f.	3	16	19
Mean Square	319.000	16.575	
F	19.246		
Sig.	0.000		
Foreign Banks			
Sum of Squares	2070.000	46.800	2116.800
df	3	16	19
Mean Square	690.00	2.925	
F	235.897		
Sig.	0.000		

Table 13A: Homogeneous Subsets of Classification of Loan Assets (Private Sector Banks)

Ratio Percent	N	Subset for Alpha =0.05	
		1	2
Above 10 Percent	5	0.0000	
Above 5 and Up to 10 percent	5	1.4000	
Above 2 and Up to 5 percent	5	6.2000	
Up to 2 Percent	5		17.6000
Sig.		0.116	1.000

Means for groups in homogeneous subsets are displayed. Uses Harmonic Mean Sample Size = 5.000.

Table 13B: Homogeneous Subsets of Classification of Loan Assets (Foreign Banks)

Ratio Percent	N	Subset for Alpha =0.05	
		1	2
Above 5 and Up to 10 percent	5	0.8000	
Above 10 Percent	5	1.6000	
Above 2 and Up to 5 percent	5	2.2000	
Up to 2 Percent	5		25.0000
Sig.		0.579	1.000

Means for groups in homogeneous subsets are displayed. Uses Harmonic Mean Sample Size = 5.000.

Table 14A : Multiple Comparisons of Distribution of Number of Banks by NNPAs to Net Advances (Private Sector Banks)

Tukey HSD

Ratio- Percent		Mean Difference (I-J)	Std. Error	Sig.
Up to 2 percent	Above 2 and Up to 5 percent	22.80000*	1.08167	.000
	Above 5 and Up to 10 percent	24.20000*	1.08167	.000
	Above 10 Percent	23.40000*	1.08167	.000
Above 2 and Up to5 percent	Up to 2 percent	-22.80000*	1.08167	.000
	Above 5 and Up to 10 percent	1.40000	1.08167	.579
	Above 10 Percent	.60000	1.08167	.944
Above 5 and Up to 10 percent	Up to 2 percent	-24.20000*	1.08167	.000
	Above 2 and Up to5 percent	-1.40000	1.08167	.579
	Above 10 Percent	-.80000	1.08167	.880
Above 10 Percent	Up to 2 percent	-23.40000*	1.08167	.000
	Above 2 and Up to 5 percent	-.60000	1.08167	.944
	Above 5 and Up to 10 percent	.80000	1.08167	.880

*. The mean difference is significant at the 0.05 level.

Table 14B : Multiple Comparisons of Distribution of Number of Banks by NNPAs to Net Advances (Foreign Banks)

Tukey HSD

Ratio- Percent		Mean Difference (I-J)	Std. Error	Sig.
Up to 2 percent	Above 2 and Up to 5 percent	11.40000*	2.57488	.002
	Above 5 and Up to 10 percent	16.20000*	2.57488	.000
	Above 10 Percent	17.60000*	2.57488	.000
Above 2 and Up to5 percent	Up to 2 percent	-11.40000*	2.57488	.002
	Above 5 and Up to 10 percent	4.80000	2.57488	.281
	Above 10 Percent	6.20000	2.57488	.116
Above 5 and Up to 10 percent	Up to 2 percent	-16.20000*	2.57488	.000
	Above 2 and Up to5 percent	-4.80000	2.57488	.281
	Above 10 Percent	1.40000	2.57488	.947
Above 10 Percent	Up to 2 percent	-17.60000*	2.57488	.000
	Above 2 and Up to 5 percent	-6.20000	2.57488	.116
	Above 5 and Up to 10 percent	-1.40000	2.57488	.947

*. The mean difference is significant at the 0.05 level.