Financial Intermediation in India

Data Summary 2013
Flow of Funds

Macro Level Institutions
• Institutions (laws and regulations)
• Quantity (simple indicators)
• Quality (theory-based performance)

Corporate Sector
• Institutions
• Quantity
• Quality

Household Sector
• Institutions
• Quantity
• Quality
Part I: Flow of Funds

- Financial Flows
- Capital Flows
  - Private Capital Flows
- Foreign Direct Investment
  - Net Inflows and Outflows (% of GDP)
  - Net Value (USD)
- International Remittances
Financial Flows

Net Financial Flows (current US$)

- IBRD
- IDA
- IMF concessional
- IMF nonconcessional
- RDB concessional
- RDB nonconcessional
- Bilateral
- Multilateral
- Multilateral
- others
- Average

Flow of Funds: Macro-level Institutions, Corporate Sector, Household Sector

Source: World Bank DataBank
Capital Flows

Flow of Funds  Maco-level Institutions  Corporate Sector  Household Sector

Net Capital Flows (% of GDP)

Source: “The Recent Surge in Inflows and Policy Options for India,” Dayanand Arora, Francis Xavier Rathinam, Shuheb Khan, 3 July 2010
Private Capital Flows

Source: World Bank DataBank

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Total Private Capital Flows (% of GDP)

% of GDP


Source: World Bank DataBank

CFSP
Foreign Direct Investment

Flow of Funds: Macro-level Institutions, Corporate Sector, Household Sector

Foreign Direct Investment - Net Inflows and Outflows (% of GDP)

Source: World Bank DataBank
India

Foreign Direct Investment

Flow of Funds: Macro-level Institutions, Corporate Sector, Household Sector

Foreign Direct Investment, net (BoP, current US$)

Source: World Bank DataBank
Foreign Direct Investment

Source: World Bank DataBank
India

International Remittances

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Workers' Remittances, receipts (BoP, current US$)

Source: World Bank DataBank

CFSP
India

Part II: Macro Level Institutions

- Financial Development Index
- Financial Liberation Index
- Banking Sector
  - Bank Entry Requirements
  - Bank Entry Openness and Discrimination
  - Capital Accounts Restrictions
  - Banking System Economic Outlook 2013
  - Banking Industry Country Risk Assessment (BICRA) Score
- Macro Indicators
  - Gross National Savings
  - Government Savings
  - Gross Capital Formation
  - M2 as a % of GDP
  - Domestic Credit to Private Sector
Financial Development Index

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Financial Liberalization Index

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Financial Liberalization Index (scale: 0 to 18)

# Bank Entry Regulations

## Flow of Funds
- **Macro-level Institutions**
- **Corporate Sector**
- **Household Sector**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public agency in charge of the approval of banking licenses</td>
<td>Reserve Bank of India</td>
</tr>
<tr>
<td>Minimum Capital Entry Requirement</td>
<td>$35k</td>
</tr>
<tr>
<td>Sources of funds to be used as capital verified by authorities</td>
<td>Not Required</td>
</tr>
<tr>
<td>Law enforcement authorities</td>
<td>Consulted</td>
</tr>
<tr>
<td>Assets that cannot be used to increase capital</td>
<td>Assets other than cash/government securities (including borrowed funds)</td>
</tr>
<tr>
<td>Legal submission required for banking license</td>
<td>Draft by-laws; intended organizational chart; structure of board, market/business strategy; first 3-year financial projections; financial information on shareholders; background/experience of future board directors and senior managers; and the source of funds to be used as capital.</td>
</tr>
<tr>
<td>Maximum percentage of foreign ownership allowed</td>
<td>74%</td>
</tr>
<tr>
<td>In the past 5 years (2006-2010), number of foreign banks applications to enter through the acquisition of a domestic bank</td>
<td>12 out of 46 applications</td>
</tr>
<tr>
<td>Number of months it takes for a new banking license to be issued</td>
<td>5 months</td>
</tr>
</tbody>
</table>

Source: Bank Regulation Data, World Bank, 2011
## Bank Openness and Discrimination

**Flow of Funds**
- **Macro-level Institutions**
- Corporate Sector
- Household Sector

<table>
<thead>
<tr>
<th></th>
<th>Degree of Openness</th>
<th>Degree of Discrimination</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Components</td>
<td>Omit Rejection Rate</td>
</tr>
<tr>
<td>Actual Practice</td>
<td>0.313</td>
<td>0.263</td>
</tr>
<tr>
<td>Commitments</td>
<td>0.491</td>
<td>0.441</td>
</tr>
</tbody>
</table>

*Higher values indicate less openness or more discrimination*

India practices a higher degree of openness for domestic entrants and compared to its commitments to the WTO. It also practices a higher level of discrimination for foreign entrants than for domestic entrants.

Source: WTO “Foreign Banking: Do Countries’ WTO Commitments Match Actual Practices?”
India

Capital Account Restrictions

Flow of Funds ◆ Macro-level Institutions ◆ Corporate Sector ◆ Household Sector

Reforms
• Signed Article VIII in August 1994, and capital account liberalization has proceeded at a gradual pace.
• The 1997 Tarapore Committee on Capital Account Convertibility recommended a cautious approach that seeks to establish the preconditions for liberalization on a sound footing. These include fiscal consolidation, an inflation target and, most importantly, the strengthening of the financial system. Consequently, more stable flows such as direct and portfolio investment have been liberalized first, followed by partial liberalizations of debt-creating flows, derivative transactions and capital outflows. Financial reform has continued concurrently.

Capital controls
• India maintains an extensive capital control regime, despite the liberalization of the past decade.
• Controls have been quantity-based rather than market-based and have been administratively enforced. They have been oriented towards limiting the country’s external debt, particularly acting to reduce excessive exposure to short-term foreign debt. Controls remain on the external exposure of pension funds and insurance companies and the external assets of banks are closely monitored.
• Effectiveness of controls have been largely effective in limiting measured capital flows and in shifting their composition towards long-term flows.
• Among other factors, such as the economy’s limited trade and financial linkages with the global economy, controls insulated India from the 1997 Asian crisis. Indeed, long-standing and extensive capital controls have reduced the country’s vulnerability to external crisis. It should be noted however, that the extensive controls of the 1970s and 1980s did not prevent India from experiencing high levels of external indebtedness and balance of payments crises in 1980 and 1991. There is evidence of evasion and avoidance of controls working through trade mis-invoicing. Furthermore, controls carry significant administrative costs, burden legitimate transactions and create inefficiency.

Lessons
• India's experience illustrates the gradual approach to capital account liberalization. CAC has proceeded gradually in the context of a broad reform agenda that encompasses trade, competition and industrial restructuring. Emphasis has been placed on the reform of the financial system as a pre-condition for capital account liberalization. India's experience also reveals the effectiveness of the present control regime in preventing a build-up of short-term external liabilities that could increase the country's vulnerability to externally-generated crises. By effectively shifting the composition of inflows towards more stable, long-term flows, India can receive the benefits of capital account liberalization while limiting vulnerability while financial sector reforms proceed.

Source: “Issues in Capital Account Convertibility in Developing Countries,” Benu Schneider, Overseas Development Institute, June 2000
Recently, the RBI took a few important steps to make the Indian Banking industry more robust and healthy:
- De-regulation of the savings rate
- Guidelines for new banking licenses
- Implementation of Basel Norm III

Growth drivers of the Indian Banking Industry:
- High growth of the Indian Economy: India is one of the fastest growing economies in the world and is set to remain on that path for many years to come
- Rising per capita income will drive the growth of retail credit
- New Channel: mobile banking is expected to become the second largest channel for banking after ATMs
- Financial Inclusion Program: 41% of the adult population don’t have bank accounts, which indicates a large untapped market for banking players

Banking Industry Country Risk Assessment

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

BICRA score as of January 2013

*Lower score denotes less risk

Source: S&P’s BICRA Assessment January 2013
Gross National Savings

Flow of Funds  ■ Macro-level Institutions  ■ Corporate Sector  ■ Household Sector

Gross National Savings (% of GDP)

Source: World Bank (International Monetary Fund, Financial Access Survey)
Government Savings

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Government Savings (in billions of Indian Rupees)

Source: Asian Development Bank
Gross Capital Formation

Flow of Funds
- **Macro-level Institutions**
- Corporate Sector
- Household Sector

**Gross Capital Formation (% of GDP)**

- **India**
- **United States**
- **G5 Average**

Source: World Bank DataBank
M2 as a % of GDP

Flow of Funds  ◆ Macro-level Institutions  ◆ Corporate Sector  ◆ Household Sector

M2 (% of GDP)

% of GDP


Source: World Bank DataBank
Domestic Credit to Private Sector

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Domestic Credit Provided to Private Sector (% of GDP)

% of GDP

Source: World Bank DataBank
Part III: Corporate Sector

- Corporate Regulation
  - Corporate Governance
  - Ease of Doing Business Index
  - Start-up Costs
  - Start-Up Environment Summary
  - Accounting Quality

- Stock Market Capitalization

- Large Firms
  - Marginal Product of Capital Dispersion
  - Tobin’s Q Dispersion

- Small Firms Financing
India

Corporate Governance

<table>
<thead>
<tr>
<th>Economic Freedom Score (out of 100)</th>
<th>55.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking (in 2013 index)</td>
<td>119th</td>
</tr>
<tr>
<td>Trend</td>
<td>Overall score is 0.6 point higher than last year, with improvements in the management of public finance monetary freedom offsetting a continuing decline in freedom from corruption.</td>
</tr>
</tbody>
</table>

**Flow of Funds**

- Macro-level Institutions
- Corporate Sector
- Household Sector

**Country Comparisons**

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Average</td>
<td>59.6</td>
</tr>
<tr>
<td>Regional Average</td>
<td>57.4</td>
</tr>
<tr>
<td>Free Economies</td>
<td>84.5</td>
</tr>
</tbody>
</table>

Source: The Heritage Foundation
Ranked 132 out of 183 countries in 2012.

Sources: World Bank Data Bank and Global Finance Magazine Online
Start-up Costs

Cost of Business Start-up Procedures (% GNI per capita)

India

Source: World Bank DataBank
## Start-Up Environment Summary

### Flow of Funds

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Starting a Business</strong> (rank)</td>
<td>173</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>12</td>
</tr>
<tr>
<td>Time (days)</td>
<td>27</td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>49.8</td>
</tr>
<tr>
<td>Minimum capital (% of income per capita)</td>
<td>140.1</td>
</tr>
</tbody>
</table>

### Macro-level Institutions

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Getting credit</strong> (rank)</td>
<td>23</td>
</tr>
<tr>
<td>Strength of legal rights index</td>
<td>8</td>
</tr>
<tr>
<td>Depth of credit information index</td>
<td>5</td>
</tr>
<tr>
<td>Public registry coverage (% of adults)</td>
<td>0</td>
</tr>
<tr>
<td>Private bureau coverage (% of adults)</td>
<td>14.9</td>
</tr>
</tbody>
</table>

### Corporate Sector

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Protecting investors</strong> (rank)</td>
<td>49</td>
</tr>
<tr>
<td>Extent of disclosure index (0-10)</td>
<td>7</td>
</tr>
<tr>
<td>Extent of director liability index (0-10)</td>
<td>4</td>
</tr>
<tr>
<td>Ease of shareholder suits index (0-10)</td>
<td>7</td>
</tr>
</tbody>
</table>

### Household Sector

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resolving insolvency</strong> (rank)</td>
<td>116</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>7</td>
</tr>
<tr>
<td>Time (days)</td>
<td>67</td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>247.3</td>
</tr>
</tbody>
</table>

### Other Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dealing with construction permits</strong> (rank)</td>
<td>182</td>
</tr>
<tr>
<td>Procedures (number)</td>
<td>34</td>
</tr>
<tr>
<td>Time (days)</td>
<td>196</td>
</tr>
<tr>
<td>Cost (% of income per capita)</td>
<td>1528</td>
</tr>
</tbody>
</table>

### Additional Information

- *denotes reform making it easier to do business
- Source: [www.doingbusiness.org](http://www.doingbusiness.org) 2012 report
Rules for listed filings

- IFRS required or permitted for listed companies? Listed companies having subsidiaries have a choice of presenting their consolidated financial results either in accordance with Indian GAAP or in accordance with IFRS, however companies seem to prepare their financial statements in Indian GAAP. This is subject to change in the near future once India confirms its roadmap to upgrade Indian GAAP and/or continue its convergence to IFRS.
- Version of IFRS - IFRS as published by the IASB.
- Subsidiaries of foreign companies or foreign companies listed on local exchanges are not subject to different rules.

Rules for statutory filings

- IFRS and IFRS for SMEs are prohibited, and financial statements must be prepared in accordance with Indian GAAP.

IFRS conversion plans

- Plans for converging - The Ministry of Corporate Affairs (MCA) a part of the Government of India had in January 2010 announced a multi-phase plan for transition beginning April 1, 2011 to the new Converged Indian Accounting Standards (India’s attempt to converge to IFRS, which has carve outs that distinguish it from IFRS, and is now known as “Ind AS”).

## India

### Large Firms

<table>
<thead>
<tr>
<th>Firm</th>
<th>Industry Type</th>
<th>Sales</th>
<th>Profits</th>
<th>Assets</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliance Industries</td>
<td>Oil &amp; Gas Operations</td>
<td>$59.5B</td>
<td>$4.3B</td>
<td>$69B</td>
<td>$50.4B</td>
</tr>
<tr>
<td>Oil &amp; Natural Gas</td>
<td>Oil &amp; Gas Operations</td>
<td>$26.3B</td>
<td>$5B</td>
<td>$51B</td>
<td>$46.6B</td>
</tr>
<tr>
<td>Tta Consultancy Services</td>
<td>Computer Services</td>
<td>$8.4B</td>
<td>$2B</td>
<td>$7.3B</td>
<td>$45.5B</td>
</tr>
<tr>
<td>Coal India</td>
<td>Diversified Metals &amp; Mining</td>
<td>$11.8B</td>
<td>$2.4B</td>
<td>$18.1B</td>
<td>$43.1B</td>
</tr>
<tr>
<td>ITC</td>
<td>Tobacco</td>
<td>$5B</td>
<td>$1.1B</td>
<td>$5.9B</td>
<td>$33.6B</td>
</tr>
</tbody>
</table>


Note: Forbes Largest 2000 public companies of the world are ranked on the basis of various parameters like score for the sales and profits, assets and the market value and some normalcy conditions.
Marginal Product of Capital Dispersion

Flow of Funds  □  Macro-level Institutions  □  Corporate Sector  □  Household Sector

Marginal Product of Capital (%)

Tobin’s Q Dispersion

Average Tobin's Q over the years 1999-2004

- **India**: 1.42
- **United States**: 1.79
- **G5 Average**: 1.462

Tobin’s Q is the ratio between the market value and replacement value of the same physical asset. \( \text{Tobin’s } q = \frac{\text{Value of Stock Market}}{\text{Corporate Net Worth}} \)

Source: Corporate Valuation around the World: The Effects of Governance, Growth, and Openness, Choong Tze Chua, Cheol S. Eun, Sandy Lai,
Small Firms Financing

Small Firms Financing 2006

- Percent of firms identifying access to finance as a major concern
- Proportion of working capital financed by supplier credit (%)
- Proportion of working capital financed by banks (%)
- Percent of firms using banks to finance working capital
- Proportion of investments financed by equity or stock sales (%)
- Proportion of investments financed by supplier credit (%)
- Proportion of investments financed by banks (%)
- Proportion of investments financed internally (%)
- Percent of firms using banks to finance investments
- Proportion of loans requiring collateral (%)

Source: Enterprise Survey
Part IV: Household Sector

- Consumer Laws and Regulations
- Consumer Quantity Indicators
  - Financial Access
  - Quantity Indicators
- Consumer Performance Indicators
- Cash-flows
  - Savings and Loans
  - B/S Market
Consumer Laws and Regulations

Flow of Funds  ◇ Macro-level Institutions  ◇ Corporate Sector  ◇ Household Sector

◇ Regulations Index and Rankings

◇ Legal Rights Index

◇ Consumer Rights Protections

◇ Real Estate Loan Regulations
India Regulations Index and Ranking

Flow of Funds ◇ Macro-level Institutions ◇ Corporate Sector ◇ Household Sector

India Regulations Ratings

Source: Free the World 2012 Report
Legal Rights Index

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Strength of Legal Rights Index

Source: World Bank DataBank
Out of the various laws that have been enforced to protect the consumer rights in India, the most important is the Consumer Protection Act of 1986 (COPRA). According to this law, everyone (including individuals, a firm, a Hindu undivided family and a company) has the right to exercise their consumer rights for the purchase of goods and services made by them. The rights listed include:

1. The right to be protected from all kind of hazardous goods and services
2. The right to be fully informed about the performance and quality of all goods and services
3. The right to free choice of goods and services
4. The right to be heard in all decision-making processes related to consumer interests
5. The right to seek redress, whenever consumer rights have been infringed
6. The right to complete consumer education

The Ministry of Consumer Affairs, Food and Public Distribution has incorporated the Department of Consumer Affairs as the nodal organization to protect the consumer rights, redress the consumer grievances and promote the standards governing goods and services provided in India. If there is infringement of rights of consumer then a complaint can be made and reported to the close by designated consumer court within a limited time frame of 90 to 150 days.

‘CUTS’ was inspired to declare and adopt the 10th (enabling) Consumer Right on 26 January 1991: “The right to opportunities to acquire basic needs which will enable one to work and to earn a living, without exploitation.” This inherently demands execution of the state’s singular responsibility to provide productive infrastructure, work ethos, job opportunities, social justice and economic equity. Both these rights were adopted at the Third National Convention of Consumer Activists at Calcutta during 1-3 November 1991, calling and urging the now (CI) IOCU to recognize and take suitable steps in expansion of the Consumer Rights internationally.

Source: CUTS International
The Real Estate (Regulation and Development) Bill has been approved as of June 5, 2013. The aim of the bill is to create a Real Estate Regulatory Authority and an Appellate Tribunal that will act as a watchdog for the housing sector, primarily towards protecting consumer interests while creating an alternative redress mechanism for any disputes that may arise. The bill demands greater disclosure from the developer community and a higher level of project accountability to remove the information asymmetries from the housing market. The bill has also sought to ensure that the buyer’s payment is utilized for the development of the particular project by necessitating the creation of an escrow account where the customer advances paid will be used only for that project’s completion. This limit has been revised from 70% earlier to 70% or less as decided by the respective states. The bill also seeks to make the developer responsible for adhering to the timelines and specifications committed to for project completion.

At present, there is no regulatory ceiling on the LTV ratio in respect of banks’ housing loan exposures. In order to prevent excessive leveraging, the LTV ratio in respect of housing loans hereafter should not exceed 80 per cent. However, for small value housing loans, i.e. housing loans up to Rs. 20 lakh (which get categorized as priority sector advances), it has been decided that the LTV ratio should not exceed 90 per cent.

<table>
<thead>
<tr>
<th>LTV Ratio</th>
<th>Sanctioned Amount of Loan</th>
<th>Risk Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal or less than 75%</td>
<td>Up to Rs. 30.00 lakh</td>
<td>50%</td>
</tr>
<tr>
<td>Equal or less than 75%</td>
<td>Above Rs. 30.00 lakh</td>
<td>75%</td>
</tr>
<tr>
<td>Greater than 75%</td>
<td>Any amount</td>
<td>100%</td>
</tr>
</tbody>
</table>
India

Quantity Indicators

Flow of Funds  ◆  Macro-level Institutions  ◆  Corporate Sector  ◆  Household Sector

◆ Financial Sector Participation: Savings
◆ Financial Sector Participation: Loans
◆ Bank Branch Access
◆ Banking Sector by Share
◆ Banking Sector by Type of Institution
◆ Domestic Credit
◆ Household Credit Composition
◆ Household Access to Amenities
◆ Household Access to Technology
◆ Automobile Ownership
◆ Mobile Phone Subscriptions
◆ Tertiary Education
◆ Pensions
◆ Life Insurance

CFSP
Financial Sector Participation: Savings

Flow of Funds

- Macro-level Institutions
- Corporate Sector
- Household Sector

Financial Sector Participation (% of population 15+)

- Account at a formal financial institution
- Saved at a financial institution in the past year
- Saved any money in the past year
- Saved using a savings club in the past year
- Has a credit card
- Has a debit card

Source: World Bank Global Findex
India

Financial Sector Participation: Loans

Flow of Funds  ♦  Macro-level Institutions  ♦  Corporate Sector  ♦  Household Sector

Source of Loans (% of population 15+)

- Loan in the past year
- Loan from a financial institution in the past year
- Loan from a private lender in the past year
- Loan from an employer in the past year
- Loan from family or friends in the past year
- Loan through store credit in the past year

Source: World Bank Global Findex
India

Financial Sector Participation: Loans

Flow of Funds  Maco-level Institutions  Corporate Sector  Household Sector

Number of Depositors and Borrowers (per 1000 adults)

Note: Data includes number of resident customers that are nonfinancial corporations (public and private) and households

Source: World Bank (International Monetary Fund, Financial Access Survey)
Bank Branch Access

Flow of Funds ◆ Macro-level Institutions ◆ Corporate Sector ◆ Household Sector

Bank Branches (per 1000 adults)

Note: Data includes retail locations of resident commercial banks and other resident banks that function as commercial banks that provide financial services to customers and are physically separated from the main office but not organized as legally separated subsidiaries.

Source: World Bank (International Monetary Fund, Financial Access Survey)
Banking Sector by Share

Largest Banks in India by Share of Total Assets (*denotes state-owned bank)

<table>
<thead>
<tr>
<th>2011</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Banks</td>
<td>64</td>
</tr>
<tr>
<td>Foreign</td>
<td>18</td>
</tr>
<tr>
<td>Public</td>
<td>26</td>
</tr>
<tr>
<td>Private</td>
<td>20</td>
</tr>
</tbody>
</table>

State Bank of India* 17%
ICICI Bank Limited 6%
Punjab National Bank* 5%
Bank of Baroda* 5%
Bank of India* 5%
Canara Bank* 5%
HDFC Bank Limited 4%
IDBI Bank Limited* 4%
Axis Bank Limited 3%
Union Bank of India* 3%
Others (54) 43%

Source: D & B India 2012
Banking Sector by Type

Market Share by Type of Bank (% of total assets)

- Public Sector Banks, 74
- Private Sector Banks (new), 15
- Private Sector Banks (old), 4
- Foreign Banks, 7

Domestic Credit

Domestic Credit Indicators (% of GDP)

Source: World Bank (International Monetary Fund, Financial Access Survey)
India

Household Credit Composition

Flow of Funds  ♦  Macro-level Institutions  ♦  Corporate Sector  ♦  Household Sector

Loan Issuance by Type of Institution (% of total loans)

- 46% PSU Banks/ Financial Institutions
- 32% Private Sector Non-Bank Financial Companies (NBFCs)
- 14% Private Sector Banks/ Financial Institutions
- 5% Private Sector Corporates
- 3% PSU Corporates

Source: Citigroup Report 2011: A Year of Contrasting Halves
Household Amenities

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Households with Access in 2011 (% of total households)

Source: CensusInfo India 2011
Access to Technology

Flow of Funds

- Macro-level Institutions
- Corporate Sector
- Household Sector

Households with Access in 2011 (% of population)

- Computer: 9.5% (Total), 18.7% (Urban), 5.2% (Rural)
- Computer with Internet: 3.1% (Total), 8.3% (Urban), 0.7% (Rural)
- Telephone/Mobile: 63.2% (Total), 82% (Urban), 54.3% (Rural)

Source: CensusInfo India 2011
Auto Ownership

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Motor Vehicles (per 1,000 people)

Households with Cars in 2011  4.7
Urban (% with access)  9.8
Rural (% with access)  2.3

Source: World Bank Databank, CensusIndia
Mobile Phone Subscriptions

Mobile Cellular Subscriptions (Per 100 People)

India

Flow of Funds
- Macro-level Institutions
- Corporate Sector
- Household Sector

Source: World Bank DataBank
India

Tertiary Education

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Gross Enrollment Trend (% of population)

Source: World Bank DataBank
Pensions

Flow of Funds

Macro-level Institutions

Corporate Sector

Household Sector

Pension Assets (% of GDP)

India

United States

G5 Average

Source: World Bank Databank
Life Insurance

Flow of Funds  🟢 Macro-level Institutions  🟣 Corporate Sector  🟤 Household Sector

Penetration (premiums as a % of GDP)

Source: OECD
India

Performance Indicators

Flow of Funds  ◆ Macro-level Institutions  ◆ Corporate Sector  ◆ Household Sector

◆ Household Income
◆ Unemployment Rate
◆ Household Balance Sheet
  • Use of Loans (Flow)
  • Interest Income and Expense
  • Household Wealth
  • Real Assets Composition
Household Income by Source in 2005 (% of total income)

Source: India Human Development Survey data, Reserve Bank of India
Unemployment Rate

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Unemployment Rate (% of labor force)

Source: Trading Economics, India Ministry of Labor
Use of Loans

Flow of Funds  ♦ Macro-level Institutions  ♦ Corporate Sector  ♦ Household Sector

Use of Loans in 2011 (% of population 15+)

- Outstanding loan for purchasing a home
- Outstanding loan for paying school fees
- Outstanding loan for home construction
- Outstanding loan for health or emergencies
- Outstanding loan for funerals or weddings

Source: World Bank Global Findex
Interest Income and Expense

Flow of Funds

- Macro-level Institutions
- Corporate Sector
- Household Sector

Source: Reserve Bank of India
India

Household Wealth

Flow of Funds  Macro-level Institutions  Corporate Sector  Household Sector

Wealth per adult (in USD)

Source: Credit Suisse Global Wealth Databook 2011
Composition of Real Assets in Rural India by Size Class 2002/2003 (% of total)

Source: Data from Subramanian and Jayaraj 2006, Table 5a