

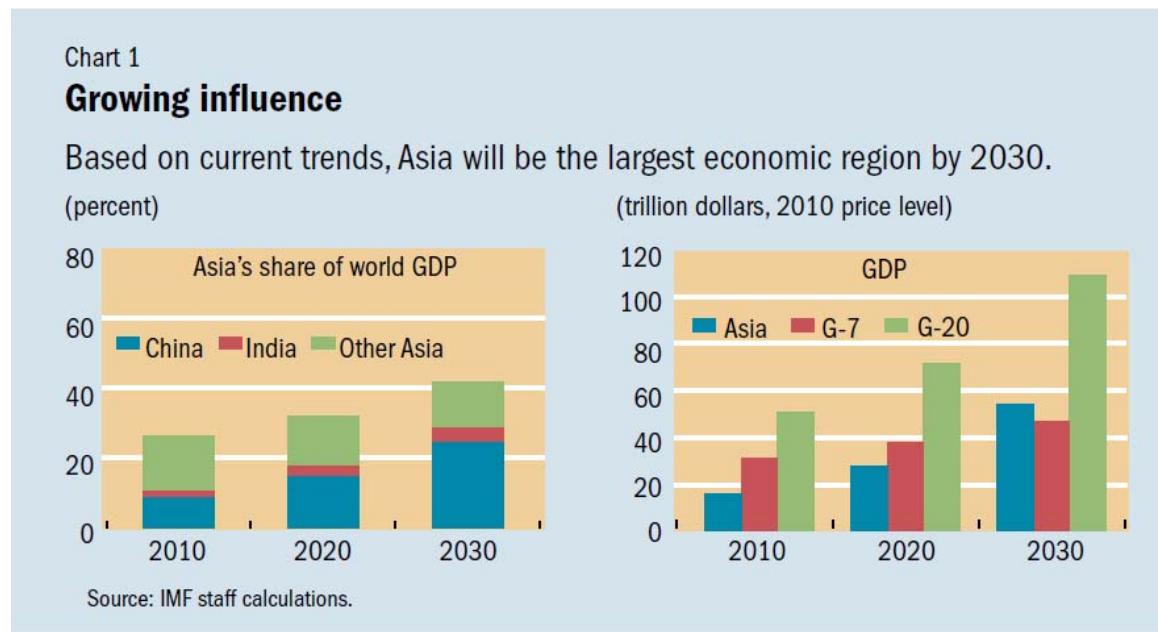
Viral V Acharya, NYU Stern School of Business

# **Emerging Systemic Risks in India and China: A Comparative Analysis**

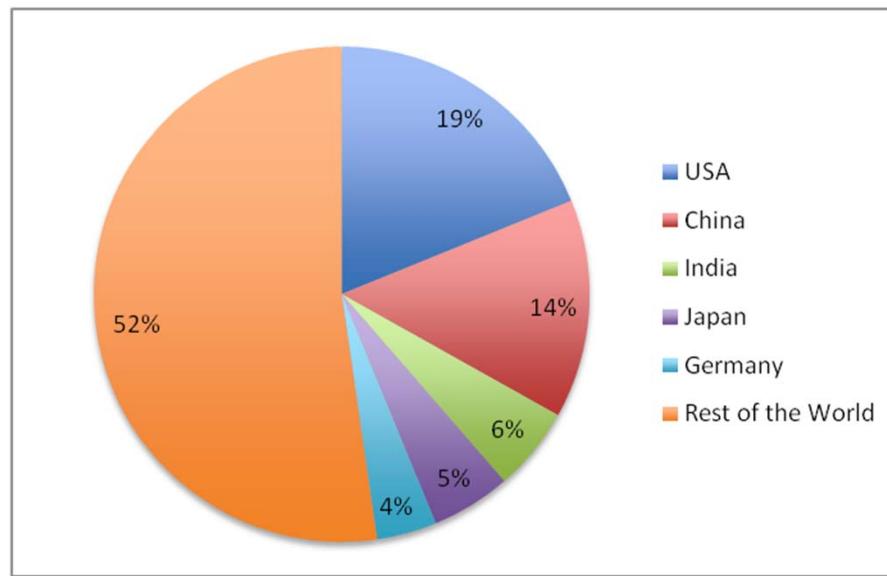
**(thanks to Rob Engle and Manjiree Jog for some  
of their presentations)**

# How Important are China, India?

- IMF estimates that based on current trends, Asia will be the largest economic region by 2030 and China will be the largest economy in the world



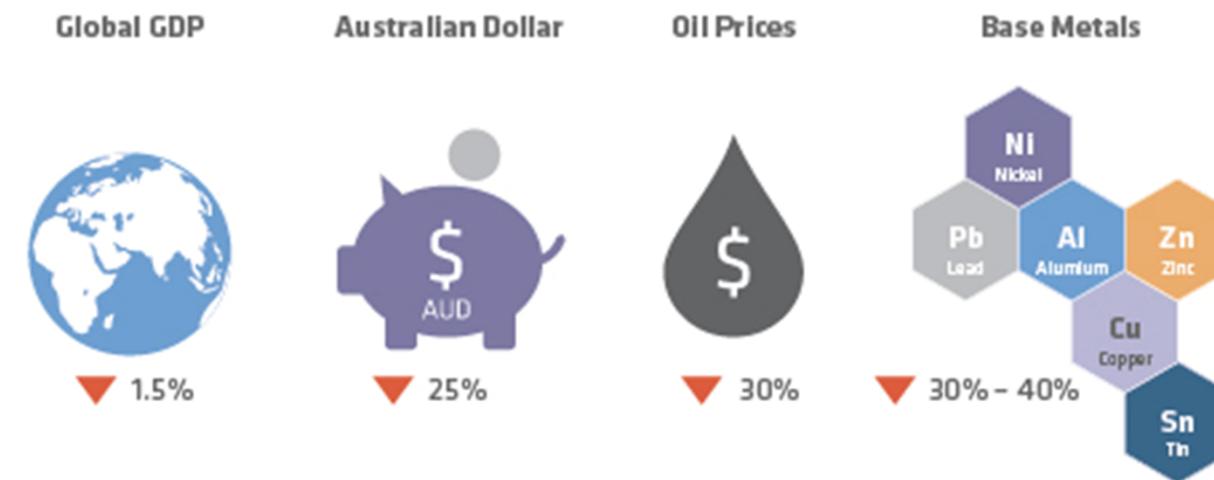
# China and India's Share of World GDP 2012



*Source: World Bank*

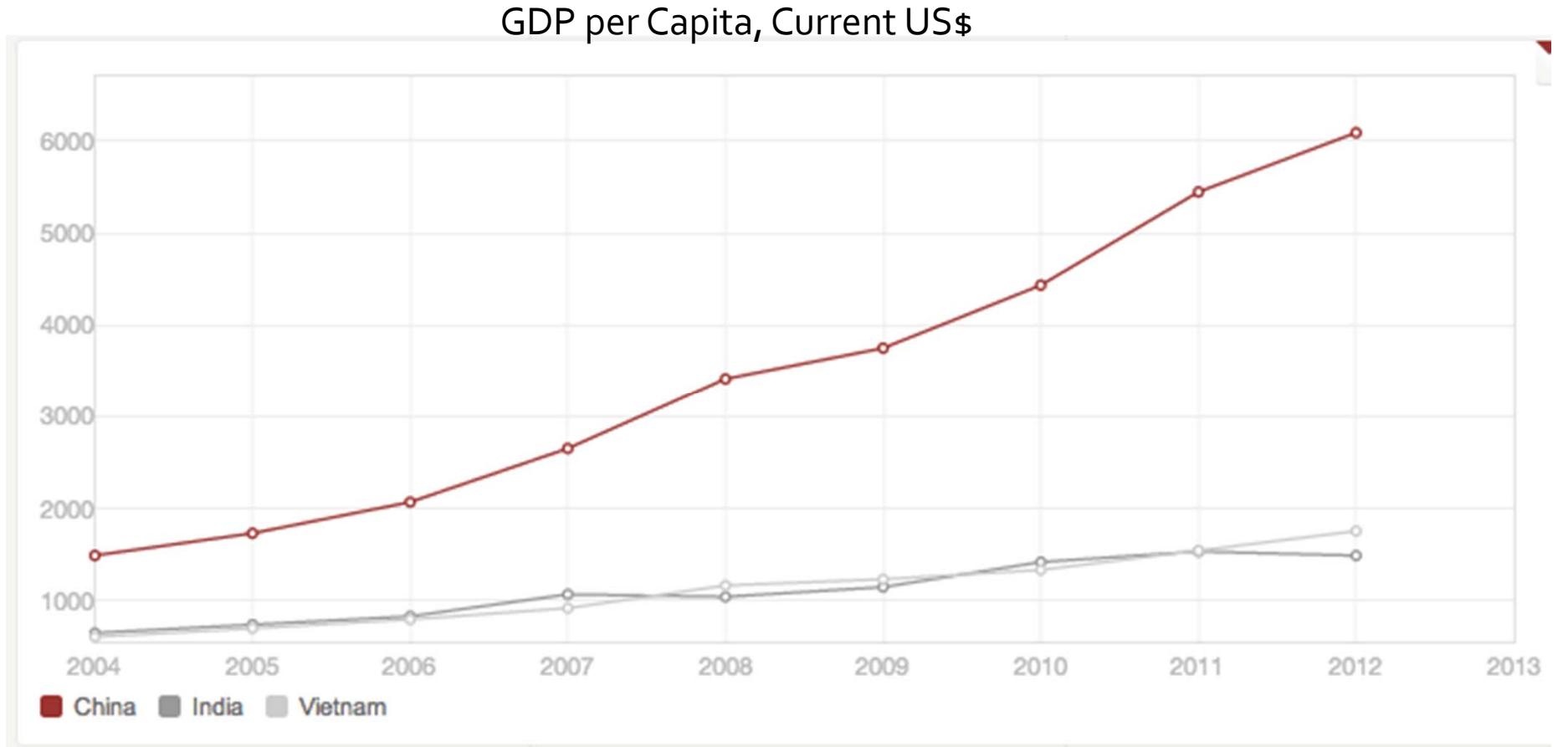
# Impact on the World Economy

## A China demand shock would have wide effects: Effects of Chinese growth falling to just 3% year-on-year:



Source: Societe Generale estimates

# Growth Rate—China and India



Source: World Bank

# V-LAB

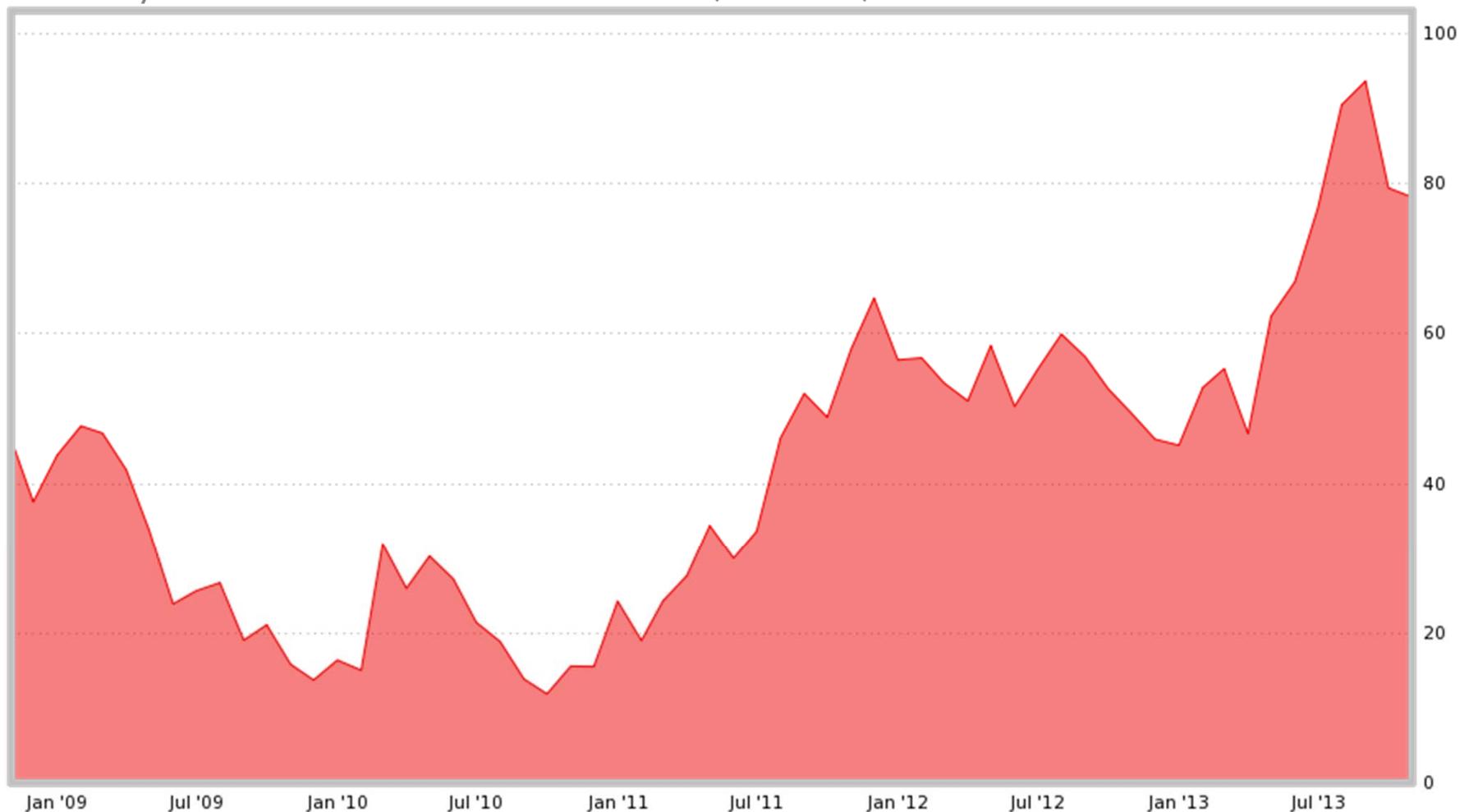
- For 1200 global financial institutions we update weekly estimates of SRISK.
- SRISK is the estimated capital shortfall of the financial institution in case of a 40% correction to the global stock market, relative to having 8% of its assets supported by market value of equity.
- <http://vlab.stern.nyu.edu>

# FINANCIAL STABILITY IN INDIA

- India is a growing Asian tiger with rapid growth over the past two decades.
- But recent growth slowdown, rising inflation and currency volatility since the Fed “taper” news of May 2013 have been significant concerns for the Indian economy.
- Also, the banking system and slow moving state owned enterprises pose a risk. Lets look at some measures.

# 5 YEARS POST FINANCIAL CRISIS

Risk Analysis Overview - India Financials Total SRISK (US\$ billion)



# FINANCIAL STABILITY IN CHINA

- China is the second largest economy in the world, has one of the largest foreign exchange reserves, an amazing record of growth, a stable and forward looking political system and a carefully managed economy.
- However its banking system and slow moving state owned enterprises pose a risk. Lets look at some measures.

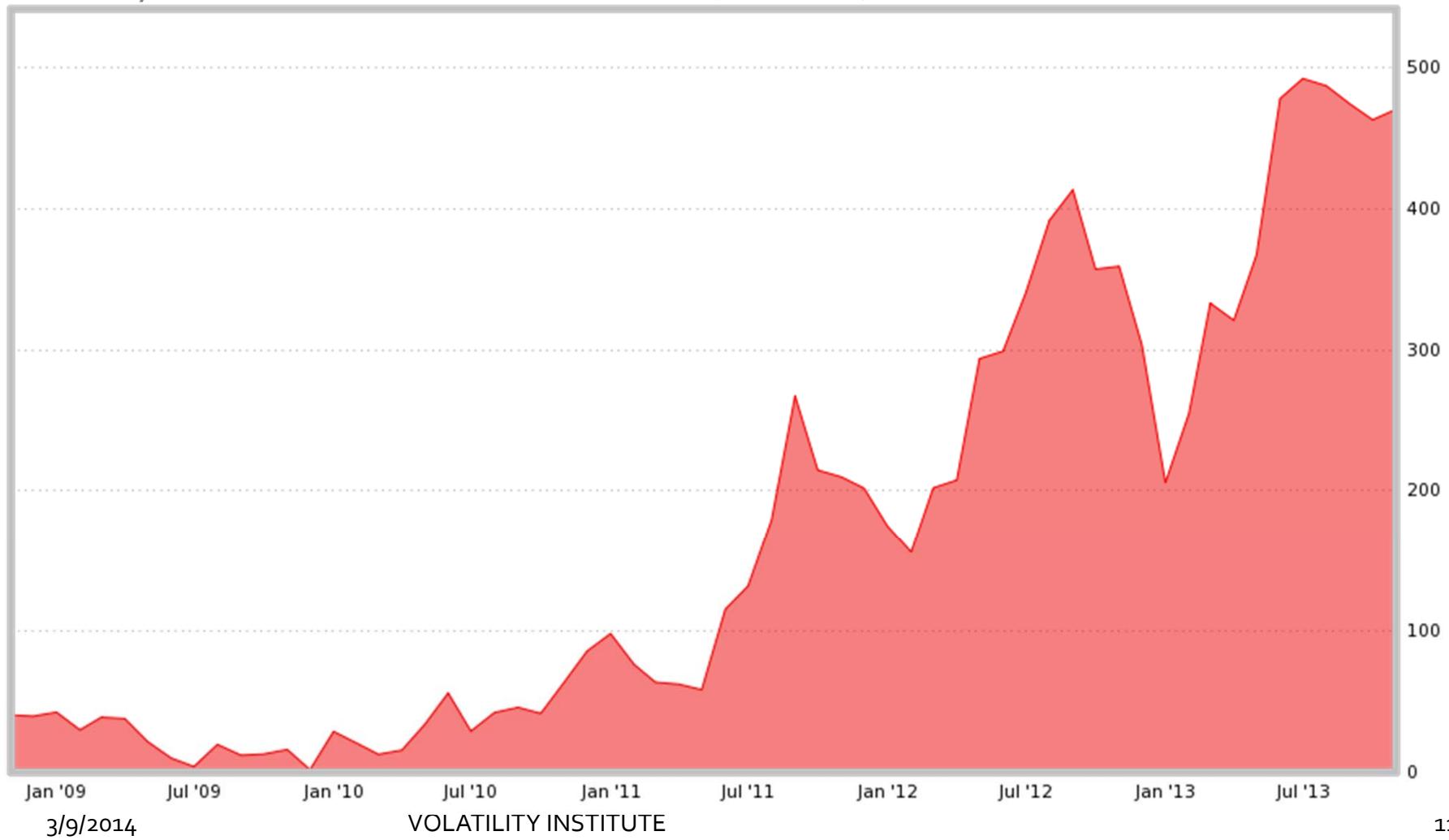
# Top 10 Banks (by equity market)

Rank	Bank	Country	M cap, US\$b, 30/04/2013
1	Industrial & Commercial bank of China (ICBC)	China	233.6
2	China Construction Bank	China	207.6
3	HSBC Holdings	UK	202.4
4	Wells Fargo & Co	US	200.2
5	JP Morgan Chase & Co	US	187.6
6	Agricultural Bank of China	China	142.9
7	Citigroup	US	141.8
8	Bank of America	US	133.2
9	Bank of China	China	130
10	Commonwealth Bank of Australia	Australia	122.3

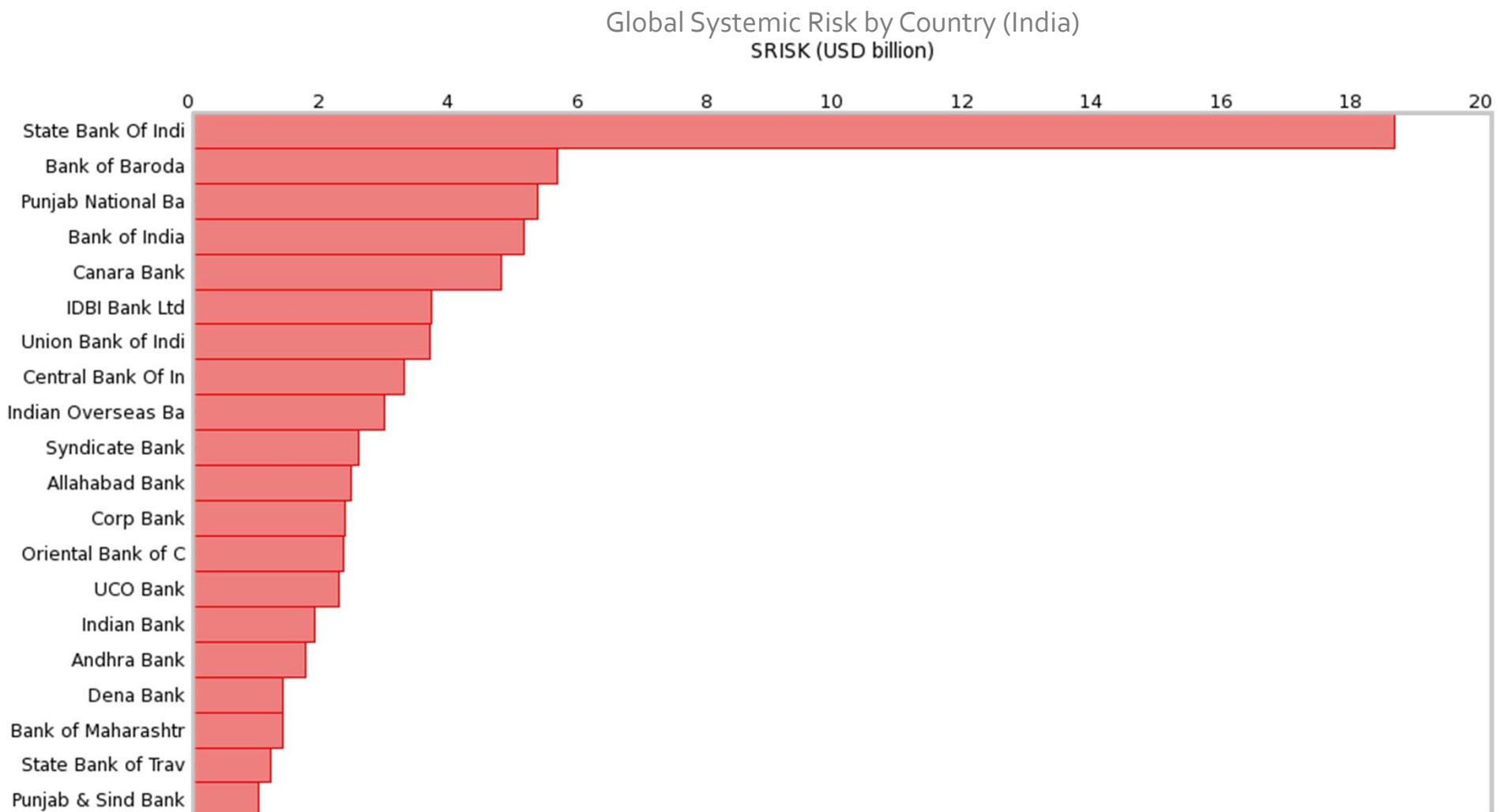
Source: relbank.com

# 5 YEARS POST FINANCIAL CRISIS

Risk Analysis Overview - China Financials Total SRISK (US\$ billion)

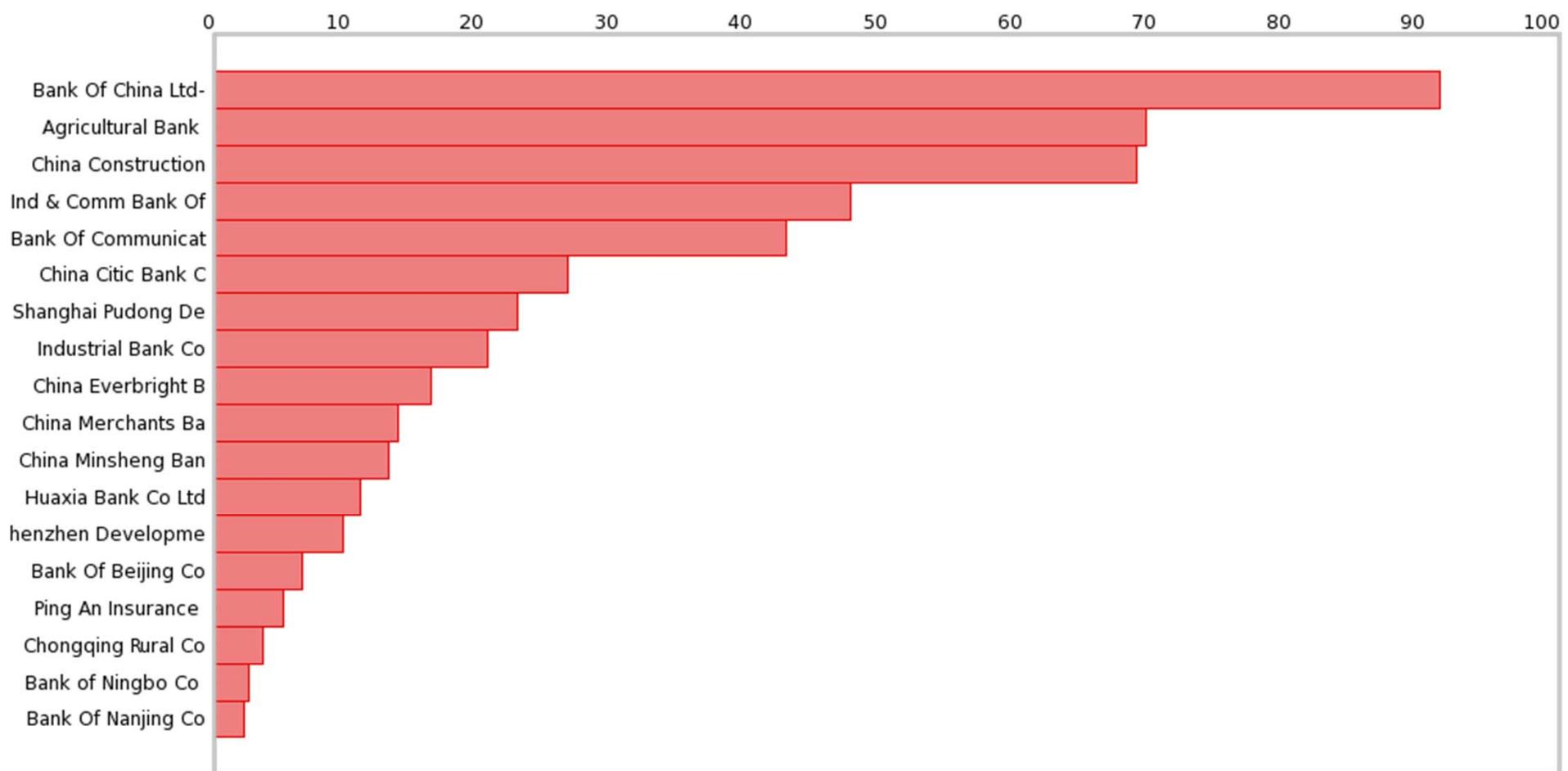


# WHERE IS THE RISK today?



# WHERE IS THE RISK today?

Global Systemic Risk by Country (China)  
SRISK (USD billion)



# INDIAN FIRM DETAILS

Systemic Risk Rankings for 2013-11-15 View changes

Institution	SRISK%	RNK▲	SRISK (\$ m)	MES	Beta	Cor	Vol	Lvg	MV
<a href="#">State Bank Of India</a>	23.67	1	18,493	2.52	0.99	0.23	41.3	20.68	18,691.5
<a href="#">Bank of Baroda</a>	7.16	2	5,597	3.09	1.20	0.23	50.9	24.96	4,029.6
<a href="#">Punjab National Bank</a>	6.78	3	5,295	3.29	1.29	0.19	50.9	30.03	2,919.6
<a href="#">Bank of India</a>	6.50	4	5,081	2.40	0.93	0.13	58.6	38.59	2,108.8
<a href="#">Canara Bank</a>	6.05	5	4,726	2.44	0.95	0.12	49.7	41.52	1,784.4
<a href="#">IDBI Bank Ltd</a>	4.69	6	3,663	2.76	1.08	0.24	42.6	41.55	1,364.3
<a href="#">Union Bank of India</a>	4.64	7	3,625	2.25	0.90	0.19	51.4	47.66	1,162.2
<a href="#">Central Bank Of India</a>	4.14	8	3,235	2.90	1.15	0.21	49.4	53.72	881.3
<a href="#">Indian Overseas Bank</a>	3.76	9	2,939	2.40	0.94	0.21	37.8	56.63	762.8
<a href="#">Syndicate Bank</a>	3.25	10	2,539	2.56	1.02	0.17	50.5	47.91	800.4
<a href="#">Allahabad Bank</a>	3.10	11	2,420	2.46	0.95	0.20	46.8	51.28	705.3
<a href="#">Corp Bank</a>	2.97	12	2,319	2.43	0.94	0.23	63.7	53.65	640.9
<a href="#">Oriental Bank of Commerce</a>	2.94	13	2,301	2.88	1.13	0.12	63.7	42.24	836.3
<a href="#">UCO Bank</a>	2.86	14	2,235	2.24	0.87	0.21	47.2	40.46	879.0
<a href="#">Indian Bank</a>	2.39	15	1,864	2.97	1.18	0.11	75.8	43.54	650.9
<a href="#">Andhra Bank</a>	2.21	16	1,724	2.49	0.98	0.17	50.4	48.09	542.2
<a href="#">Dena Bank</a>	1.76	17	1,372	1.65	0.65	0.16	56.1	65.61	305.9
<a href="#">Bank of Maharashtra</a>	1.74	18	1,358	1.85	0.72	0.21	33.8	51.44	402.3
<a href="#">State Bank of Travancore</a>	1.52	19	1,187	1.63	0.64	0.17	31.5	51.82	351.1
<a href="#">Punjab &amp; Sind Bank</a>	1.26	20	987	1.43	0.52	0.19	35.3	78.86	178.9

# INDIAN FIRM DETAILS

Systemic Risk Rankings for 2013-11-15  [View changes](#)

Institution	SRISK%	RNK▲	SRISK (\$ m)	MES	Beta	Cor	Vol	Lvg	MV
<a href="#">State Bank of Bikaner and Jaipur</a>	1.23	21	960	1.92	0.75	0.21	33.7	42.69	357.7
<a href="#">State Bank of Mysore</a>	0.92	22	717	1.99	0.78	0.22	37.6	36.84	322.1
<a href="#">Axis Bank Ltd</a>	0.72	23	562	3.57	1.42	0.27	50.6	7.91	8,163.1
<a href="#">Federal Bank Ltd</a>	0.52	24	405	3.05	1.19	0.27	45.4	12.58	1,025.6
<a href="#">South Indian Bank Ltd</a>	0.50	25	389	1.82	0.71	0.19	36.9	20.14	448.7
<a href="#">Karnataka Bank</a>	0.48	26	378	2.10	0.82	0.16	44.9	24.54	301.5
<a href="#">Yes Bank Ltd</a>	0.42	27	328	3.18	1.23	0.21	56.5	9.53	2,008.0
<a href="#">Jammu and Kashmir Bank Ltd</a>	0.39	28	308	1.39	0.55	0.15	33.1	14.04	940.9
<a href="#">Vijaya Bank</a>	0.39	29	306	2.19	0.86	0.18	39.7	20.44	326.9
<a href="#">Karur Vysya Bank</a>	0.33	30	261	1.76	0.69	0.16	39.0	15.11	567.9
<a href="#">Lakshmi Vilas Bank Ltd</a>	0.22	31	171	1.71	0.67	0.14	42.9	29.03	109.1
<a href="#">Dhanlaxmi Bank Ltd</a>	0.18	32	142	1.46	0.57	0.16	53.8	35.38	69.7
<a href="#">Power Finance Corp Ltd</a>	0.18	33	141	2.02	0.80	0.17	41.0	9.56	3,124.3
<a href="#">Development Credit Bank</a>	0.05	34	41	2.53	0.97	0.20	42.5	10.98	189.1
<a href="#">City Union Bank Ltd</a>	0.05	35	39	1.60	0.62	0.13	32.2	10.84	397.9
<a href="#">LIC Housing Finance Ltd</a>	0.04	36	29	2.37	0.93	0.20	37.6	8.71	1,763.5
<a href="#">Muthoot Finance Ltd</a>	0.00	37	-97	1.15	0.43	0.08	56.0	8.43	634.3
<a href="#">IFCI Ltd</a>	0.00	38	-113	2.01	0.81	0.17	45.7	6.83	647.1
<a href="#">Unitech Ltd</a>	0.00	39	-231	2.37	0.93	0.15	46.4	4.32	688.3
<a href="#">MAX India Ltd</a>	0.00	40	-311	1.27	0.50	0.14	33.5	5.56	845.9

# INDIAN FIRM DETAILS

Systemic Risk Rankings for 2013-11-15  View changes

Institution	SRISK%	RNK▲	SRISK (\$ m)	MES	Beta	Cor	Vol	Lvg	MV
<a href="#">Religare Enterprises Ltd</a>	0.00	41	-334	1.15	0.46	0.21	33.2	4.99	778.2
<a href="#">Reliance Capital Ltd</a>	0.00	42	-376	2.62	1.03	0.23	47.3	4.76	1,372.9
<a href="#">ICICI Bank Ltd</a>	0.00	43	-420	3.59	1.41	0.25	38.8	6.76	19,261.3
<a href="#">Bajaj Finserv Ltd</a>	0.00	44	-426	1.46	0.58	0.15	29.8	6.77	1,738.5
<a href="#">Rural Electrification Corp Ltd</a>	0.00	45	-464	2.13	0.84	0.21	32.4	7.12	3,387.9
<a href="#">ING Vysya Bank</a>	0.00	46	-476	1.77	0.69	0.20	30.5	6.09	1,811.6
<a href="#">Infrastructure Development Fin</a>	0.00	47	-512	2.96	1.14	0.28	42.1	5.20	2,507.7
<a href="#">Oberoi Realty Ltd</a>	0.00	48	-656	1.65	0.62	0.15	29.1	1.21	984.8
<a href="#">Shriram Transport Finance Co L</a>	0.00	49	-693	2.09	0.80	0.18	50.6	4.63	2,036.8
<a href="#">L&amp;T Finance Holdings Ltd</a>	0.00	50	-919	1.99	0.75	0.27	29.7	3.63	2,121.9
<a href="#">IndusInd Bank Ltd</a>	0.00	51	-1,064	2.67	1.05	0.21	41.8	4.23	3,420.1
<a href="#">Bajaj Holdings and Investment</a>	0.00	52	-1,164	1.07	0.42	0.15	22.7	1.05	1,544.3
<a href="#">DLF Ltd</a>	0.00	53	-1,524	3.36	1.27	0.25	48.8	2.64	4,103.8
<a href="#">Mahindra &amp; Mahindra Financial</a>	0.00	54	-1,567	1.38	0.53	0.13	34.6	2.56	2,644.6
<a href="#">Kotak Mahindra Bank Ltd</a>	0.00	55	-3,784	2.43	0.95	0.27	39.1	3.08	8,848.5
<a href="#">HDFC Bank Ltd</a>	0.00	56	-7,834	2.92	1.12	0.32	30.0	3.79	24,408.7

# CHINESE FIRM DETAILS

Systemic Risk Rankings for 2013-11-15  View changes

Institution	SRISK%	RNK▲	SRISK (\$ m)	MES	Beta	Cor	Vol	Lvg	MV
<a href="#">Bank Of China Ltd-H</a>	19.36	1	91,061	2.54	0.96	0.18	26.3	17.14	128,572.1
<a href="#">Agricultural Bank Of China-A</a>	14.73	2	69,266	0.74	0.28	0.14	15.2	17.36	137,533.0
<a href="#">China Construction Bank-H</a>	14.57	3	68,522	2.44	0.96	0.22	26.5	12.87	191,910.3
<a href="#">Ind &amp; Comm Bank Of China-A</a>	10.06	4	47,310	0.70	0.27	0.12	11.3	13.78	223,744.1
<a href="#">Bank Of Communications Co-H</a>	9.04	5	42,524	3.09	1.18	0.23	32.3	18.04	50,861.1
<a href="#">China Citic Bank Corp Ltd-H</a>	5.57	6	26,208	2.91	1.15	0.18	31.8	19.12	28,967.3
<a href="#">Shanghai Pudong Development Bank-A</a>	4.77	7	22,451	1.21	0.48	0.11	37.7	19.72	29,635.9
<a href="#">Industrial Bank Co Ltd -A</a>	4.31	8	20,275	1.34	0.54	0.10	36.8	17.46	34,115.8
<a href="#">China Everbright Bank Co Ltd</a>	3.41	9	16,060	0.94	0.36	0.13	17.9	21.44	18,714.9
<a href="#">China Merchants Bank-A</a>	2.89	10	13,581	1.10	0.42	0.07	25.7	14.29	44,112.8
<a href="#">China Minsheng Banking Corp Ltd</a>	2.74	11	12,872	1.09	0.44	0.12	35.1	14.62	38,499.9
<a href="#">Huaxia Bank Co Ltd</a>	2.31	12	10,865	1.25	0.49	0.10	29.4	22.14	11,355.9
<a href="#">Shenzhen Development Bank Co</a>	2.02	13	9,494	1.12	0.45	0.06	48.9	17.00	17,974.8
<a href="#">Bank Of Beijing Co Ltd</a>	1.37	14	6,459	1.13	0.46	0.16	26.1	17.68	11,063.8
<a href="#">Ping An Insurance Group Co-H</a>	1.09	15	5,118	2.23	0.85	0.13	23.4	9.85	55,627.4
<a href="#">Chongqing Rural Commercial Ban</a>	0.76	16	3,579	3.38	1.24	0.19	30.7	16.85	4,665.7
<a href="#">Bank of Ningbo Co Ltd</a>	0.53	17	2,473	1.19	0.48	0.08	32.8	17.67	4,188.8
<a href="#">Bank Of Nanjing Co Ltd</a>	0.47	18	2,201	1.07	0.43	0.09	24.4	17.39	3,981.1
<a href="#">Kaisa Group Holdings Ltd</a>	0.00	19	-264	1.93	0.75	0.16	30.9	6.97	1,537.9
<a href="#">China Calxon Group Co Ltd</a>	0.00	20	-299	1.20	0.48	0.04	26.8	5.79	835.1

# CHINESE FIRM DETAILS

Systemic Risk Rankings for 2013-11-15  View changes

Institution	SRISK%	RNK▲	SRISK (\$ m)	MES	Beta	Cor	Vol	Lvg	MV
<a href="#">Beijing Capital Development Co</a>	0.00	21	-513	1.09	0.43	0.01	35.1	7.15	1,942.9
<a href="#">Renhe Commercial Holdings Co L</a>	0.00	22	-530	1.97	0.77	0.08	49.6	3.22	1,131.9
<a href="#">Zhongtian Urban Development Gr</a>	0.00	23	-650	1.03	0.42	0.04	28.0	4.43	1,329.2
<a href="#">Tibet Urban Development and In</a>	0.00	24	-686	0.67	0.27	0.03	27.2	2.28	963.2
<a href="#">Far East Horizon Ltd</a>	0.00	25	-691	2.21	0.83	0.15	31.6	5.08	2,369.4
<a href="#">Evergrande Real Estate Group L</a>	0.00	26	-756	2.90	1.13	0.11	32.4	6.38	6,560.3
<a href="#">Shui On Land Ltd</a>	0.00	27	-784	2.44	0.97	0.14	29.8	4.58	2,559.3
<a href="#">Hangzhou Binjiang Real Estate</a>	0.00	28	-797	1.25	0.50	0.03	31.2	4.19	1,659.8
<a href="#">Beijing Urban Construction Inv</a>	0.00	29	-934	0.54	0.21	0.06	30.8	3.76	1,520.7
<a href="#">Pacific Securities Co Ltd/Chin</a>	0.00	30	-993	1.21	0.48	0.08	24.8	1.31	1,386.9
<a href="#">Sino-Ocean Land Holdings Ltd</a>	0.00	31	-1,075	2.39	0.93	0.14	26.9	4.94	3,802.3
<a href="#">Shanghai Shimao Co Ltd</a>	0.00	32	-1,102	0.48	0.19	-0.01	33.4	3.77	1,771.4
<a href="#">Suning Universal Co Ltd</a>	0.00	33	-1,158	0.90	0.35	0.00	32.4	2.52	1,753.9
<a href="#">Agile Property Holdings Ltd</a>	0.00	34	-1,314	2.84	1.08	0.18	24.4	3.80	4,005.9
<a href="#">China Baoan Group Co Ltd</a>	0.00	35	-1,383	0.85	0.34	0.02	40.4	1.75	1,898.2
<a href="#">Financial Street Holding Co Lt</a>	0.00	36	-1,391	0.48	0.19	-0.00	22.1	4.62	2,514.0
<a href="#">Shanghai Zhangjiang High-Tech</a>	0.00	37	-1,395	0.92	0.36	-0.02	58.8	1.93	1,980.1
<a href="#">Guangzhou R&amp;F Properties Co Lt</a>	0.00	38	-1,430	3.63	1.38	0.08	36.3	3.68	5,410.9
<a href="#">Shanghai Great Wisdom Co Ltd</a>	0.00	39	-1,442	1.27	0.47	0.04	61.3	1.02	1,975.2
<a href="#">Northeast Securities Co Ltd</a>	0.00	40	-1,591	1.34	0.53	0.00	32.6	1.80	2,414.0

# CHINESE FIRM DETAILS

Systemic Risk Rankings for 2013-11-15  View changes

Institution	SRISK%	RNK▲	SRISK (\$ m)	MES	Beta	Cor	Vol	Lvg	MV
<a href="#">Shanxi Securities Co Ltd</a>	0.00	41	-1,631	1.45	0.54	0.01	34.0	1.47	2,430.2
<a href="#">Sinolink Securities Co Ltd</a>	0.00	42	-1,752	1.56	0.63	0.01	29.8	1.41	2,644.3
<a href="#">Guoyuan Securities Co Ltd</a>	0.00	43	-2,066	1.06	0.42	-0.01	27.1	1.72	2,940.0
<a href="#">RiseSun Real Estate Developmen</a>	0.00	44	-2,161	0.84	0.34	0.03	46.2	3.01	3,428.7
<a href="#">Soho China Ltd</a>	0.00	45	-2,243	1.73	0.68	0.11	23.4	2.75	4,206.4
<a href="#">Oceanwide Real Estate Group Co</a>	0.00	46	-2,375	0.85	0.33	0.01	32.4	2.43	3,515.5
<a href="#">Changjiang Securities Co Ltd</a>	0.00	47	-2,381	1.32	0.53	0.06	39.4	1.83	3,615.5
<a href="#">Gemdale Corp</a>	0.00	48	-2,424	0.67	0.27	0.01	27.2	4.24	4,359.4
<a href="#">Industrial Securities Co Ltd</a>	0.00	49	-2,480	1.66	0.63	0.05	28.7	1.67	3,943.0
<a href="#">Southwest Securities Co Ltd</a>	0.00	50	-2,933	0.16	0.07	-0.00	45.4	1.70	3,503.2
<a href="#">Shanghai Chengtou Holding Co L</a>	0.00	51	-3,122	1.18	0.47	0.04	55.2	1.62	4,501.3
<a href="#">Everbright Securities Co Ltd</a>	0.00	52	-3,276	1.23	0.49	0.12	33.5	1.97	4,970.4
<a href="#">China Merchants Property Devel</a>	0.00	53	-3,528	0.89	0.35	0.07	45.3	3.45	6,005.8
<a href="#">Shanghai Lujiazui Finance &amp; Tr</a>	0.00	54	-3,571	0.84	0.33	-0.01	63.3	1.68	4,851.9
<a href="#">Longfor Properties Co Ltd</a>	0.00	55	-4,334	1.87	0.73	0.10	25.2	2.88	8,561.5
<a href="#">Poly Real Estate Group Co</a>	0.00	56	-4,694	1.23	0.48	0.06	34.1	4.74	10,707.9
<a href="#">Huatai Securities Co Ltd</a>	0.00	57	-4,973	1.24	0.47	0.05	34.1	2.34	7,904.4
<a href="#">China Merchants Securities Co Ltd</a>	0.00	58	-5,262	1.17	0.46	0.07	30.4	2.15	8,063.3
<a href="#">Country Garden Holdings Co</a>	0.00	59	-6,409	2.25	0.89	0.15	36.2	2.44	12,854.4
<a href="#">China Vanke Co Ltd</a>	0.00	60	-6,943	1.42	0.57	0.13	44.7	4.64	16,459.1

# CHINESE FIRM DETAILS

Systemic Risk Rankings for 2013-11-15  View changes

Institution	SRISK%	RNK▲	SRISK (\$ m)	MES	Beta	Cor	Vol	Lvg	MV
Xinjiang Guanghui Industry Co	0.00	61	-7,120	0.99	0.39	0.02	51.9	1.33	9,581.1
GF Securities Co Ltd-A	0.00	62	-7,385	1.30	0.49	0.03	31.0	2.04	11,454.2
PICC Property & Casualty Co Ltd	0.00	63	-7,782	3.06	1.17	0.17	32.5	3.01	21,054.1
Haitong Securities Co Ltd	0.00	64	-10,067	1.79	0.73	0.02	49.9	1.72	16,529.8
China Pacific Insurance Group	0.00	65	-12,064	1.59	0.64	0.07	30.3	4.31	28,313.6
Citic Securities Co Ltd	0.00	66	-12,126	1.65	0.62	0.06	37.5	2.38	21,170.2
China Life Insurance Co-H	0.00	67	-17,072	2.53	0.97	0.16	27.0	5.17	68,417.0

# DECOMPOSING SRISK

- The change in SRISK from one time period to another can be attributed to changes in debt, equity, or risk.

# 5 YEAR CHANGES - India

Systemic Risk Rankings for 2013-11-15  View changes since: 2008-11-28

Institution	SRISK (t) ▾	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<a href="#">State Bank Of India</a>	18,493.4	10,140.8	8,352.6	10,195.5	-3,044.6	1,201.7
<a href="#">Bank of Baroda</a>	5,597.5	2,409.4	3,188.0	4,290.9	-1,154.9	52.1
<a href="#">Punjab National Bank</a>	5,295.1	1,969.5	3,325.7	2,980.1	-67.7	413.2
<a href="#">Bank of India</a>	5,081.1	2,076.3	3,004.8	2,977.3	282.5	-255.0
<a href="#">Canara Bank</a>	4,726.3	2,623.4	2,102.8	2,392.3	-229.3	-60.2
<a href="#">IDBI Bank Ltd</a>	3,662.6	1,967.2	1,695.5	1,962.9	-301.5	34.1
<a href="#">Union Bank of India</a>	3,625.2	821.6	2,803.6	2,544.1	213.8	45.7
<a href="#">Central Bank Of India</a>	3,235.5	2,229.2	1,006.2	1,360.7	-311.1	-43.4
<a href="#">Indian Overseas Bank</a>	2,939.4	1,490.6	1,448.8	1,460.6	-53.0	41.2
<a href="#">Syndicate Bank</a>	2,539.4	1,717.2	822.2	952.6	-139.9	9.5
<a href="#">Allahabad Bank</a>	2,420.2	1,339.7	1,080.5	1,287.7	-161.2	-46.0
<a href="#">Corp Bank</a>	2,319.0	980.4	1,338.6	1,458.0	-75.0	-44.4
<a href="#">Oriental Bank of Commerce</a>	2,301.1	1,165.7	1,135.4	1,065.3	-65.1	135.2
<a href="#">UCO Bank</a>	2,234.6	1,524.3	710.3	1,042.0	-270.7	-60.9
<a href="#">Indian Bank</a>	1,863.7	581.0	1,282.7	912.8	249.8	120.1
<a href="#">Andhra Bank</a>	1,723.6	738.6	985.0	978.0	-3.8	10.8
<a href="#">Dena Bank</a>	1,371.9	654.2	717.7	846.2	-94.9	-33.6
<a href="#">Bank of Maharashtra</a>	1,358.0	820.9	537.2	698.4	-129.7	-31.6
<a href="#">State Bank of Travancore</a>	1,186.6	706.6	479.9	582.0	-86.7	-15.4
<a href="#">State Bank of Bikaner and Jaipur</a>	960.1	639.1	321.0	406.4	-110.0	24.6
<a href="#">State Bank of Mysore</a>	716.6	409.6	307.0	291.5	12.7	2.8
<a href="#">Axis Bank Ltd</a>	562.3	878.6	-316.3	2,502.6	-2,279.9	-539.0

# 5 YEAR CHANGES - India

Systemic Risk Rankings for 2013-11-15  View changes since: 2008-11-28

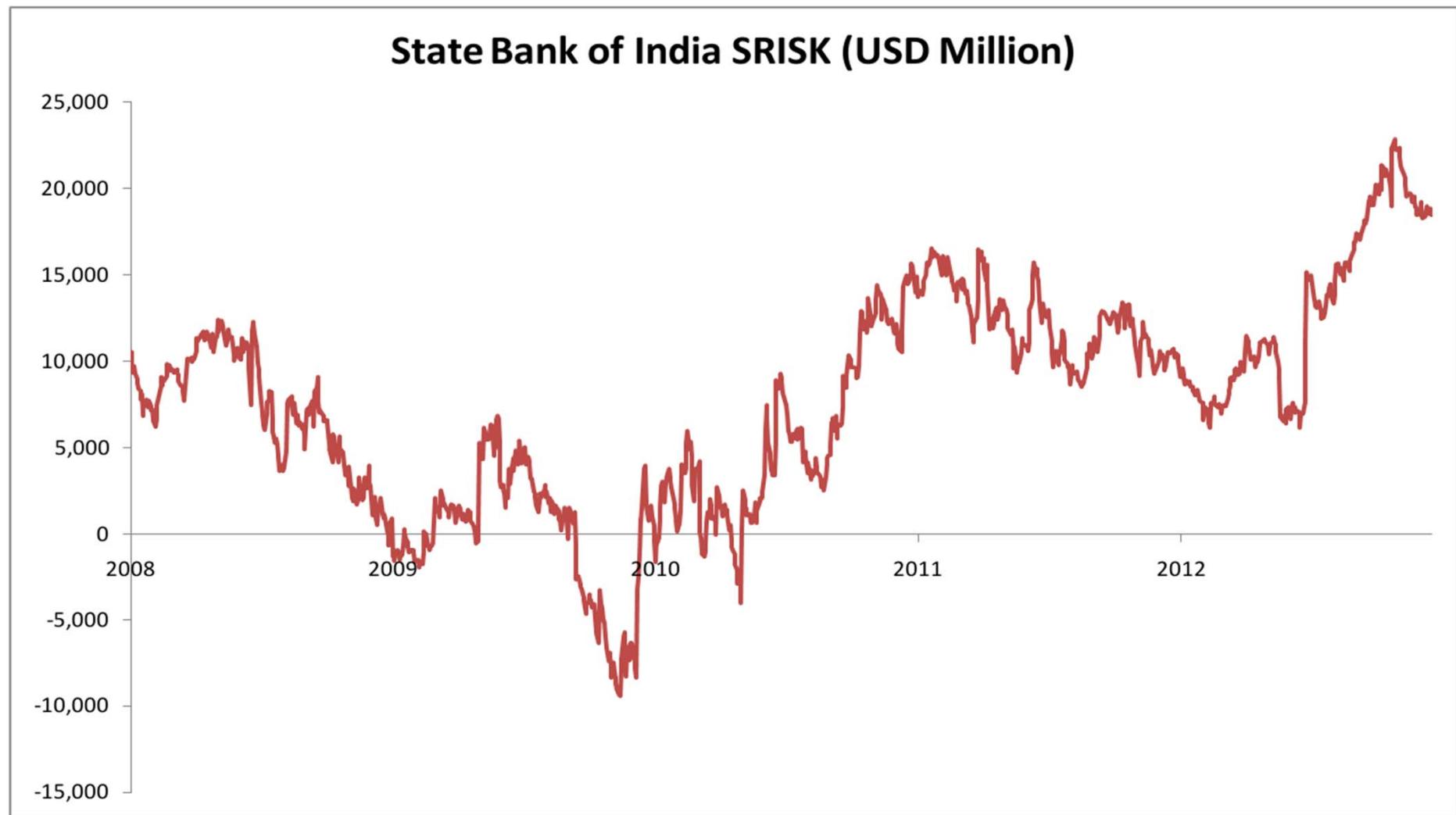
Institution	SRISK (t) ▾	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<a href="#">Federal Bank Ltd</a>	405.3	287.0	118.3	380.5	-326.2	64.0
<a href="#">South Indian Bank Ltd</a>	389.3	246.5	142.8	369.3	-205.3	-21.2
<a href="#">Karnataka Bank</a>	377.7	250.8	126.9	209.6	-73.4	-9.3
<a href="#">Yes Bank Ltd</a>	327.9	137.7	190.2	1,057.5	-823.1	-44.1
<a href="#">Jammu and Kashmir Bank Ltd</a>	307.7	341.2	-33.6	491.6	-398.9	-126.3
<a href="#">Vijaya Bank</a>	305.6	330.9	-25.2	0.0	-54.2	28.9
<a href="#">Karur Vysya Bank</a>	260.5	116.3	144.3	373.8	-230.8	1.3
<a href="#">Lakshmi Vilas Bank Ltd</a>	170.8	79.7	91.1	122.8	-30.0	-1.7
<a href="#">Dhanlaxmi Bank Ltd</a>	142.4	44.4	98.0	114.7	-13.6	-3.1
<a href="#">Development Credit Bank</a>	40.5	116.4	-75.8	12.3	-58.7	-29.4
<a href="#">City Union Bank Ltd</a>	38.7	79.3	-40.6	178.0	-213.0	-5.6
<a href="#">LIC Housing Finance Ltd</a>	29.4	280.2	-250.8	658.8	-845.9	-63.6
<a href="#">IFCI Ltd</a>	-112.7	85.0	-197.7	71.0	-245.3	-23.4
<a href="#">Unitech Ltd</a>	-230.7	-10.5	-220.1	-209.6	34.6	-45.1
<a href="#">MAX India Ltd</a>	-310.7	-162.9	-147.8	219.2	-274.8	-92.2
<a href="#">Reliance Capital Ltd</a>	-375.6	-765.7	390.0	177.6	425.3	-212.9
<a href="#">ICICI Bank Ltd</a>	-419.8	5,119.0	-5,538.8	101.5	-5,438.8	-201.5
<a href="#">ING Vysya Bank</a>	-475.6	310.8	-786.3	258.5	-981.5	-63.3
<a href="#">Infrastructure Development Fin</a>	-512.1	-65.0	-447.1	376.9	-540.2	-283.8
<a href="#">IndusInd Bank Ltd</a>	-1,064.1	299.9	-1,364.0	445.4	-1,877.8	68.4
<a href="#">Bajaj Holdings and Investment</a>	-1,164.1	-268.0	-896.1	-45.7	-728.6	-121.8

# 5 YEAR CHANGES - India

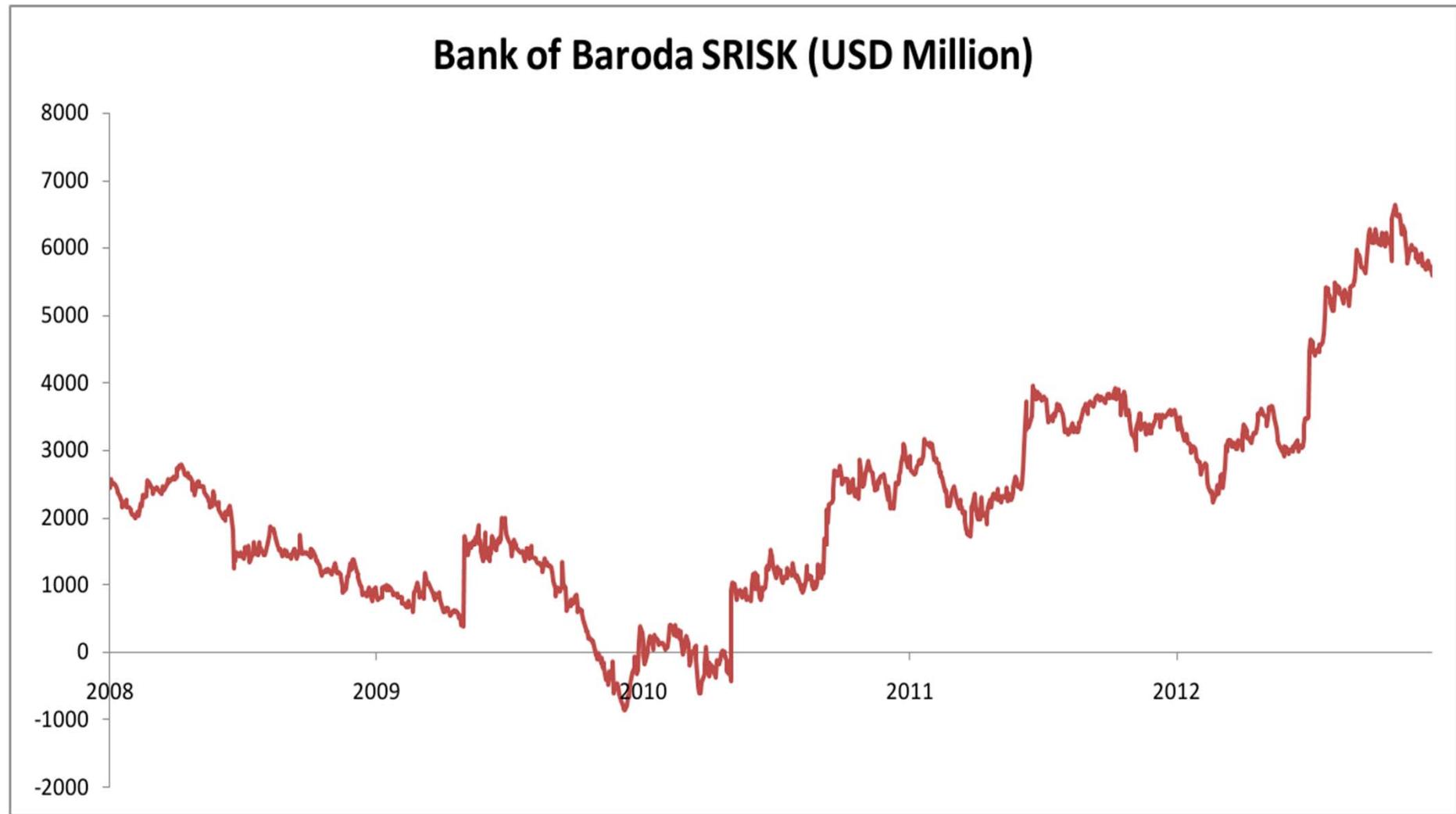
Systemic Risk Rankings for 2013-11-15  View changes since: 2008-11-28

Institution	SRISK (t) ▼	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<a href="#">Mahindra &amp; Mahindra Financial</a>	-1,566.6	-93.1	-1,473.5	215.9	-1,506.4	-183.0
<a href="#">Kotak Mahindra Bank Ltd</a>	-3,784.2	-646.8	-3,137.4	782.2	-3,834.7	-85.0
<a href="#">HDFC Bank Ltd</a>	-7,833.6	-398.9	-7,434.7	3,019.6	-7,499.9	-2,954.3

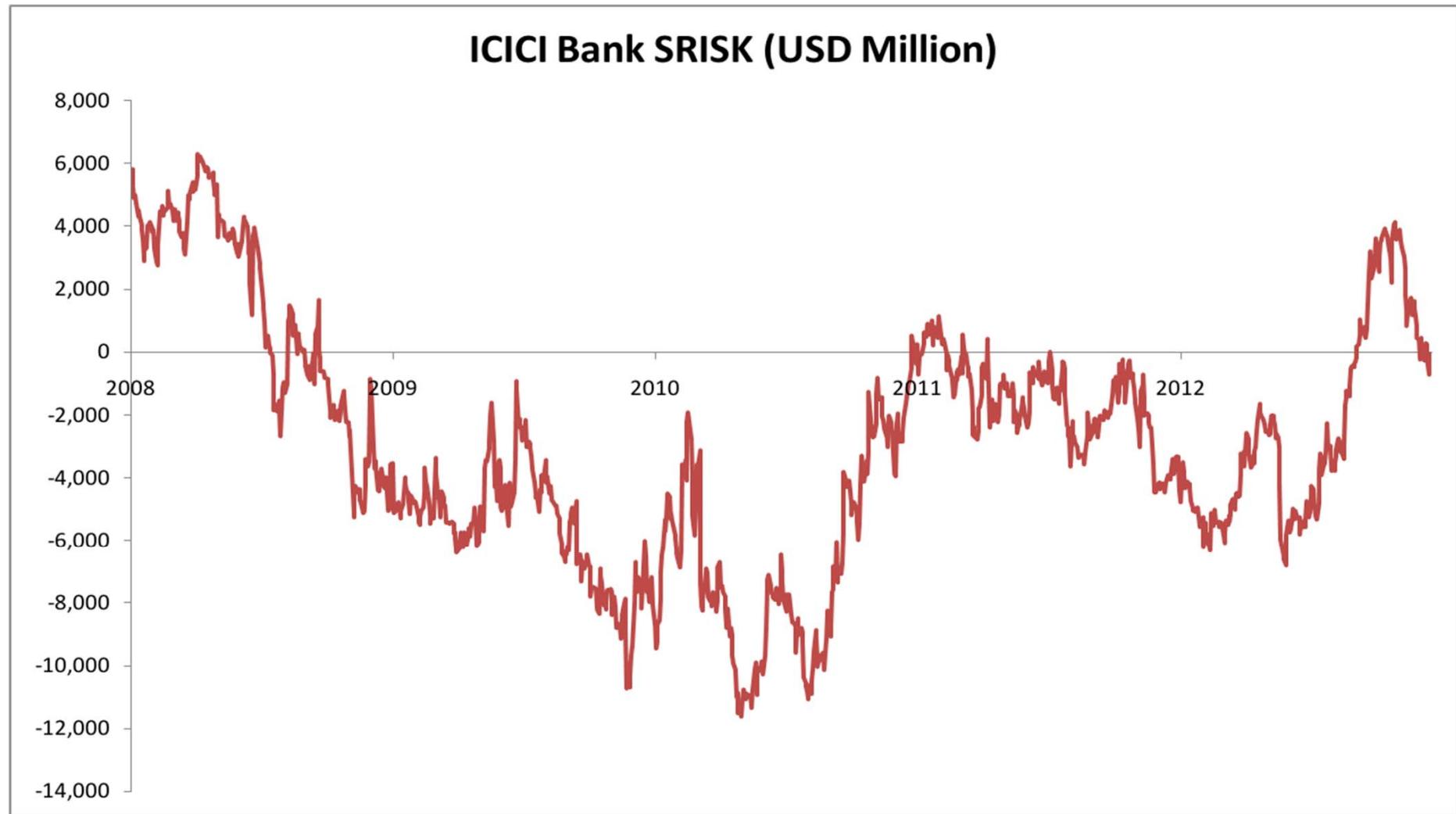
# STATE BANK OF INDIA SRISK



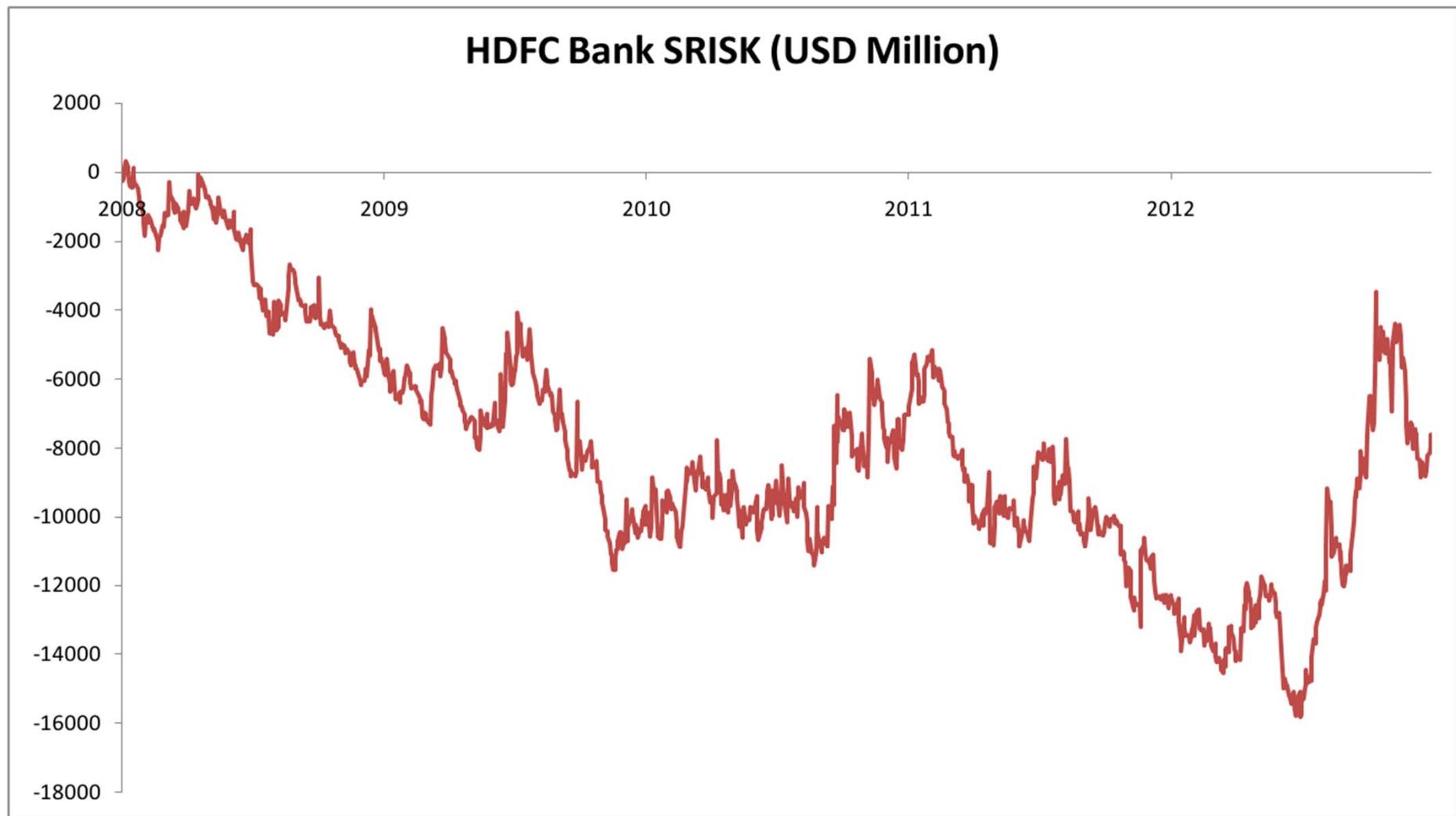
# BANK OF BARODA



# ICICI BANK



# HDFC BANK



# 5 YEAR CHANGES - China

Systemic Risk Rankings for 2013-11-15  View changes since: 2008-11-28

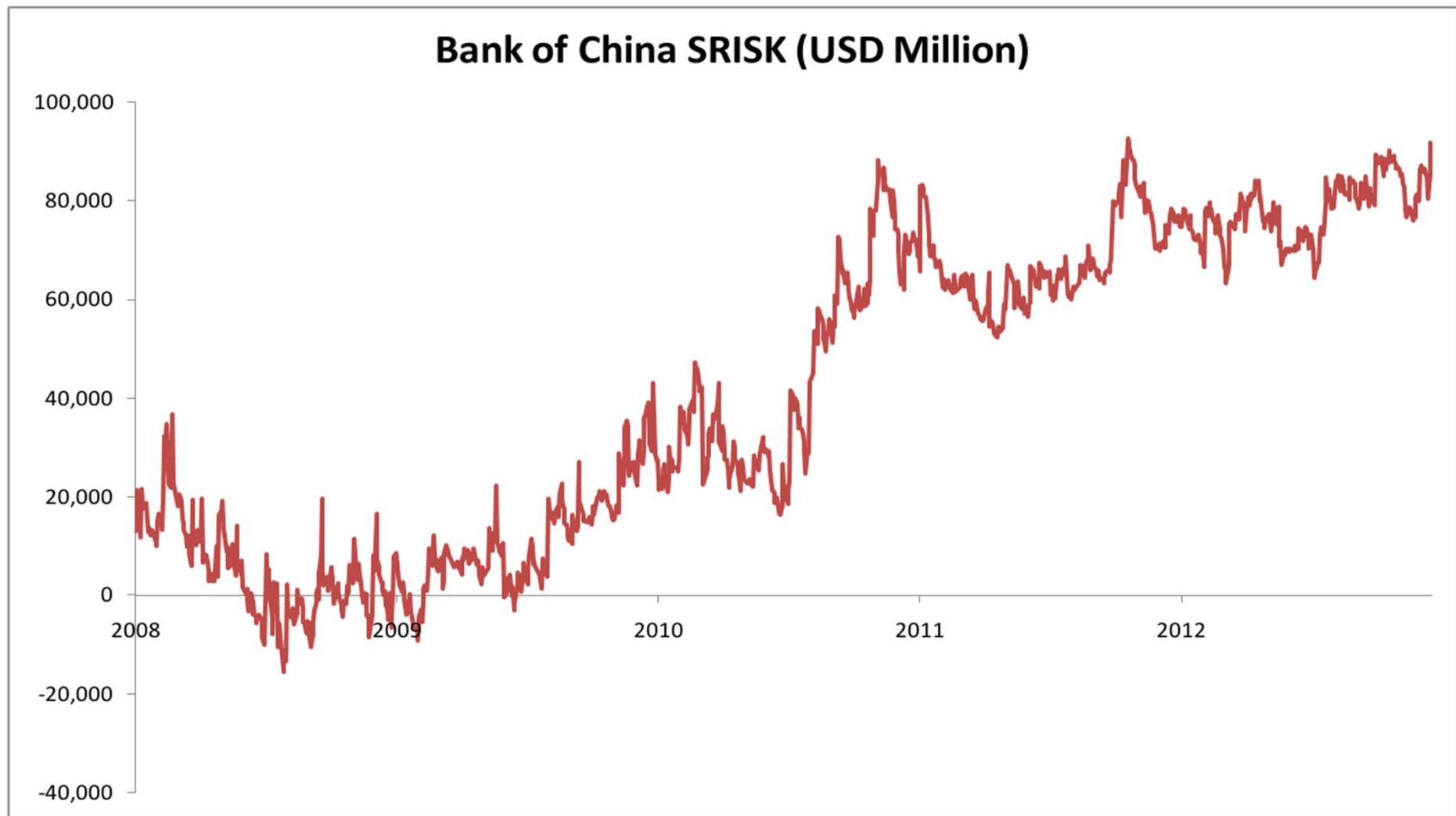
Institution	SRISK (t) ▼	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
Bank Of China Ltd-H	91,060.7	12,947.8	78,113.0	95,663.9	-13,407.6	-4,143.3
Ind & Comm Bank Of China-A	47,310.1	-44,237.0	91,547.1	125,558.1	-34,597.4	586.3
Bank Of Communications Co-H	42,524.3	10,230.0	32,294.2	42,595.6	-9,447.8	-853.6
China Citic Bank Corp Ltd-H	26,208.1	4,920.7	21,287.4	29,996.6	-4,168.1	-4,541.2
Industrial Bank Co Ltd -A	20,275.1	4,794.4	15,480.7	34,661.5	-15,511.6	-3,669.2
China Merchants Bank-A	13,581.2	2,154.2	11,427.0	31,513.0	-12,420.6	-7,665.5
Huaxia Bank Co Ltd	10,864.8	3,624.0	7,240.8	11,759.6	-4,386.4	-132.5
Shenzhen Development Bank Co	9,493.7	1,622.9	7,870.8	18,066.5	-10,881.1	685.4
Bank Of Beijing Co Ltd	6,459.0	-403.0	6,862.1	10,418.1	-2,661.5	-894.5
Ping An Insurance Group Co-H	5,118.1	-3,038.5	8,156.6	32,383.5	-15,279.7	-8,947.1
Bank of Ningbo Co Ltd	2,473.2	-733.2	3,206.4	4,502.3	-1,271.5	-24.5
Bank Of Nanjing Co Ltd	2,200.6	-508.5	2,709.0	4,236.4	-1,226.5	-300.9
Beijing Capital Development Co	-513.2	-459.9	-53.3	739.1	-775.7	-16.7
Zhongtian Urban Development Gr	-650.2	-163.0	-487.2	349.3	-791.3	-45.2
Tibet Urban Development and In	-686.0	-73.1	-612.9	97.7	-725.0	14.5
Shui On Land Ltd	-784.3	-15.4	-768.8	538.3	-677.8	-629.3
Beijing Urban Construction Inv	-933.8	-590.2	-343.6	254.8	-550.0	-48.4
Shanghai Shimao Co Ltd	-1,101.9	-312.2	-789.7	374.8	-1,150.3	-14.2
Suning Universal Co Ltd	-1,157.6	-914.8	-242.8	164.1	-375.9	-31.0
Agile Property Holdings Ltd	-1,313.6	-104.9	-1,208.7	657.3	-1,017.2	-848.9
China Baoan Group Co Ltd	-1,383.3	-484.7	-898.5	72.0	-1,004.2	33.6

# 5 YEAR CHANGES - China

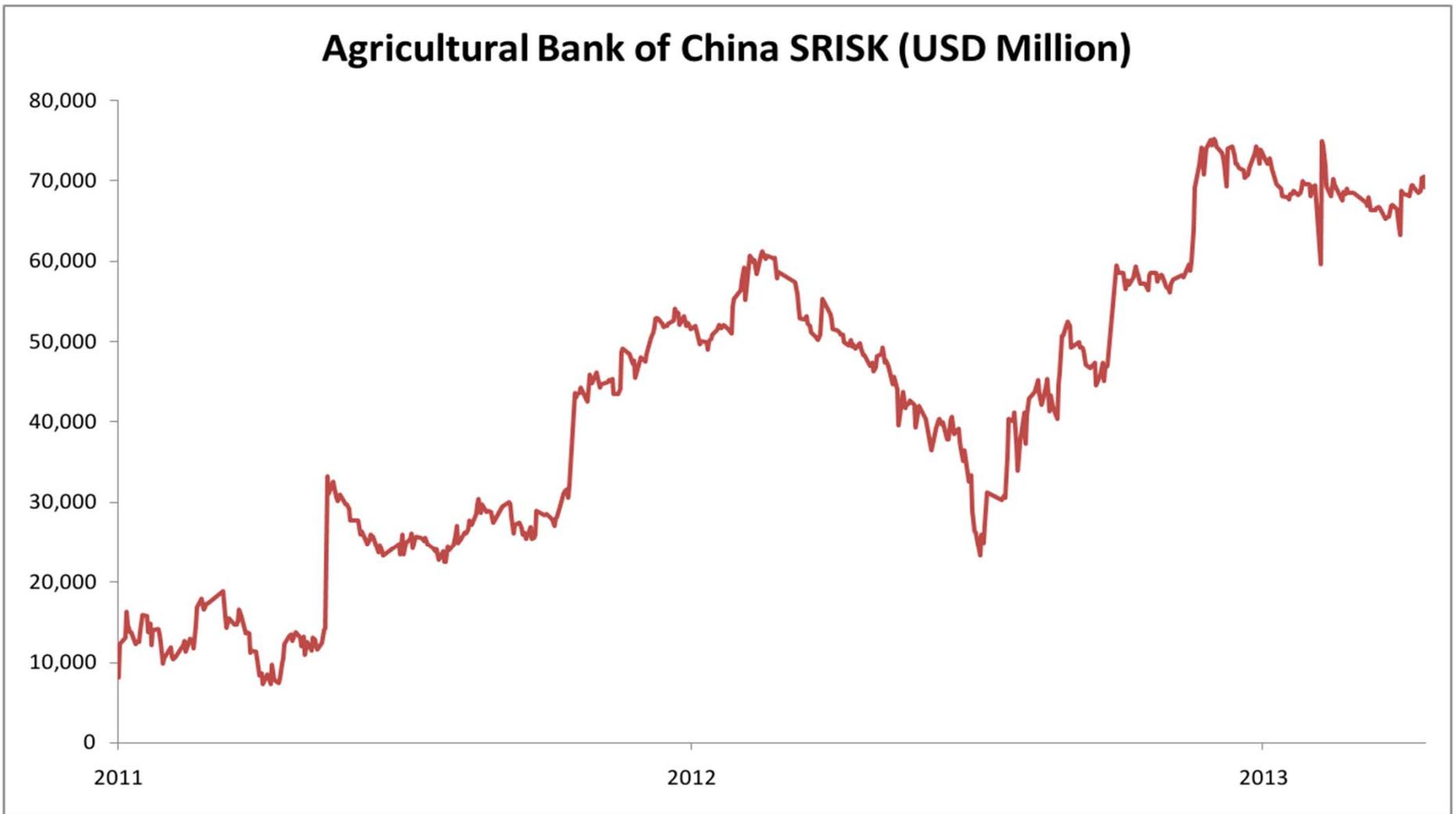
Systemic Risk Rankings for 2013-11-15  View changes since: 2008-11-28

Institution	SRISK (t) ▼	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<a href="#">Financial Street Holding Co Lt</a>	-1,390.9	-2,312.6	921.7	581.3	329.6	10.8
<a href="#">Shanghai Zhangjiang High-Tech</a>	-1,395.1	-1,534.7	139.6	83.4	124.2	-68.0
<a href="#">Guangzhou R&amp;F Properties Co Lt</a>	-1,430.0	124.3	-1,554.3	649.2	-1,152.1	-1,051.4
<a href="#">Sinolink Securities Co Ltd</a>	-1,751.9	-1,013.8	-738.1	35.0	-656.8	-116.3
<a href="#">RiseSun Real Estate Developmen</a>	-2,161.0	-393.0	-1,768.1	503.5	-2,186.4	-85.2
<a href="#">Oceanwide Real Estate Group Co</a>	-2,375.2	-1,733.3	-641.9	284.2	-749.7	-176.5
<a href="#">Gemdale Corp</a>	-2,423.9	-1,077.6	-1,346.3	811.1	-2,138.7	-18.7
<a href="#">Shanghai Chengtou Holding Co L</a>	-3,121.8	-1,724.2	-1,397.6	123.8	-1,763.6	242.1
<a href="#">China Merchants Property Devel</a>	-3,527.9	-1,442.3	-2,085.6	941.2	-3,114.3	87.4
<a href="#">Shanghai Lujiazui Finance &amp; Tr</a>	-3,570.9	-2,718.7	-852.3	185.0	-1,127.4	90.2
<a href="#">Poly Real Estate Group Co</a>	-4,694.4	-3,945.1	-749.2	2,736.3	-3,366.1	-119.4
<a href="#">Country Garden Holdings Co</a>	-6,408.7	-786.3	-5,622.5	1,191.4	-4,761.0	-2,052.8
<a href="#">Xinjiang Guanghui Industry Co</a>	-7,120.3	-769.2	-6,351.1	234.3	-7,046.8	461.4
<a href="#">PICC Property &amp; Casualty Co Ltd</a>	-7,782.0	396.0	-8,177.9	1,901.4	-6,970.3	-3,109.1
<a href="#">Haitong Securities Co Ltd</a>	-10,066.7	-5,335.8	-4,730.9	513.3	-3,940.9	-1,303.3
<a href="#">China Life Insurance Co-H</a>	-17,071.8	-24,218.4	7,146.6	13,533.9	4,052.3	-10,439.6

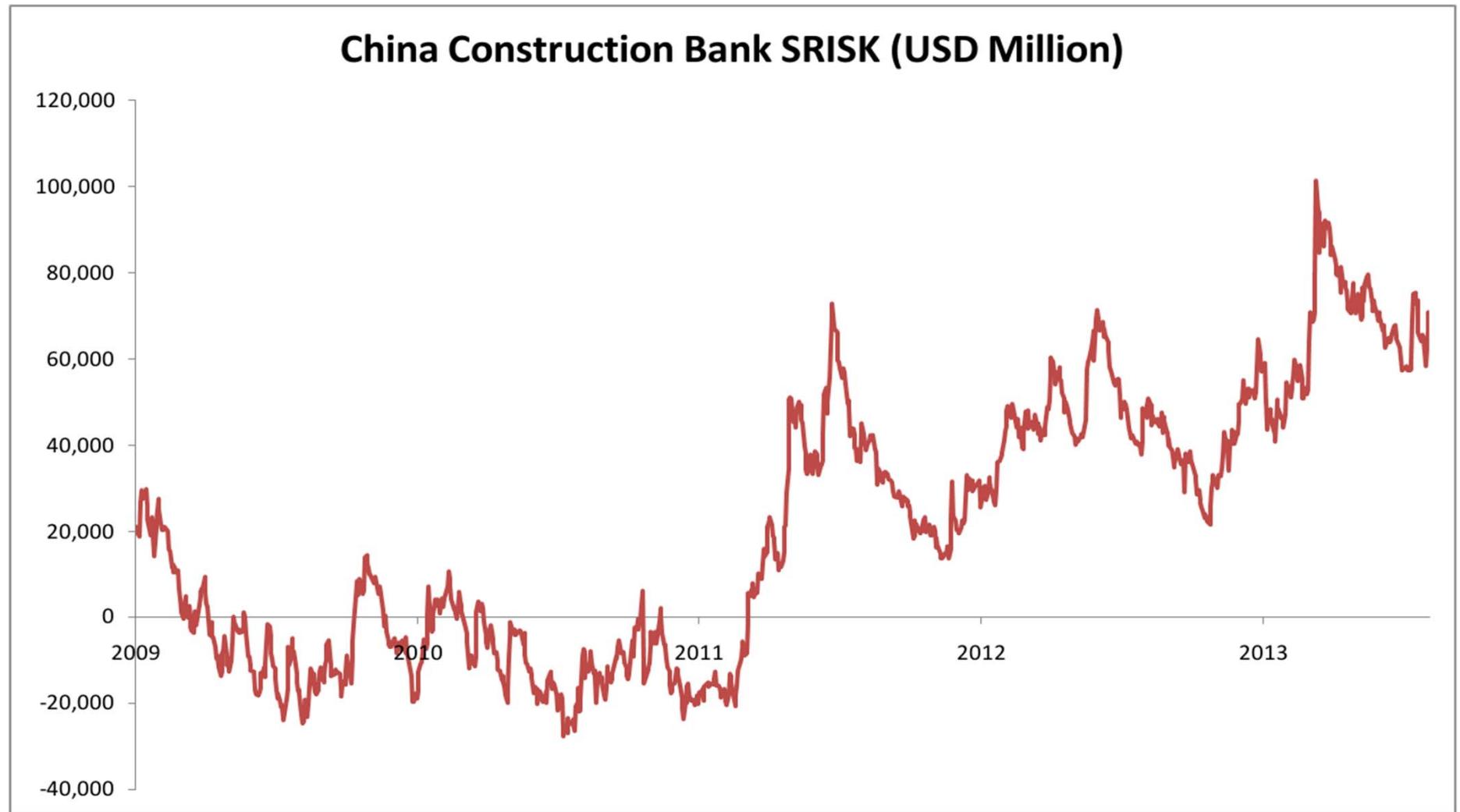
# BANK OF CHINA



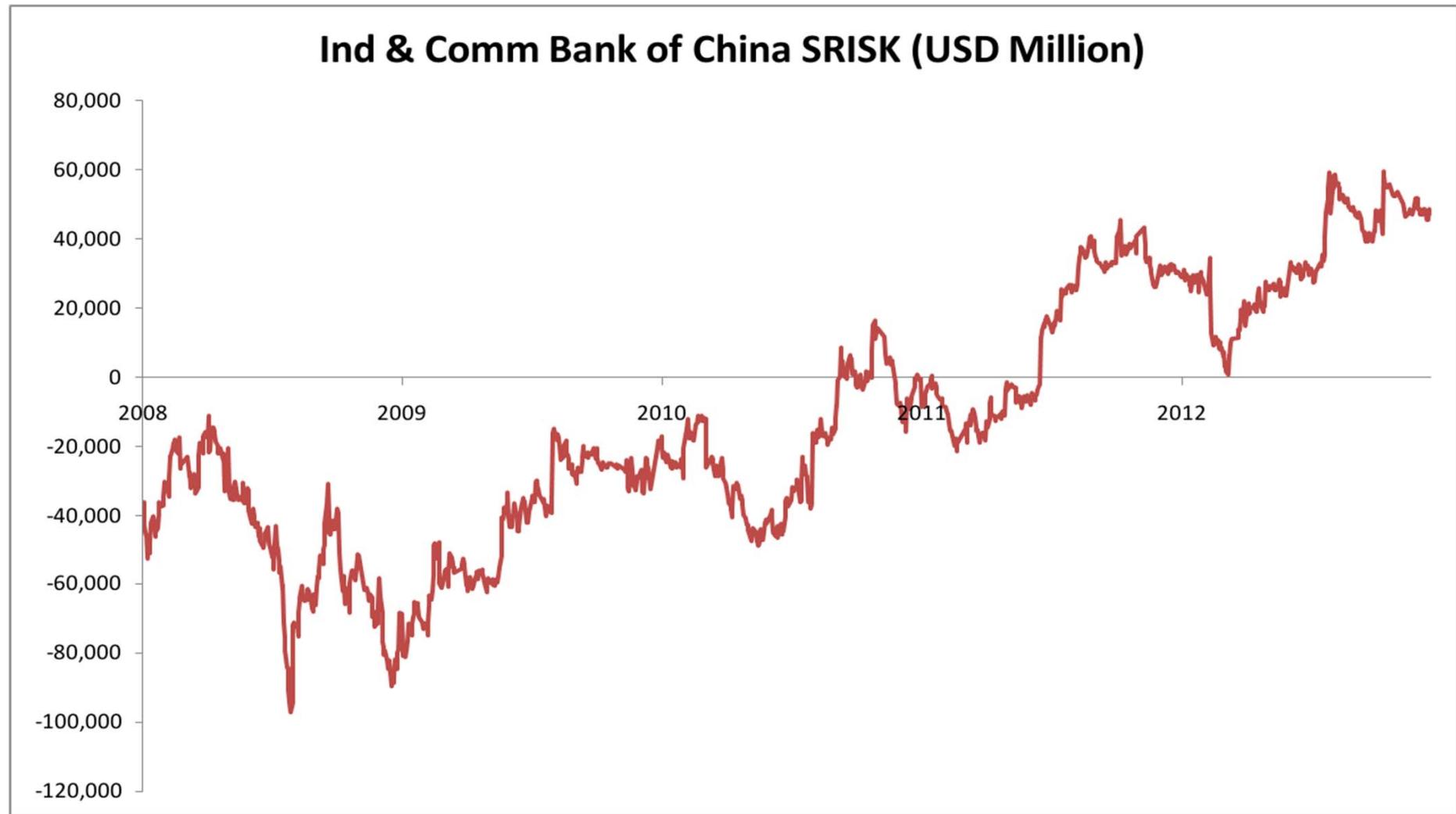
# AGRICULTURAL BANK OF CHINA



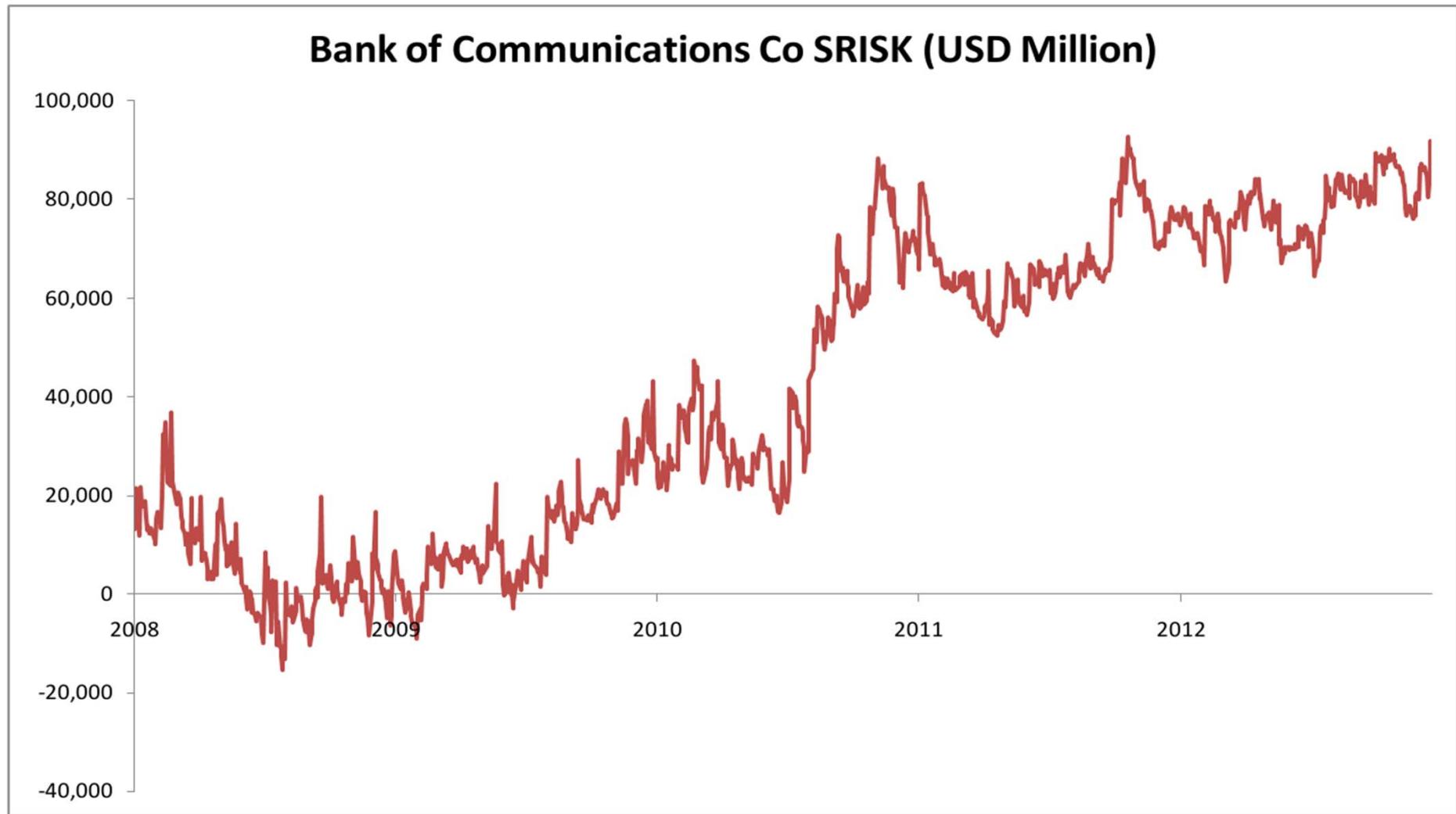
# CHINA CONSTRUCTION BANK



# IND & COMM BANK OF CHINA



# BANK OF COMMUNICATIONS



# CHANGES SINCE APRIL 30<sup>th</sup> - India

Systemic Risk Rankings for 2013-11-15  View changes since: 2013-04-30

Institution	SRISK (t) ▼	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<a href="#">State Bank Of India</a>	18,493.4	7,114.4	11,379.1	2,413.2	6,484.2	2,481.7
<a href="#">Bank of Baroda</a>	5,597.5	2,977.9	2,619.6	989.6	884.0	746.0
<a href="#">Punjab National Bank</a>	5,295.1	3,253.3	2,041.9	-144.0	1,320.4	865.5
<a href="#">Bank of India</a>	5,081.1	3,267.3	1,813.8	591.9	981.2	240.8
<a href="#">Canara Bank</a>	4,726.3	3,027.2	1,699.1	195.4	1,099.6	404.1
<a href="#">IDBI Bank Ltd</a>	3,662.6	2,951.5	711.1	0.0	510.1	201.0
<a href="#">Union Bank of India</a>	3,625.2	2,013.2	1,612.0	440.5	1,018.9	152.6
<a href="#">Central Bank Of India</a>	3,235.5	2,472.5	762.9	301.2	307.7	154.0
<a href="#">Indian Overseas Bank</a>	2,939.4	2,616.2	323.3	0.0	217.6	105.7
<a href="#">Syndicate Bank</a>	2,539.4	1,783.0	756.4	280.5	348.2	127.6
<a href="#">Allahabad Bank</a>	2,420.2	1,865.2	555.0	127.1	344.2	83.7
<a href="#">Corp Bank</a>	2,319.0	1,698.9	620.1	261.4	279.8	79.0
<a href="#">Oriental Bank of Commerce</a>	2,301.1	1,587.0	714.2	149.6	387.5	177.1
<a href="#">UCO Bank</a>	2,234.6	2,031.8	202.9	75.5	63.7	63.7
<a href="#">Indian Bank</a>	1,863.7	1,114.5	749.3	164.6	439.6	145.2
<a href="#">Andhra Bank</a>	1,723.6	1,171.8	551.8	186.6	267.1	98.0
<a href="#">Dena Bank</a>	1,371.9	880.8	491.1	279.0	200.2	11.9
<a href="#">Bank of Maharashtra</a>	1,358.0	810.8	547.2	315.3	210.9	21.0
<a href="#">State Bank of Travancore</a>	1,186.6	1,075.0	111.6	0.0	105.0	6.5
<a href="#">Punjab &amp; Sind Bank</a>	986.8	882.0	104.8	35.9	78.7	-9.8
<a href="#">State Bank of Bikaner and Jaipur</a>	960.1	686.1	274.0	119.5	137.5	17.0
<a href="#">State Bank of Mysore</a>	716.6	533.0	183.6	37.7	119.3	26.6

# CHANGES SINCE APRIL 30<sup>th</sup> - India

Systemic Risk Rankings for 2013-11-15  View changes since: 2013-04-30

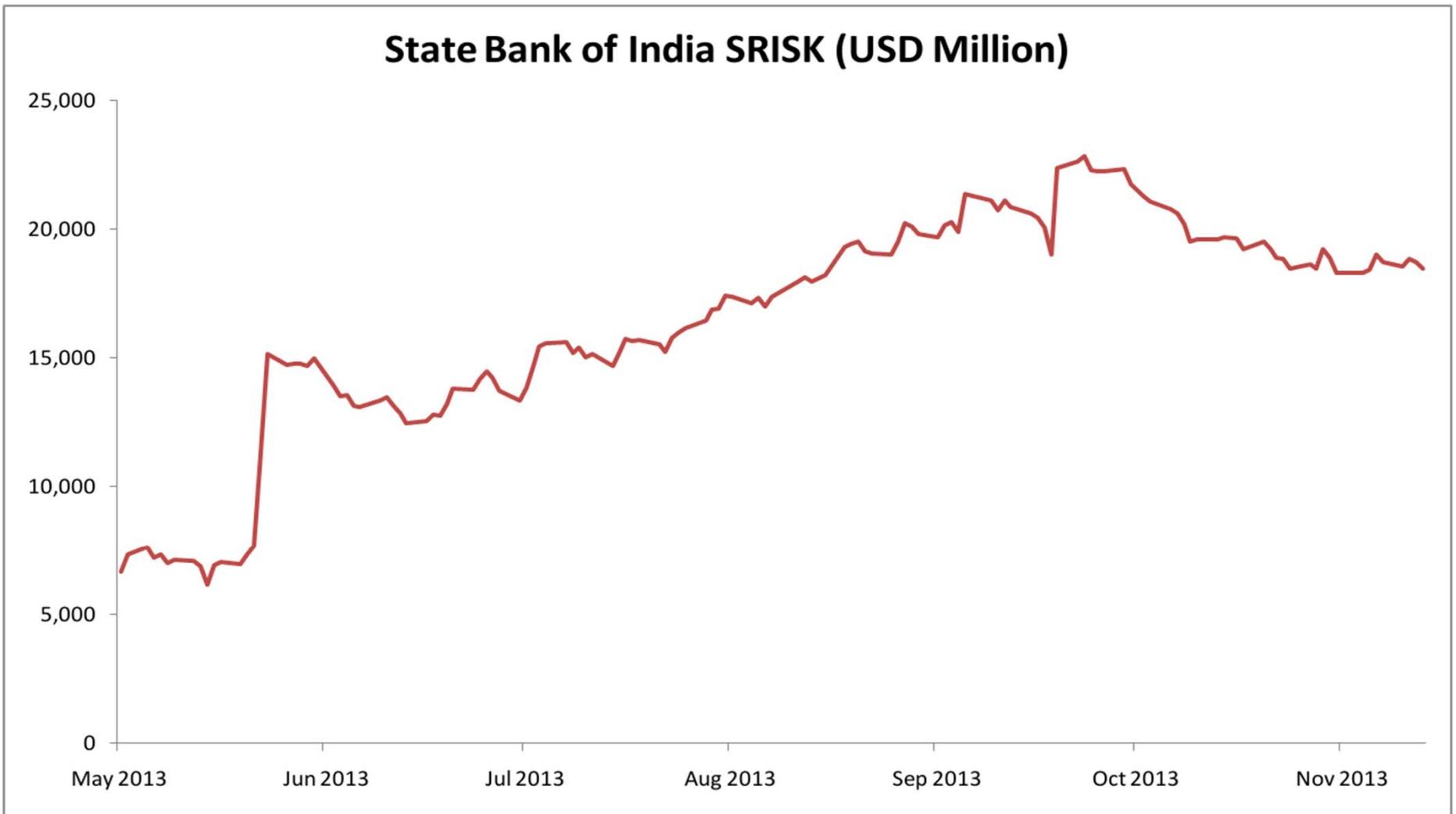
Institution	SRISK (t) ▼	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<u>Axis Bank Ltd</u>	562.3	-3,765.3	4,327.6	387.6	2,647.7	1,292.3
<u>Federal Bank Ltd</u>	405.3	-88.0	493.3	87.5	254.3	151.5
<u>South Indian Bank Ltd</u>	389.3	192.6	196.7	87.1	98.7	10.9
<u>Karnataka Bank</u>	377.7	183.2	194.5	38.2	144.6	11.7
<u>Yes Bank Ltd</u>	327.9	-679.2	1,007.1	-0.0	760.2	246.9
<u>Jammu and Kashmir Bank Ltd</u>	307.7	-24.5	332.1	99.8	211.0	21.3
<u>Vijaya Bank</u>	305.6	170.9	134.7	0.0	104.3	30.4
<u>Karur Vysya Bank</u>	260.5	-140.2	400.7	92.4	258.4	49.9
<u>Lakshmi Vilas Bank Ltd</u>	170.8	130.1	40.7	4.5	31.2	5.0
<u>Dhanlaxmi Bank Ltd</u>	142.4	158.1	-15.7	-27.4	10.3	1.3
<u>Power Finance Corp Ltd</u>	141.2	-1,489.2	1,630.4	336.2	1,108.0	186.2
<u>Development Credit Bank</u>	40.5	9.3	31.2	0.0	18.3	12.9
<u>City Union Bank Ltd</u>	38.7	-117.6	156.3	44.6	89.1	22.6
<u>LIC Housing Finance Ltd</u>	29.4	-622.4	651.8	164.9	336.9	149.9
<u>Muthoot Finance Ltd</u>	-97.3	-352.8	255.5	56.0	206.0	-6.4
<u>IFCI Ltd</u>	-112.7	-234.5	121.8	-75.6	180.9	16.5
<u>Unitech Ltd</u>	-230.7	-694.6	464.0	8.9	393.2	61.8
<u>MAX India Ltd</u>	-310.7	-507.4	196.8	34.9	166.2	-4.3
<u>Religare Enterprises Ltd</u>	-333.6	-420.5	86.9	-10.0	76.2	20.7
<u>Reliance Capital Ltd</u>	-375.6	-635.9	260.3	44.5	145.1	70.7
<u>ICICI Bank Ltd</u>	-419.8	-5,732.3	5,312.5	0.0	3,071.8	2,240.7
<u>Bajaj Finserv Ltd</u>	-426.2	-823.7	397.5	-19.5	336.2	80.8

# CHANGES SINCE APRIL 30<sup>th</sup> - India

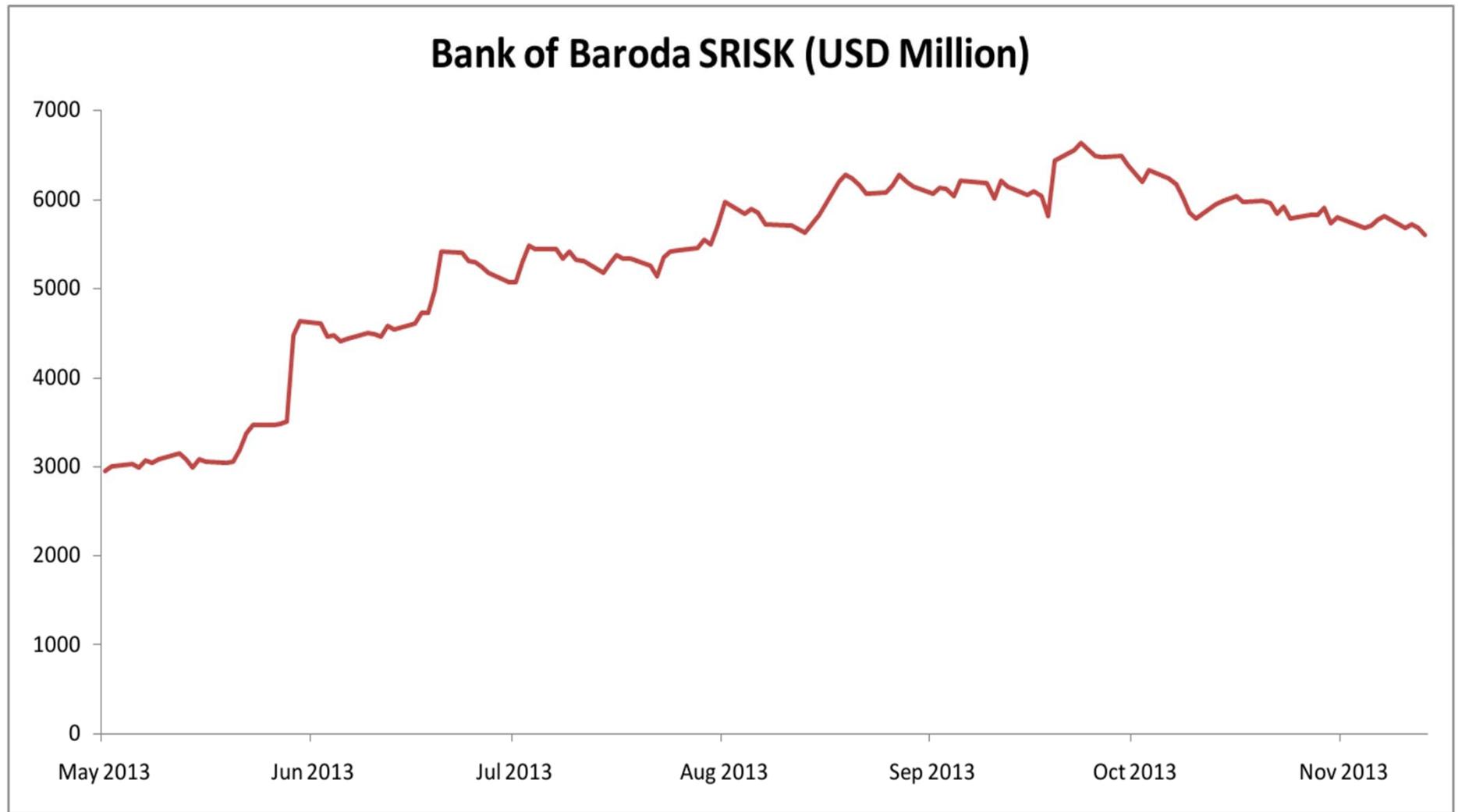
Systemic Risk Rankings for 2013-11-15  View changes since: 2013-04-30

Institution	SRISK (t) ▼	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<a href="#">Bajaj Finserv Ltd</a>	-426.2	-823.7	397.5	-19.5	336.2	80.8
<a href="#">Rural Electrification Corp Ltd</a>	-464.3	-1,182.9	718.7	183.5	471.9	63.3
<a href="#">ING Vysya Bank</a>	-475.6	-482.8	7.2	0.0	-37.7	44.9
<a href="#">Infrastructure Development Fin</a>	-512.1	-2,070.4	1,558.3	77.7	1,083.3	397.3
<a href="#">Oberoi Realty Ltd</a>	-656.4	-1,144.3	487.9	-0.0	370.8	117.1
<a href="#">Shriram Transport Finance Co L</a>	-693.3	-1,631.1	937.8	105.0	726.8	106.0
<a href="#">L&amp;T Finance Holdings Ltd</a>	-918.7	-1,127.6	208.8	0.0	229.8	-21.0
<a href="#">IndusInd Bank Ltd</a>	-1,064.1	-2,093.4	1,029.2	-81.9	705.5	405.7
<a href="#">Bajaj Holdings and Investment</a>	-1,164.1	-1,359.8	195.7	0.7	225.6	-30.6
<a href="#">DLF Ltd</a>	-1,523.7	-3,442.7	1,919.0	-22.3	1,777.0	164.3
<a href="#">Mahindra &amp; Mahindra Financial</a>	-1,566.6	-1,423.2	-143.4	0.0	-165.9	22.4
<a href="#">Kotak Mahindra Bank Ltd</a>	-3,784.2	-5,317.2	1,533.0	229.0	625.9	678.1
<a href="#">HDFC Bank Ltd</a>	-7,833.6	-15,123.5	7,289.9	566.9	3,532.2	3,190.7

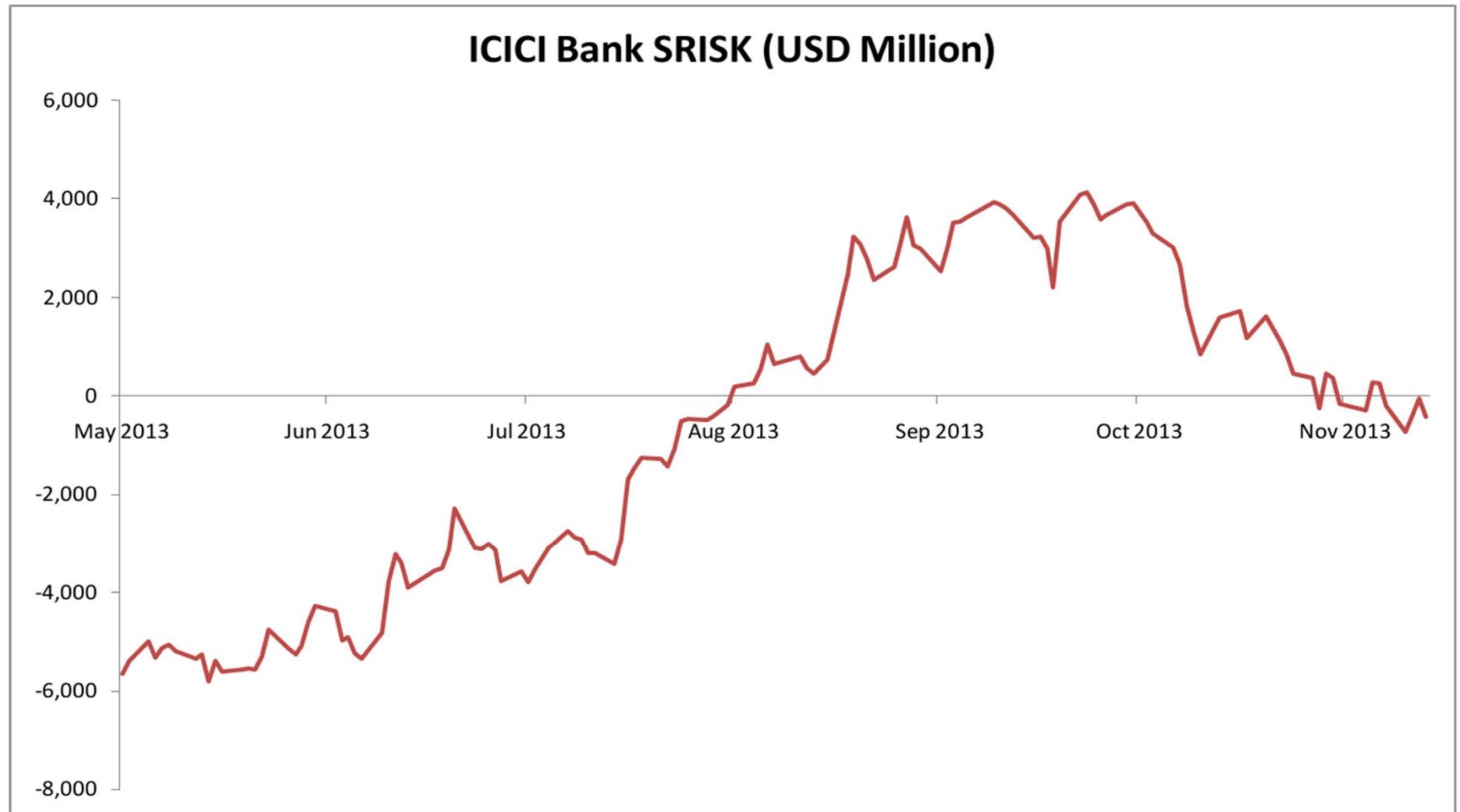
# STATE BANK OF INDIA SRISK



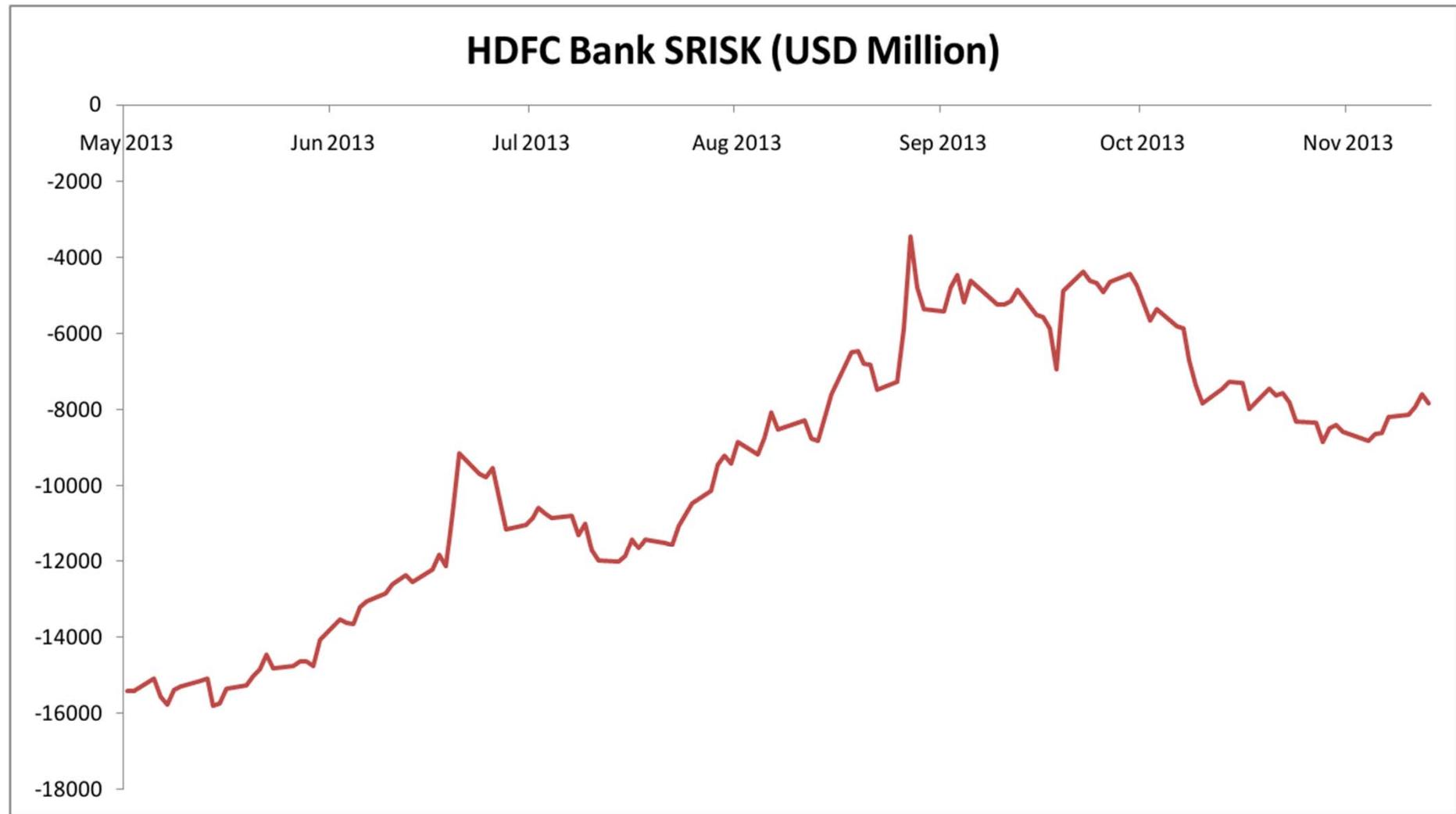
# BANK OF BARODA



# ICICI BANK



# HDFC BANK



# CHANGES SINCE APRIL 30<sup>th</sup> - China

Systemic Risk Rankings for 2013-11-15  View changes since: 2013-04-30

Institution	SRISK (t) ▼	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<u>Bank Of China Ltd-H</u>	91,060.7	69,752.5	21,308.3	14,316.9	947.3	6,044.1
<u>Agricultural Bank Of China-A</u>	69,265.9	47,002.5	22,263.4	19,673.3	4,299.8	-1,709.8
<u>China Construction Bank-H</u>	68,521.8	41,065.8	27,455.9	15,163.0	9,989.3	2,303.6
<u>Ind &amp; Comm Bank Of China-A</u>	47,310.1	23,706.9	23,603.2	18,197.8	7,587.1	-2,181.8
<u>Bank Of Communications Co-H</u>	42,524.3	29,760.3	12,764.0	6,568.4	3,558.6	2,636.9
<u>China Citic Bank Corp Ltd-H</u>	26,208.1	18,596.2	7,611.9	6,610.8	827.1	174.0
<u>Shanghai Pudong Development Bank-A</u>	22,450.7	16,169.8	6,280.9	6,319.3	189.9	-228.3
<u>Industrial Bank Co Ltd -A</u>	20,275.1	15,761.0	4,514.0	2,587.7	2,363.6	-437.3
<u>China Everbright Bank Co Ltd</u>	16,060.3	12,801.4	3,258.9	2,829.0	739.5	-309.6
<u>China Merchants Bank-A</u>	13,581.2	10,444.1	3,137.1	5,742.0	-858.1	-1,746.8
<u>China Minsheng Banking Corp Ltd</u>	12,871.6	8,159.9	4,711.7	1,817.0	3,665.7	-771.0
<u>Huaxia Bank Co Ltd</u>	10,864.8	8,749.8	2,115.0	1,698.9	205.9	210.2
<u>Shenzhen Development Bank Co</u>	9,493.7	9,927.9	-434.2	823.5	-1,875.5	617.8
<u>Bank Of Beijing Co Ltd</u>	6,459.0	4,090.6	2,368.4	1,423.0	1,103.3	-157.9
<u>Ping An Insurance Group Co-H</u>	5,118.1	-357.9	5,476.0	5,562.9	38.0	-125.0
<u>Chongqing Rural Commercial Ban</u>	3,578.9	2,714.3	864.7	762.4	192.4	-90.0
<u>Bank of Ningbo Co Ltd</u>	2,473.2	1,580.6	892.6	456.3	426.5	9.8
<u>Bank Of Nanjing Co Ltd</u>	2,200.6	647.2	1,553.4	1,290.9	288.6	-26.1
<u>Kaisa Group Holdings Ltd</u>	-264.0	-437.0	173.0	184.4	-0.6	-10.8
<u>China Calxon Group Co Ltd</u>	-299.3	-447.0	147.7	37.0	108.0	2.7
<u>Beijing Capital Development Co</u>	-513.2	-1,001.7	488.5	225.2	239.3	24.0

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<a href="#">Renhe Commercial Holdings Co L</a>	-530.1	-701.2	171.1	-0.9	134.5	37.5
<a href="#">Zhongtian Urban Development Gr</a>	-650.2	-606.7	-43.5	61.1	-121.1	16.6
<a href="#">Tibet Urban Development and In</a>	-686.0	-598.1	-87.9	0.1	-66.3	-21.7
<a href="#">Far East Horizon Ltd</a>	-690.7	-710.3	19.6	166.1	-78.0	-68.5
<a href="#">Evergrande Real Estate Group L</a>	-755.7	-901.0	145.4	291.6	-7.3	-138.9
<a href="#">Shui On Land Ltd</a>	-784.3	-919.8	135.5	61.4	60.1	14.0
<a href="#">Hangzhou Binjiang Real Estate</a>	-796.6	-919.9	123.3	1.7	139.5	-17.9
<a href="#">Beijing Urban Construction Inv</a>	-933.8	-1,039.4	105.6	44.1	66.9	-5.4
<a href="#">Pacific Securities Co Ltd/Chin</a>	-992.6	-1,087.3	94.7	2.7	50.5	41.5
<a href="#">Sino-Ocean Land Holdings Ltd</a>	-1,075.5	-1,126.4	50.9	93.2	39.1	-81.4
<a href="#">Shanghai Shimao Co Ltd</a>	-1,101.9	-1,188.2	86.3	95.3	22.3	-31.3
<a href="#">Suning Universal Co Ltd</a>	-1,157.6	-1,447.9	290.3	36.5	205.0	48.8
<a href="#">Agile Property Holdings Ltd</a>	-1,313.6	-1,587.3	273.6	77.1	249.1	-52.6
<a href="#">China Baoan Group Co Ltd</a>	-1,383.3	-1,342.5	-40.7	6.9	-115.6	67.9
<a href="#">Financial Street Holding Co Lt</a>	-1,390.9	-1,553.5	162.6	79.3	239.7	-156.4
<a href="#">Shanghai Zhangjiang High-Tech</a>	-1,395.1	-1,079.6	-315.4	1.2	-342.2	25.5
<a href="#">Guangzhou R&amp;F Properties Co Lt</a>	-1,430.0	-2,111.8	681.8	239.2	209.2	233.4
<a href="#">Shanghai Great Wisdom Co Ltd</a>	-1,441.8	-768.9	-672.8	1.5	-674.7	0.4
<a href="#">Northeast Securities Co Ltd</a>	-1,591.1	-2,111.5	520.4	21.1	420.6	78.7
<a href="#">Shanxi Securities Co Ltd</a>	-1,630.6	-2,012.7	382.1	-3.2	266.6	118.8
<a href="#">Sinolink Securities Co Ltd</a>	-1,751.9	-2,320.8	568.9	5.4	345.0	218.5

# CHANGES SINCE APRIL 30<sup>th</sup> - China

Systemic Risk Rankings for 2013-11-15  View changes since: 2013-04-30

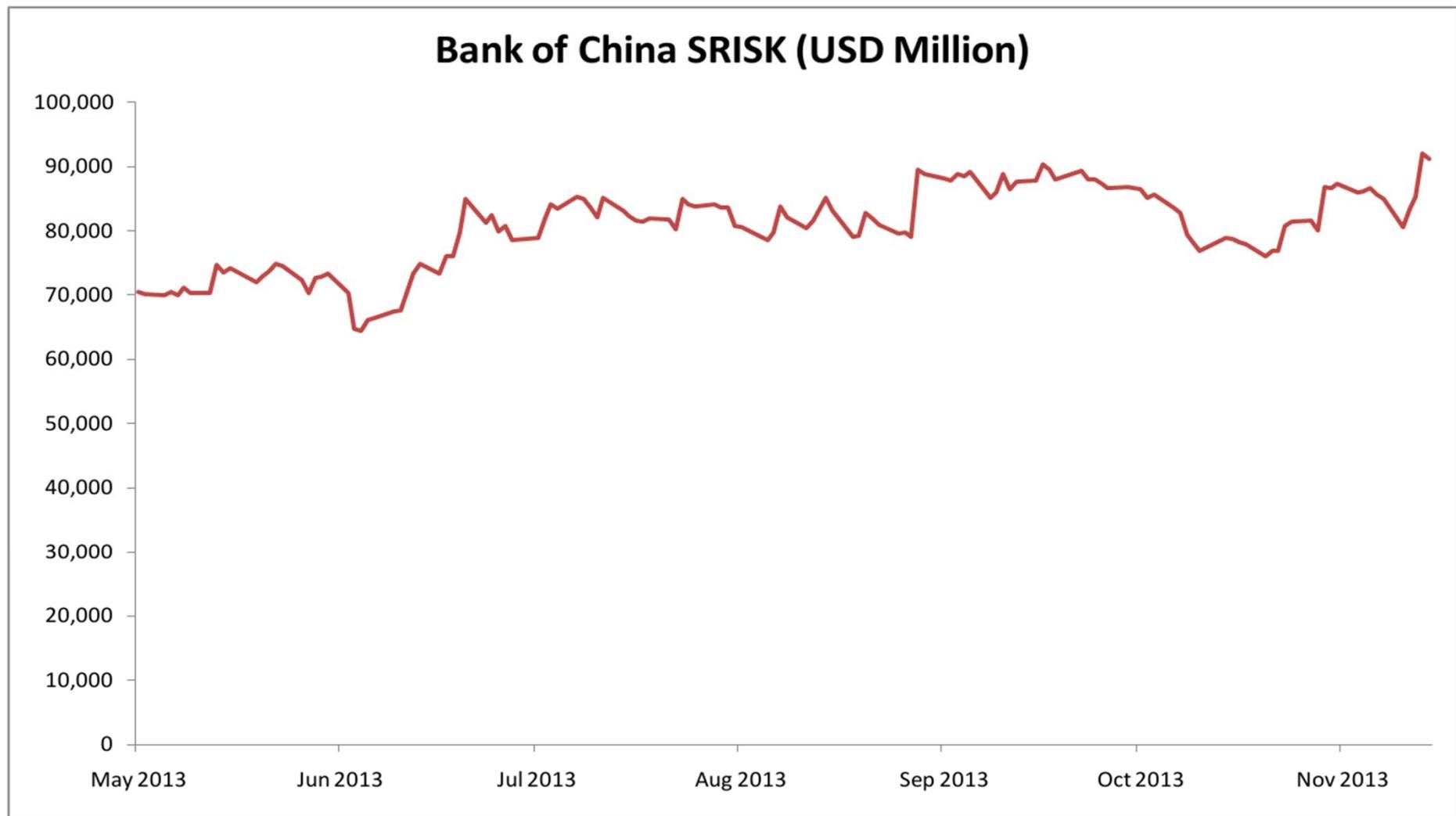
Institution	SRISK (t) ▾	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<a href="#">Guoyuan Securities Co Ltd</a>	-2,065.8	-2,303.4	237.7	68.2	148.9	20.5
<a href="#">RiseSun Real Estate Developmen</a>	-2,161.0	-3,172.6	1,011.6	122.9	571.1	317.6
<a href="#">Soho China Ltd</a>	-2,243.4	-2,205.2	-38.2	-38.1	63.4	-63.5
<a href="#">Oceanwide Real Estate Group Co</a>	-2,375.2	-2,503.4	128.2	53.1	129.8	-54.6
<a href="#">Changjiang Securities Co Ltd</a>	-2,380.9	-2,497.0	116.0	22.6	135.6	-42.2
<a href="#">Gemdale Corp</a>	-2,423.9	-3,316.7	892.8	170.5	589.3	132.9
<a href="#">Industrial Securities Co Ltd</a>	-2,480.0	-2,787.8	307.8	36.3	139.8	131.6
<a href="#">Southwest Securities Co Ltd</a>	-2,932.8	-2,130.6	-802.2	108.0	-298.4	-611.8
<a href="#">Shanghai Chengtou Holding Co L</a>	-3,121.8	-2,305.3	-816.5	57.2	-1,275.1	401.4
<a href="#">Everbright Securities Co Ltd</a>	-3,275.8	-4,977.3	1,701.6	-51.4	1,801.9	-48.9
<a href="#">China Merchants Property Devel</a>	-3,527.9	-4,157.1	629.2	85.7	566.7	-23.2
<a href="#">Shanghai Lujiazui Finance &amp; Tr</a>	-3,570.9	-2,340.9	-1,230.0	22.6	-1,367.9	115.3
<a href="#">Longfor Properties Co Ltd</a>	-4,333.9	-4,435.6	101.7	96.4	324.9	-319.6
<a href="#">Poly Real Estate Group Co</a>	-4,694.4	-7,159.5	2,465.1	396.8	2,037.0	31.3
<a href="#">Huatai Securities Co Ltd</a>	-4,973.5	-5,745.3	771.9	262.0	621.7	-111.8
<a href="#">China Merchants Securities Co Ltd</a>	-5,261.6	-5,875.4	613.9	-104.2	818.4	-100.4
<a href="#">Country Garden Holdings Co</a>	-6,408.7	-4,770.5	-1,638.2	223.1	-1,506.4	-354.9
<a href="#">China Vanke Co Ltd</a>	-6,943.4	-10,659.8	3,716.4	500.5	2,574.7	641.2
<a href="#">Xinjiang Guanghui Industry Co</a>	-7,120.3	-8,208.4	1,088.0	49.6	682.7	355.8
<a href="#">GF Securities Co Ltd-A</a>	-7,385.2	-7,807.7	422.5	175.0	824.5	-577.0
<a href="#">PICC Property &amp; Casualty Co Ltd</a>	-7,782.0	-5,111.2	-2,670.8	240.1	-2,808.9	-102.0

# CHANGES SINCE APRIL 30<sup>th</sup> - China

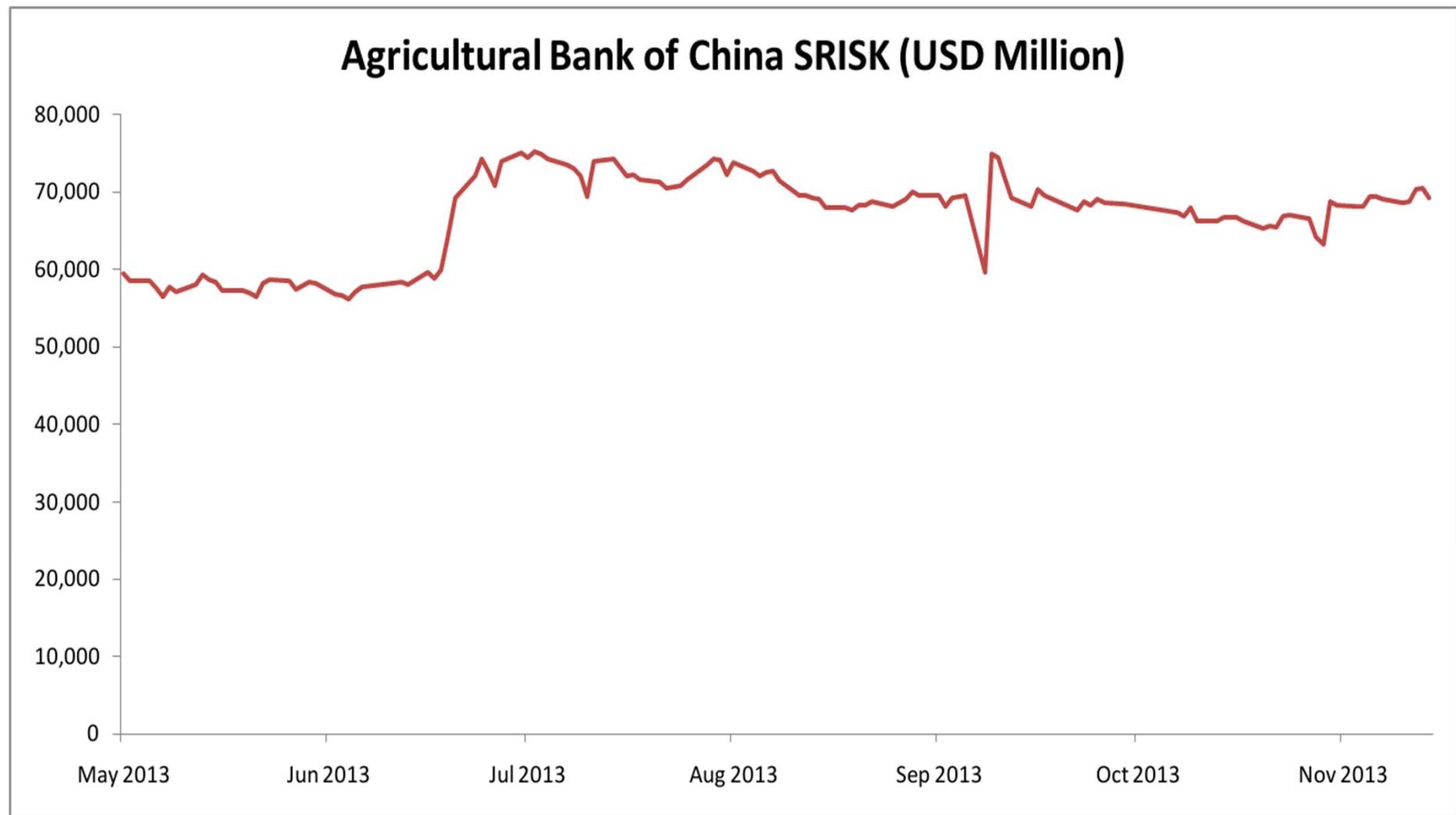
Systemic Risk Rankings for 2013-11-15  View changes since: 2013-04-30

Institution	SRISK (t)▼	SRISK (t - 1)	Δ SRISK	Δ(DEBT)	Δ(EQUITY)	Δ(RISK)
<a href="#">Haitong Securities Co Ltd</a>	-10,066.7	-11,490.1	1,423.4	52.2	-255.8	1,627.0
<a href="#">China Pacific Insurance Group</a>	-12,063.5	-13,487.0	1,423.5	0.0	557.4	866.1
<a href="#">Citic Securities Co Ltd</a>	-12,125.6	-15,917.4	3,791.8	1,295.7	899.4	1,596.6
<a href="#">China Life Insurance Co-H</a>	-17,071.8	-24,238.2	7,166.4	1,325.2	5,016.9	824.2

# BANK OF CHINA



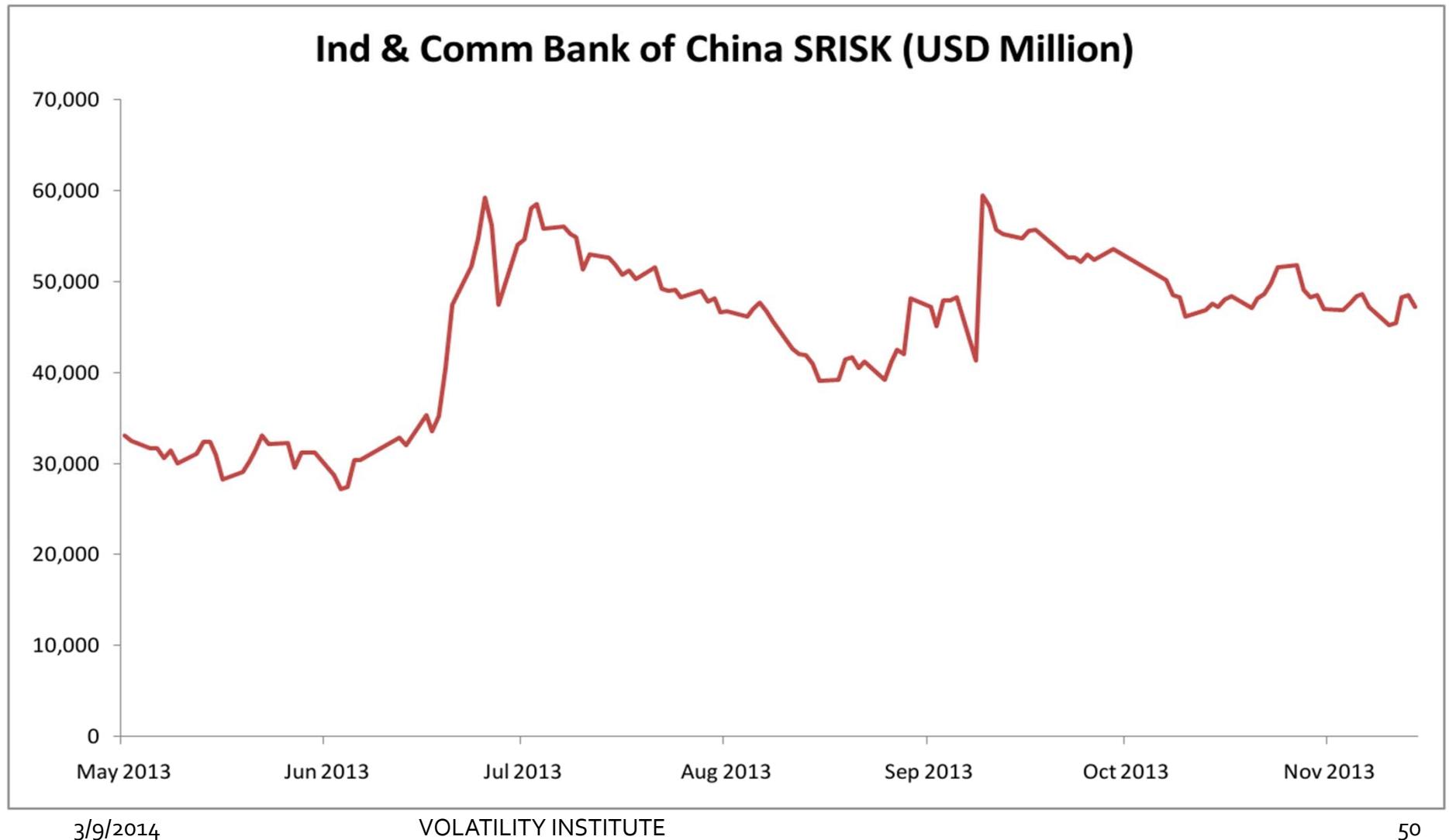
# AGRICULTURAL BANK OF CHINA



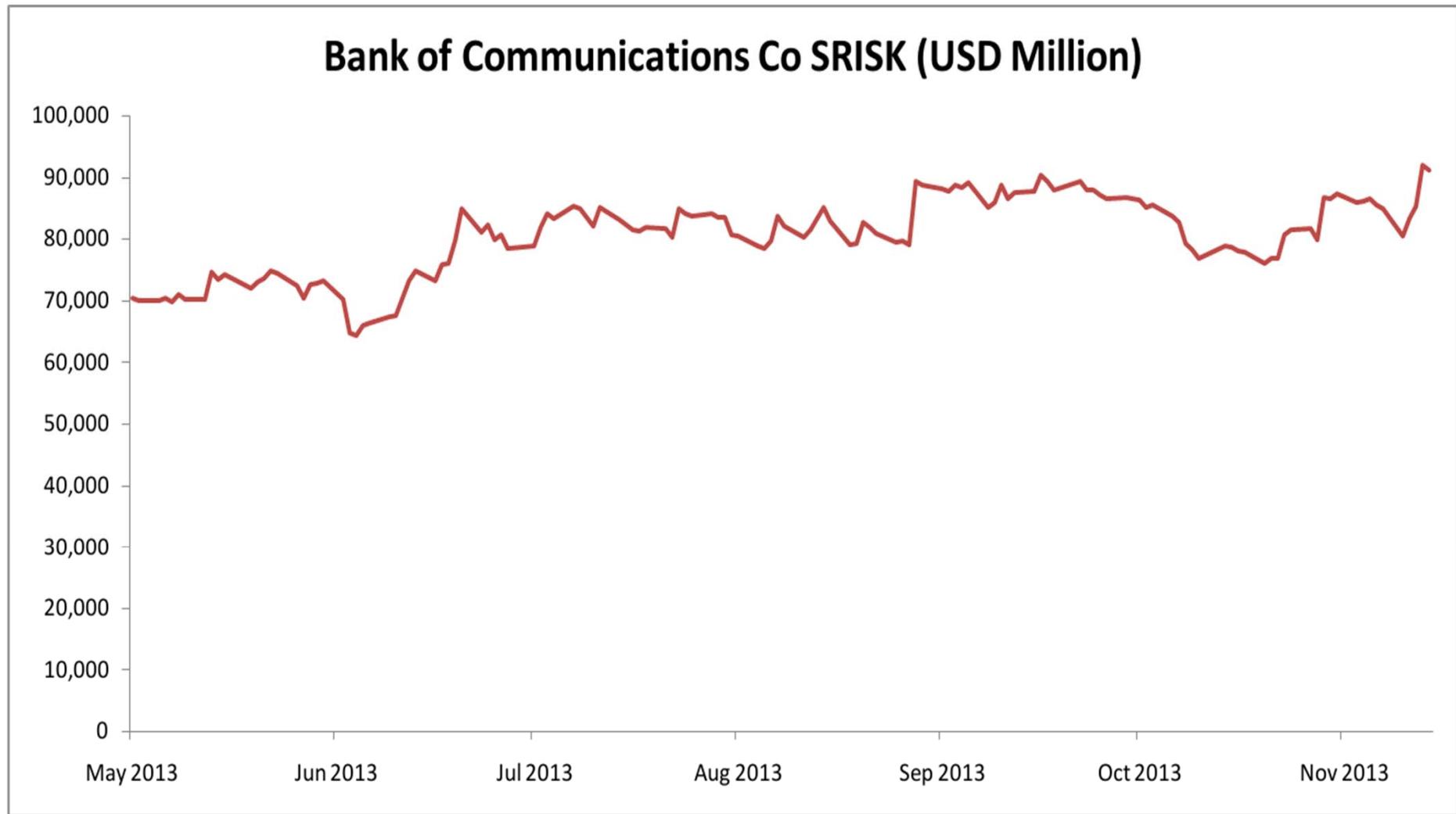
# CHINA CONSTRUCTION BANK



# IND & COMM BANK OF CHINA



# BANK OF COMMUNICATIONS



# RISING RISKS AT INDIAN PUBLIC-SECTOR BANKS

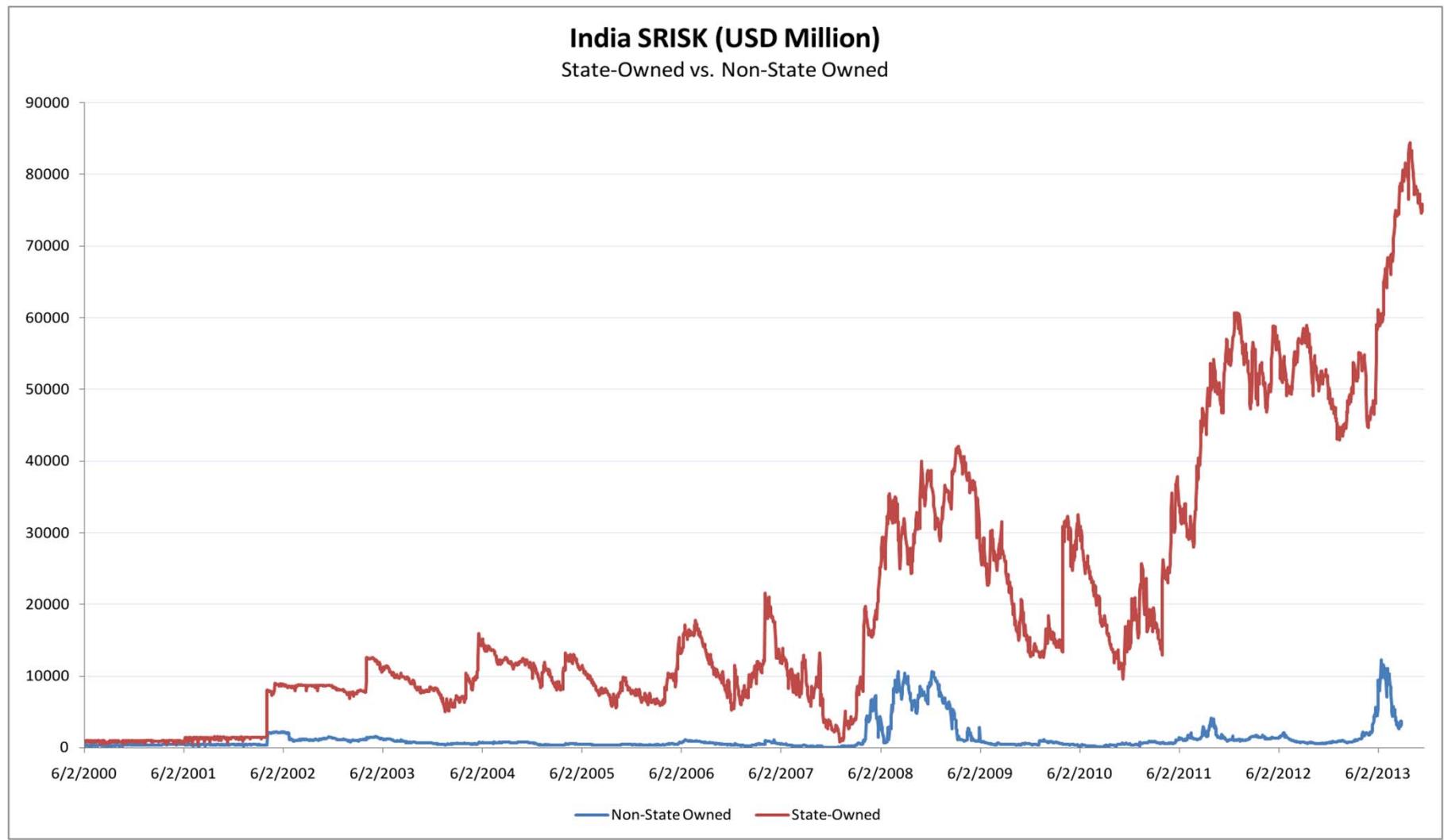
# POOR ASSET QUALITY OF INDIAN PUBLIC SECTOR BANKS

- Non-performing assets now stand at over 5% of loan advances
- Losses much greater for public-sector banks than for private-sector banks
- “Restructuring” of assets category masks the full losses, a significant concern for the RBI
- Most of the losses suffered in infrastructure and priority sector lending
  - Part of the post-2008 stimulus

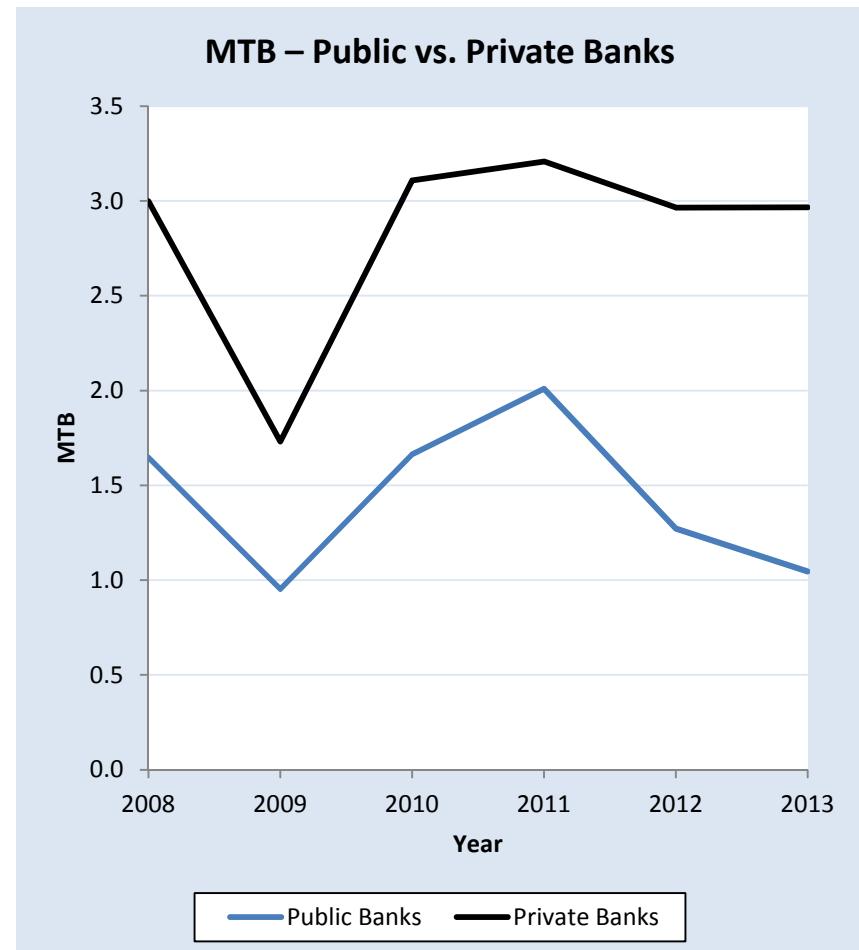
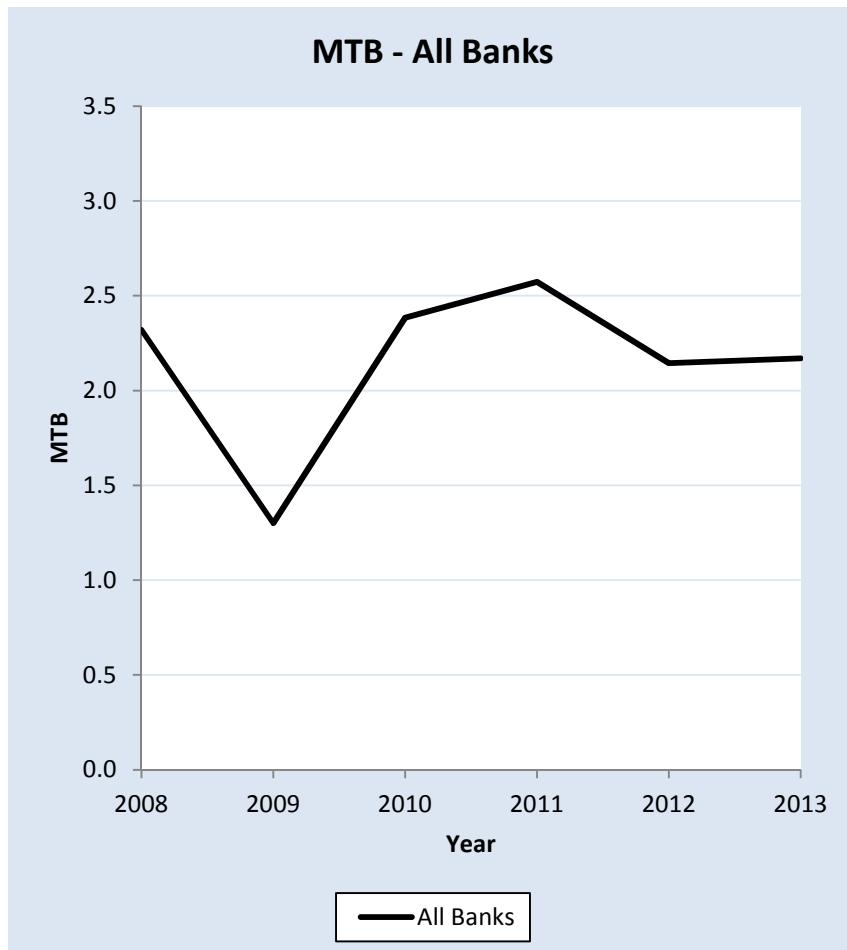
# HIGH LEVERAGE OF INDIAN PUBLIC SECTOR BANKS

- Public-sector banks more leveraged than the private sector
- Public-sector banks tend to have more stable funding in crisis, as in Fall 2008, compared to the private-sector banks
- Example: ICICI bank lost deposits to SBI during the Fall of 2008 due to its perceived weaker government guarantee
- Public-sector banks leverage this advantage, whereas private-sector banks (not all) are shy!

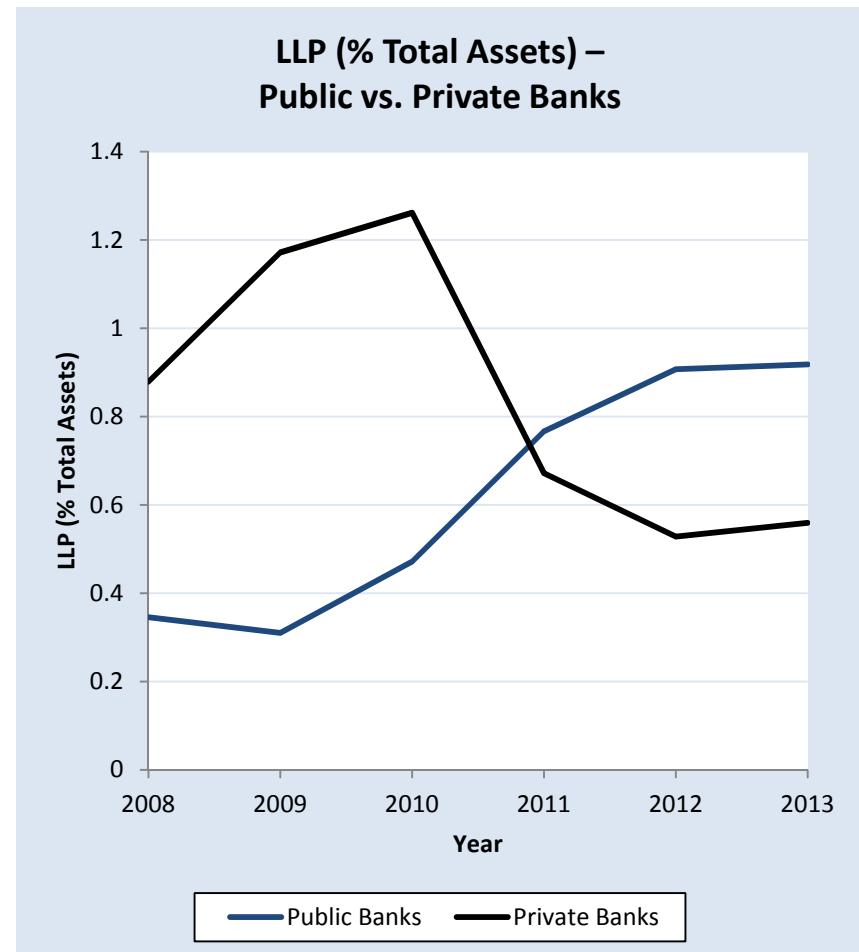
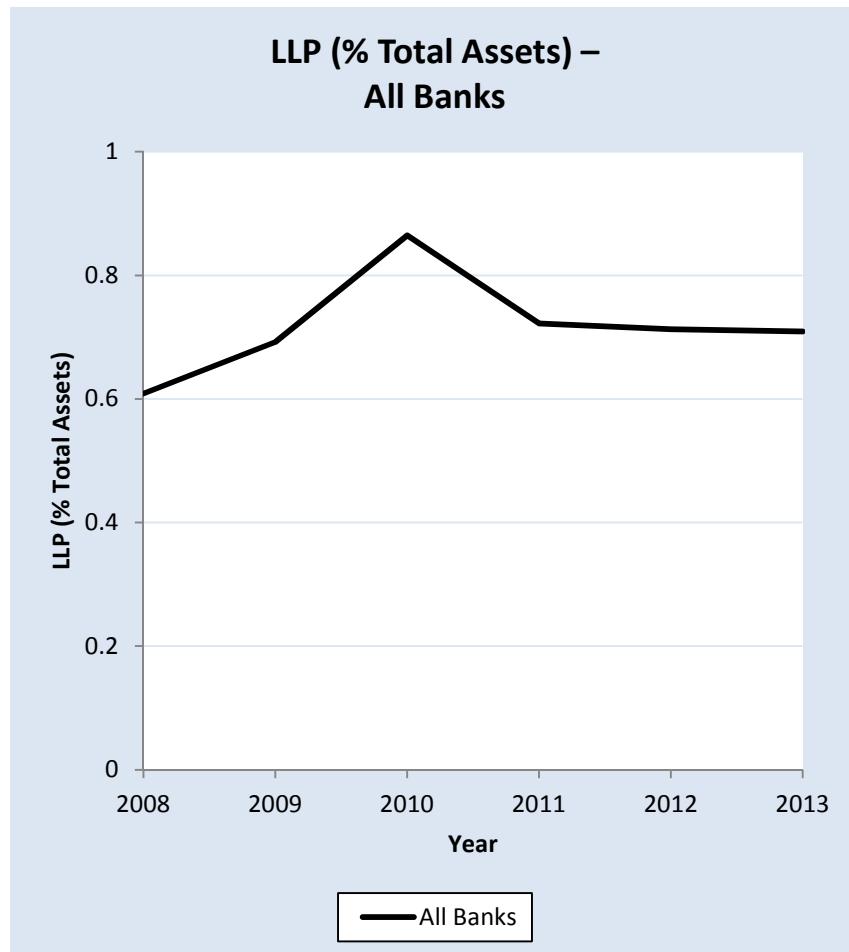
# INDIA STATE-OWNED VS. NON-STATE-OWNED



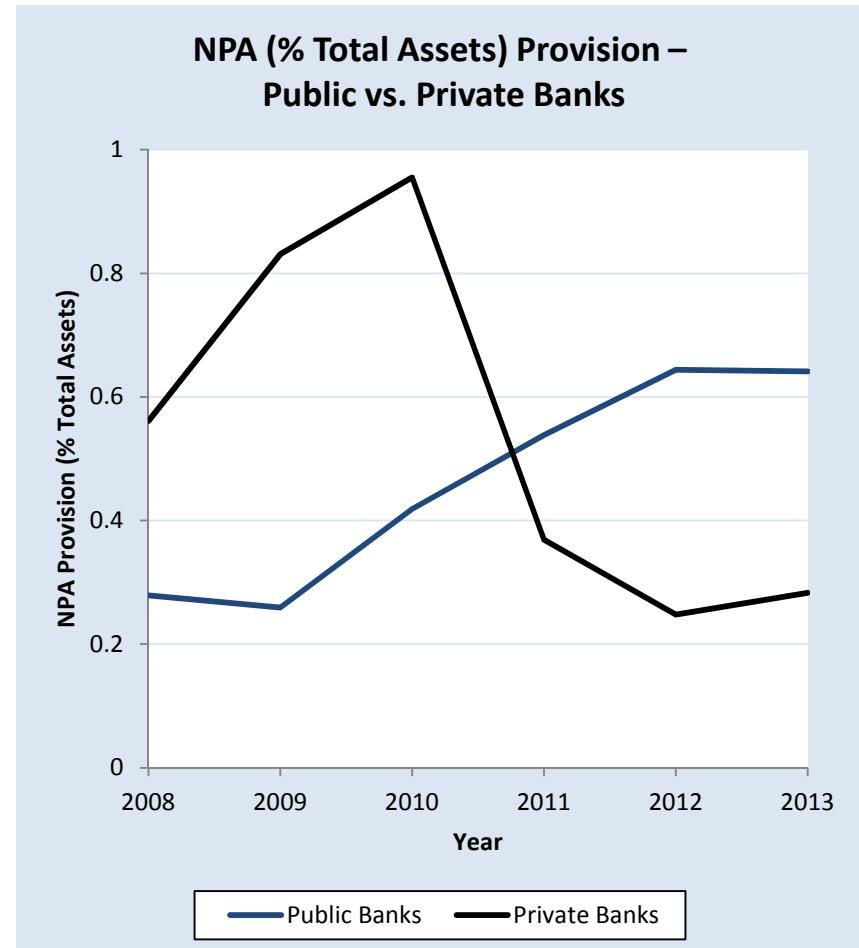
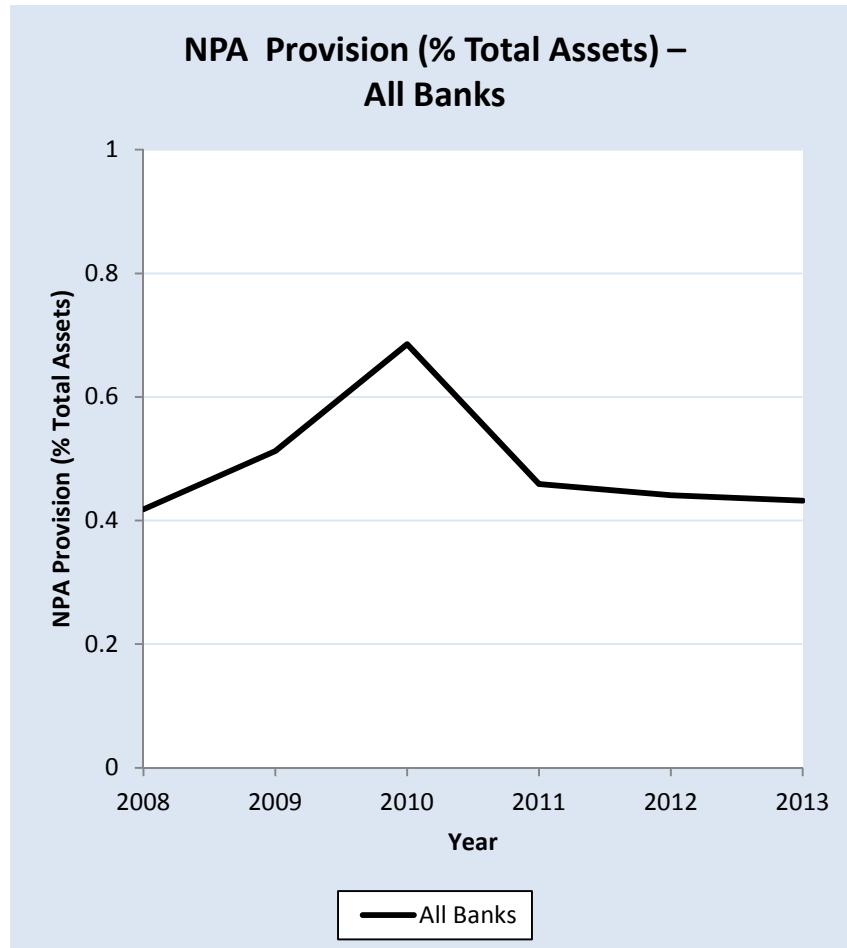
# Market-to-Book Ratio



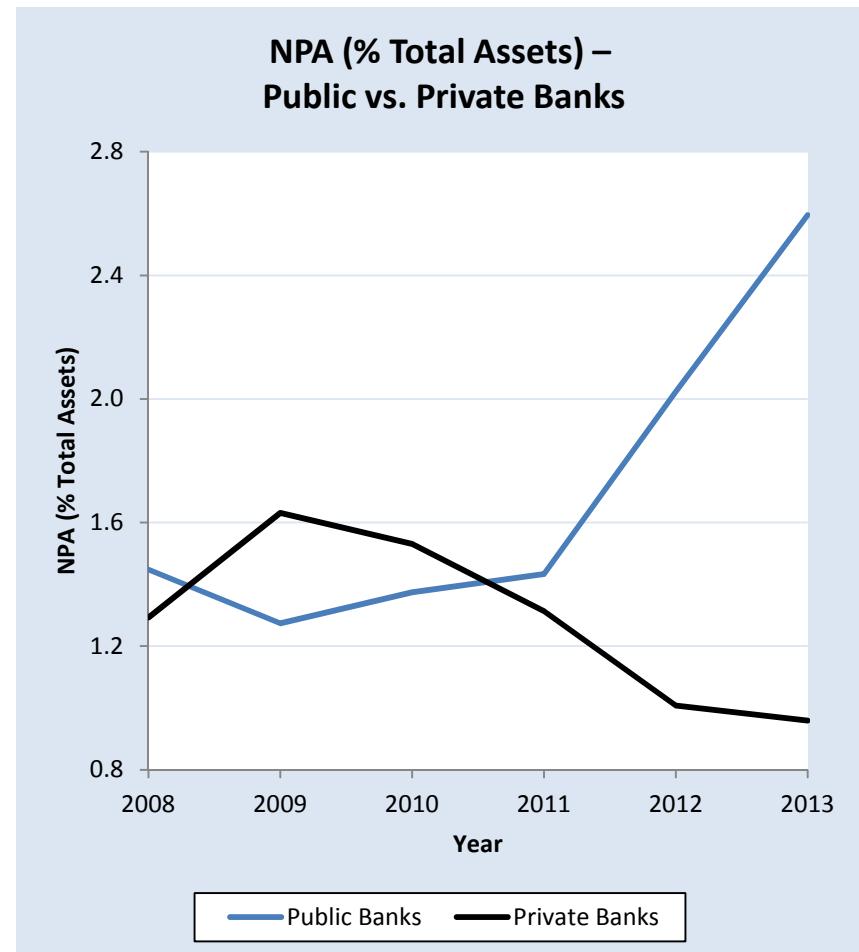
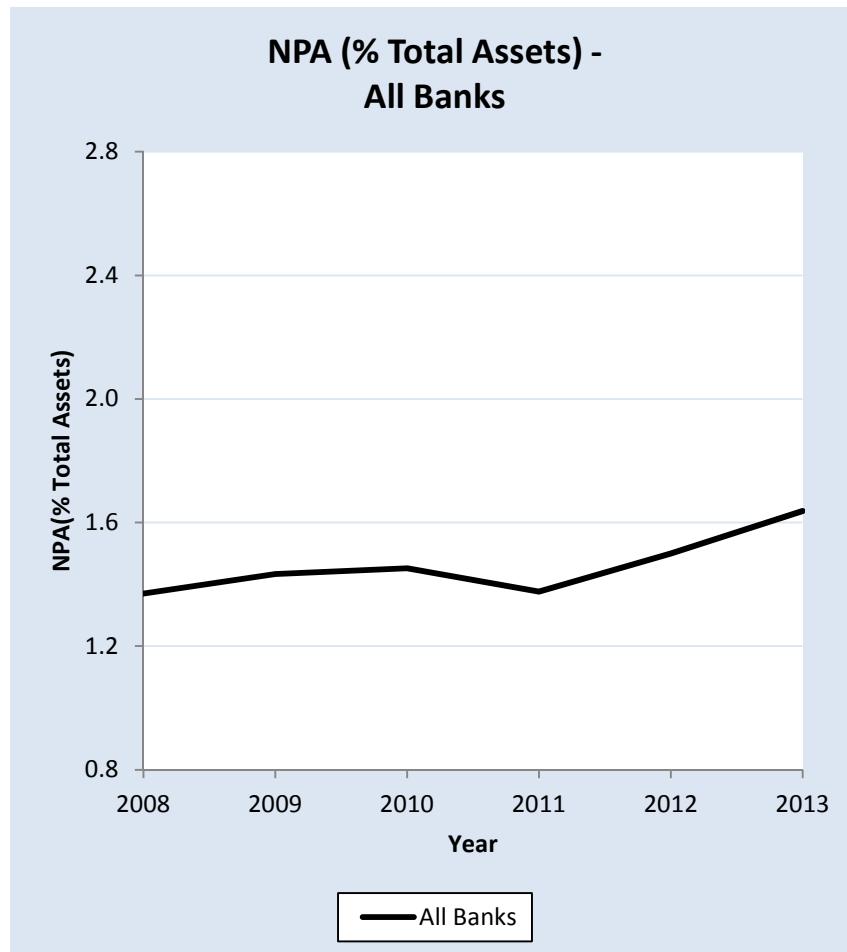
# Loan Loss Provision (% Total Assets)



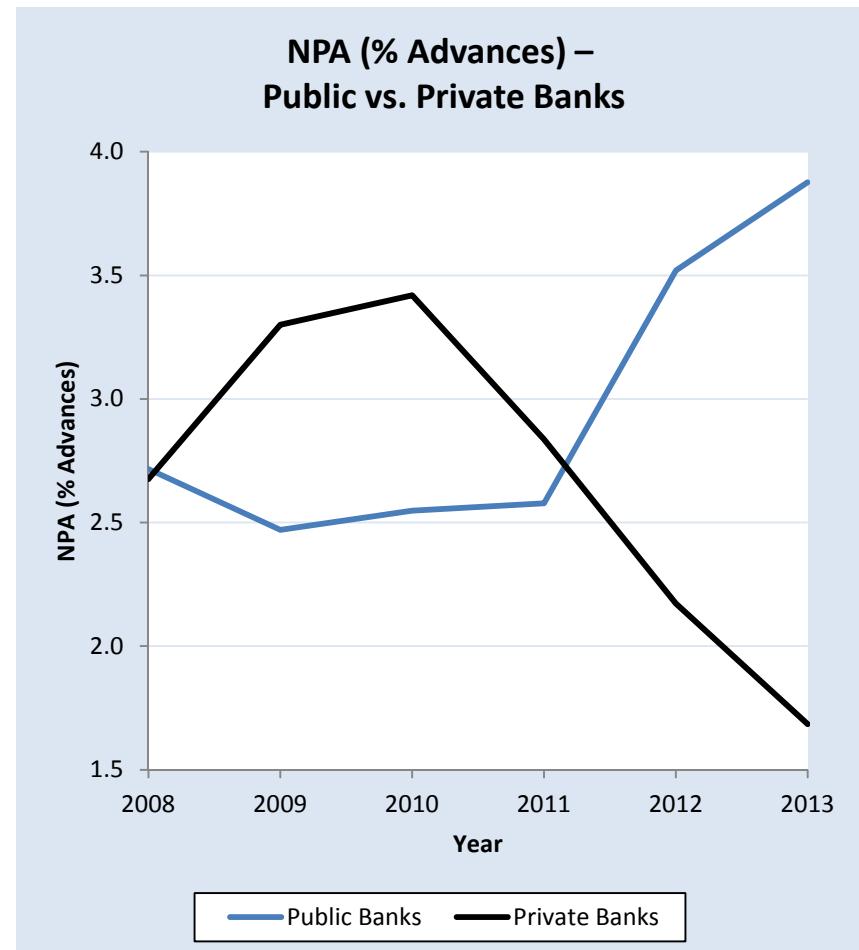
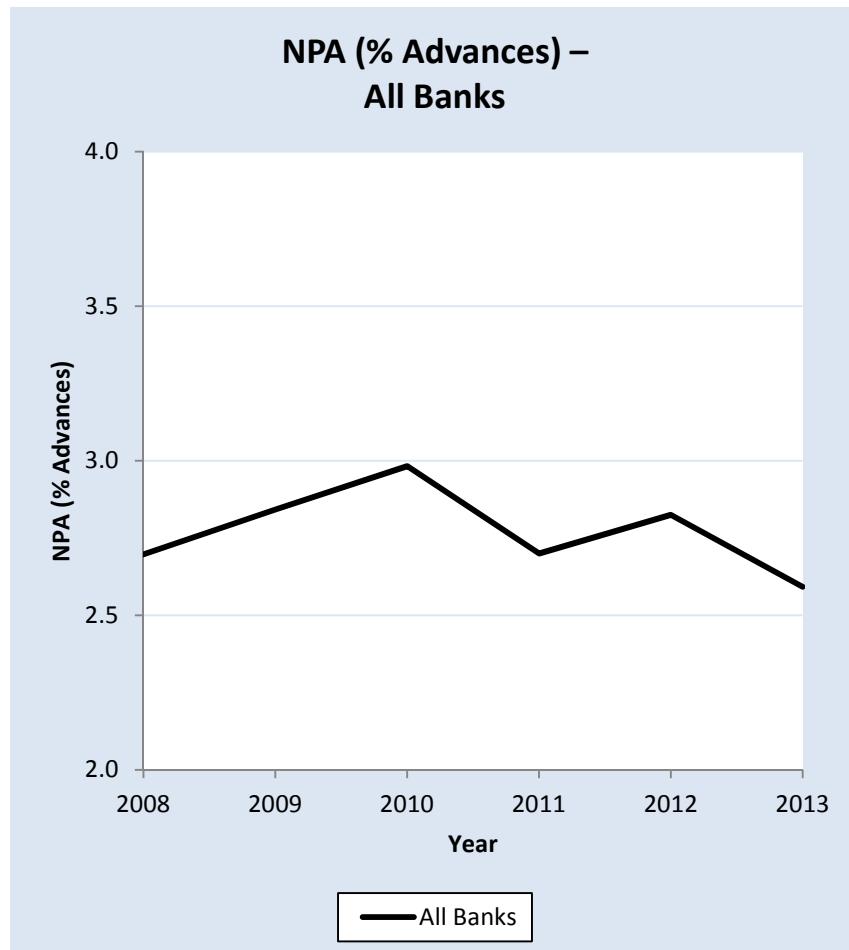
# Non Performing Assets Provision (% Total Assets)



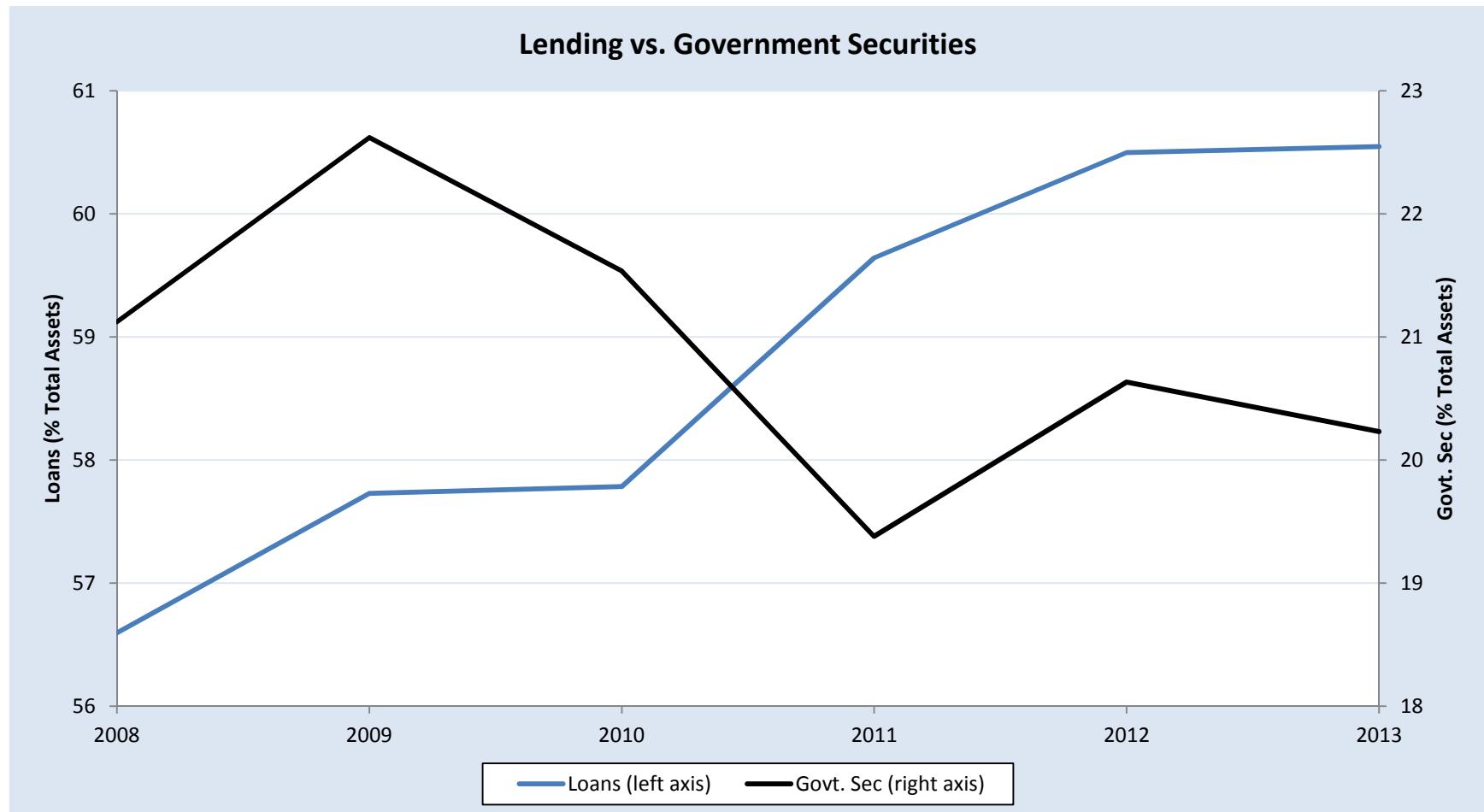
# Non Performing Assets (% Total Assets)



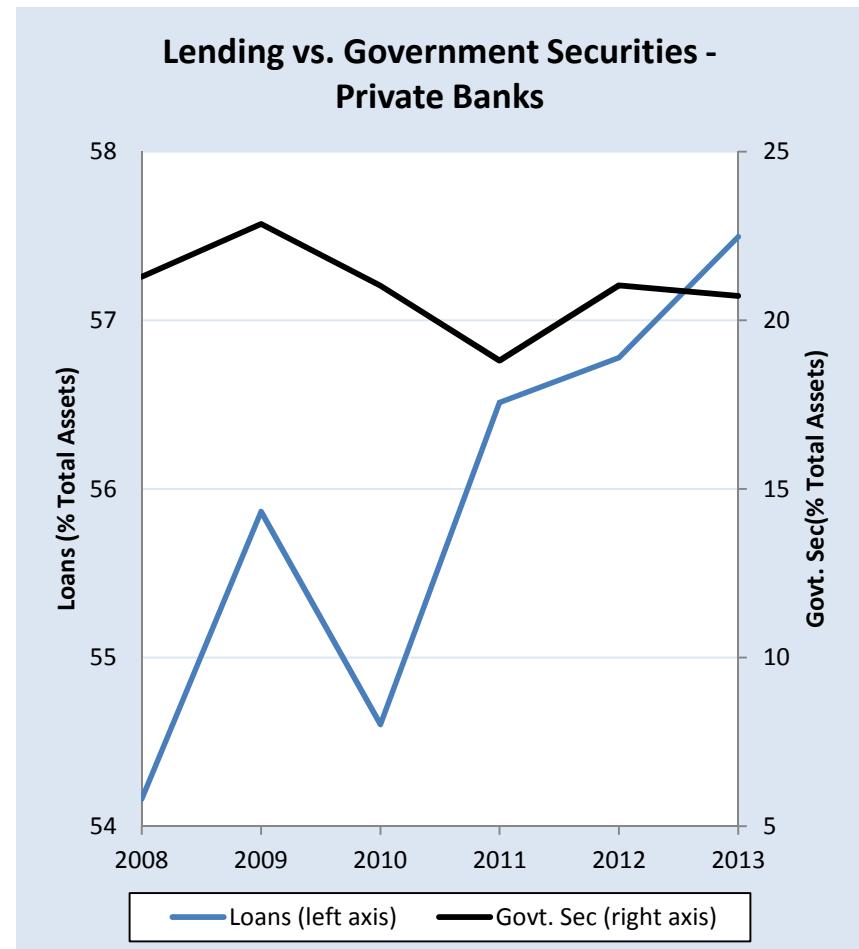
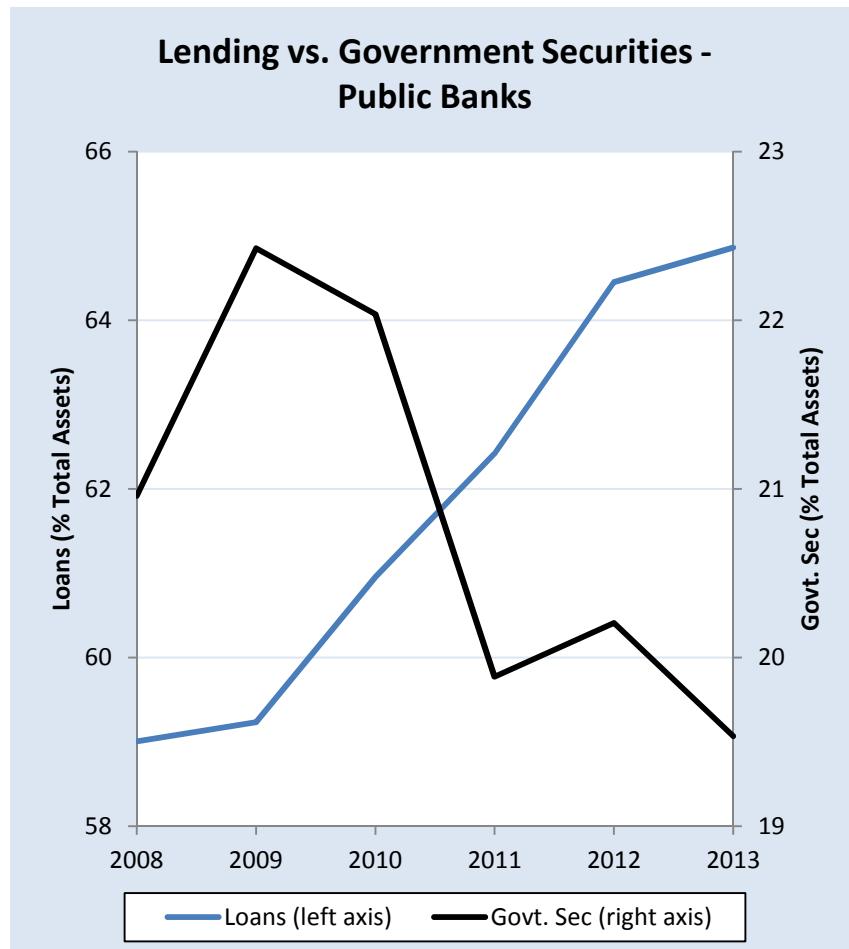
# Non Performing Assets (% Advances)



# Loans vs. Government Securities Holdings - All Banks



# Loans vs. Government Securities— Public vs. Private Banks



# **CHINESE MUNICIPAL AND STATE OWNED ENTERPRISE DEBT**



# Li Meng, SERI Quarterly, April 2012

- In early 2008 Local Government Debt in China was 1.7 trillion yuan. At the end of 2010 it was 10.7 trillion or 27% of GDP (National Audit Office June 2011)
- Much of this is from stimulus expenditures.
- Local Governments cannot borrow directly and established 6,576 special financing vehicles.
- 8.5 trillion yuan of debt is due 2011-2013

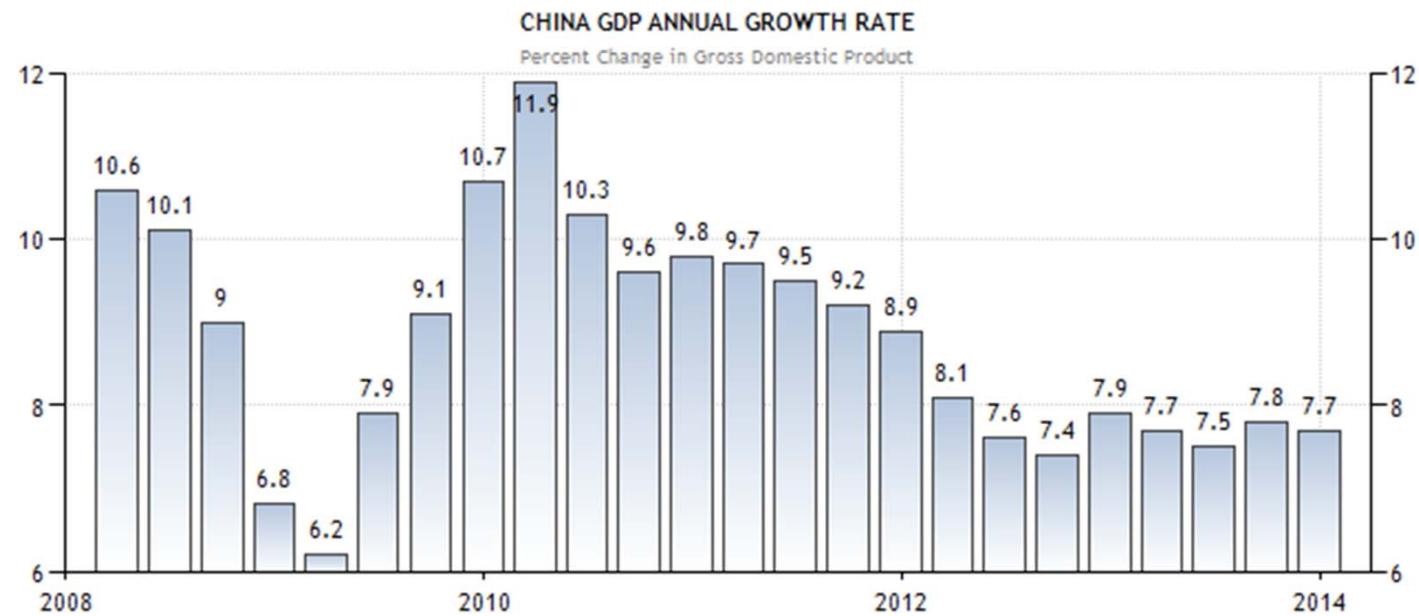
# WILL THESE LOANS PERFORM?

- Chief revenue source for local governments is land sales which are slowing. Inflation fears will lead to macroeconomic tightening which will further slow this growth.
- Projects have long lives and cannot cover interest payments in the short run. More than half of China's GDP growth over the last couple of years is based on fixed investment. But such stimulus is not necessarily commercially viable on its own.
- Much of this borrowing is off balance sheet using government land or assets as collateral.
- Recently WSJ reported that all municipal loans were rolled over at the end of 2012.

# What are Some Financial Risk Factors?

- Slowing GDP growth
- Credit bubble
- Low consumption/high savings rate
- Overinvestment in infrastructure, manufacturing capacity

# Slowing GDP Growth

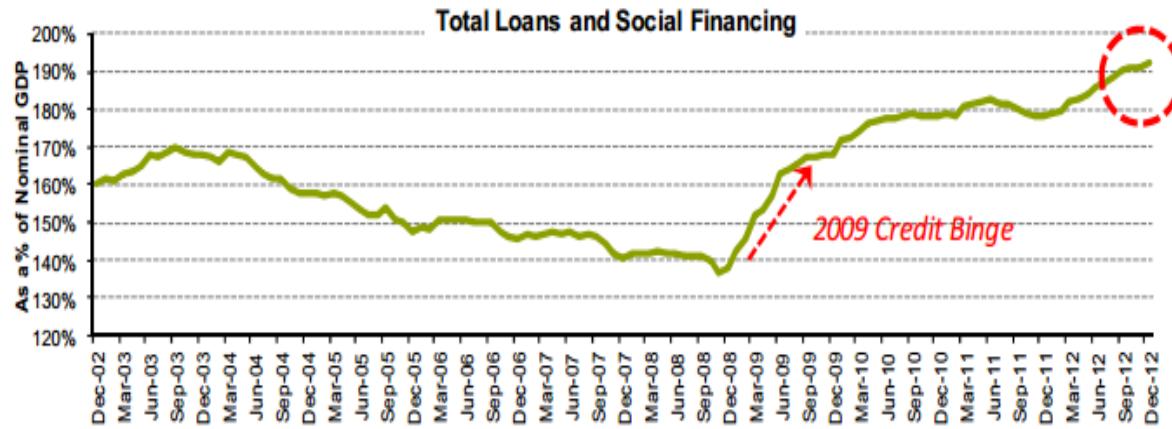


- Q4 GDP growth rate lower than the previous quarters YoY figure of 7.9%

# Out-of-Control Credit

Exhibit 7

Total Credit Outstanding, as a Percentage of Nominal GDP Rose to All-Time High by 2012



Source: CEIC, NBS, Bernstein Analysis

- Credit in China is growing at breakneck speed having increased from 125% of GDP in 2008 to 240% in 2013
- Local government debt has soared 70% since 2009 to reach almost \$3 trillion

# Out-of-Control Credit

- Local governments are prohibited from directly raising debt, so they issue 'municipal bonds' under local government financing vehicles (LGFV) to circumvent restrictions and fund infrastructure projects
- Trade as if they were explicitly state-backed but have a greater risk of default and the local governments could simply allow them to fail, passing the loss to investors
- Lackluster returns on many infrastructure investments means that local authorities have resorted to relying on issuing new debt to repay the old

# Shadow Banking

- China's growing middle class has boosted its investment in wealth-management products (WMPs), a shadow banking tool
- Short-term investments generally distributed by banks via off-balance-sheet vehicles
- Flourishing because lenders wish to meet loan-to-deposit ratios
- Investors demand because of yields higher than bank deposits & 97% of businesses can't get bank loans
- Unregulated, highly complicated, little transparency and little to no capital support

# Shadow Banking

- Most funds loaned to local governments to fund infrastructure that generates low returns and to developers who will never be able to repay the debt
- Tightening of monetary policy could trigger a series of defaults and bankruptcies that will ripple through the financial system and could lead to serious credit crunch and a run on state owned banks
- Inter-bank rates could rise as banks connected to shadow banking hoard liquidity

# Shadow Banking

## Banks

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February 9, 2014 7:21 pm

### Chinese credit crackdown felt overseas

By Henny Sender in New York

China's vast development bank has begun asking some international clients to postpone drawing down previously committed credit lines, in moves that highlight how strains on the country's financial system are reverberating abroad.

Regulators in China have been trying to rein in rapid credit growth by making it harder for banks to move assets off their balance sheets, and by pushing up the cost of borrowing in the money market.



More

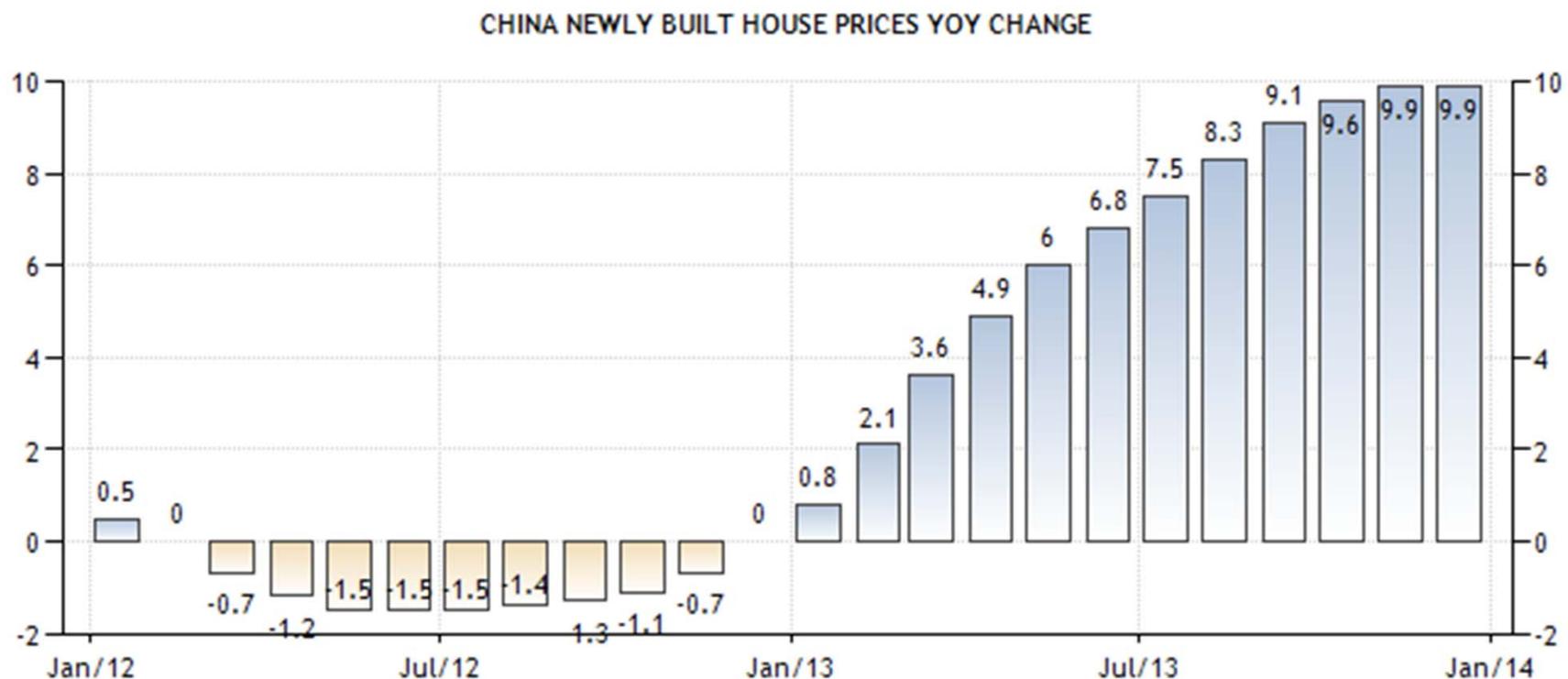
ON THIS TOPIC

[Asian banks win record share of debt deals](#)

China life has an acquisition

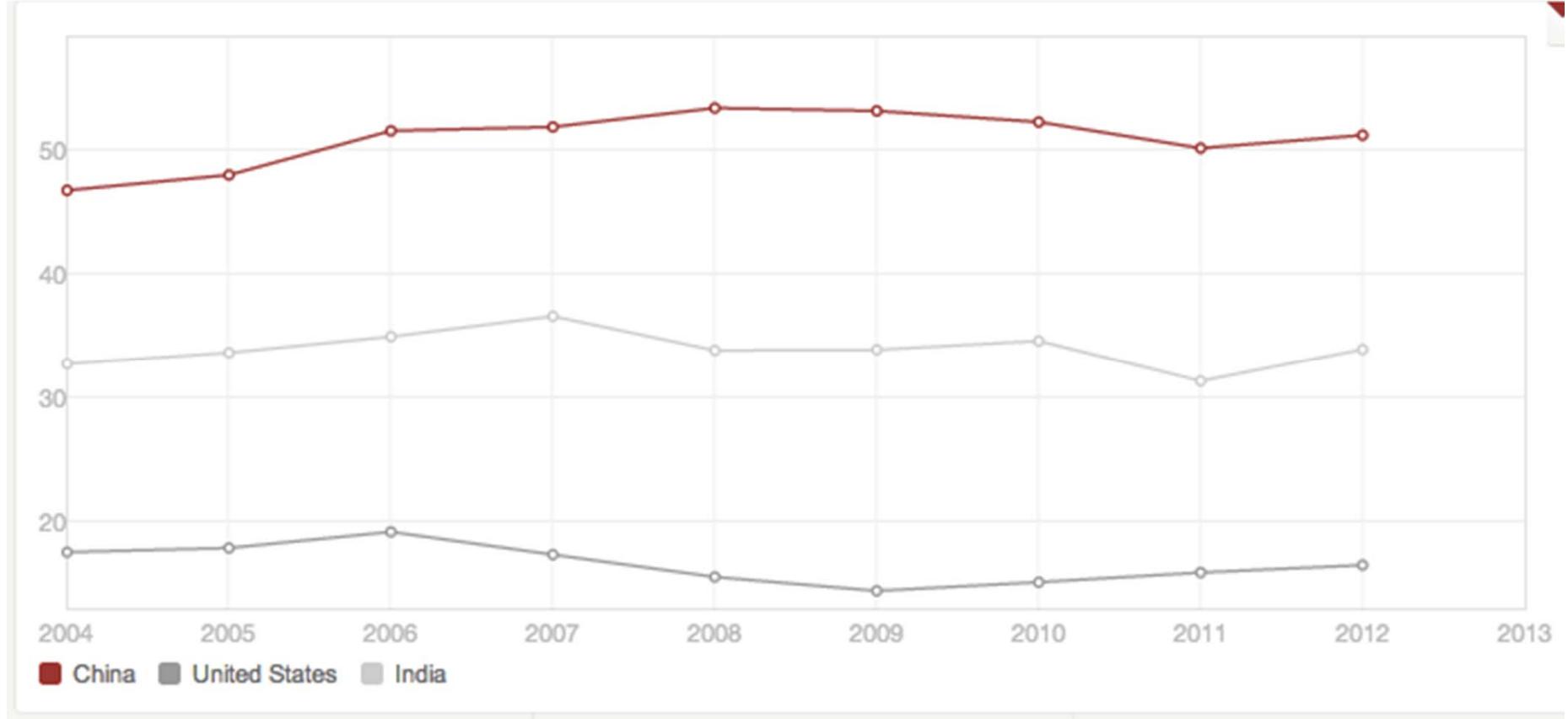
This crackdown has been aimed in large part at the country's [shadow banks](#) – lightly regulated lending institutions that serve risky clients. But the impact has been felt throughout the financial sector, even hurting China Development Bank, a lender fully owned by the state.

# Housing Prices



SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS OF CHINA

# Gross Savings (% of GDP)



Source: World Bank

# IMPLICATIONS

- China banks have large quantities of non-performing loans to SOEs and Municipalities. These may grow and will probably be repeatedly rolled over.
- Banks also have contingent liabilities to shadow banking institutions.
- Investors would normally discount bank valuations raising SRISK measurements.
- However, because of clear government guarantees, investors believe they are protected.
- *Hence SRISK is probably underestimated.*

# CAN CHINA AND INDIA AFFORD TO RECAPITALIZE THEIR BANKS?

- Unlike Portugal, Ireland, Greece, Spain, Switzerland and France, China and India have vast reserves.
- However, a slowing economy could put many demands on these reserves.
- Any use of foreign exchange reserves threatens the exchange rate stability, as recently witnessed by India.
- *Systemic Risk is not great today but is a rising concern in my opinion. Keep watching SRISK.*