

Annexure 5

AGRI NPA PROVISIONS IN INDIA

Country	Standard	Sub Standard >6M to <12M	Doubtful 1 >1Y to < 2Y	Doubtful 2 >2Y to < 4Y	Doubtful 3/Loss >5 Y
India	0.25%	15% 25% (for unsecured portion of the loan)	25%	40%	100%

Other Countries

Country	Standard	Sub Standard Assets	Doubtful	Loss Assets
Malaysia	1.5%	20%	50%	100%
Indonesia (Provisions are allowed to be made net of collateral, with the appraised value of collateral reduced according to the age of the appraisal)	1%	NA	NA	NA
HongKong (Loan provisions are made when objective evidence of impairment occurs.)	0.5% to 1%	NA	NA	NA
Singapore (Though there is no specific guidance on general provisions, the Monetary Authority of Singapore states that as a “transitional arrangement” the	1%	All minimum provision levels are net of collateral.	All minimum provision levels are net of collateral.	All minimum provision levels are net of collateral.

level should be maintained at not less than 1% of loans net of collateral values)				
China (Prudential guidelines allow banks to establish specific reserves for loans graded either substandard or doubtful that are 20% greater or less than the prudential norm.)	NA	NA	NA	NA
Japan (Required provisions have been a function of the past three-year loss experience in each category.)	NA	NA	NA	NA
Korea (Korean prudential authorities explicitly incorporate “expected loss” considerations into their guidance on provisions)	0.85%	NA	NA	NA
Dubai (No prescription)	NA	NA	NA	NA
Philippines (Specific reserves are determined based upon the particular loan grade assigned.)	1% - 5%	NA	NA	NA

