These ratios will not be discussed in DETAIL in the classroom – they will however, be useful for your assignments and for future reference –

***SUGGESTED RATIOS FOR BANKS***

***DEPOSIT RATIOS:***

1. Short-term Deposit Ratio = ST Deposit / Total Deposit (%)
2. Long-term Deposit Ratio = LT Deposit / Total Deposits (%)
3. ST Deposit / Total Current Liabilities (%)
4. LT Deposits / Total LT Liabilities (%)
5. ST Deposits / Total Liabilities (%)
6. LT Deposits / Total Liabilities (%)

**LOAN & ADVANCES RATIOS (L&A) :**

1. ST Loans & Advances / Total Loans & Advances (%)
2. LT Loans & Advances / Total Loans & Advances (%)
3. ST Loans / Total Current Assets (%)
4. LT Loans / Total Fixed Assets (%)
5. ST Loans / Total Assets (%)
6. LT Loans /Total Assets (%)
7. ST Loans /ST Deposits (%)
8. LT Loans / LT Deposits (%)
9. ST Loans / Total Deposits (%)
10. LT Loans / Total Deposits (%)

**AGING OF ACCOUNTS (%)**

1. Loans by days due, overdue, bad debts & write-offs
2. Advances by days due, overdue, bad debts & write-offs

**INTEREST PAID OR COST OF SERVICES**

1. Interest paid on ST Deposits = Interest Paid on ST Deposits / ST Deposits (%)
2. Interest paid on LT Deposits = Interest Paid on LT Deposits / LT Deposits (%)
3. Interest paid on ST Deposits / Total Deposits (%)
4. Interest paid on LT Deposits / Total Deposits (%)
5. Interest paid on ST Deposits / Total Interest paid (%)
6. Interest paid on LT Deposits / Total Interest paid (%)

**REVENUES :**

1. Interest Charged on ST Loans & Advances / ST Loans & Advances (%)
2. Interest Charged on LT Loans & Advances / LT Loans & Advances (%)
3. Interest Charged on ST Loans & Advances / Total Interest Earned (%)
4. Interest Charged on LT Loans & Advances / Total Interest Earned (%)

**INTEREST PAID VS CHARGED :**

1. ST Interest paid / ST Interest Charged (%)
2. LT Interest paid / LT Interest Charged (%)
3. ST Interest Paid / Total Interest Charged (%)
4. LT Interest Paid / ST Interest Charged (%)
5. LT Interest Paid / LT Interest Charged (%)
6. LT Interest Paid / Total Interest Charged (%)
7. Total Interest paid / ST Interest Charged (%)
8. Total Interest paid / LT Interest Charged (%)
9. Total Interest paid / Total Interest Charged (%)

**TURNOVER RATIOS & PERIODS :**

1. Total Deposit Turnover Ratio = Total Deposits / Total L&A (%)
2. Total Deposit Turnover period = 360 / Ratios (days)
3. Total Deposit to S/T utilization ratio = Total Deposits / ST L&A (%)
4. Total Deposit to S/T utilization period = 360 / Ratios (days)
5. Total Deposit to L/T utilization ratio = Total Deposits / LT L&A (%)
6. Total deposit to L/T utilization period = 360 / Ratios (days)
7. S/T deposit to S/T utilization ratio = ST Deposits / ST L&A (%)
8. S/T deposit to S/T utilization period = 360 / Ratios (days)
9. L/T deposit to L/T utilization ratio = LT Deposits / LT L&A (%)
10. L/T deposit to L/T utilization period = 360 / Ratios (days)
11. S/T deposit to L/T utilization ratio = ST Deposits / LT L&A (%)
12. S/T deposit to L/T utilization period = 360 / Ratios (days)
13. L/T deposit to L/T utilization ratio = LT Deposits / ST Deposits (%)
14. L/T deposit to L/T utilization period = 360 / Ratios (days)

**PROFITABILITY / EFFICIENCY RATIO:**

1. Net Interest Margin = (INT from Loans, SEC. INVST - INT Exp. On deposits & deposit issues) / Total Assets (%)
2. Net Non-Interest Margin = (Non-Interest revenue - Non-Interest Expenses) / Total Assets (%)
3. Net Bank Operating Margin= (Total Operating Revenue - Total Operating Expenses) / Total Assets (%)
4. Earning Spread = (Total NI / Earning Assets)-(Total Int. Exp./Total Int. bearing Bank Liabilities)
5. Avg. Assets Yield = Total Interest Income / Total Earning Assets (%)
6. Avg. Liability Cost = Total Interest Expenses / Total Interest Bearing Bank Liabilities (%)
7. Avg. Interest ROA = Interest Income / Total Asset (%)
8. Avg. Non-Interest ROA = Total Non-Interest Income / Total Asset (%)
9. Asset Utilization Ratio = (Interest Income / Total Asset) + (Total Non-Interest Income / Total Asset)
10. Earning Base in Asset = (Total Int. Asset/TA)=(Loans+Leases +Sec. INVST)/TA = (TA - Non- Earning Asset) / TA
11. ROE = ROA x Equity Multiplier (%)
12. ROE = PM x (Total Operating Revenue / TA) x Equity Multiplier (%)

***SUGGESTED RATIOS FOR INSURANCE COMPANY :***

1. CA Intensity Ratio = CA/TA = Current Asset / Total Asset (%)
2. Capital Intensity Ratio = FA/TA = Fixed Asset / Total Asset (%)
3. CL Ratio = CL/TA (%)
4. S/T Liability / Debt Ratio = CL/TL (%)
5. LT Ratio = LTL/TA (%)
6. TL/TA = Debt Ratios
7. EQ/TA = Equity Ratio
8. TA/EQ = Equity Multiplier
9. Gross Premium Income / Total Revenue
10. Re-Insurance Premium Paid/Total Revenue
11. Re-Insurance Premium Paid/ Total Cost of Services
12. Off-Balance Sheet: Total Policy Exposure = Gross Potential Claim less Reinsurance
13. Claims Paid/Cost of Services
14. Other Expenses/ Cost of Services
15. Claims paid less reinsurance premium received/EBIT
16. Claims Paid/Total Expenses
17. Net Insurance Fund Generation
18. = Total Insurance (related) Revenues less (all) expenses paid (including interest and taxes)

***SUGGESTED RATIOS FOR LEASING COMPANIES***

1. CA / TA = Current Asset / Total Asset (%)
2. FA / TA = Fixed Asset / Total Asset (%)
3. Lease Equipment/TA (%)
4. Lease Equipment/FA (%)
5. Receivables / CA (%)
6. Receivables / TA (%)
7. CL / TL (%)
8. CL / TA (%)
9. LTL / TA (%)
10. Total LTL / TL
11. LTD on Lease Equipment / TL (%)
12. LTD on Lease Equipment / LTL (%)
13. TA T/O = Revenues / Avg TA or Revenues/Lease Assets (x)
14. INV T/O = Revenues / Avg Inventory (x)
15. INV = Equipment to be Leased + Others

**N.B.:**

You may use 360 days or 365 days, but use 1 consistently, and the same as other ratios you may use for comparison. Some of these ratios may be repetitive, some give a sharper estimate, some calculate the ratio from a different / combined perspective. So, please use ratios which are (most) relevant to your study.

Some ratios may not make sense for all companies. Some ratios are new and hence not tested.