Solvency Analysis Report

Analysis Date: 2025-05-11 18:41:40

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Current Metrics

	Metric	Value
1	Tier 1 Capital Ratio	14.29
2	Total Capital Ratio	19.3
3	CET1 Ratio	13.8
4	Leverage Ratio	4.59
5	RoE	12.59
6	RoA	1.03
7	NIM	3.4
8	Loan to Deposit Ratio	87.96
9	NSFR	112.17
10	NPL Ratio	1.24
11	Coverage Ratio	55.55
12	Sovereign Exposure	8.04

AI Analysis

Based on the current financials, the bank is considered solvent. Here's why:

1. Capital Adequacy Ratios:

 - The current Tier 1 Capital Ratio is 14.29, which is comfortably above many regulatory minimums and within the upper range of historical values.

 - The Total Capital Ratio is 19.3, and the CET1 Ratio is 13.8 - both of these are robust and compare favorably with the historical data, indicating that the bank maintains a strong capital cushion.

2. Liquidity and Funding:

 - The current NSFR (112.17) is higher than most historical readings, meaning the bank has a stable funding profile over the medium term.

3. Asset Quality:

 - The NPL Ratio is very low at 1.24 compared to several historical observations, suggesting efficient management of non-performing assets.

 - The Coverage Ratio at 55.55 is also strong relative to historical levels and implies that the bank has sufficient provisions in place to cover potential loan losses.

4. Profitability:

 - With a RoE of 12.59 and RoA of 1.03, along with a reasonable Net Interest Margin (NIM of 3.4), the bank appears to be operating efficiently, which can contribute positively to maintaining solvency over time.

5. Historical Comparison:

 - Over the historical period, many of these key ratios have ranged broadly-for instance, Tier 1 Capital Ratio peaked above 15 and at times was a bit lower-but the current levels are well within the comfortable and even improved zone.

 - The downward trend in NPL Ratio and moderately stable sovereign exposure also add to confidence in the bank's asset quality and risk profile.

Suggestions for Improvement:

1. Continue Strengthening Capital Buffers:

- While the current ratios are healthy, the bank could further boost its capital reserves by retaining earnings or considering capital infusions if market conditions suggest future stress.

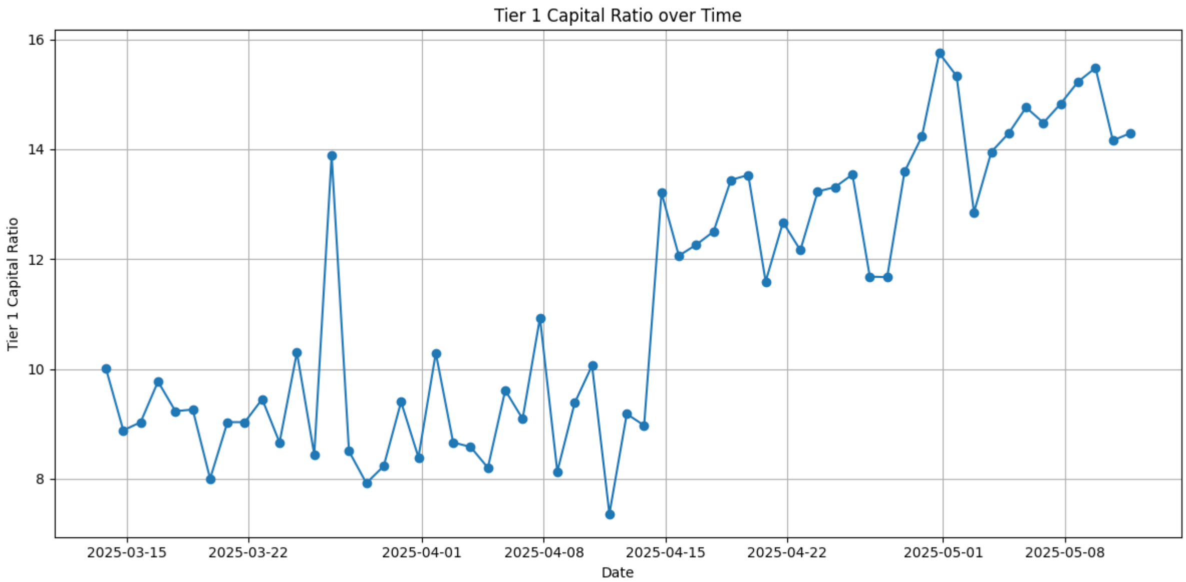
2. Asset Quality and Provisioning:

- Maintain and, if possible, improve asset quality by ensuring rigorous risk management practices and robust credit underwriting standards.
- Periodically review and adjust loan loss provisions, particularly if market conditions or borrower credit profiles begin to deteriorate.

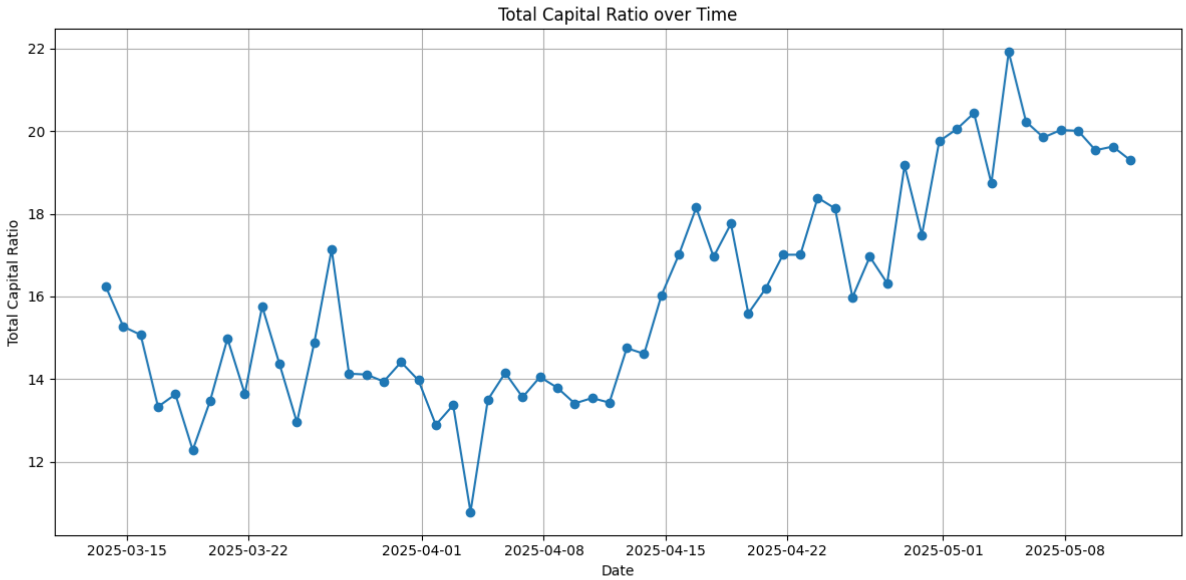
3. Diversification

Metric Trends

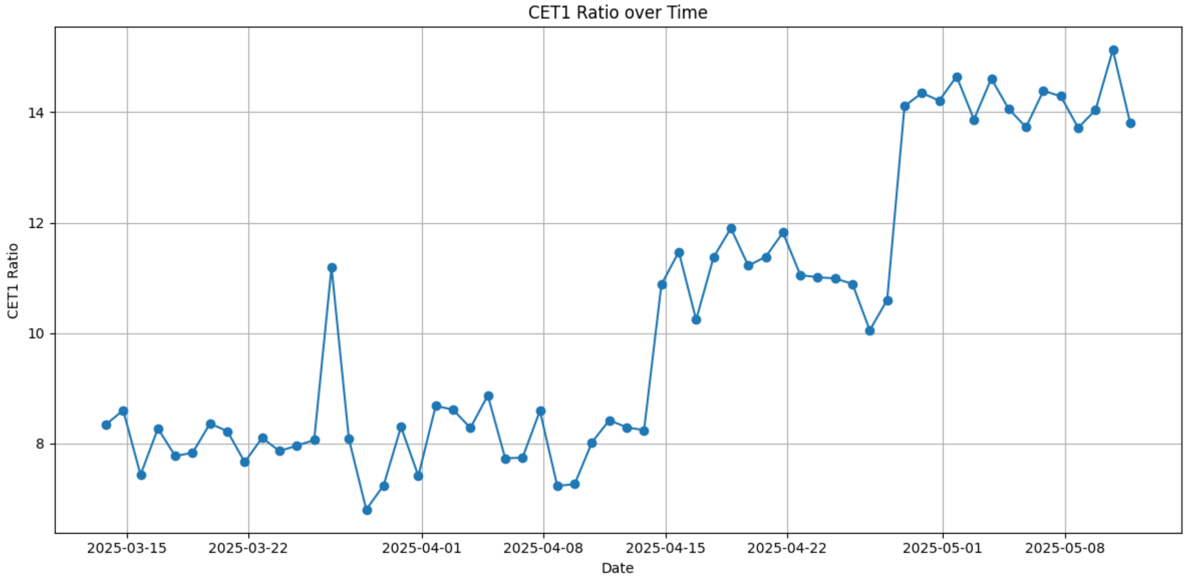
Tier 1 Capital Ratio



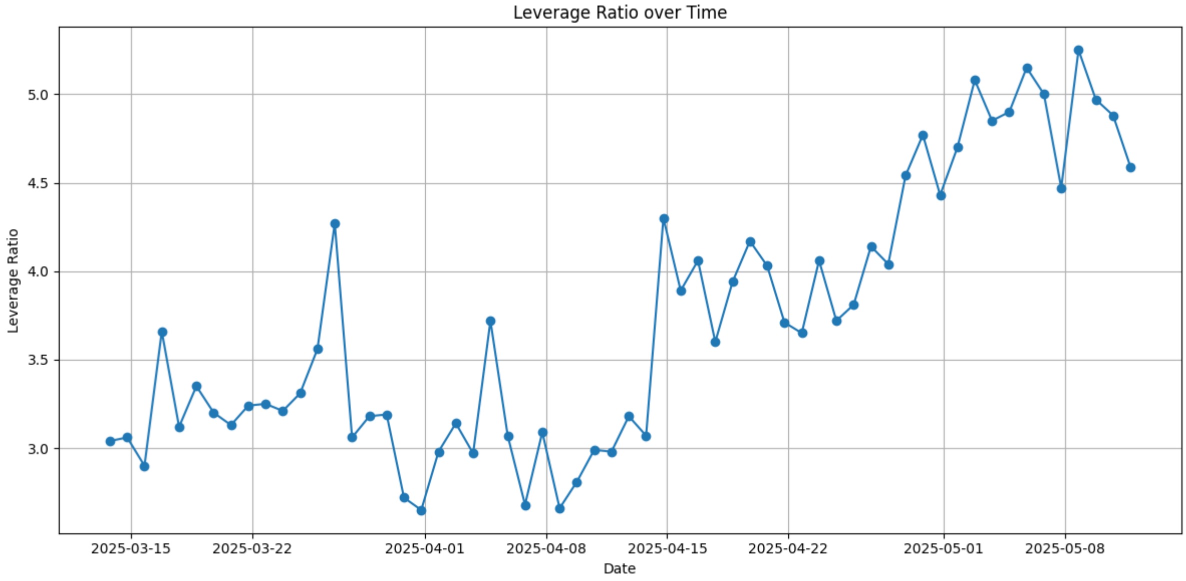
Total Capital Ratio



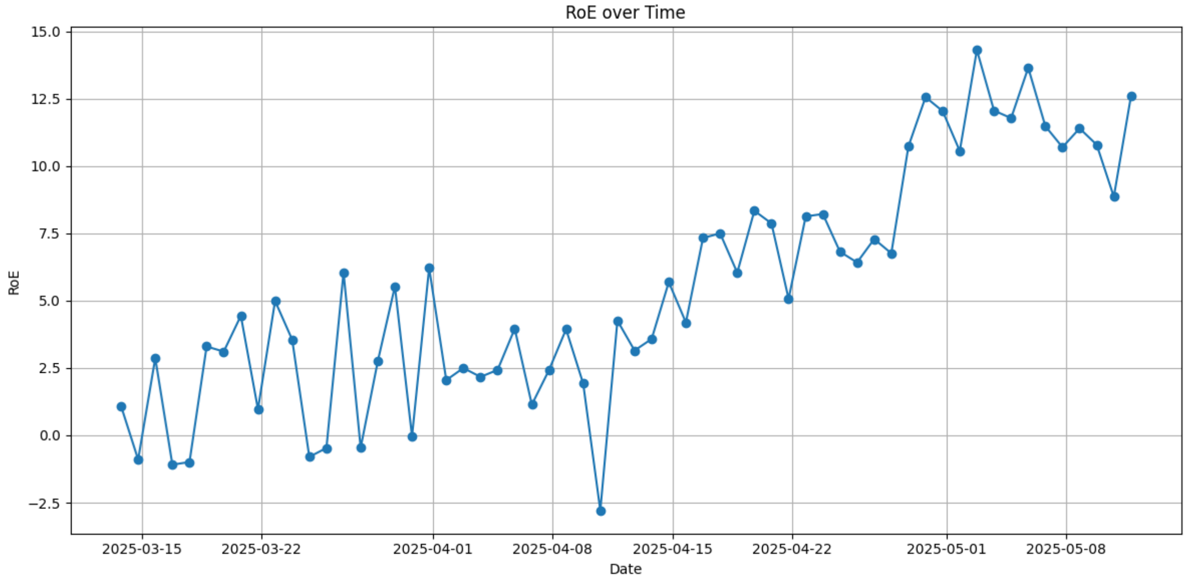
CET1 Ratio



Leverage Ratio

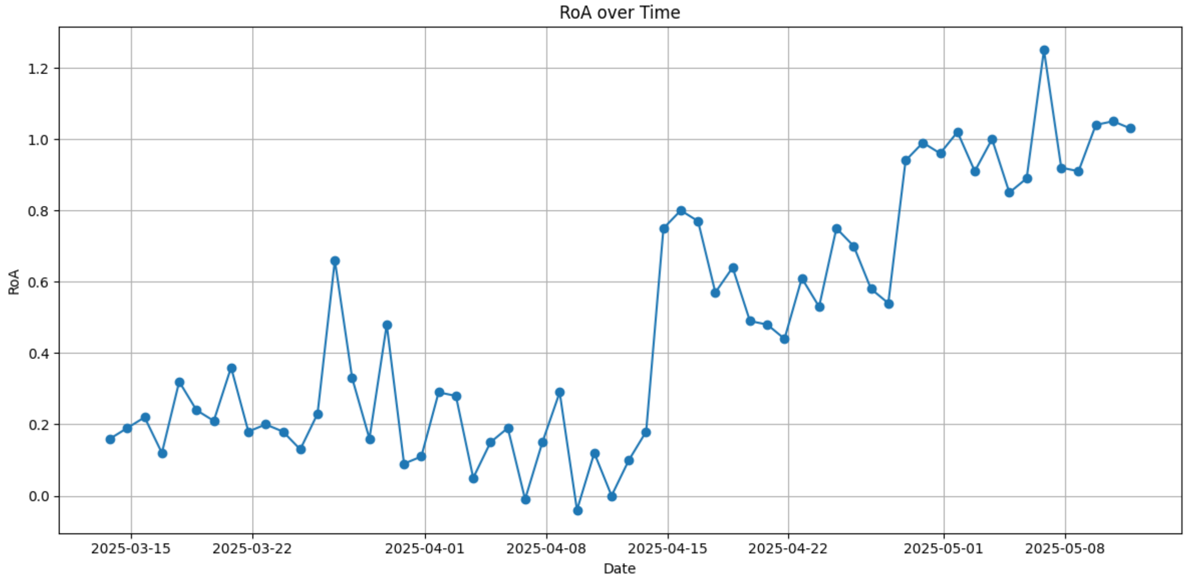


RoE



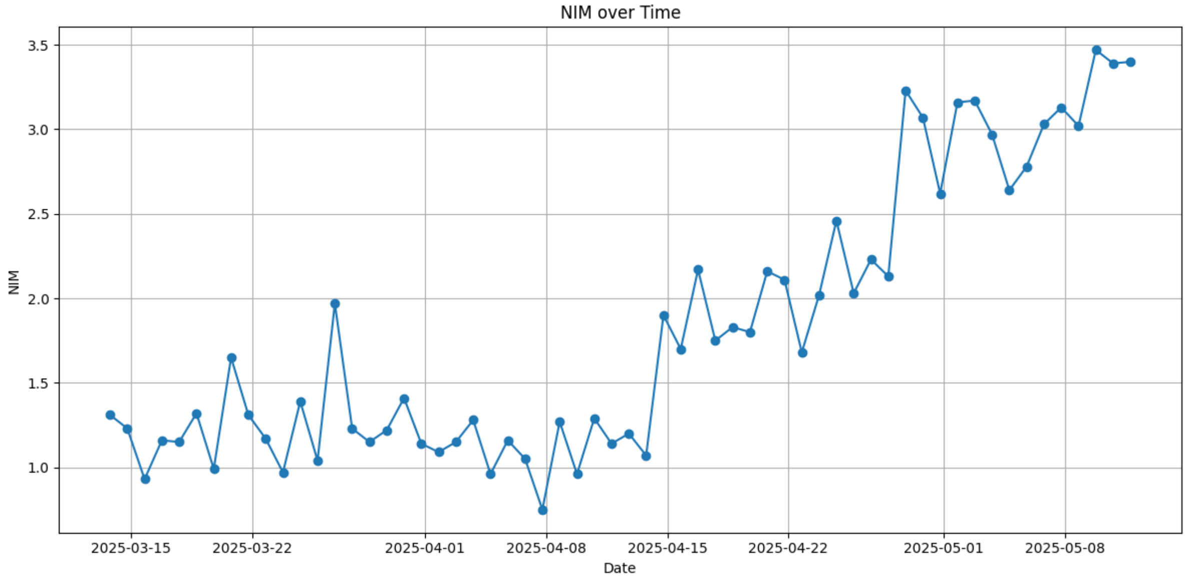
RoE over Time
15.0
12.5
10.0
7.5
5.0
2.5
0.0
−2.5
RoE
2025-03-15
2025-03-22
2025-04-01
2025-04-08
2025-04-15
2025-04-22
2025-05-01
2025-05-08
Date

RoA

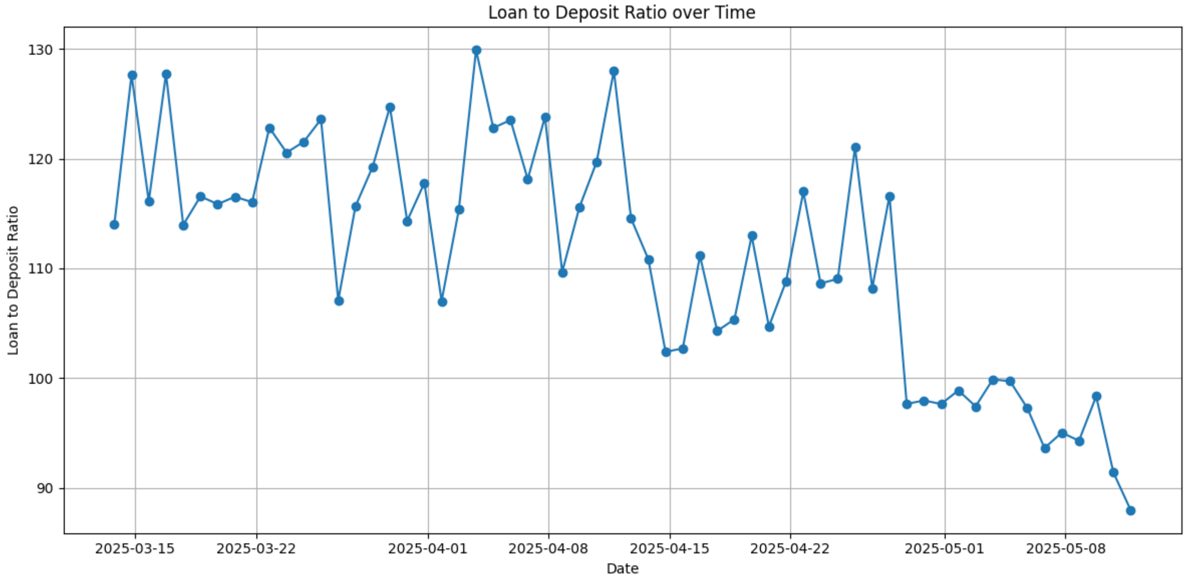


RoA over Time
1.2
1.0
0.8
0.6
0.4
0.2
0.0
RoA
2025-03-15
2025-03-22
2025-04-01
2025-04-08
2025-04-15
2025-04-22
2025-05-01
2025-05-08
Date

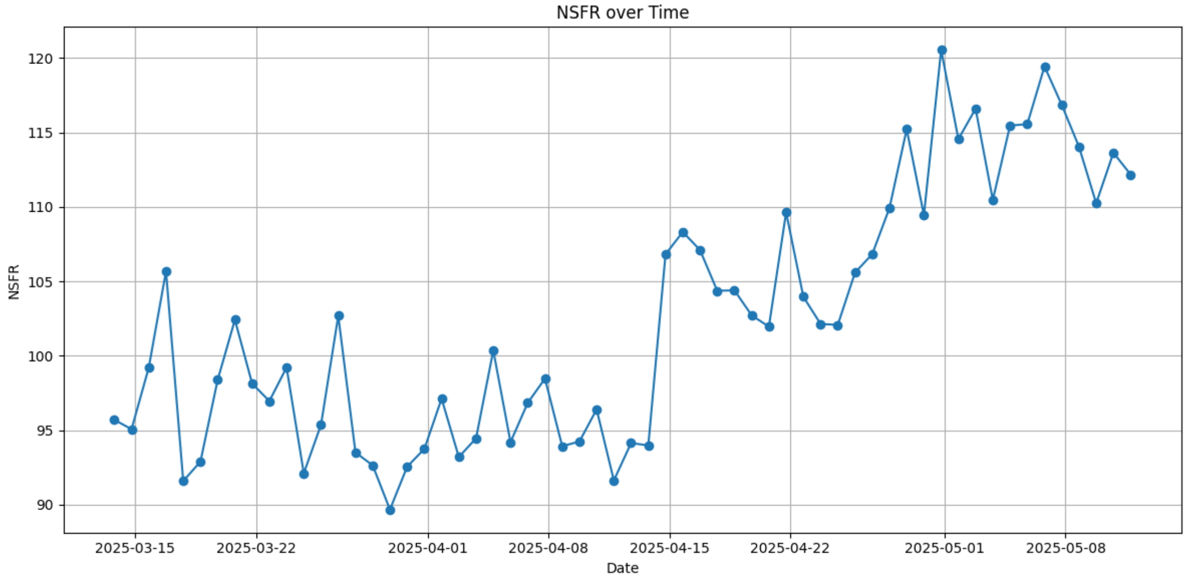
NIM



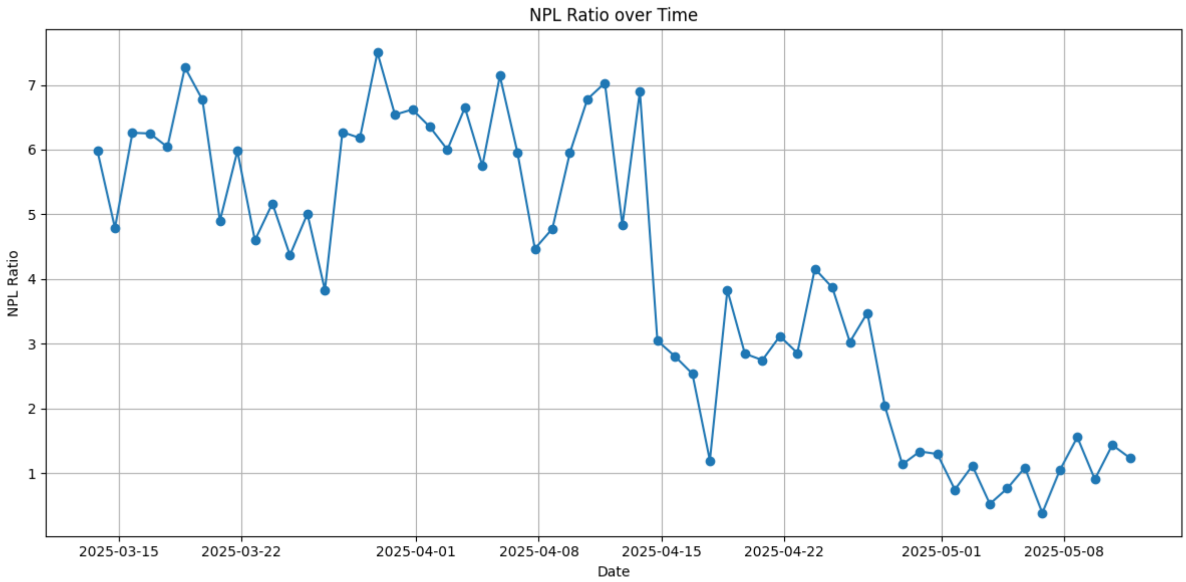
Loan to Deposit Ratio



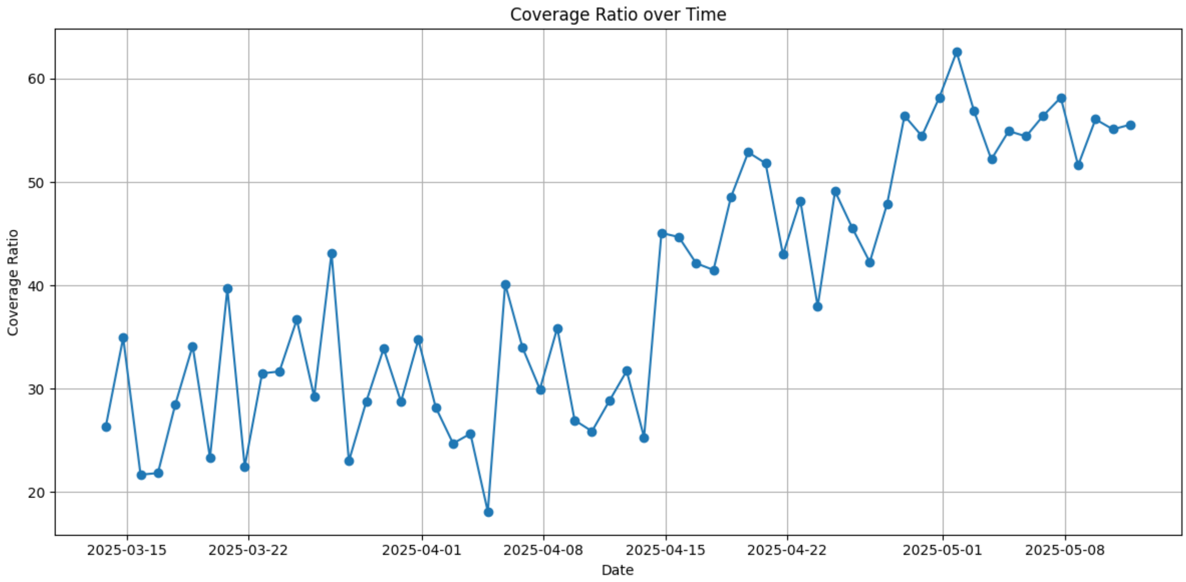
NSFR



NPL Ratio



Coverage Ratio



Sovereign Exposure