

**URBAN BANKS DEPARTMENT  
OFF SITE SURVEILLANCE DIVISION  
CENTRAL OFFICE**

**Guidance Note for reporting Urban Co-operatives Banks**

**I. INTRODUCTION**

Reserve Bank of India has been obtaining several regulatory and statistical returns from banks for fulfilling its statutory responsibilities, notably for formulating monetary, credit / banking policies and monitoring regulatory compliance.

**2. Why OSS returns?**

OSS returns are called for the purposes of "prudential supervision", i.e. for overseeing financial soundness and safety of banks. While the main objective of the reporting system is to provide information on areas of prudential interest and for monitoring regulatory compliance, OSS returns are also designed to address the management information needs and strengthen the MIS capabilities within the reporting institutions. A collateral objective of OSS returns is to help banks in self-regulation by sensitizing the managements of banks to the prudential concerns of the supervisory authority besides focusing their attention on asset quality, risk concentrations and asset-liability management systems of the institution.

Prudential concerns relate to aspects such as solvency, liquidity, capital adequacy, asset quality / portfolio risk profile, concentration of exposures, and connected or related lendings of supervised institutions. Earlier, these concerns were addressed along with other related matters as bank's portfolio and risk management systems, internal controls, credit allocation, regulatory compliance, etc., in the periodical inspections of banks undertaken by RBI at intervals ranging from one to two (or even three) years, as part of on-site supervision.

Since April 2001, the Urban Banks Department has been monitoring these prudential parameters at shorter intervals - mostly quarterly, by obtaining from banks, data relating to these aspects through OSS returns.

OSS returns are 'prudential' reports to be filed with the Urban Banks Department (UBD). This prudential supervisory reporting system (PSRS) is designed to provide Off-site monitoring and surveillance (OSMOS) capability to the Department. This data-based supervision through in-house monitoring - known as off-site supervision and in some countries, also as continuous supervision - is a key element in the new strategy of supervision being implemented by UBD under the guidance of the Board for Financial Supervision (BFS).

**3. OSS returns are statutory**

OSS returns are statutory returns that are called in exercise of powers vested in RBI under Section 27(2) of Banking Regulation Act which reads as follows "The Reserve Bank of India may at any time direct a co-operative bank to furnish it within such time as may be specified by the Reserve Bank, with such Returns and information relating to the business or affairs of the banking company (including any business or affairs with which such banking company is concerned) as the Reserve Bank may consider necessary or expedient to obtain for the purposes of this Act". Non-

submission of or wrong reporting in these returns attracts penalties as specified in Section 46 of the Act.

#### **4. Introduction and Date of effect of OSS returns**

During the last few years the urban banking sector has registered a rapid growth. Large urban banks have diversified their activities into different areas of banking which calls for closer supervision of their activities. It has, therefore, been decided to introduce a system of Off-site Surveillance for large urban banks to supplement the on-site inspections in April 2001. Two tranches of returns were introduced for Scheduled Co-operative Banks. The reporting system became formally operative from the financial year 2001-02, with the filing of the first round of reports relating to the financial year ended 31st March 2001. Banks were required to submit next set of returns from 30<sup>th</sup> September 2001 onwards, on a quarterly basis. Banks have to submit the returns in a floppy diskette along with a hard copy duly authenticated by an authorized official of the bank. The data submitted by banks are consolidated at the Regional office level and replicated at Central Office.

In order to strengthen the Off-site supervisory functionality, OSS returns have been modified and rationalized with the objective of increasing the breadth and depth of information being obtained from Urban Co-operative banks. The number of OSS returns have been condensed from 10 to 8.

#### **5. Who should report?**

All Scheduled Primary Urban co-operative banks are required to file OSS returns on a quarterly basis by capturing the data in a floppy diskette. The required software is being made available to all the scheduled co-operative banks and the first set of returns pertaining to the quarter ended 31<sup>st</sup> March 2004 should be submitted to the Regional office under whose jurisdiction the banks operate. This will be made applicable to large Non Scheduled Co-operative banks from the quarter ended June 2004. Other nonscheduled co-operative banks will be subsequently covered in a phased manner.

#### **6. Reporting and Record keeping obligation**

The reporting under PSRS should be based on the reporting institution's books of accounts and other relevant records. Reporting banks are required to keep copies of the returns / reports and the detailed notes used in their preparation for a period of 3 years.

#### **7. Returns submitted by banks to UBD**

In all 49 Returns are to be submitted to UBD by co-operative banks under this package. Application software being given to Urban Co-operative banks contain input forms for preparation and submission of all these returns.

### **FIRST TRANCHE**

## OSS Returns

Sl. No.	Name of the Return	Periodicity
1.	Statement on Assets and Liabilities	Quarterly
2.	Statement on Earnings	"
3.	Statement on Asset Quality	"
4.	Statement on NPAs	"
5.	Statement on segment/sector wise advances	"
6.	Statement on connected lending	"
7.	Statement on CRAR	"
8.	Report on Bank Profile	Annual

### **8. Preparation and Submission of OSS Returns**

As indicated in the table above, 7 out of the 8 OSS returns are required to be prepared at quarterly intervals, with reference to the financial position as on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup> of every year. The 8<sup>th</sup> Return, viz. Report on Bank Profile, being an annual return, should be prepared as on March 31<sup>st</sup> every year.

All OSS returns should be submitted within one month of the close of the relative quarter / financial year. However, if the returns relating to the quarter / year ended March 31<sup>st</sup> are based on un-audited financial position, a revised set of OSS returns should be submitted as on that date, within 3 weeks of completion of statutory audit. As such, for the quarter / year ended March 31<sup>st</sup>, banks may be required to submit 2 sets of OSS returns, in case the first set is based on un-audited figures.

### **9. Focus of OSS returns**

Returns 1, 2 & 7 constitute one sub-set of PSRS - with return 1 contains information on financial position, Report 2 on profitability and Return 7 on Risk Weighed Assets and CRAR, based on which the financial performance and the capital adequacy status of the bank is monitored on a quarterly basis.

Returns 3 to 5 represent another sub-set on the asset quality, which contain reports on asset quality, movement of NPAs and segment wise distribution of impaired credit.

Return 6 contain details of connected lendings. Besides the above returns submitted as part of 1<sup>st</sup> Tranche of OSS returns, one annual report, viz. Report on Bank Profile is to be submitted to OSS Division of UBD. Bank Profile contains data on portfolio structure, broad operational and organisational parameters of banks.

### **10. Bank categorisation for reporting**

For purposes of PSRS, reporting banks are put into four categories.

Category A -- Scheduled primary Co-operative banks.

Category B -- Non Scheduled Co-operative banks having a deposit base of Rs.100 crore and above.

Category C – Non Scheduled Co-operative banks with a deposit base of Rs. 50 crore and above but less than Rs 100 crore.

Category D – All Other Non scheduled UCBs.

### **11. Who should file the returns?**

OSS returns should be filed with UBD, duly certified by the CEO of the bank, jointly with another authorized Official, whose signature has been registered with Reserve Bank or by a senior management official, authorized by the CEO (normally by a person in charge of the regulatory reporting and compliance function of the bank).

### **12. Where to file or mail OSS returns?**

OSS returns should be forwarded to the Officer-in-Charge, Urban Banks Department of the Regional office of Reserve Bank of India under whose supervisory jurisdiction the reporting bank falls and submits other statutory returns.

It may be noted that RBI attaches utmost importance to this reporting system and expects banks to submit the returns to UBD correctly compiled and within the prescribed time. To this end, banks may designate and authorise one-or two- senior official/s who would be responsible for the correct compilation and timely submission of these returns and who would be fully responsible for the information furnished therein. Such Authorised Reporting Official/s (ARO/s) would have to interact with the officials in the Off-site Monitoring and Surveillance (OSS) Cell of UBD.

## **OSS RETURN I - STATEMENT ON ASSETS & LIABILITIES**

### **LIABILITIES**

## **CAPITAL AND RESERVES**

### **Paid up Capital**

Banks should report their Paid-up equity or ordinary share capital held by individuals, State Government and other institutions separately.

## **RESERVE FUND & OTHER RESERVES**

### **Statutory Reserves**

Reserves created out of the disclosed profits in compliance with the Banking Regulation Act, 1949 should be reported here.

### **Revaluation Reserve**

Reserve created out of revaluation of immovable properties like bank premises, etc., should be shown here.

### **Provisions for Standard Assets**

Cumulative provisions made against standard assets should be reported here.

### **General Provisions**

Reserves created out of post-tax profits and not encumbered by any known liability may be shown here.

### **Other funds and reserves**

Includes surplus arising out of sale proceeds of capital assets viz. Fixed assets, permanent category of investments and held in a separate account may be included here. Other Revenue Reserves mainly constituted by transfers from post-tax profits may also be included here.

### **Investment Fluctuation Reserve**

Excess provision as at the end of the previous period over the requirement for the current period may be reported here. The amount held in this account is also utilised to meet depreciation on investment in securities.

## **SURPLUS- UNALLOCATED & CARRIED OVER**

- (i) Balance of profit (after tax) carried from previous year is to be reported.
- (ii) Total accumulated losses be reported here.
- (iii) The operating profit made during the current year may be reported here.
- (iv) If the bank made operating deficit during the current year, it may be shown here.

## **SUBORDINATED DEBT**

Loans raised by issue of deep discounted bonds which are "unsecured and subordinated to the claims of all other creditors" should be reported here. Only the

discounted portion of the bonds, which can be included in Tier II capital should be reported here. The balance portion should be reported under Borrowings. Bonds, with an initial maturity of less than 5 years or with a remaining maturity of 1 year should not be included as part of Tier II capital.

## **CUSTOMER DEPOSITS - RESIDENT**

### **Term Deposits**

Report all types of resident deposits, except current and savings deposits (other than from banks).

## **BORROWINGS**

### **(i) From RBI / NABARD**

Amounts of refinance obtained should be reported (within brackets) under this column.

### **(ii) From other Banks**

Include certificates of deposits and exclude borrowings from call money market

### **Branch Adjustment Account**

Net amount, if payable, may be reported here. Net amount, if receivable, is reported under assets.

### **Provision for taxes (Net)**

The amount should be shown net of advance tax paid and tax deducted at source (TDS) against item 12 (iv). Interest tax on loans and advances collected but not remitted to Government should be shown separately in other liabilities - others.

## **RISK PROVISIONS (OTHER)**

### **For Investments**

Provisions held, if any, for value impairment of investments, to the extent it has not been netted off, to be shown here.

### **For impaired credit**

Provisions made for bad and doubtful loans and other special provisions for NPAs should be reported here

### **For other impaired assets**

Provisions for estimated / anticipated losses in respect of assets other than loans and investments, such as, receivables and other items under "other assets", to the extent they have not been netted off against such assets, to be shown here.

### **For contingent / non-funded exposures**

Provisions made for expected losses in respect of non-funded / off-Balance Sheet exposures like guarantees, LCs, etc. to be shown here.

### **Other Provisions**

All other provisions made by the bank, which are not covered under the above heads, like provision for taxes should be shown here.

### **OFF-BALANCE SHEET EXPOSURES**

**Guarantees – Financial** - include deferred payment guarantees.

**Guarantees – Other** - include Tender / bid bonds, performance bonds, indemnity bonds.

### **Acceptances, Endorsements & Other obligations**

Bills accepted / co-accepted & re-discounted should be reported here. Letters of credit to which the bank has added its confirmation and such other items that have the character of acceptance should be reported here.

### **Sale and Repurchase Agreement / Asset sales with recourse**

Repurchase agreements in Government securities permitted to be undertaken by selling banks and Asset sales with recourse are to be reported.

### **Others**

Items which do not form part of the above mentioned specific off-balance sheet exposures like disputed tax liabilities etc in respect of which the bank is contingently liable may be reported here.

### **ASSETS**

#### **DUE FROM BANKS**

Amounts due from RBI should not be included against item 2c and should be shown under Other Assets.

#### **Balances with banks**

Current – Funds lying in the accounts, which can be withdrawn immediately. Fixed - Funds lent out / placed at term (of over 14 days) in inter-bank money market. Deposits placed with NABARD and SIDBI for compliance with the priority sector lending target should not be included here and should be shown under investments.

#### **Money at call & short notice**

Short notice money represents funds placed up to 14 days in inter-bank money market and this is to be reported under item 2B

#### **Loans and advances to banks**

Loans, advances and overdrafts extended to other banks should be shown here. Participation certificates (without risk) issued by other banks, held in the reporting bank's portfolio should also be shown here, i.e. as bank exposure.

## **INVESTMENTS**

### **SLR / Approved Securities**

Banks may report the Book Value of Government and other approved securities.

### **Non SLR Investments – Other Debt Securities**

#### **Financial institutions**

Financial Institutions represent public financial institutions as defined in Section 4A of the Companies Act, 1956. Securities of financial institutions counting for Non SLR investments may be reported here.

#### **Equities & Units of Mutual Funds**

Equity investments should be reported here. Other investments under Equities include investments in Mutual Funds, which are predominantly investing in equities / convertible debentures.

Investments in other debt oriented Mutual Funds should be reported in other investments (Item 3B (IV)). Contributions to NABARD / SIDBI bonds to the extent of shortfall in achievement of priority sector lending targets should be included here.

Investments in or contributions to any other institution may be reported in Other Investments Sub Head 3B (IV).

## **LOANS AND ADVANCES (GROSS)**

Report advances granted and outstanding against non-bank borrowers or credit constituents. Loans and advances to banks should not be reported here and instead it should be reported under item 2B of this return. The amounts should be shown 'gross', i.e. before provisions are deducted. Gross amount only implies that the amount is prior to netting of risk provisions, unrealised interest and credit recoveries held in suspense.

Loans given to staff should not be reported here. It has to be reported under Other Assets.

### **Unrealised interest in suspense**

Only those banks, which maintain Interest Suspense Account, have to report.

### **Credit recoveries in suspense**

Amounts recovered in respect of advances and not adjusted to loan accounts but held in suspense / sundry or similar accounts such as claims received from DICGC / ECGC. Despite the practice of showing these amounts under "Other liabilities", in this return, these are to be shown here and deducted from Loans & Advances to arrive at the net loans and advances.

### **Provisions for credit losses**

Provisions made for non-performing loans and advances are to be shown under this head. Provisions made for Standard advances and for off-balance sheet credit exposures i.e. Non-funded credits are to be shown under "Risk Provisions"



## **Loans and Advances (Net)**

Gross Loans and advances netted of

- provisions held for non performing loans,
- unrealized interest kept in Suspense / Overdue Interest Reserve account, and
- DICGC claims received pending adjustment,

should be shown here.

## **PREMISES & FURNITURE / FIXTURES**

Report premises, furniture and fixtures; lease assets, etc. net of depreciation.

## **OTHER ASSETS**

### **Amounts due from RBI**

Interest receivable on special / interest bearing deposits with RBI, should be reported.

### **Intangible Assets**

Report assets, which have no tangible value, such as preliminary / pre-operative expenses and deferred revenue expenditures not written off / charged to Profit & Loss Account.

### **All other**

This residuary or omnibus head includes all other items normally grouped under "other assets" in Balance Sheet and carries 100% credit risk weight. Those specifically listed are either those carrying lower risk weight or meriting special supervisory attention.

Loans to Staff should be reported here and not as part of loans and advances to non-banks. This item also carries 100 percent risk weight.

## **NON BANKING ASSETS**

Values to be stated net of depreciation. This head lists properties not used by bank for business purposes. Real estate acquired by the bank in satisfaction of claims but not yet disposed of as required under Section 9 of the Banking Regulation Act, 1949 will be reported here.

## **TOTAL ASSETS**

Gross advances and netting items do not form part of total assets. Net advances are added to all other individual asset items to arrive at total assets figure.

## **Conversion of foreign currency balances held abroad**

The foreign currency balances held abroad in the form of deposits, investments, etc. should be converted into INR (Indian Rupees) and included in assets and liabilities at the rate published by RBI as on the date of reporting.

## **Annexure to Statement I**

### **Table 1 – Break up of other Funds & Reserves**

The aggregate total should be equivalent to item 2 (vii) on the liability side.

#### **Sundry Debtors Account**

Under this head, receivables of Rs 2 lakhs and above in case of banks having total assets of Rs. 100 lakhs and Rs. 50,000/- in the case of other banks, outstanding for more than 6 months should be reported.

## **OSS RETURN II - STATEMENT ON EARNINGS**

Report on quarterly operating results contains three sections. Section A relates to analysis of profitability of the bank during the reporting and previous quarter, provisions, appropriations and computation of Profit After Taxes (PAT). Section B analyses various profitability indicators in percentage terms. Section C gives the financial performance on a cumulative basis.

### **Analysis of Income & Expenditure**

#### **Interest / Discount Earned**

Interest / Discount on loans & advances / bills (net of tax) + Income on investments + Interest on additional balances with RBI & others + Interest on market lending.

#### **Total Operating Income**

Interest / Discount Earned + Commission, Exchange & Brokerage + Other Operating Income.

#### **Interest Expended**

Interest on Deposits + Interest on Borrowings.

#### **Total Operating Expenses**

Interest Expended + Staff Expenses + Other Operating Expenses.

#### **Write Offs**

Bad Debts Written off + Other Assets Written off + Capitalised Assets Written off. Those write offs that are charged to current year's P & L Account should only be reported.

## **Operating Profit before Provisions**

Total Operating Income – Total Operating Expenses.

## **Adjusted Operating Profit before Provisions**

Operating Profit before Provisions – Excess profit on account of significant changes or deviations in accounting policies).

## **Provision & Contingencies**

Provision for loan losses + Provision for Depreciation in Investments + Provision for Tax + Other Provisions. Provisions and contingencies that are charged to current year's P & L Account should only be reported.

## **Net Operating Profit**

Operating Profit before Provisions – (Write Offs + Provision for loan losses + Provision for depreciation in investments + Other Provisions).

## **Adjusted Net Operating Profit**

Net Operating Profit – (Excess provision on investments written back + Excess profit on account of significant changes or deviations in accounting policies).

## **Profit before Tax**

Net Operating Profit (+/-) Realised gains / losses on sale of assets.

## **Profit after Tax**

Profit before Tax – Provision for tax.

## **Adjusted Profit before Tax**

Profit before Tax – (Excess provision on investments written back + Income on Recapitalisation Bonds + Excess profit on account of significant changes or deviations in accounting policies).

## **Adjusted Profit after Tax**

Profit after Tax – (Excess provision on investments written back + Excess profit on account of significant changes or deviations in accounting policies.)

## **Certain Key Figures**

### **Non-Interest Income**

Commission, Exchange & Brokerage + other operating income.

### **Non-Interest Expenditure**

Staff expenses + other operating expenses.

### **Net Total Income**

Total Operating Income – Interest Expended.

### **General**

The Deposits, Advances, Borrowings and profit per employee should be reported in lakhs upto two decimals.

If the bank has credited accrued interest on standard assets to Income Account as on 31 March (in terms of circular UBD.No.I&L.71/J.1-92/93 dated June 17, 1993) unrealized portion, if any, of such interest should be written back as on 30 June to reflect the true position.

### **Value adjustment of securities held for trading**

Banks are required to classify the entire investment portfolio (both SLR and Non-SLR investments) into three categories viz. 'Held to Maturity', 'Available for Sale' and 'Held for Trading'. The individual scripts in the 'Held for Trading' are required to be revalued at monthly or more frequent intervals and the resultant net appreciation / depreciation is reflected under the head ' Value adjustment of securities held for trading'.

### **Operating Profit / Loss**

This is arrived at by deducting total operating expenses from total income.

### **Net Interest Income**

Interest income (net of interest tax) minus interest expense.

### **Net Margin**

This is arrived at by dividing total income by net operating profit multiplied by 100.

### **Interest Receivable on NPAs not recognised as Income (Memorandum Item):**

#### **Interest received and reversed to income (Item iii):**

Besides reporting interest received on NPAs, interest amounts that are written-off or struck off by compromise settlement should also be shown here as interest received and reversed to income from the balance at the beginning of the quarter.

## **OSS RETURN III – STATEMENT ON ASSET QUALITY**

This return is about quality of loan, investment and other asset portfolios. Non-performing loans and advances are as defined in Master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning issued by UBD vide circular UBD. No. IP.30 / 12.05.05 / 2002-2003 dated 26th December 2002.

'Past due' concept has been dispensed with w.e.f. March 31, 2001 and any amount due to the bank under any credit facility is 'overdue', if it is not paid on the due date fixed by the bank.

As per current instructions, the '90 days' overdue norm for identification of NPAs would be applicable from the year ending March 31, 2004. However, in terms of UBD Circular No.BPD.CIR.48/13.04.00/2002-03 dated May 22, 2003 small loans upto Rs. 1 lakh are exempted from the 90 days norm for recognition of loan impairment. These loans would, therefore, continue to be governed by the 180 days norm for classification as NPA even after March 31, 2004.

Under 'Performing Loans and Advances', data on overdue position for both 'less than one quarter and 'less than 2 months' may be provided. Under 'Non-performing Loans and Advances', data on the position for 'less than 12 months, between 12 and 18 months' and '18 months and more' may be provided.

Period of delinquency refers to default in payment of interest / instalment or out-of-order status.

### **Other interest bearing assets**

Other interest bearing assets include commercial paper, notes and bonds of corporates, inter-bank assets, lease receivables, etc. where, interest / rentals accrue to the assets as in case of loans and advances. Norms for classification of loans and advances portfolios of banks may be extended to other interest bearing assets for the purposes of reporting here

### **Classification of Loans and Advances**

The outstanding amount in respect of Standard, Sub-Standard, Doubtful and Loss assets should be reported here. The outstanding in restructured accounts, which are classified as Standard and Sub-Standard should also be reported here separately. The total loans and advances should be equivalent to the Gross Loans and Advances reported in Return 1 on Assets and Liabilities.

### **Other Risk assets and exposures**

Norms for classification of loans and advances portfolios of banks may be extended to other risk assets for the purposes of reporting NPAs.

## **INVESTMENT PORTFOLIO ANALYSIS**

The classification of the securities portfolio, asset quality, valuation etc., are in terms of Master Circular – Prudential Norms for Classification, Valuation and Operations of Investment Portfolio by Banks vide UBD. No. CO. BSD. I / PCB 44 / 12.05.05 / 2000-01 dated 13<sup>th</sup> April 2001 and other instructions issued on the subject. The entire investment portfolio of the banks (including SLR securities and non-SLR securities) should be classified under three categories viz. 'Held to Maturity', 'Available for Sale' and 'Held for Trading' under which the 'book value' and 'market value' are to be reported. Exposure to 'Equity oriented mutual funds' out of total investments under 'Equities' is required to be separately reported and should tally with figures reported under Return I.

### **Other Details of Non SLR Securities**

#### **Details of Total Holdings –Rated / Unrated**

Total portfolio of Debt Securities should be divided into two categories, i.e. securities that are rated and those that are unrated. Quoted and Unquoted varieties of equity holdings should be reported under rated and unrated columns respectively.

Those categories of investments for which ratings are not available are to be reported under the unrated category.

#### **Category wise Details of Total Holdings – Borrowers / Non - Borrowers**

Non - SLR holdings of entities to whom bank has extended funded or non-funded facility should be reported under borrowers category. All others come under Non Borrowers category.

Book value of Total Investments should equal the aggregate of Rated and Unrated as also the aggregate of Borrower and Non-borrower.

Norms for classification of loans and advances portfolios of banks may be extended to other risk assets for the purposes of reporting here.

## **OSS RETURN IV - Statement on Non Performing Advances**

Non-performing loans and advances are as defined in circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning - Pertaining to Advances issued by UBD vide circular UBD. No. I & L 38 / J.1 / 92-93 dated 9<sup>th</sup> February 1993 and subsequent instructions in this regard.

'Past due' concept has been dispensed with w.e.f. March 31, 2001 and any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

As per current instructions, the '90 days' overdue norm for identification of NPAs would be applicable from the year ending March 31, 2004. Under 'Performing Loans and Advances', data on overdue position for both 'less than 2 quarters' and 'less than one quarter' may be provided. Under 'Non-performing Loans and Advances', data on the position for 'less than 12 months, 18 months' and '18 months and more' may be provided.

The total provisions for NPAs should agree with 'BDDR' and 'Special BDDR' in Statement 1 (ALE). Doubtful I, II and III categories correspond to the period for which asset has been doubtful - Up to one year (Doubtful I), One to three years (Doubtful II) and More than three years (Doubtful III).

### **Top fifty impaired credit:**

Banks are required to furnish information on top 50 impaired credits or those NPA accounts where the bank's exposure is Rs 100 lakhs and above. Information on NPA accounts in respect of individual and group borrowers should be provided in separate tables. Under 'Risk Classification' column, the NPA category (viz., Sub-standard, Doubtful I, Doubtful II, Doubtful III) may be indicated.

### **Statement on Large Exposure**

#### **Funded exposures**

Comprise loans and advances (including bills purchased/discounted), and investments in bonds/debentures & equities.

#### **Non-funded exposures**

Comprise guarantees (financial), guarantees (non-financial), letters of credit, underwriting commitments and others.

**TOTAL CREDIT EXPOSURE** (TCE) to an individual borrower (in section A) or a borrower group (in section B) comprise both funded credit and non-funded exposures. **For the purpose of exposure limits, outstanding amount or the sanctioned limit, whichever is higher should be reported. In the case of funded credit 100% of outstanding or sanction limit whichever is higher should be taken. In the case of non funded limits also 100% of outstanding or sanction limit whichever is higher should be considered as exposure.**

Capital Funds would comprise of (i) Paid up capital and (ii) Free Reserves as per audited accounts. Reserves, if any created out of revaluation of fixed assets or those created to meet outside liabilities should not be included in the capital funds. Free Reserves shall exclude all reserves / provisions which are created to meet anticipated loan losses, losses on account of frauds etc, depreciation in investments and other assets and other outside liabilities. Building Fund can be included in capital funds.

### **Section A**

Borrowers fulfilling any one of the following conditions should be reported:

- a) All borrowers having adjusted total credit exposure in excess of 15% of bank's capital funds should be reported (other than banks).
- b) A minimum of 20 large credits may be reported irrespective of the percentage of such exposure in bank's equity.

Exposure of a bank investing in the bonds of a corporate that is guaranteed by a Public Financial Institution should be treated as an exposure by the bank on the PFI for the purpose of exposure norm.

### **SECTION B**

Grouping / Identification of Group Borrowers should be decided by banks themselves based on their perception of constitution of clientele and factors such as commonality of management, effective control etc.. Borrower Groups fulfilling any one of the following conditions should be reported:

- a) All group borrowers having adjusted total credit exposure in excess of 40% of bank's capital funds should be reported.
- b) A minimum of 20 large credits may be reported irrespective of the percentage of such exposure in bank's equity.



## **OSS RETURN V–STATEMENT ON LOAN SEGMENT ANALYSIS**

### **Segment wise analysis**

In respect of advances to priority sector please refer to the master circular on lending to priority sector vide RPCD. No. Plan. BC. 42A / 04.09.01/ 2002-2003 dated November 11, 2002.

Priority Sector advances reported here by banks should not include deposits in SIDBI, NABARD in lieu of shortfall in priority sector advances.

The aggregate of priority and non - priority sector should be equivalent to the Gross Loans and Advances reported in Return 1. Under the column 'Percentage to total', Percentage of NPAs in each segment to total NPAs of the bank should be reported. Under Loss provisions, the provisions actually held may be reported.

Aggregate Gross NPAs should tally with the figures reported in Return 4 on NPAs.

The aggregate of industry-wise outstanding amount and NPA amount given against Loans & Advances in Table B of Annexure to the statement should be equivalent to the aggregate amount reported in Table A.

Cross return Validations: Gross Advances / Provisions for NPAs / Investments / OBS exposures as aggregate items and their sub-items should be equivalent to similar items in Return 1 (ALE).

### **Exposure to Sensitive Sector**

Revised guidelines on capital market exposure issued by UBD vide circular UBD.No.DS.PCB.Cir16/ 13.05.00 / 2001-02 dated 22<sup>nd</sup> October, 2001 on bank financing of equities and investments in shares and other subsequent instructions in this regard are to be followed for reporting capital market exposure. Exposure to 'All other borrowers against security of shares', which is outside the total capital market exposure in terms of the aforesaid circular may be reported below 'Total advances to capital market'.

## **OSS RETURN VI – STATEMENT ON CONNECTED LENDING**

Directors are members of Board of Directors (or local Boards/ Advisory Committees, if any). Managers include Chief Executive Officer and members of the (executive) management team (senior executive or top management, i.e. those in charges of functions and territories).

### **Interest / Related firms**

The Directors/ Managers are said to have interests IF ANY OF THEM OR THEIR RELATIVE is a director, manager, managing agent, employee, guarantor, partner, proprietor or holding substantial interest in any trading, commercial or industrial concern or any other business or vocation to which credits are granted by the bank. In case facilities are provided to an interested / related enterprise then the Nature of interest of Director / Manager should be reported in terms of the types of interest defined above.

Loans / Credits to directors exempted under section 20 of the Banking Regulation Act, 1949 are to be excluded for the purpose of reporting in this return.

Facilities like bills purchased / discounted (whether documentary or clean and sight or usance and whether on D/A basis or D/P basis) purchase of cheques, and non-fund credit facilities like issue of guarantees, purchase of debentures from third parties, etc. are not regarded as "loans and advances" within the meaning of Section 20 of the Banking Regulation Act, 1949.

For definition of a 'relative' please refer to circular UBD.DC.537 / R.1 / 84-85 dated 16<sup>th</sup> October 1984.

## **OSS RETURN VII - STATEMENT ON CAPITAL ADEQUACY**

All urban co-operative banks are required to maintain a prescribed minimum capital to risk weighted assets ratio (CRAR) on an on-going basis. RBI introduced a risk-based capital standard in the year 2001 for Urban Co-operative banks. Compliance with the prescribed capital ratio is monitored, on a quarterly basis by UBD through OSS Return No.10 (Report on Capital Adequacy).

The report on capital adequacy is divided into three parts. The first part provides the summary position of Core capital and Supplementary capital, second part provides the total risk weighted assets and third part provides the risk-based capital ratio, i.e. CRAR on the reporting date. Part B contains detailed computation of risk weighed assets.

**For completion of this return, instructions contained in the circular UBD.No BSD 1/ SCB 4 / 12.05.01/2000-01 dated April 10, 2001 on prudential norms on capital adequacy and further instructions issued in this behalf are to be referred.**

### **COMPUTATION OF CAPITAL BASE**

#### **CORE CAPITAL (Tier I)**

Core capital - also known as Tier-I capital - provides the most permanent and readily available support to a bank against unexpected losses. Core / Tier I capital, consists of shareholders' equity less specified deductions.

Shareholders' equity comprises paid-up capital; statutory reserves and other disclosed free reserves and unallocated surplus. Capital reserves representing surplus arising out of sale proceeds of capital assets are also reckoned under this Tier I capital.

#### **(a) Paid-up Capital**

Relates only to the paid-up equity or ordinary share capital. Currently, Urban co-operative banks do not issue preference share capital.

#### **(b) Reserves & Surplus include,**

- i. Statutory reserves representing the reserves created out of the disclosed profits in compliance with Section 17 of the Banking Regulation Act, 1949.
- ii. Other revenue reserves created out of transfer from the post tax profits.
- iii. Amount in Share premium account.
- iv. Capital reserves, which represent surplus on sale of capital assets, viz. fixed assets and permanent category of investments and held in a separate account.

#### **Surplus in P & L account**

Represents retained earnings not appropriated to any reserve. This comprises:

- i. profit of previous years carried forward and
- ii. interim retained profits i.e. profit for part of the year after making provisions for risk and tax and certified by external auditors.

### **Intangible assets and losses include**

(a) Intangible assets are those assets which have no tangible value, such as preliminary / pre-operative expenses and deferred revenue expenditures not written off / not charged to Profit & Loss Account.

(b) Accumulated losses of prior years.

(c) Loss to date in the current year (i.e. end of the reporting quarter) which represents diminution of capital funds.

(d) Other intangible assets.

(e) Goodwill if any carried on the Balance Sheet/books of the bank should also be deducted as an intangible asset.

(f) Equity investment in subsidiaries: A bank subsidiary is as defined in Section 4 of the Companies Act, 1956, i.e. where the bank holds at least 51% of the equity.

(g) Deficit or shortfall in risk and other provisions. A bank may have identified a loss to be provisioned but is waiting for completion of audit / approval of Board and such other expected events or may wish to, as a matter of policy, make provision in stages, also be included. Shortfall in provisions may additionally be based on review of asset classification as provided in OSS Return 3. Any other deduction from regulatory capital may also be included here.

### **B. SUPPLEMENTARY CAPITAL (Tier II)**

Supplementary capital - also known as Tier II capital - represents elements of capital that are less permanent in nature or less readily available to sustain unexpected losses. This comprises of

#### **(i) Undisclosed Reserves**

Contingency funds/any other funds which are not disclosed as reserves but are actually in the nature of reserves. The composition of undisclosed reserves and the group under which components of undisclosed reserves have been shown has to be reported.

#### **(ii) Revaluation Reserves**

Revaluation reserves arise from the revaluation of assets such as tangible fixed assets (e.g. bank premises) and fixed financial investments. However, in view of the uncertainty as to their actual realisable value when sold under difficult market conditions or in a forced sale and these are also subject to taxation, revaluation

reserves are reckoned for "capital reporting and computation" at a discount of 55 percent, i.e. 45 percent of value is only added for inclusion in Tier II capital. Revaluation reserves, as disclosed in the Balance Sheet, are only reckoned for inclusion in capital base.

### **(iii) General Provisions**

Provision that are not attributable to the actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, fall under the category of General Provisions.

While reporting general provisions under Tier II capital, adequate care must be taken to see that sufficient provisions have been made for all known losses and foreseeable potential losses. Prescribed provision made against sub-standard, doubtful or loss loans are specific and not general provisions. However, provision made against standard advances as per extant RBI guideline is eligible for inclusion as part of general provisions within the overall limit i.e. general provisions including provision on standard advances for inclusion as tier II capital should be restricted to 1.25% of total risk-weighted assets. The system checks the calculation with reference to general provision & provision for standard advances as reported in Return 1.

### **(iv) Investment Fluctuation Reserve**

Excess provisions towards depreciation on investments held in this account are to be reported here.

### **(v) Hybrid Debt Capital Instruments**

In this category fall a number of capital instruments which combine certain characteristics of equity and some characteristics of debt. Each has a particular feature, which can be considered to affect its quality as capital. Where these instruments have close similarity to equity, in particular when they are able to support losses on an on-going basis without triggering liquidation they may be included in Tier II capital.

HC instruments include typically -

- Perpetual cumulative preference shares and such shares convertible into ordinary shares.
- Perpetual sub-ordinate debt including such debt, which is convertible into equity.

### **(vi) Subordinated Term Debt**

Subordinated term loan capital with maturity of 5 years and over (i.e. a minimum original maturity of 5 years), should be fully paid-up, unsecured, subordinated to the claims of other creditors and should not be redeemable at the initiative of the holder (put option) or without the consent of the RBI. The debt should be reduced on a straight-line amortisation basis, leaving no more than 20% of the original amount issued outstanding in the final year before redemption. Subordinated debts with original maturity of less than 5 years or with a remaining maturity of one year will not be included in Tier-II capital.

However, if the bonds are issued in the last quarter of the year, i.e. from 1<sup>st</sup> January to 31<sup>st</sup> March, they should have a minimum tenure of sixty three months. Further they should be subjected to progressive discount as they approach maturity at the rates as shown below for being reckoned as capital funds.

**Remaining maturity of the instruments & Rate of discount**

- a. Less than one year - 100%
- b. More than one year and less than two years - 80%
- c. More than two years and less than three years - 60%
- d. More than three years and less than four years - 40%
- e. More than four years and less than five years - 20%

**Limits on the use of capital for computing Capital Adequacy**

(a) The Tier II capital should not exceed the total amount of Tier-I capital. "**Head room deduction**" is used to downsize the Tier II capital to the level of Tier I.

(b) General provisions including provision for standard advances together with other 'general provisions / loss provisions' are reckoned for Tier II capital only to a maximum amount of 1.25% of the sum of risk weighted assets.

(c) Subordinated term debt (in Tier II capital) should not exceed 50 percent of the Tier I capital.

**RISK WEIGHED ASSETS AND EXPOSURES**

Details of Risk weighted assets and exposures of domestic branches have to be provided

**SECTION A - ASSETS**

Risk weights have been assigned for assets under this section for credit or counter party (default) risk and market risk. Credit Risk has been classified into four broad risk categories, i.e. zero risk, 20 percent risk, 50 percent risk and 100 percent risk, primarily based on credit or counter party (default) risk. All investments (both SLR and non-SLR securities) attract uniform market risk weight of 2.5%.

**Risk weights for calculation of CRAR are tabulated below:**

<b>Sl. No.</b>	<b>Asset Item</b>	<b>Risk Weight</b>	<b>Remarks</b>
<b>I.</b>	<b>BALANCES:</b>		
	i. Cash (including foreign currency notes), Balances with RBI	<b>0</b>	
	ii. Balances in current account with UCBS	<b>20</b>	

	iii. Balances in current account with other banks	<b>20</b>	
<b>II.</b>	<b>INVESTMENTS:</b>		
	i. Investment in Central Government Securities	<b>2.5</b>	
	ii. Investment in Other Approved Securities guaranteed by Central Government	<b>2.5</b>	
	iii. Investment in Other Approved Securities guaranteed by State Government	<b>2.5</b>	<i>In the case of default in interest / principal by State Government, banks should assign 102.5% risk weight only on those State Government guaranteed securities issued by the defaulting entities and not on all the securities issued or guaranteed by that State Government.</i>
	iv. Investment in Other Securities where payment of interest and repayment of principal are guaranteed by Central Govt. (include investment in Indira / Kisan Vikas Patras and investments in bonds & debentures where payment of interest and repayment of principal is guaranteed by Central Government)	<b>2.5</b>	
	v. Investment in Other Securities where payment of interest and repayment of principal are guaranteed by State Governments (include investments in bonds & debentures where payment of interest and repayment of principal is guaranteed by State Government) NOT IN DEFAULT	<b>2.5</b>	
	vi. Investment in Other Securities where payment of interest and repayment of	<b>100</b>	<i>In case of a default in interest / principal by State Government, banks should assign 100% risk weight only</i>

	principal are guaranteed by State Governments (include investments in bonds & debentures where payment of interest and repayment of principal is guaranteed by State Government) INVOKED and DEFAULTED.		<i>on those State Government guaranteed securities issued by the defaulting entities and not on all the securities issued or guaranteed by that State Government</i>
	vii. Investment in Other Approved Securities where payment of interest and repayment of principal is not guaranteed by Central / State Govts.	<b>22.5</b>	
	viii. Investment in Govt. guaranteed securities of government undertakings which do not form part of the approved market borrowing Programme	<b>22.5</b>	<i>Applicable from March 2001. To provide sufficient time to comply, banks are permitted to account for the risk weight on the outstanding stock of these securities in their portfolio as on 31-03-2000 in 2 phases of 10% each by 31-03-2002 and 31-03-2003. For securities purchased after 31-03-2000, full 20% risk weight should be assigned during the year of purchase.</i>
	ix. Claims on commercial banks, District Central Cooperative Banks, and State Co-operative Banks, such as fixed deposits, certificates of deposits, etc.	<b>20</b>	
	x. Claims on other Urban Co-operative banks such as term / fixed deposits	<b>20</b>	
	xi. Investments in bonds issued by All India Public Financial Institutions	<b>22.5</b>	
	xii. Investments in bonds issued by Public Financial Institutions for their Tier-II Capital	<b>102.5</b>	
	xiii. All Other Investments	<b>102.5</b>	<i>Intangible assets and losses deducted from Tier I capital should be assigned zero weight</i>



II.	LOANS AND ADVANCES:		
	i. Loans and advances including bills purchased and discounted and other credit facilities guaranteed by Govt. of India	0	
	ii. Loans guaranteed by State Govt.	0	
	iii. Loans guaranteed by State Govts. where guarantee has been invoked and the concerned State Govt. has remained in default	100	
	iv. Loans granted to PSUs of GOI	100	
	v. Other Loans and Advances	100	
	vi. Leased Assets	100	
	vii. Advances covered by DICGC / ECGC	50	<i>The risk weight of 50% should be limited to the amount guaranteed and not the entire outstanding balance in the accounts. In other words, the outstanding in excess of the amount guaranteed, will carry 100% risk weight.</i>
	viii. Advances for term deposits, Life policies, NSCs, IVPs and KVPs where adequate margin is available	0	
	ix. Loans to Staff of banks, which are fully covered by superannuation benefits and mortgage of flat / house	20	<p><i>While calculating the aggregate of funded and non-funded exposure of a borrower for the purpose of assignment of risk weight, banks may 'net-off' against the total outstanding exposure of the borrower -</i></p> <p><b>(a)</b> <i>advances Collateralised by cash margins or deposits,</i></p> <p><b>(b)</b> <i>credit balances in current or other accounts of the borrower which are not earmarked for specific purposes and free from any lien,</i></p> <p><b>(c)</b> <i>in respect of any assets where provisions for</i></p>

			depreciation or for bad debts have been made,  (d) claims received from DICGC / ECGC and kept in a separate account pending adjustment in case these are not adjusted against the dues outstanding in the respective accounts.
<b>IV.</b>	<b>MONEY AT CALL AND SHORT NOTICE</b>	<b>20</b>	
<b>V.</b>	<b>OTHER ASSETS:</b>		
	i. Premises, furniture and fixtures	<b>100</b>	
	ii. Interest due on Government securities	<b>0</b>	
	iii. Accrued interest on CRR balances maintained with RBI	<b>0</b>	
	iv. All other assets	<b>100</b>	For other assets, RBI has prescribed 100 percent risk weight barring a few item for which varying risk weights have been assigned depending upon the nature of counterparty such as zero risk weight for Income tax deducted at source (net of provision), advance tax paid, interest due on Govt. securities, accrued interest on CRR balances and claims on RBI on account of Govt. transactions etc.
<b>VI.</b>	<b>MARKET RISK ON OPEN POSITION:</b>		
	i. Market risk on foreign exchange open position (Applicable to Authorised Dealers Only)	<b>100</b>	
	ii. Market risk on open gold position	<b>100</b>	

### Asset Netting

- i. Cash margins, including margins of liquid collateral (i.e. bank deposits held as collateral) may be set off against such loans and advances.
- ii. Provisions held for possible loss/value impairment against bad debts/assets may be netted off from such advances/assets.

### **Exclusion**

Bills rediscounted should be excluded from the portfolio of bills discounted and is to be reported as contingent credit exposure under "Acceptances and Endorsements" carrying 20% risk weight.

### **OFF- BALANCE SHEET ITEMS**

Risk weighing for all off-balance sheet items is to be undertaken in two stages first; a conversion factor is applied for arriving at on-balance sheet values. Thereafter, risk weights should be applied to the resultant on-balance sheet values depending upon the counter party.

### **CONTINGENT CREDIT EXPOSURES**

In case of Credit Contingents, the conversion factor to be applied is credit conversion factor (CCF), which produces on-balance sheet values. The on-balance sheet value is then multiplied by the risk weight assigned to the asset to arrive at the risk adjusted value of the exposure.

#### **OBS items with 100% CCF**

- (i) Financial Guarantees
- (ii) Acceptances and Endorsements
- (iii) Committed Credit Lines and undrawn balances
- (iv) Transactions / Assets sales with Recourse

#### **OBS items with 50% CCF**

- (i) Non Financial Guarantees - Transaction-related contingent items (such as performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions).
- (ii) Other commitments (e.g. Underwriting, formal standby facilities and credit lines) with an original maturity of over one year.

#### **OBS items with 20% CCF**

- (i) Short-term self-liquidating trade-related contingencies (such as documentary letter of credits collateralised by the underlying shipments).

#### **OBS items with 0% CCF**

Commitments with an original maturity up to one year, or which can be unconditionally cancelled at any time. Sanctioned but undisbursed / undrawn loans need not be treated as contingent exposures for the purpose of assigning risk-weight.

## **Acceptances and Endorsements**

Bills of exchange accepted / co-accepted / endorsed by the bank on behalf of constituents are to be reported under this item.

Bills rediscounted with other banks and financial institutions will also be reported under this head.

Letters of credits issued by the bank, not collateralised by documents, confirmations added by the bank to letters of credits as also issued by other bank/s will be reported under this item.

## **Committed Credit lines - undrawn**

Commitments to extend credit for a period longer than one year and irrevocable in nature should be reported. Unutilised credit under overdraft / cash credit limits and loans sanctioned but not disbursed need not be reported.

## **CONTRACTS / DERIVATIVES**

The conversion factor applied varies with the term of the contract (time period) and is applied to the notional principal amount of the contract to arrive at the on balance sheet value of the contract.

As in the case of other off-Balance Sheet items, a two-stage calculation as prescribed below shall be applied.

Step 1: The notional principal amount of each instrument is multiplied by the conversion factor given below:

### **Original maturity Conversion factor**

- Less than one year 2.0 per cent
- One year and less than two years 5.0 per cent (i.e.2% + 3%)
- For each additional year 3.0 per cent

Step 2: The adjusted value thus obtained shall be multiplied by the risk weightage allotted to the relevant counter-party as given in Section A.

Risk weights on off balance sheet exposures are assigned on the basis of the counter party

### **Name of Counterparty Risk – Weight (%)**

Government - 0      Banks – 20      Others - 100

### **General:**

The package automatically calculates and populates all totals, sub totals, book values (net) and risk adjusted values once the 'validate' button is activated. In respect of additional risk weights for certain contracts and derivatives with enhanced credit conversion factor based on number of years, the system allows entry of risk adjusted value which is higher than the minimum value. In case the risk adjusted value is below the minimum required value, then the system replaces the same with minimum value once the return is validated.

## **OSS RETURN VIII – Statement on Bank Profile**

The objective of Bank Profile report is to create and maintain complete "dossiers" on all urban cooperative banks for studies on industrial trends and peer group analysis apart from monitoring progressive changes in the size, portfolios and performance of individual banks.

### **STRUCTURE OF BANK PROFILE**

Bank Profile format is structured in 7 parts viz., Overview, Equity Profile, Financial / Portfolio Structure, Financial Performance, Organisational Profile, Supervisory Profile and Ratio denominators.

#### **Reporting Date**

Bank Profile is an annual return and all data is required to be reported as on, and for the year ended 31<sup>st</sup> March of every year from the 'audited' financials of the bank.

#### **OVERVIEW**

This constitutes the first part of the Report and gives a broad view of bank's Organisational and Financial Profile.

#### **A.EQUITY PROFILE**

##### **Revaluation Reserves**

Revaluation reserves arise from the revaluation of assets such as tangible fixed assets (e.g. bank premises) and fixed financial investments. However, in view of the uncertainty as to their actual realisable value when sold under difficult market conditions or in a forced sale and are also subject to taxation, revaluation reserves are reckoned for "capital reporting and computation" at a discount of 55 percent, i.e. 45 percent of value is only added for inclusion in Tier II capital. Revaluation reserves, as disclosed in the Balance Sheet, are only reckoned for inclusion in capital base in case of banks.

##### **Unappropriated Profit / Accumulated Loss**

Balance of profit (after tax) / loss carried from previous year plus the unallocated surplus / deficit during the year (to which the report pertains) is to be reported. Losses should be reported with a negative sign.

##### **Intangible assets**

Report assets, which have no tangible value, such as preliminary / pre-operative and deferred revenue expenditures and not written off / charged to Profit & Loss Account. Accumulated Losses of previous years and Operating Deficit in current year as reported in Return VII should not be reported here.

##### **Networth**

Paid-up capital + Reserves (Statutory and revaluation reserves) + Unappropriated profits (or minus accumulated loss) - Intangible Assets - Shortfall in provisions for impaired assets – Investment in subsidiaries

## **OWN FUNDS**

Net worth + General Loss Provisions.

## **B. FINANCIAL PORTFOLIO STRUCTRE- INVESTMENTS**

### **Loans and Advances (Gross / Net)**

Both figures should tally with the figures given in Return 1 (ALE).

### **Equity investments - In Subsidiaries:**

Subsidiary is defined as investments in equity of 51 % and over in a body corporate.

## **C. FINANCIAL PERFORMANCE**

### **Value Adjustment / Provisions for other (financial) assets**

Extra provision needed in the event of depreciation in the value of investments is debited to P&L account as per circular UBD. No. BSD I. PCB 44 / 12.05.05 / 2000-01 dated 13<sup>th</sup> April 2001. The amount debited to P&L account should be added to provisions (other than general provisions and provisions for credit losses) for other assets for reporting here.

### **Retained Earnings**

Net Income (PAT) minus Dividends declared.

### **Performance Ratios**

#### **Average cost of deposits:**

Fortnightly Average of (Customer Deposits + CDs + Bank Deposits) / Interest paid on these deposits during the year.

#### **Average Cost of Funds**

Fortnightly Average of (Customer Deposits + CDs + Bank Deposits + Borrowings) / (Commission, if any,+ Interest paid).

#### **Average yield on Advances**

Interest Received (not accrued) during the year / Fortnightly average of gross loans and advances.

#### **Average yield on Investments**

Interest + dividends received on investments (SLR + Non-SLR) during the year / Fortnightly average of investments.

#### **Average yield on Funds**

(Interest + Dividends earned during the year) / Fortnightly Average of (Loans & Advances + Investments + Cash Funds + Deposits with Banks in India and Overseas).

#### **Interest Margin / Spread**

Average yield on funds – average cost of funds.

### **Cost – Revenue Ratio**

Ratio of Non Interest expenses to Net Total Income (Total Income minus interest expense).

### **Operating Profits to Average Working Funds**

Earnings Before Provisions and Taxes / Fortnightly Average Assets during the year.

### **Risk Provision and Write – offs / Operating Profits**

(Write offs of Credit losses and other Assets + Provisions for credit losses + Value Adjustments or Provisions for other Financial assets i.e. total write offs + total provisions except general provisions) / Earnings Before Provisions and Taxes.

### **Return on Equity**

Net Income (PAT) / Total Capital and Reserves (i.e. Paid up capital + Reserves (disclosed) + Surplus (Loss) on P&L carried forward).

### **Business per Employee**

(Gross Advances + Total Customer Deposits) / Total no. of Employees.

## **D. ORGANISATIONAL PROFILE**

If a bank does not have any branch, i.e. Unit Bank, details about the Head Office alone may be indicated. For entering details of branches except name of the branch, in respect of other columns, drop down boxes will help the user to select without manually entering the text. In the second table, total number of branches location wise should be indicated.

## **E. SUPERVISORY PROFILE**

### **Non Accrual (i.e. cash basis) –Loans and Advances**

Report Performing Loans and Advances.

### **Loss Provisions Cover Ratio**

Loan Loss Provisions to Gross Non-Performing Loans and Advances.

### **Liquid Assets**

Components of liquid assets are Cash, Deposits with banks and SLR investments.