

Explanatory Notes

I. GENERAL EXPLANATIONS

1. The totals in the tables may not exactly tally with the sum of the constituent items on account of rounding off of the figures. Figures in brackets, in general, indicate percentage to totals. The unit lakh is equal to 1,00,000 and unit crore is equal to 100 lakh. The symbol '-' indicates nil or negligible and '-' indicates not available or not applicable. Source and notes on tables as appropriate to each table are given at the end of each table.

2. Commercial Banks which carry on the business of banking in India and which (a) have paid up capital and reserves of an aggregate real and exchangeable value of not less than Rs.5 lakhs and (b) satisfy the Reserve Bank of India that their affairs are not being conducted in a manner detrimental to the interest of their depositors, are eligible for inclusion in the Second Schedule to the Reserve Bank of India Act, 1934, and when included are known as 'Scheduled Commercial Banks'.

3. Scheduled Commercial Banks in India are categorised in five different groups according to their ownership and/or nature of operation. These bank groups are (i) State Bank of India and its associates, (ii) Nationalised Banks, (iii) Regional Rural Banks, (iv) Foreign Banks and (v) Other Indian Scheduled Commercial Banks (in the private sector).

4. Population groups of the banked centres presented in this volume are based on the 1991 census. The population groups are defined as under:

- i) 'Rural' group includes all centres with population of less than 10,000
- ii) 'Semi-urban' group includes centres with population of 10,000 and above but less than 1 lakh
- iii) 'Urban' group includes centres with population of 1 lakh and above but less than 10 lakhs
- iv) 'Metropolitan' group includes centres with population of 10 lakhs and more.

II. TABLE-WISE EXPLANATIONS

Tables 2 and 3 - Data are compiled from the fortnightly "Form-A" returns submitted by the Scheduled Commercial Banks under Section 42(2) of the Reserve Bank of India Act 1934 and relate to their business in India. Data on balances with the Reserve Bank of India are obtained from Weekly Statement of Affairs of the Reserve Bank of India, Department of Government and Bank Accounts.

Table 5 - Data are compiled from the monthly "Form-X" returns submitted by the Commercial Banks under Section 27 of the Banking Regulation Act, 1949 and relate to their business in India as on the last Friday of every month.

Tables 6, 54 and 55 - Data in these tables are obtained from various schedules of profit and loss accounts as published by banks in their annual accounts. The item "profit" is computed by subtracting interest expenses, operating expenses and provisions and contingencies from total earnings of the bank.

Tables 7 and 62 - Selected financial ratios of Scheduled Commercial Banks (excluding RRBs) are obtained / compiled from the published annual accounts of banks and relate to the year ended March 31 of 2000 and 2001. The ratios viz., "return on assets", business (deposits plus advances) per employee", "profit per employee", "capital adequacy ratio (including Tier I and Tier II)" and "net NPAs as a ratio to net advances" are obtained from the "notes to accounts" of published annual accounts of individual banks. They are not aggregated at the bank-group level.

Concepts / definitions used to calculate other ratios are as follows

i. (a) "Cash" in cash-deposit ratio include cash in hand and balances with RBI, (b) "Investments" in investment-deposit ratio represent total investments, including investments in non-approved securities, (c) "Net interest margin" is defined as the total interest earned minus total interest paid, (d) "Intermediation cost" is equal to "total operating expenses", (e) "Wage bills" is defined as "payments to and provisions for employees", (f) "Operating profit" is defined as total earnings *minus* total expenses, excluding provisions and contingencies and (g) "Burden" is defined as the total non-interest expenses *minus* total non-interest income.

ii. Items like capital, reserves, deposits, borrowings, advances, investments and assets/liabilities used to compute various financial earnings/expenses ratios (Sr.no.11 to 29) are average figures based on balance sheet data for the two relevant years.

iii. Definitions of a few ratios are as follows:

- (a) Return on equity = (net profit)/{average (capital + reserves & surplus, not adjusted for accumulated loss)}
- (b) Cost of deposits = (interest paid on deposits) / (average deposits)
- (c) Cost of borrowings = (interest paid on borrowings) / (average borrowings)
- (d) Cost of funds = (total interest paid on deposits and borrowings) / (total of average deposits and borrowings)
- (e) Return on advances = (interest earned on advances/bills) / (average advances)
- (f) Return on investments = (interest earned on investments) / (average investments).

For deriving the ratios at the bank-group level in Table 7, only the common banks in both the periods are considered.

Table 8 - For definitions of different asset categories, the reader may refer to the "Report on Trend and Progress of Banking in India, 2000-01 (Table - 11.16)".

Tables 12, 16, 17, 18, 40, 41, 42, 43, 44 - The deposits figures reported in tables 12, 40, 41, 42, 43 and 44 exclude inter-bank deposits and therefore their coverage is different from that of 'deposits' reported in tables 4 and 5. The bank credit data in tables 16, 17, 18, 40, 41, 42, 43 and 44 comprise term loans, cash credits, overdrafts, bills purchased and discounted and bills rediscounted under the New Bill Market Scheme. The bank credit data in tables 16, 17 and 18 also include dues from banks. It may be mentioned that data in respect of loans and advances reported in tables 4 and 5 do not include bills rediscounted figures. Further, bank credit reported

in tables 2 and 3 are exclusive of bills rediscounted under the New Bill Market Scheme as also due from banks (the second item is included under assets with the banking system).

Tables 10 and 11 - *These* tables are based on the data collected through Basic Statistical Return 2 and include only full-time employees of the banks.

Table 13 - *This table* is prepared on the basis of data reported by selected branches in Basic Statistical Return 4. In the BSR-4 survey as on March 31,2000, filled-in schedules were received from 5552 Scheduled Commercial Bank branches.

Tables 14 and 15 - Data for both the tables are based on the annual Survey of Investments in BSR5. These data are submitted to the Reserve Bank of India by Head Offices of banks. Regional Rural Banks are excluded from this survey.

Table 17 - Data are based on the information available in Part A of the BSR-1 and they relate to accounts with credit limits of over Rs.2 lakh as on March 31, 1999 and 2000 respectively.

Tables 19, 20 and 21 - Data relate to all Scheduled Commercial Banks excluding Regional Rural Banks.

Table 47 - Data relate to deposit accounts in India, which have not been operated upon for 10 years or more as on 31st December and are based on returns submitted by banks in Form **IX** under Section 26 of the Banking Regulation Act, 1949.

Table 48 - Data on cheque clearances are compiled on a weekly/monthly (calendar) basis. Figures shown against 'other centres' are in respect of clearing houses other than those managed by the Reserve Bank of India in the country.