

## Contents

Sr. No.	Particulars	Page No.
<b>Chapter I: Perspectives</b>		<b>1-5</b>
<b>Chapter II: Global Banking Developments</b>		<b>6-20</b>
1.	Introduction .....	6
2.	Global Banking Policy Developments .....	6
3.	Performance of the Global Banking Sector .....	11
4.	World's Largest Banks.....	18
5.	Summing up .....	20
<b>Chapter III: Policy Environment</b>		<b>21-44</b>
1.	Introduction	21
2.	Monetary Policy and Liquidity Management .....	21
3.	Regulatory Policies for Commercial Banks .....	23
4.	Regional Rural Banks.....	26
5.	Small Finance Banks .....	27
6.	Supervisory Policies .....	28
7.	Co-operative Banking.....	30
8.	Non-Banking Financial Companies.....	31
9.	Foreign Exchange Policies.....	33
10.	Credit Delivery and Financial Inclusion.....	34
11.	Consumer Protection.....	37
12.	Payment and Settlement Systems.....	38
13.	Overall Assessment .....	41
Annex III.I Reserve Bank's Response to the COVID-19 Disruptions .....		42
<b>Chapter IV: Operations and Performance of Commercial Banks</b>		<b>45-91</b>
1.	Introduction .....	45
2.	Balance Sheet Analysis.....	46
3.	Financial Performance.....	53
4.	Soundness Indicators.....	57
5.	Sectoral Bank Credit: Distribution and NPAs .....	67
6.	Ownership Pattern in Scheduled Commercial Banks .....	74
7.	Compensation Practices .....	74

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
8.	Foreign Banks' Operations in India and Overseas Operations of Indian Banks.....	75
9.	Digital Payments.....	75
10.	Consumer Protection.....	76
11.	Financial Inclusion.....	80
12.	Regional Rural Banks.....	85
13.	Local Area Banks.....	87
14.	Small Finance Banks.....	88
15.	Payments Banks.....	88
16.	Overall Assessment.....	91
<b>Chapter V: Developments in Co-operative Banking</b>		<b>92-112</b>
1.	Introduction.....	92
2.	Structure and Regulation of the Co-operative Sector.....	92
3.	Urban Co-operative Banks.....	94
4.	Rural Co-operatives.....	104
5.	Overall Assessment.....	112
<b>Chapter VI: Non-Banking Financial Institutions</b>		<b>113-149</b>
1.	Introduction.....	113
2.	Non-Banking Financial Companies.....	114
3.	All India Financial Institutions.....	141
4.	Primary Dealers.....	146
5.	Overall Assessment.....	149

## List of Boxes

Sr. No.	Particulars	Page No.
II.1	Why COVID-19 Affected Bank Deposit Growth Differently Across Countries? .....	12
III.1	Resolution of COVID-19 Related Stress .....	25
III.2	Bolstering the Supervisory Framework of the Reserve Bank .....	28
IV.1	Impact of Movements in G-Sec Yield on Bank Profitability .....	54
IV.2	Effects of Merger on Indian Banking System .....	58
IV.3	Root Cause Analysis of Customer Complaints .....	77
V.1	Dual Control of Co-operative Banks and BR Amendment Act .....	94
VI.1	Distribution of TLTRO Funds .....	129
VI.2	Drivers of Profitability of NBFCs-ND-SI.....	131

## List of Tables

Sr. No.	Particulars	Page No.
III.1	Loan Moratorium .....	24
IV.1	Consolidated Balance Sheet of Scheduled Commercial Banks .....	46
IV.2	Trends in Flow of Financial Resources to Commercial Sector from Banks and Non-banks .....	51
IV.3	Bank Group-wise Maturity Profile of Select Liabilities/Assets .....	52
IV.4	Trends in Income and Expenditure of Scheduled Commercial Banks .....	53
IV.5	Cost of Funds and Return on Funds by Bank Groups .....	56
IV.6	Return on Assets and Return on Equity of SCBs – Bank Group-wise .....	57
IV.7	Component-wise Capital Adequacy of SCBs .....	57
IV.8	Public and Rights Issues by the Banking Sector .....	60
IV.9	Resources Raised by Banks through Private Placements .....	60
IV.10	Asset Classification as per IRAC Norms .....	62
IV.11	Movements in Non-Performing Assets by Bank Group .....	62
IV.12	Classification of Loan Assets by Bank Group .....	63
IV.13	NPAs of SCBs Recovered through Various Channels .....	64
IV.14	Details of Financial Assets Securitised by ARCs .....	65
IV.15	Frauds in Various Banking Operations Based on the Date of Reporting .....	66
IV.16	Frauds in Various Banking Operations Based on Date of Occurrence .....	66
IV.17	Sectoral Deployment of Gross Bank Credit .....	67
IV.18	Priority Sector Lending by Banks .....	70
IV.19	Weighted Average Premium on Various Categories of PSLCs .....	71
IV.20	Sector-wise GNPA's of Banks .....	73
IV.21	Operations of Foreign Banks in India .....	75
IV.22	Digital Payments .....	76
IV.23	Nature of Complaints at BOs .....	77
IV.24	Bank Group-wise Insured Deposits .....	79
IV.25	Financial Inclusion Plan .....	81
IV.26	Tier-wise Break-up of Newly Opened Bank Branches by SCBs .....	83
IV.27	ATMs .....	83
IV.28	Number of ATMs of SCBs at Various Centres .....	84
IV.29	Credit Flow to the MSME sector by SCBs .....	84
IV.30	Progress in MSME Financing through TReDS .....	85

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
IV.31	Consolidated Balance Sheet of Regional Rural Banks.....	86
IV.32	Purpose-wise Outstanding Advances by RRBs .....	86
IV.33	Financial Performance of Regional Rural Banks .....	87
IV.34	Profile of Local Area Banks .....	87
IV.35	Financial Performance of Local Area Banks .....	87
IV.36	Consolidated Balance Sheet of Small Finance Banks .....	88
IV.37	Purpose-wise Outstanding Advances by Small Finance Banks .....	88
IV.38	Financial Performance of Small Finance Banks .....	89
IV.39	Consolidated Balance Sheet of Payments Banks.....	89
IV.40	Financial Performance of Payments Banks .....	89
IV.41	Select Financial Ratios of Payments Banks.....	90
IV.42	Remittances through Payments Banks .....	90
V.1	Share in Credit Flow to Agriculture .....	93
V.2	Tier-wise Distribution of Urban Co-operative Banks .....	96
V.3	Balance Sheet of Urban Co-operative Banks .....	97
V.4	Distribution of UCBs by size of Deposits and Advances.....	98
V.5	Investments by Urban Co-operative Banks.....	99
V.6	Rating-wise Distribution of UCBs .....	100
V.7	CRAR-wise Distribution of UCBs.....	101
V.8	Non-performing Assets of UCBs .....	102
V.9	Financial Performance of Scheduled and Non-scheduled Urban Co-operative Banks .....	102
V.10	Select Profitability Indicators of UCBs .....	103
V.11	Composition of Credit to Priority Sectors by UCBs .....	104
V.12	A Profile of Rural Co-operatives .....	105
V.13	Liabilities and Assets of State Co-operative Banks .....	106
V.14	Select Balance Sheet Indicators of Scheduled State Co-operative Banks .....	106
V.15	Financial Performance of State Co-operative Banks .....	107
V.16	Soundness Indicators of State Co-operative Banks .....	107
V.17	Liabilities and Assets of District Central Co-operative Banks .....	109
V.18	Financial Performance of District Central Co-operative Banks .....	109
V.19	Soundness Indicators of District Central Co-operative Banks .....	110

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
VI.1	Classification of NBFCs by Activity .....	115
VI.2	Ownership Pattern of NBFCs.....	116
VI.3	Abridged Balance Sheet of NBFCs.....	117
VI.4	Analysis of Loan Moratorium .....	118
VI.5	Major Components of Liabilities and Assets of NBFCs-ND-SI by Activity .....	119
VI.6	Sectoral Credit Deployment by NBFCs .....	120
VI.7	Sources of Borrowings of NBFCs .....	123
VI.8	Bank Lending to NBFCs (Outstanding).....	124
VI.9	Financial Parameters of the NBFC Sector .....	130
VI.10	Ownership Pattern of HFCs.....	137
VI.11	Consolidated Balance Sheet of HFCs .....	138
VI.12	Financial Ratios of HFCs.....	140
VI.13	Financial Assistance Sanctioned and Disbursed by AIFIs.....	142
VI.14	AIFIs' Balance Sheet.....	142
VI.15	Resources Mobilised by AIFIs in 2019-20.....	143
VI.16	Resources Raised by AIFIs from the Money Market .....	143
VI.17	Pattern of AIFIs' Sources and Deployment of Funds .....	143
VI.18	Financial Performance of AIFIs.....	144
VI.19	AIFIs' Select Financial Parameters.....	145
VI.20	Performance of PDs in the Primary Market .....	147
VI.21	Performance of SPDs in the G-secs Secondary Market.....	148
VI.22	Sources and Applications of SPDs' Funds .....	148
VI.23	Financial Performance of SPDs .....	149
VI.24	SPDs' Financial Indicators .....	149

## List of Charts

Sr. No.	Particulars	Page No.
II.1	The Macro Backdrop.....	7
II.2	Bank Credit to the Private Non-Financial Sector .....	11
II.3	Gross Non-performing Loans Ratio .....	16
II.4	Return on Assets .....	16
II.5	Capital to Risk-Weighted Assets Ratio.....	17
II.6	Leverage Ratio.....	17
II.7	Market-based Indicators of Bank Health .....	18
II.8	Distribution of Top 100 Banks by Tier-I Capital.....	19
II.9	Asset Quality and Profitability of Top 100 Banks.....	19
II.10	Soundness of Top 100 Banks.....	20
IV.1	Select Aggregates of SCBs .....	47
IV.2	Deposit Growth of SCBs.....	47
IV.3	Growth in Term Deposits and CASA Deposits .....	48
IV.4	Growth in Borrowings .....	48
IV.5	Bank Group-wise Growth in Advances.....	48
IV.6	Change in Credit Composition .....	49
IV.7	Trends in Credit Ratios .....	49
IV.8	Trends in Banks' Investments .....	50
IV.9	Gap between Proportion of Assets and Liabilities in Various Maturity Buckets .....	51
IV.10	International Liabilities and Assets of Banks.....	52
IV.11	Off-balance Sheet Liabilities of Banks .....	53
IV.12	Bank Group-wise Share in Assets and Operating Profit .....	55
IV.13	Lending Rate, Deposit Rate and NIM.....	55
IV.14	Impact of Provisioning on Profitability.....	56
IV.15	Capitalisation of Indian Banks .....	59
IV.16	Leverage and Liquidity .....	61
IV.17	Asset Quality of Banks .....	61
IV.18	Write-offs and Reduction in GNPA's .....	63
IV.19	Stress in Large Borrowal Accounts .....	64
IV.20	Stressed Asset Sales to ARCs .....	65
IV.21	Share of Fraud Cases: Bank Group-wise.....	67

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
IV.22	Sectoral NPAs of SCBs .....	68
IV.23	GNPA Ratio in Various Industries.....	68
IV.24	Sectoral Loans: PSBs <i>versus</i> PVBs.....	69
IV.25	Trends in Unsecured Lending and Retail Loans .....	69
IV.26	Credit to Priority Sectors – All SCBs .....	70
IV.27	Monthly Trading Volume of PSLCs .....	71
IV.28	Impact of PSLCs on Organic Priority Sector .....	72
IV.29	Net Buyers/Sellers in the PSLC Market .....	72
IV.30	Exposure to Sensitive Sectors .....	73
IV.31	Government Shareholding in PSBs .....	74
IV.32	Compensation Practices .....	75
IV.33	Retail Digital Payments .....	76
IV.34	Population Group-wise Distribution of Complaints and Major Complaint Types .....	79
IV.35	Progress in Financial Inclusion in Select Emerging and Advanced Economies .....	80
IV.36	PMJDY Accounts: Distribution and Average Balance.....	82
IV.37	Bank Group-wise Share in Newly Opened Branches by SCBs .....	82
IV.38	SCBs' ATMs <i>versus</i> White-label ATMs .....	83
IV.39	Regional Penetration of Banks.....	85
V.1	The Structure of Co-operatives by Asset Size .....	93
V.2	Number of UCBs .....	95
V.3	Consolidation and Asset Size .....	95
V.4	UCB Mergers.....	95
V.5	Asset Growth.....	96
V.6	Distribution of UCBs by Asset Size.....	96
V.7	Deposits Growth: UCBs <i>versus</i> SCBs.....	97
V.8	Distribution of UCBs.....	98
V.9	Credit-Deposit and Investment-Deposit Ratio: UCBs <i>versus</i> SCBs .....	99
V.10	Distribution of Number and Business of UCBs-by Rating Categories.....	100
V.11	Distribution of UCBs by CRAR .....	101
V.12	Non-performing Assets: UCBs <i>versus</i> SCBs .....	101



<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
V.13	NPAs and PCR - UCBs .....	102
V.14	Profitability Indicators- SUCBs <i>versus</i> NSUCBs .....	103
V.15	Relative Contribution of Short-term <i>versus</i> Long-term Co-operatives .....	105
V.16	Resource Composition: Short-term Co-operatives .....	105
V.17	GNPA Ratio: A Comparison .....	107
V.18	StCBs: Regional Patterns .....	108
V.19	Credit-Deposit Ratio: StCBs and DCCBs .....	108
V.20	Share of Operating Expenses in Total Expenses .....	109
V.21	DCCBs: Regional Patterns .....	110
V.22	NPAs and Recovery - StCBs <i>versus</i> DCCBs .....	111
VI.1	Structure of NBFIs under the Reserve Bank's Regulation .....	114
VI.2	NBFCs and SCBs Credit: Non-food Credit.....	115
VI.3	Registrations and Cancellations of CoR of NBFCs .....	116
VI.4	Distribution of Credit of NBFCs-ND-SI .....	118
VI.5	Category-wise NBFCs-ND-SI: Select Indicators .....	119
VI.6	Distribution of NBFC Credit .....	120
VI.7	Category-wise Sectoral Distribution of Credit .....	121
VI.8	Sectoral Credit Growth: Key Sub- Sectors .....	121
VI.9	Sectoral Credit Growth: Industry and Vehicle Loans .....	122
VI.10	MSME Credit of NBFCs .....	122
VI.11	Borrowings of NBFCs .....	123
VI.12	Bank Lending to NBFCs, Group-wise .....	124
VI.13	Instruments of Bank Lending to NBFC .....	125
VI.14	NCD Private Placement Issuances of Private NBFCs .....	125
VI.15	Three-year NCD Coupon Rates of AAA rated Private NBFCs .....	125
VI.16	CP Issuances and Rates .....	126
VI.17	Mutual Funds Exposure to NBFC Sector .....	126
VI.18	Foreign Currency Liabilities of NBFC Sector .....	127
VI.19	Public Deposits of NBFCs- D.....	127
VI.20	Distribution of Deposits of NBFCs-D.....	127
VI.21	Loan Sales and Securitisation of NBFCs-ND-SI.....	128

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
VI.22	Structural Liquidity Statement of NBFCs .....	130
VI.23	Profitability Ratios of NBFCs .....	131
VI.24	Profitability Indicators of NBFCs-ND-SI .....	131
VI.25	Select Asset Quality Indicators of NBFCs .....	133
VI.26	Classification of NBFCs' Assets .....	133
VI.27	NPAs of NBFCs-ND-SI .....	134
VI.28	Stressed Assets of NBFCs-ND-SI by Sector .....	134
VI.29	Gross and Net NPA Ratios of NBFCs- D.....	135
VI.30	Capital Position of NBFC Sector .....	135
VI.31	CRAR of NBFCs by Category .....	135
VI.32	Exposure to Sensitive Sectors .....	136
VI.33	Credit to Housing sector by HFCs and SCBs .....	137
VI.34	Resources Mobilised by HFCs .....	138
VI.35	Public Deposits of HFCs.....	139
VI.36	Dissection of HFC's Deposits.....	139
VI.37	Financial Parameters of HFCs .....	140
VI.38	NPA Ratios of HFCs.....	140
VI.39	NPA Ratios of HFCs Excluding Two Major HFCs .....	141
VI.40	Ownership Pattern of AIFIs .....	141
VI.41	Weighted Average Cost and Maturity of Rupee Resources Raised by AIFIs .....	144
VI.42	Long-term PLR Structure of Select AIFIs .....	144
VI.43	AIFIs' Financial Ratios.....	145
VI.44	Select Financial Parameters of Financial Institutions .....	145
VI.45	AIFIs' Net NPAs .....	146
VI.46	AIFIs' Assets Classification .....	146
VI.47	Average Rate of Underwriting Commission of PDs.....	147
VI.48	Capital and Risk Weighted Asset Position of SPDs.....	149

## List of Appendix Tables

Sr. No.	Particulars	Page No.
IV.1	Indian Banking Sector at a Glance .....	150
IV.2	Off-Balance Sheet Exposure of Scheduled Commercial Banks in India .....	151
IV.3	Kisan Credit Card Scheme: State-wise Progress .....	152
IV.4	Bank Group-wise Lending to the Sensitive Sectors .....	154
IV.5	Shareholding Pattern of Domestic Scheduled Commercial Banks .....	155
IV.6	Overseas Operations of Indian Banks.....	157
IV.7	Branches and ATMs of Scheduled Commercial Banks .....	158
IV.8	Statement of Complaints Received at Banking Ombudsman Office .....	161
IV.9	International Liabilities of Banks in India – By Type of Instruments.....	165
IV.10	International Assets of Banks in India - By Type of Instruments.....	166
IV.11	Consolidated International Claims of Banks: Residual Maturity and Sector .....	167
IV.12	Consolidated International Claims of Banks on Countries other than India ....	168
IV.13	Progress of Microfinance Programmes .....	169
IV.14	Major Financial Indicators of Regional Rural Banks- State-wise.....	170
IV.15	Frauds in Various Banking Operations Based on Date of Reporting .....	172
V.1	Select Financial Parameters: Scheduled UCBs .....	174
V.2	Indicators of Financial Performance: Scheduled UCBs.....	175
V.3	Indicators of Financial Health: State Co-operative Banks.....	177
V.4	Indicators of Financial Health: District Central Co-operative Banks.....	178
V.5	Primary Agricultural Credit Societies .....	179
V.6	Select Indicators of Primary Agricultural Credit Societies-State-wise .....	180
V.7	Details of Members and Borrowers of Primary Agricultural Credit Societies.....	182
V.8	Liabilities and Assets of State Co-operative Agriculture and Rural Development Banks.....	183
V.9	Financial Performance of State Co-operative Agriculture and Rural Development Banks.....	184
V.10	Asset Quality of State Co-operative Agriculture and Rural Development Banks.....	185
V.11	Major Financial Indicators of State Co-operative Agriculture and Rural Development Banks - State-wise.....	186
V.12	Liabilities and Assets of Primary Co-operative Agriculture and Rural Development Banks.....	187

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
V.13	Financial Performance of Primary Co-operative Agriculture and Rural Development Banks.....	188
V.14	Asset Quality of Primary Co-operative Agriculture and Rural Development Banks.....	189
V.15	Major Financial Indicators of Primary Co-operative Agriculture and Rural Developments Banks - State-wise .....	190
VI.1	Consolidated Balance Sheet of NBFCs-ND-SI.....	191
VI.2	Consolidated Balance Sheet of NBFCs-D.....	192
VI.3	Credit to Various Sectors by NBFCs .....	193
VI.4	Financial Performance of NBFCs-ND-SI .....	194
VI.5	Financial Performance of NBFCs - Deposit Taking .....	195
VI.6	Financial Assistance Sanctioned and Disbursed by Financial Institutions .....	196
VI.7	Financial Performance of Primary Dealers .....	200
VI.8	Select Financial Indicators of Primary Dealers .....	202