

CAB Training Cards



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Exposure Norms for UCBs – Important RBI Guidelines

1. Exposure includes both credit (funded/non-funded) and investment exposure. Group exposure is defined based on two parameters, namely, (a) Commonality of Management, and (b) Effective Control.
2. The exposure to an individual borrower should not exceed 15 per cent of capital funds, and exposure to a group of borrowers should not exceed 40 per cent of the capital funds.
3. Inter-bank exposure should not exceed 5% and 20% of the bank's total deposits as on March 31 of the previous year for each bank and all the banks taken together, respectively.
4. Aggregate limit on unsecured advances is 10% of the total assets as on March 31 of the previous year.

Limits for Individual Borrower and Group Borrower

Criteria	UCBs with DTL up to ₹10 Crore	UCBs with DTL above ₹10 crore & up ₹50 Crore	UCBs with DTL above ₹50 Crore up to ₹100 Crore	UCBs with DTL above ₹100 Crore
UCBs having CRAR equal to or more than 9%	₹1.00 lakh	₹2.00 lakh	₹3.00 lakh	₹5.00 lakh
CRAR less than 9%	₹0.25 lakh	₹0.50 lakh	₹1.00 lakh	₹2.00 lakh

5. Unsecured loans up to ₹ 10,000 could be sanctioned by UCBs up to an additional limit of 15% of the total assets as per audited balance sheet at the end of the preceding financial year, subject to -
(a) The individual amount sanctioned should not exceed ₹10,000, (b) The loan should be for productive purpose and banks should ensure end use of funds lent, (c) CRAR of not less than 9%, and (d) Gross NPAs of not more than 7%.

6. UCBs whose priority sector loan portfolio is not less than 90% of the gross loans are allowed to grant unsecured advances to the extent of 35 % (10% + 25%) of their total assets as per the audited balance sheet at the end of the preceding financial year, subject to – **(a)** the entire unsecured loan portfolio in excess of the normally permitted 10%, shall comprise of priority sector loans and the exposure to any individual borrower shall not exceed ₹ 40,000, **(b)** CRAR of not less than 9%, **(c)** Gross NPAs of not more than 7%.
7. Investments in non-SLR securities should be limited to 10% of a bank's total deposits as on March 31 of the previous year. Unlisted securities should not exceed 10% of the total non-SLR investments.
8. The exposure of UCBs to housing, real estate and commercial real estate loans (including Commercial Real Estate –Residential Housing) would be limited to 10 per cent of their total assets. This limit can be exceeded by an additional limit of 5 per cent of total assets for the purpose of grant of housing loans to individuals for purchase or construction of dwelling units costing up to ₹ 25 lakh.
9. The maximum amount of permitted housing loan is ₹ 30 lakh (Tier I UCBs), and ₹ 70 lakh (Tier II UCBs).
10. UCBs may sanction loans to their nominal members for short periods and for purchase of consumer durables, subject to the following ceiling-

UCBs		Ceiling of Loan Amount
(i)	with deposits upto ₹50 crore	₹50,000/- per borrower
(ii)	with deposits above ₹50 crore	₹1,00,000/- per borrower

11. UCBs are prohibited from extending any credit facilities to stockbrokers against shares and debentures/ bonds, or other securities, such as fixed deposits, LIC policies etc.

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