

RBI panel moots four tiers for UCBs

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A Reserve Bank-appointed committee has suggested a four-tier structure for the urban cooperative banks (UCBs).

The committee said UCBs could be split into 4 categories – tier-1 with deposits up to ₹100 crore; tier-2 with deposits between ₹100-₹1,000 crore, tier-3 with deposits between ₹1,000 crore-₹10,000 and tier-4 with deposits of over ₹10,000 crore. It suggested the minimum capital to risk-weighted assets ratio could vary from 9% to 15% and for tier-4 UCBs, the Basel III norms. It also prescribed separate ceilings for home, gold and unsecured loans for the different categories.