8.3.7.7 Illustration for calculation of asset weighted purchase yield across all HTM portfolios

Step 1: Calculation of book value of incremental investments made in the quarter

Book Value of incremental investments made in the quarter (Rs cr)			
Days	Portfolio 1 - Daily incremental book value of investments (Rs Crores)	Portfolio 2 - Daily incremental book value of investments (Rs Crores)	Remarks
01-Jan-15	100	85	Rs 100 crore investment made in Portfolio 1 and Rs 85 crore in Portfolio 2 on Jan 1
02-Jan-15	20	-	Rs 20 crore investment made in Portfolio 1 and no new investment in Portfolio 2 on Jan 2
03-Jan-15	-	15	No new investment made in Portfolio 1 and additional Rs 15 crore made in Portfolio 2 on Jan 3
-	-	-	
-	-	-	
-	-	-	No new investment made
30-Mar-15	50	30	Rs 50 crore investment made in Portfolio 1 and Rs 30 crore in Portfolio 2 on March 30
31-Mar-15	20	50	Rs 20 crore investment made in Portfolio 1 and Rs 50 crore in Portfolio 2 on March 31
Total	E1=Total of all the above (From Jan 1, 2015 to Mar 31, 2015) = 190	F1=Total of all the above (From Jan 1, 2015 to Mar 31, 2015) = 180	
01-Apr-15	150	110	Rs 150 crore investment made in Portfolio 1 and Rs 110 crore in Portfolio 2 on Apr 1
02-Apr-15	50	30	Rs 50 crore investment made in Portfolio 1 and Rs 30 crore in Portfolio 2 on Apr 2
-	-	-	
-	-	-	No new investment made
30-Jun-15	10	5	Rs 10 crore investment made in Portfolio 1 and Rs 5 crore in Portfolio 2 on June 30
Total	E2=Total of all the above (From Apr 1, 2015 to Jun 30, 2015) = 210	F2=Total of all the above (From Apr 1, 2015 to Jun 30, 2015) = 145	

The book value (net of provisions and write-offs) should be calculated excluding investments done for short term parking of funds including money market instruments, fixed deposits (FD) of up to 1 year etc

Step 2: Calculation of one year rolling asset weighted purchase yield for each applicant

Quarter ended	Book Value of incremental investments made in the quarter (Rs cr)			Annualized purchase yield (%)		Book value weighted purchase yield	One year rolling asset weighted purchase yield (annualized %)
	Portfolio 1	Portfolio 2	Total	Portfolio 1	Portfolio 2	(annualized %)	B
31-Mar-15	E1=190	F1=180	190+180=370	8.4	8.38	A1 = (190x8.40+180*8.38)/(190+180) = 8.39	-
30-Jun-15	E2=210	F2=145	210+145=355	8.62	8.59	A2 = Calculated similarly as above = 8.61	-
30-Sep-15	215	165	215+165=380	8.36	8.37	A3 = Calculated similarly as above = 8.36	-
31-Dec-15	140	115	140+115=255	7.81	7.83	A4 = Calculated similarly as above = 7.82	{(370*A1)+(355*A2)+(380*A3)+(255*A4)}/(370+355+380+255) = 8.33
31-Mar-16	150	120	150+120=270	7.34	7.37	A5 = Calculated similarly as above = 7.35	{(355*A2)+(380*A3)+(255*A4)+(270*A5)}/(355+380+255+270) = 8.11
30-Jun-16	160	140	160+140	7.63	7.64	A6 = Calculated similarly as above	Calculated similarly as above
30-Sep-16	220	160	220+160	7.72	7.75	Calculated similarly as above	Calculated similarly as above
31-Dec-16	165	135	165+135	7.47	7.46	Calculated similarly as above	Calculated similarly as above
31-Mar-17	155	95	155+95	7.75	7.74	Calculated similarly as above	Calculated similarly as above
30-Jun-17	155	122	155+122	8.33	8.3	Calculated similarly as above	Calculated similarly as above
30-Sep-17	200	133	200+133	8.46	8.38	Calculated similarly as above	Calculated similarly as above
31-Dec-17	250	150	250+150	8.65	8.68	Calculated similarly as above	Calculated similarly as above
31-Mar-18	185	185	185+185	7.28	7.33	Calculated similarly as above	Calculated similarly as above
30-Jun-18	205	220	205+220	7.75	7.86	Calculated similarly as above	Calculated similarly as above
30-Sep-18	198	180	198+180	7.73	7.75	Calculated similarly as above	Calculated similarly as above
31-Dec-18	208	175	208+175	7.48	7.47	Calculated similarly as above	Calculated similarly as above
31-Mar-19	105	170	105+170	7.74	7.76	Calculated similarly as above	Calculated similarly as above
30-Jun-19	95	175	95+175	8.34	8.36	Calculated similarly as above	Calculated similarly as above
30-Sep-19	102	175	102+175	8.46	8.44	Calculated similarly as above	Calculated similarly as above
31-Dec-19	85	190	85+190	8.65	8.67	A28 = Calculated similarly as above	Calculated similarly as above
Average							Applicant 1 HTM returns B1 = Average of above all

Please note that the data to be provided by the Applicant is as per section 8.3.4; column B of the above table should not be calculated by the Applicant. Column B has been shown for illustration of the calculation that will be done for the parameter.
For the purpose of performance evaluation all the Eligible Portfolios would have to be segregated based on the type of valuation practice into MTM and HTM portfolios. The above table should be used for HTM returns data
Quarterly average book value of investments made for the respective one quarter only have to be considered for calculating average in this step

Step 3: Calculation of HTM portfolio performance score for each applicant

Quarter ended	One year rolling asset weighted purchase yield (annualized %) Applicant 1	One year rolling asset weighted purchase yield (annualized %) Applicant 2	One year rolling asset weighted purchase yield (annualized %) Applicant 3
	B1	B2	Bn
31-Mar-15			
30-Jun-15			
30-Sep-15			
31-Dec-15	8.33	8.26	8.29
31-Mar-16	8.11	7.98	8.04
30-Jun-16	7.84	7.78	7.99
30-Sep-16	7.64	7.86	7.80
31-Dec-16	7.56	8.01	8.00
31-Mar-17	7.65	7.89	8.24
30-Jun-17	7.80	8.23	7.77
30-Sep-17	8.01	7.99	8.04
31-Dec-17	8.34	8.23	8.26
31-Mar-18	8.17	8.29	8.29
30-Jun-18	8.04	8.00	8.04
30-Sep-18	7.89	7.79	7.81
31-Dec-18	7.59	7.65	7.68
31-Mar-19	7.69	7.58	7.61
30-Jun-19	7.79	7.68	7.73
30-Sep-19	7.96	7.90	7.93
31-Dec-19	8.30	8.03	8.04
Minimum	Min = Minimum of all the above values = 7.56		
Maximum	Max = Maximum of all the above values = 8.34		
Difference	Diff= 8.34 - 7.56 = 0.78		
Average	Average of B1 values = 7.92	Average of B2 values = 7.95	Average of Bn values = 7.97
HTM score	((7.92-7.56))/0.78)*100 = 46.68	((7.95-7.56))/0.78)*100 = 50.00	((7.97-7.56))/0.78)*100 = 53.09

Please note that the above table is for illustrating the scoring methodology and the applicants will not be required to do the calculation as shown in the above table