



UCO BANK

BASEL III PILLAR 3 DISCLOSURE AS ON 30.06.2018

TABLE DF-2: Capital Adequacy

Qualitative Disclosures

(a)	<p>The Bank is carrying out quarterly risk assessment for Credit Market and Operational Risks and computing CRAR as well as also providing a comfortable cushion against the risk of losses against any unforeseen events. Bank is monitoring regularly and comprehensively the capital requirement through Capital Planning and Budgeting for current as well as future business operations. Moreover bank is addressing all risks through precise Internal Capital Adequacy Assessment Process (ICAAP) annually and maintaining necessary additional capital for additional risks.</p> <p>The Bank has following Standardized Approach for Credit Risk Basic Indicator Approach for Operational Risk and Standardized Duration Approach for Market Risk for computing CRAR as per the regulatory guidelines.</p>	
Quantitative Disclosures		(Rs. in crore)
(b)	<p>Capital requirements for Credit Risk : Portfolio subject to Standardized Approach Securitization Exposures</p>	<p>7068.55 Nil</p>
(c)	<p>Capital requirements for Market Risk : Standardized Duration Approach Interest Rate Risk Foreign Exchange Risk (including Gold) Equity Risk</p>	<p>1019.09 942.73 3.29 73.07</p>
(d)	<p>Capital requirements for Operational Risk : Basic Indicator Approach • The Standardised Approach (if applicable)</p>	<p>824.12</p>
(e)	<p>Common Equity Tier 1 Tier 1 and Total Capital ratios: Common Equity Tier I Tier I Total Capital ratios For the top consolidated group For significant bank subsidiaries(stand alone or sub-consolidated depending on how the Framework is applied)</p>	<p>7.02% 7.02% 9.18% Not Applicable Not Applicable</p>

Table DF-3: Credit Risk: General Disclosures for All Banks

Qualitative Disclosure

a) Past Due and Impaired Accounts (for accounting purpose):

In terms of Bank's NPA Management Policy duly approved by the Board of Directors an asset is treated as Past due/impaired asset where –

- i. Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.
- ii. The account remains 'out of order' for a period of more than 90 days as given in para below in respect of an overdraft/cash credit (OD/CC).
- iii. The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted
- iv. The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
- v. The installment of principal or interest thereon remains overdue for one crop season for long duration crops.

An account is considered out of order when

- i. The outstanding balance remains continuously in excess of the sanctioned limit/drawing power; the account is treated as out of order.
- ii. The balance outstanding is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days or the credits are not sufficient to cover the interest debited.

b) Bank's Credit Risk Management Policy:

Bank's Credit Risk Management practices are based on policy directives duly approved by the Board which inter-alia encompasses the following:

- i. Credit Risk acquisition – strategies & policies
- ii. Credit approval processes.
- iii. Credit Risk monitoring processes.
- iv. Credit Risk control processes.

Board of Directors has over all responsibility for management of Credit risk and Risk Management Committee of the Board is responsible for setting up guidelines for Credit Risk Management and reporting ensuring that Credit Risk Management processes conform to the policy setting up prudential limit and its periodical review and ensuring robustness of risk modules. Credit Risk Management Committee is responsible to deal with issues relating to Credit

policy and procedures and to analyze monitoring and control credit risk on bank wide basis.

Credit Risk Management Department of the Bank enforces and monitors compliance of the risk parameters and prudential limits set by the Bank. They also lay down risk assessment system monitor quality of loan portfolio identify problems and correct deficiencies develop MIS for the purpose including portfolio evaluation. Credit Risk Management Department is independent of Credit Processing & Credit Monitoring Departments.

Assessment of Credit Risk is done through rating of credit accounts. The bank has a system of rating all accounts (excepting those under schematic lending) having exposure of above Rs 25 lacs. Bank tracks rating migration and has developed internal default rates across rating. The mapping of default rates is also carried out with default rate of established rating agencies.

The bank makes all possible efforts to mitigate risks associated with credit accounts through suitable collaterals or guarantors wherever it is considered feasible and desirable. In addition to that terms and conditions under which credit is sanctioned also go a long way to mitigate risks associated with credit. Regular monitoring and control of accounts also add to the risk mitigation. In order to mitigate risk the Bank has taken necessary cover for eligible accounts from Export Credit Guarantee Corporation and Credit Guarantee Fund Trust for Micro and Small Enterprises.

Quantitative disclosures

(All figures in Rs. in Crores)

Quantitative Disclosures(all amount in Rs. Cr)		
	Fund Based	Non Fund Based
a) Total Gross Credit Exposure	115852.95	13522.21
b) Geographical Distribution of Exposure		
Domestic	104016.13	10810.62
Overseas	11836.82	2711.59

(C) Industry Type Distribution of Exposures		(Amount in Rs. Cr)	
Industry Name	Exposure		
	Funded	Non-Funded	
A. Mining and Quarrying (A.1 + A.2)	774.69	264.53	
A.1 Coal	248.63	191.81	
A.2 Others	526.05	72.72	
B. Food Processing (B.1 to B.5)	2913.50	264.42	
B.1 Sugar	344.19	153.59	
B.2 Edible Oils and Vanaspati	343.11	50.25	
B.3 Tea	610.05	18.33	
B.4 Coffee	0.00	0.00	

B.5 Others	1616.15	42.24
C. Beverages (excluding Tea & Coffee) and Tobacco	1.58	32.63
Of which Tobacco and tobacco products	1.58	32.63
D. Textiles (a to f)	2246.77	178.31
a. Cotton	1354.37	50.69
b. Jute	8.46	3.60
c. Handicraft/Khadi (Non Priority)	0.00	0.00
d. Silk	0.00	0.00
e. Woolen	0.00	0.00
f. Others	883.95	124.02
Out of D (i.e. Total Textiles) to Spinning Mills	0.00	0.00
E. Leather and Leather products	67.28	3.56
F. Wood and Wood Products	162.27	2.14
G. Paper and Paper Products	466.60	63.22
H. Petroleum (non-infra) Coal Products (non-mining) and Nuclear Fuels	1738.33	302.30
I. Chemicals and Chemical Products (Dyes Paints etc.) (I.1 to I.4)	1030.70	194.43
I.1 Fertilizers	173.10	36.39
I.2 Drugs and Pharmaceuticals	398.97	26.72
I.3 Petro-chemicals (excluding under Infrastructure)	73.16	9.16
I.4 Others	385.48	122.16
J. Rubber Plastic and their Products	131.72	24.42
K. Glass & Glassware	225.60	38.86
L. Cement and Cement Products	690.59	34.55
M. Basic Metal and Metal Products (M.1 + M.2)	7796.20	846.60
M.1 Iron and Steel	6915.09	402.92
M.2 Other Metal and Metal Products	881.11	443.67
N. All Engineering (N.1 + N.2)	3041.42	1331.20
N.1 Electronics	1003.06	71.01
N.2 Others	2038.36	1260.20
O. Vehicles Vehicle Parts and Transport Equipments	747.29	10.09
P. Gems and Jewellery	472.01	22.36
Q. Construction	2096.70	933.22
S. Infrastructure (a to d)	17273.97	2141.18
a. Transport (a.1 to a.6)	3130.18	448.88
a.1 Roads and Bridges	2832.26	448.88
a.2 Ports	126.27	0.00
a.3 Inland Waterways	0.00	0.00
a.4 Airport	0.00	0.00
a.5 Railway Track tunnels viaducts bridges	171.65	0.00

a.6 Urban Public Transport (except rolling stock in case of urban road transport)	0.00	0.00
b. Energy (b.1 to b.6)	10539.62	749.74
b.1 Electricity (Generation)	8963.82	749.74
b.1.1 Central Govt PSUs	0.00	0.00
b.1.2 State Govt PSUs (incl. SEBs)	0.00	0.00
b.1.3 Private Sector	0.00	0.00
b.2 Electricity (Transmission)	939.85	0.00
b.2.1 Central Govt PSUs	0.00	0.00
b.2.2 State Govt PSUs (incl. SEBs)	939.85	0.00
b.2.3 Private Sector	0.00	0.00
b.3 Electricity (Distribution)	635.95	0.00
b.3.1 Central Govt PSUs	0.00	0.00
b.3.2 State Govt PSUs (incl. SEBs)	935.95	0.00
b.3.3 Private Sector	0.00	0.00
b.4 Oil pipelines	0.00	0.00
b.5 Oil/Gas/Liquefied Natural Gas (LNG) storage facility	0.00	0.00
b.6 Gas pipelines	0.00	0.00
c. Water and Sanitation (c.1 to c.6)	269.65	156.31
c.1 Solid Waste Management	269.65	156.31
c.2 Water supply pipelines	0.00	0.00
c.3 Water treatment plants	0.00	0.00
c.4 Sewage collection treatment and disposal system	0.00	0.00
c.5 Irrigation (dams channels embankments etc)	0.00	0.00
c.6 Storm Water Drainage System	0.00	0.00
d. Communication (d.1 to d.2)	1033.25	347.85
d.1 Telecommunication (Fixed network)	20.59	0.00
d.2 Telecommunication towers	1012.66	347.85
e. Social and Commercial Infrastructure (e.1 to e.9)	2301.27	438.40
e.1 Education Institutions (capital stock)	85.60	0.41
e.2 Hospitals (capital stock)	42.17	0.15
e.3 Three-star or higher category classified hotels located outside cities with population of more than 1 million	288.06	158.26
e.4 Common infrastructure for industrial parks SEZ tourism facilities and agriculture markets	215.68	134.56
e.5 Fertilizer (Capital investment)	0.00	0.00
e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	5.33	0.00

e.7 Terminal markets	0.00	0.00
e.8 Soil-testing laboratories	0.00	0.00
e.9 Cold Chain	0.00	0.00
T. Other Industries	7530.27	45.71
All Industries (A to T)	49407.49	6733.73

d) Residual contractual maturity breakdown of assets (Rs in Cr)

Particulars	1 Day	2 to 7 Days	8 to 14 Days	15 -30 Days	31 days to 2 mths	Over 2 mths upto 3 mths	Over 3 mths upto 6 mths	Over 6 mths upto 1 yr	Over 1 yr upto 3 yrs	Over 3 yrs upto 5 yrs	Over 5 yrs	Total
Deposits	566	2772	2687	5031	8566	8473	23191	34911	32790	8424	50801	178212
Advance Gross	924	1180	1215	2677	3354	5458	8000	9133	12395	13338	58180	115853
Investment Gross	20309	928	666	879	1293	1271	4492	5033	8031	5266	23426	71594
Borrowing	20	1326	-	-	1	171	33	342	3826	1890	1000	8609
Foreign Currency - Asset	680	194	1264	1360	7799	3786	1872	1284	3191	1642	4142	27214
Foreign Currency - Liability	519	451	284	542	2719	3360	6529	227	5823	2702	2704	25859

e) Amount of NPAs (Gross): 29786.41 Cr

- Substandard : 4807.18 Cr
- Doubtful 1 : 6897.66 Cr
- Doubtful 2 : 11797.99 Cr
- Doubtful 3 : 3708.19 Cr
- Loss : 2575.39 Cr

f) Net NPAs : 12558.00 Cr

g) NPA Ratios: -

- Gross NPAs to gross advances: 25.71%
- Net NPAs to net advances : 12.74%

h) Movement of NPAs (Gross)

- Opening balance: 30549.92 Cr
- Additions : 1927.66 Cr
- Reductions : 2691.17 Cr
- Closing balance : 29786.41 Cr

i) Movement of Specific & General Provision (Amount in Rs. Crore)

Movement of provisions	Specific Provisions #	General Provisions@
Opening balance	15090.61	495.85
Provisions made during the period	2038.33	0.00
Write-off	1223.48	NIL
Write-back of excess provisions	NIL	150.00
Exchange Diff	23.22	1.21
Closing balance	15928.68	347.06

#Represents provisions for NPA @Represents provisions for Standard Advances

j. Details of write offs and recoveries that have been booked directly to the income statement

Write offs that have been booked directly to the income statement	--
Recoveries (in written-off) that have been booked directly to the income statement	Rs.287.37 crore

k) Amount of Non-Performing Investments: 675.21 Cr

l) Amount of provisions held for non-performing investments: 630.29 Cr

m) Movement of provisions for depreciation on investments

- Opening balance : 1121.63 Cr
- Provisions made during the period : 73.19 Cr
- Write-off : NIL
- Exchange Difference : NIL
- Write-back of excess provisions : 9.62 Cr
- Other Adjustment : 55.21 Cr
- Closing balance : 1129.99 Cr

n) Geography Wise NPA & Provisions (Amount in Rs. in Crore)

Particulars	Domestic	Overseas	Total
Gross NPA	28906.27	880.14	29786.41
Provisions for NPA	15315.28	613.40	15928.68
Provisions for Standard Advances	309.21	37.85	347.06

Table DF-4 - Credit Risk: Disclosures for Portfolios Subject to the Standardised Approach

Qualitative disclosure:

Credit rating accorded by the following credit rating agencies has been used in assigning risk weights to our credit accounts under standardized approach:

- 1) CARE
- 2) CRISIL
- 3) FITCH
- 4) ICRA
- 5) Brickwork
- 6) SMERA

- Rating agencies have rated corporate exposures.
- In assigning rating to accounts based on public issue rating given by the above mentioned rating agencies bank has followed the guidelines of Reserve Bank of India.

Quantitative disclosure:

Exposure after risk mitigation in standardized approach:

1) Below 100% risk weight	-	Rs. 138221.30 Cr.
2) 100% risk weight	-	Rs. 29282.67 Cr.
3) More than 100% risk weight	-	Rs. 12544.95 Cr.
4) Deduction	-	Rs. 3172.86 Cr.
Total	-	<u>Rs. 176876.06 Cr.</u>

Leverage Ratio

The Basel III leverage ratio is defined as the capital measure (Tier-1 capital of the risk based capital framework) divided by the exposure measure with this ratio expressed as a percentage. As per RBI guidelines the Basel III leverage for the Bank as at June 30 2018 is as follows

S No	Particulars	Amount 30.06.18	Amount 31.03.18	Amount 31.12.17	Amount 30.09.17
1	Tier-1 Capital (A)	7129.12	9387.43	7682.13	8082.83
2	Exposure Measure (B)	215574.54	224426.20	223110.98	225837.91
3	Leverage Ratio (A/B)	3.31%	4.18%	3.44%	3.58%