

BASEL III PILLAR 3 DISCLOSURE AS ON 31.12.2015 OF
UCO BANK

TABLE DF-2: Capital Adequacy

Qualitative Disclosures

(a)	Board is apprised periodically of Bank's plan for raising different Capital instruments needed for supporting current activities and future activities. This is also reviewed periodically by the Board.	
Quantitative Disclosures		(` in crore)
(b)	Capital requirements for Credit Risk : Portfolio subject to Standardized Approach Securitization Exposures	8963.99 Nil
(c)	Capital requirements for Market Risk : Standardized Duration Approach Interest Rate Risk Foreign Exchange Risk (including Gold) Equity Risk	1785.65 1696.02 2.25 87.38
(d)	Capital requirements for Operational Risk : Basic Indicator Approach • The Standardised Approach (if applicable)	1143.21
(e)	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)	7.59% 7.69% 10.54% Not Applicable Not Applicable

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 ` in Crores)

Quantitative Disclosures		
	Fund Based	Non Fund Based
a) Total Gross Credit Exposure	135947.43	22920.56
b) Geographical Distribution of Exposure		
Domestic	119968.55	16532.25
Overseas	15978.88	6388.31

c) Industry type distribution of Exposures		
Industry Name	Exposure	
	Funded	Non-Funded
A. Mining and Quarrying (A.1 + A.2)	881.31	68.75
A.1 Coal	456.82	52.73
A.2 Others	424.49	16.02
B. Food Processing (B.1 to B.5)	3,471.03	282.15
B.1 Sugar	572.77	76.16
B.2 Edible Oils and Vanaspati	278.55	168.85
B.3 Tea	609.54	6.11
B.4 Coffee	-	-
B.5 Others	2,010.17	31.03
C. Beverages (excluding Tea & Coffee) and Tobacco	54.84	25.99
Of which Tobacco and tobacco products	54.84	25.99
D. Textiles (a to f)	3,906.12	228.91
a. Cotton	2,296.54	195.50
b. Jute	11.45	3.20
c. Handicraft/Khadi (Non Priority)	-	-
d. Silk	-	-
e. Woolen	-	-
f. Others	1,598.13	30.21
Out of D (i.e., Total Textiles) to Spinning Mills	102.00	-

E. Leather and Leather products	161.10	0.26
F. Wood and Wood Products	11.60	-
G. Paper and Paper Products	516.77	13.80
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	1,402.45	1,279.24
I. Chemicals and Chemical Products (Dyes, Paints, etc.) (I.1 to I.4)	1,809.37	104.89
I.1 Fertilizers	143.56	5.83
I.2 Drugs and Pharmaceuticals	778.46	24.91
I.3 Petro-chemicals (excluding under Infrastructure)	25.31	0.39
I.4 Others	862.04	73.76
J. Rubber, Plastic and their Products	190.97	37.37
K. Glass & Glassware	249.09	3.81
L. Cement and Cement Products	218.98	133.01
M. Basic Metal and Metal Products (M.1 + M.2)	11,777.90	484.68
M.1 Iron and Steel	10,984.40	265.34
M.2 Other Metal and Metal Products	793.50	219.34
N. All Engineering (N.1 + N.2)	4,418.78	920.24
N.1 Electronics	988.68	60.00
N.2 Others	3,430.10	860.24
O. Vehicles, Vehicle Parts and Transport Equipments	828.54	21.58
P. Gems and Jewellery	1,387.23	108.20
Q. Construction	1,975.45	716.62
S. Infrastructure (a to e)	33,083.75	1,263.80
a. Transport (a.1 to a.6)	4,549.25	234.24
a.1 Roads and Bridges	3,400.25	234.24
a.2 Ports	-	-
a.3 Inland Waterways	-	-
a.4 Airport	-	-
a.5 Railway Track, tunnels, viaducts, bridges	855.00	-
a.6 Urban Public Transport (except rolling stock in case of urban road transport)	294.00	-
b. Energy (b.1 to b.6)	22,516.51	696.54
b.1 Electricity (Generation)	15,546.42	307.99
b.1.1 Central Govt PSUs	3,716.16	307.99
b.1.2 State Govt PSUs (incl. SEBs)	4,706.00	-
b.1.3 Private Sector	7,124.26	-
b.2 Electricity (Transmission)	464.39	0.69
b.2.1 Central Govt PSUs	-	-
b.2.2 State Govt PSUs (incl. SEBs)	464.39	0.69
b.2.3 Private Sector	-	-
b.3 Electricity (Distribution)	6,505.70	387.86
b.3.1 Central Govt PSUs	-	-
b.3.2 State Govt PSUs (incl. SEBs)	6,505.70	387.86
b.3.3 Private Sector	-	-
b.4 Oilpipelines	-	-

b.5 Oil/Gas/Liquefied Natural Gas (LNG) storage facility	-	-
b.6 Gas pipelines	-	-
c. Water and Sanitation (c.1 to c.6)	618.00	-
c.1 Solid Waste Management	617.00	-
c.2 Water supply pipelines	-	-
c.3 Water treatment plants	1.00	-
c.4 Sewage collection, treatment and disposal system	-	-
c.5 Irrigation (dams, channels, embankments etc)	-	-
c.6 Storm Water Drainage System	-	-
d. Communication (d.1 to d.2)	2,175.79	264.67
d.1 Telecommunication (Fixed network)	232.63	112.37
d.2 Telecommunication towers	1,943.16	152.30
e. Social and Commercial Infrastructure (e.1 to e.9)	3,224.20	68.35
e.1 Education Institutions (capital stock)	163.62	4.41
e.2 Hospitals (capital stock)	12.73	0.25
e.3 Three-star or higher category classified hotels located outside cities with population of more than 1 million	228.00	-
e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	2,738.32	61.96
e.5 Fertilizer (Capital investment)	-	-
e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	70.53	1.73
e.7 Terminal markets	11.00	-
e.8 Soil-testing laboratories	-	-
e.9 Cold Chain	-	-
Total	66,345.28	5,693.30

d) Residual contractual maturity breakdown of assets (Rs in Cr)											
Particulars	1 Day	2 to 7 Days	8 to 14 Days	15 to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 year and upto 5 years	Over 5 years	Total
Deposits	574	3722	5979	6339	30955	23451	52040	37274	10303	42926	213562
Advance Gross	1364	1720	1396	3230	12840	9485	10016	10772	11437	73688	135947
Investment	1	15	149	12	592	2056	4724	9369	10470	56624	84011
Borrowing	2736	2562	1000	0	201	1904	68	1103	1342	3101	14017
Foreign Currency - Asset	705	1364	2249	1511	6350	5103	3006	1822	1337	3811	27257
Foreign Currency - Liability	976	1749	2095	1748	4384	4170	4646	4920	709	1889	27257

- e) Amount of NPAs (Gross) :- 14931.80 Cr
- Substandard :- 4480.13 Cr
 - Doubtful 1 :- 3648.73 Cr
 - Doubtful 2 :- 5644.20 Cr
 - Doubtful 3 :- 655.10 Cr
 - Loss :- 503.64 Cr

f) Net NPAs :- 8409.50 Cr

g) NPA Ratios: -

- Gross NPAs to gross advances: - 10.98%
- Net NPAs to net advances :- 6.51%

h) Movement of NPAs (Gross)

- Opening balance: - 10265.05 Cr
- Additions :- 7120.01 Cr
- Reductions :- 2453.26 Cr
- Closing balance :- 14931.80 Cr

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

Movement of provisions	Specific Provisions#	General Provisions@
Opening balance	3257.13	971.07
Provisions made during the period	3497.33	0.85
Write-off	1401.19	NIL
Write-back of excess provisions	NIL	186.27
Any other adjustments, including transfers between provisions**	2.95	0.86
Closing balance	5356.22	786.51

#Represents provisions for NPA, @Represents provisions for Standard Advances

** Exchange difference

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.97.46 crore

k) Amount of Non-Performing Investments: 217.68 Cr

l) Amount of provisions held for non-performing investments: - 167.07 Cr

m) Movement of provisions for depreciation on investments

- Opening balance : 219.09 Cr
- Provisions made during the period : 23.80 Cr
- Write-off : NIL
- Exchange Difference : 1.56 Cr
- Write-back of excess provisions : 9.02 Cr
- Closing balance : 235.43 Cr

n) Geography Wise NPA & Provisions

(Amount in Rs. in Crore)

Particulars	Domestic	Overseas	Total
Gross NPA	14404.91	526.89	14931.80
Provisions for NPA	4989.99	366.23	5356.22
Provisions for Standard Advances	763.26	23.25	786.51

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	-	₹ 134018.47 Cr.
2) 100% risk weight	-	₹ 36762.57 Cr.
3) More than 100% risk weight	-	₹ 15693.71 Cr.
4) Deduction	-	₹ 0.00 Cr.
Total	-	<u>₹ 186474.75 Cr.</u>

Table DF - Disclosures for Leverage Ratio

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 31st December 2015 is as under:

Sl. No.	Particulars	Amount 31.12.15	Amount 30.09.15	Amount 30.06.15	Amount 31.03.15
1	Tier-1 Capital (A)	10347.48	11431.59	11431.59	11431.59
2	Exposure Measure (B)	262582.76	263042.60	261934.05	265091.06
3	Leverage Ratio (A/B)	3.94%	4.35%	4.36%	4.31%