



UCO BANK

BASEL III PILLAR 3 DISCLOSURE AS ON 30.06.2016

TABLE DF-2: Capital Adequacy

Qualitative Disclosures

(a)	<p>The bank is carrying out quarterly risk assessment for Credit Market and Operational Risks, computing CRAR and 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 capital for additional risks.</p> <p>The Bank is following Standardized Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Standardized Duration Approach for Market Risk for computing Capital Adequacy as per the regulatory guidelines.</p>	
Quantitative Disclosures		(₹ in crore)
(b)	Capital requirements for Credit Risk : Portfolio subject to Standardized Approach Securitization Exposures	8389.40 Nil
(c)	Capital requirements for Market Risk : Standardized Duration Approach Interest Rate Risk Foreign Exchange Risk (including Gold) Equity Risk	1228.26 1141.01 2.25 85.00
(d)	Capital requirements for Operational Risk : Basic Indicator Approach • The Standardised Approach (if applicable)	1062.38
(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)	7.67% 7.67% 9.90% 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 overall 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 guarantees 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(all amount in Rs. Cr)		
	Fund Based	Non Fund Based
a) Total Gross Credit Exposure	131447.90	18287.86
b) Geographical Distribution of Exposure		
Domestic	115165.91	11082.67
Overseas	16281.99	7205.19

(C) Industry Type Distribution of Exposures		(Amount in Rs. Cr)	
Industry Name	Outstanding		
	Funded	Non-Funded	
A. Mining and Quarrying (A.1 + A.2)	601.84	60.10	
A.1 Coal	258.88	40.99	
A.2 Others	342.96	19.11	
B. Food Processing (B.1 to B.5)	2750.73	467.28	
B.1 Sugar	526.64	78.18	
B.2 Edible Oils and Vanaspati	128.32	355.53	
B.3 Tea	448.00	6.15	
B.4 Coffee	0.00	0.00	
B.5 Others	1647.77	27.42	
C. Beverages (excluding Tea & Coffee) and	4.27	11.70	

Tobacco		
Of which Tobacco and tobacco products	4.27	11.70
D. Textiles (a to f)	1926.64	216.61
a. Cotton	1154.72	193.91
b. Jute	7.87	4.20
c. Handicraft/Khadi (Non Priority)	0.00	0.00
d. Silk	0.00	0.00
e. Woolen	0.00	0.00
f. Others	764.05	18.50
Out of D (i.e. Total Textiles) to Spinning Mills	0.00	0.00
E. Leather and Leather products	68.06	0.34
F. Wood and Wood Products	10.24	0.00
G. Paper and Paper Products	420.21	20.48
H. Petroleum (non-infra) Coal Products (non-mining) and Nuclear Fuels	1041.69	1222.28
I. Chemicals and Chemical Products (Dyes Paints etc.) (I.1 to I.4)	991.64	99.56
I.1 Fertilizers	52.29	5.58
I.2 Drugs and Pharmaceuticals	409.41	22.60
I.3 Petro-chemicals (excluding under Infrastructure)	26.81	0.00
I.4 Others	503.13	71.38
J. Rubber Plastic and their Products	120.84	31.49
K. Glass & Glassware	178.60	3.32
L. Cement and Cement Products	281.99	89.31
M. Basic Metal and Metal Products (M.1 + M.2)	9801.03	497.94
M.1 Iron and Steel	8832.12	234.81
M.2 Other Metal and Metal Products	968.91	263.13
N. All Engineering (N.1 + N.2)	2290.80	887.09
N.1 Electronics	1030.82	47.72
N.2 Others	1259.98	839.37
O. Vehicles Vehicle Parts and Transport Equipments	780.69	9.96
P. Gems and Jewellery	742.68	10.47
Q. Construction	2174.57	640.43
S. Infrastructure (a to d)	22389.46	1468.29
a. Transport (a.1 to a.6)	4846.28	280.26
a.1 Roads and Bridges	4576.65	280.15
a.2 Ports	0.00	0.00
a.3 Inland Waterways	0.00	0.00
a.4 Airport	0.00	0.00
a.5 Railway Track tunnels viaducts bridges	219	0.00
a.6 Urban Public Transport (except rolling stock in case of urban road transport)	50.63	0.11

b. Energy (b.1 to b.6)	13483.51	750.30
b.1 Electricity (Generation)	11347.38	282.32
b.1.1 Central Govt PSUs	2102.73	104.06
b.1.2 State Govt PSUs (incl. SEBs)	3254.34	178.26
b.1.3 Private Sector	5990.31	0.00
b.2 Electricity (Transmission)	165.21	0.94
b.2.1 Central Govt PSUs	0.00	0.00
b.2.2 State Govt PSUs (incl. SEBs)	165.21	0.94
b.2.3 Private Sector	0.00	0.00
b.3 Electricity (Distribution)	1902.65	467.04
b.3.1 Central Govt PSUs	0.00	0.00
b.3.2 State Govt PSUs (incl. SEBs)	1902.65	467.04
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)	620.90	0.00
c.1 Solid Waste Management	620.00	0.00
c.2 Water supply pipelines	0.00	0.00
c.3 Water treatment plants	0.90	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)	1778.39	233.47
d.1 Telecommunication (Fixed network)	263.00	110.37
d.2 Telecommunication towers	1515.39	123.10
e. Social and Commercial Infrastructure (e.1 to e.9)	1660.38	204.26
e.1 Education Institutions (capital stock)	151.29	0.50
e.2 Hospitals (capital stock)	47.08	0.15
e.3 Three-star or higher category classified hotels located outside cities with population of more than 1 million	1314.70	89.07
e.4 Common infrastructure for industrial parks SEZ tourism facilities and agriculture markets	104.00	96.00
e.5 Fertilizer (Capital investment)	0.00	0.00
e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	36.65	18.54
e.7 Terminal markets	6.66	0.00
e.8 Soil-testing laboratories	0.00	0.00

e.9 Cold Chain	0.00	0.00
T. Other Industries	9377.05	1002.39
All Industries (A to T)	55953.03	6739.04

d) Residual contractual maturity breakdown of assets (Rs in Cr)												
Particulars	1 Day	2 to 7 Days	8 to 14 Days	15 to 30 days	31 to 60 days	61 day to 90 day	> 3 mnths and upto 6 months	> 6 months and upto 1 year	> 1 year and upto 3 years	> 3 year and upto 5 years	Over 5 years	Total
Deposits	507	4574	3375	10161	13828	12399	28165	37303	32126	10914	43008	196359
Advance Gross	1716	1702	1857	3658	6095	8102	9770	10014	10239	12863	65431	131448
Investment	290	559	38	1079	2051	832	2133	1599	7630	8085	51242	75538
Borrowing	3630	1569	2569	-	2	572	1721	802	698	1067	1854	14484
Foreign Currency -Asset	1383	1407	769	4664	6778	5589	11737	2758	1710	2258	4145	43198
Foreign Currency - Liability	2575	1051	947	4258	3742	6085	15548	5944	4680	811	1560	47200

e) Amount of NPAs (Gross):- 22597.70 Cr

- Substandard :- 6939.85 Cr
- Doubtful 1 :- 5543.61 Cr
- Doubtful 2 :- 7202.68 Cr
- Doubtful 3 :- 1666.44 Cr
- Loss :- 1245.12 Cr

f) Net NPAs :- 12127.44 Cr

g) NPA Ratios: -

- Gross NPAs to gross advances: - 17.19%
- Net NPAs to net advances :- 10.04%

h) Movement of NPAs (Gross)

- Opening balance: - 20907.73 Cr
- Additions :- 3116.96 Cr
- Reductions :- 1403.91 Cr
- Closing balance :- 22597.70 Cr

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

Movement of provisions	Specific Provisions#	General Provisions@
Opening balance	8002.07	681.50
Provisions made during the period	953.03	65.10
Write-off	23.08	NIL
Write-back of excess provisions	NIL	60.30
Any other adjustments including transfers between provisions	NIL	0.51
Closing balance	8932.02	686.81

#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.60.25 crore

k) Amount of Non-Performing Investments: 293.30 Cr

l) Amount of provisions held for non-performing investments: - 229.82 Cr

m) Movement of provisions for depreciation on investments

- Opening balance : 521.85 Cr
- Provisions made during the period : 20.30 Cr
- Write-off : NIL
- Exchange Difference : 0.61 Cr
- Write-back of excess provisions : 28.38 Cr
- Closing balance : 514.38 Cr

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

Particulars	Domestic	Overseas	Total
Gross NPA	21495.25	1102.45	22597.70
Provisions for NPA	8350.58	581.44	8932.02
Provisions for Standard Advances	657.51	29.30	686.81

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	-	₹ 140322.23 Cr.
2) 100% risk weight	-	₹ 30344.53 Cr.
3) More than 100% risk weight	-	₹ 16913.37 Cr.
4) Deduction	-	₹ 0.00 Cr.
Total	-	<u>₹ 187580.13 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 2016 is as follows

S No	Particulars	Amount 30.06.16	Amount 31.03.16	Amount 31.12.15	Amount 30.09.15
1	Tier-1 Capital (A)	9347.07	9915.83	10347.48	11431.59
2	Exposure Measure (B)	241687.65	254369.00	262582.76	263042.60
3	Leverage Ratio (A/B)	3.87%	3.90%	3.94%	4.35%