



UCO BANK

BASEL III PILLAR 3 DISCLOSURE AS ON 30.06.2020

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		(` in crore)
(b)	Capital requirements for Credit Risk : Portfolio subject to Standardized Approach Securitization Exposures	7068.55 Nil
(c)	Capital requirements for Market Risk : Standardized Duration Approach Interest Rate Risk Foreign Exchange Risk (including Gold) Equity Risk	1019.09 942.73 3.29 73.07
(d)	Capital requirements for Operational Risk : Basic Indicator Approach • The Standardised Approach (if applicable)	824.12
(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)	7.02% 7.02% 9.18% 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(all amount in Rs. Cr)		
	Fund Based	Non Fund Based
a) Total Gross Credit Exposure	149226.37	24379.31
b) Geographical Distribution of Exposure		
Domestic	134422.43	16395.50
Overseas	14803.94	7983.81

(C) Industry Type Distribution of Exposures	(Amount in Rs. Cr)	
	Exposure	
	Funded	Non-Funded
A. Mining and Quarrying (A.1 + A.2)	340.76	742.88
A.1 Coal	23.69	726.19
A.2 Others	317.07	16.69
B. Food Processing (B.1 to B.5)	1511.26	270.91
B.1 Sugar	344.37	17.88
B.2 Edible Oils and Vanaspati	6.86	130.97
B.3 Tea	617.07	7.95
B.4 Coffee		

B.5 Others	542.97	114.11
C. Beverages (excluding Tea & Coffee) and Tobacco	39.08	0.36
Of which Tobacco and tobacco products	39.08	0.36
D. Textiles (a to f)	971.71	132.99
a. Cotton	535.91	64.38
b. Jute	5.71	2.82
c. Handicraft/Khadi (Non Priority)		
d. Silk		
e. Woolen		
f. Others	430.09	65.79
Out of D (i.e., Total Textiles) to Spinning Mills		
E. Leather and Leather products	63.26	0.08
F. Wood and Wood Products	94.00	1.04
G. Paper and Paper Products	448.18	33.69
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	1547.12	45.80
I. Chemicals and Chemical Products (Dyes, Paints, etc.) (I.1 to I.4)	616.34	179.81
I.1 Fertilizers	51.49	14.37
I.2 Drugs and Pharmaceuticals	202.82	16.54
I.3 Petro-chemicals (excluding under Infrastructure)	78.78	57.05
I.4 Others	283.24	91.84
J. Rubber, Plastic and their Products	146.28	12.78
K. Glass & Glassware	148.37	12.44
L. Cement and Cement Products	209.94	31.98
M. Basic Metal and Metal Products (M.1 + M.2)	3620.05	382.02
M.1 Iron and Steel	3005.04	310.27
M.2 Other Metal and Metal Products	615.01	71.74
N. All Engineering (N.1 + N.2)	2206.95	840.69
N.1 Electronics	992.14	177.90
N.2 Others	1214.81	662.79
O. Vehicles, Vehicle Parts and Transport Equipments	62.24	4.92
P. Gems and Jewellery	292.05	0.00
Q. Construction	516.23	824.93
S. Infrastructure (a to d)	10468.55	1513.52
a. Transport (a.1 to a.6)	2994.59	484.73
a.1 Roads and Bridges	2835.05	484.73
a.2 Ports		
a.3 Inland Waterways		
a.4 Airport		
a.5 Railway Track, tunnels, viaducts, bridges	159.54	0.00

a.6 Urban Public Transport (except rolling stock in case of urban road transport)		
b. Energy (b.1 to b.6)	5350.16	734.85
b.1 Electricity (Generation)	4188.69	734.24
b.1.1 Central Govt PSUs		
b.1.2 State Govt PSUs (incl. SEBs)		
b.1.3 Private Sector		
b.2 Electricity (Transmission)	639.62	0.61
b.2.1 Central Govt PSUs		
b.2.2 State Govt PSUs (incl. SEBs)		
b.2.3 Private Sector		
b.3 Electricity (Distribution)	521.85	0.00
b.3.1 Central Govt PSUs		
b.3.2 State Govt PSUs (incl. SEBs)		
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)	277.99	0.00
c.1 Solid Waste Management		
c.2 Water supplypipelines	277.99	0.00
c.3 Water treatment plants		
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)	1077.74	92.26
d.1 Telecommunication (Fixed network)	1018.13	92.26
d.2 Telecommunication towers	59.61	0.00
e. Social and Commercial Infrastructure (e.1 to e.9)	768.07	201.68
e.1 Education Institutions (capital stock)	50.22	9.71
e.2 Hospitals (capital stock)	5.27	0.01
e.3 Three-star or higher category classified hotels located outside cities with population of more than 1 million		
e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	118.43	0.00
e.5 Fertilizer (Capital investment)		
e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	594.15	191.96

e.7 Terminal markets		
e.8 Soil-testing laboratories		
e.9 Cold Chain		
T. Other Industries	14356.49	35.80
All Industries (A to T)	37658.87	4484.49

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	914	3,169	3,883	6,538	9,299	8,049	21,723	41,311	34,258	9,444	56,531
Advance Gross	1,017	1,354	1,210	2,553	3,308	3,363	6,947	15,996	14,354	12,499	52,637
Investment	33	229	559	1,533	1,005	798	779	2,932	4,896	8,499	70,939
Borrowing	1,297	45	110	-	36	35	1,183	1,729	6,039	0	2,000
Foreign Currency - Asset	744	887	295	2,290	1,912	3,328	3,788	4,282	3,160	220	1,011
Foreign Currency - Liability	451	502	198	771	973	1,322	2,975	2,027	6,189	159	2,522

e) Amount of NPAs (Gross): 16576.43Cr

- Substandard : 3257.55 Cr
- Doubtful 1 :3242.27 Cr
- Doubtful 2 :5564.76Cr
- Doubtful 3 :2693.91Cr
- Loss :1817.94Cr

f) Net NPAs :5138.18Cr

g) NPA Ratios: -

- Gross NPAs to gross advances: 14.38%
- Net NPAs to net advances : 4.95%

h) Movement of NPAs (Gross)

- Opening Balance: 19281.95Cr
- Additions : 384.32Cr
- Reductions : 3089.84 Cr
- Closing Balance :16576.43Cr

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

Movement of provisions	Specific Provisions#	General Provisions@
Opening balance	12693.35	493.22
Provisions made during the period	564.78	91.95
Write-off	2917.53	NIL
Write-back of excess provisions	NIL	NIL
Exchange Diff	15.39	-1.63
Closing balance	10355.99	583.54

#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.27.91Crore

k) Amount of Non-Performing Investments: 1041.21 Crore

l) Amount of provisions held for non-performing investments: 916.73Crore

m) Movement of provisions for depreciation on investments

- Opening balance : 837.51Cr
- Provisions made during the period : NIL
- Write-off : NIL
- Exchange Difference : NIL
- Write-back of excess provisions : 0.58Cr
- Other Adjustment : NIL
- Closing balance : 836.93 Cr

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

Particulars	Domestic	Overseas	Total
Gross NPA	15520.09	1056.34	16576.43
Provisions for NPA	9352.46	1003.53	10355.99
Provisions for Standard Advances	527.39	56.15	583.54

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	-	₹166632.26 Cr.
2) 100% risk weight	-	₹15690.24 Cr.
3) More than 100% risk weight	-	₹12686.92 Cr.
4) Deduction	-	₹4014.35 Cr.
Total	-	<u>₹190995.06 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, 2020 is as follows

S No	Particulars	Amount 30.06.2020	Amount 31.03.2020	Amount 31.12.2019	Amount 30.09.2019
1	Tier-1 Capital (A)	9281.49	9132.46	7136.14	8993.40
2	Exposure Measure (B)	233185.71	235651.66	224332.81	228568.31
3	Leverage Ratio (A/B)	3.98%	3.88%	3.18%	3.93%