



# UCO BANK

## BASEL III PILLAR 3 DISCLOSURE AS ON 31.12.2017

### 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>	
<b>Quantitative Disclosures</b>		(` in crore)
(b)	<p>Capital requirements for Credit Risk : Portfolio subject to Standardized Approach Securitization Exposures</p>	7417
(c)	<p>Capital requirements for Market Risk : Standardized Duration Approach Interest Rate Risk Foreign Exchange Risk (including Gold) Equity Risk</p>	1340
(d)	<p>Capital requirements for Operational Risk : Basic Indicator Approach • The Standardised Approach (if applicable)</p>	1112
(e)	<p>Common Equity Tier 1, Tier 1 and Total Capital ratios: CET-1 Tier -1 Total Capital Ratio</p>	<p>6.33% 7.01% 9.01%</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 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 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	122947.55	16251.78
b) Geographical Distribution of Exposure		
Domestic	104378.38	11341.91
Overseas	18569.17	4909.87

<b>(C) Industry Type Distribution of Exposures (Amount in Rs. Cr)</b>			
Industry Name	Exposure		Gross NPA
	Funded	Non-Funded	
<b>A. Mining and Quarrying (A.1 + A.2)</b>	<b>770.10</b>	<b>128.51</b>	<b>278.08</b>
A.1 Coal	236.18	93.24	94.41
A.2 Others	533.92	35.27	183.68
<b>B. Food Processing (B.1 to B.5)</b>	<b>2949.25</b>	<b>181.13</b>	<b>807.80</b>
B.1 Sugar	378.90	79.09	147.54
B.2 Edible Oils and Vanaspati	374.95	76.25	297.34

B.3 Tea	551.83	6.89	57.41
B.4 Coffee	0.00	0.00	0
B.5 Others	1643.57	18.90	305.51
<b>C. Beverages (excluding Tea &amp; Coffee) and Tobacco</b>	<b>2.59</b>	<b>8.94</b>	<b>0.00</b>
Of which Tobacco and tobacco products	2.59	8.94	0.00
<b>D. Textiles (a to f)</b>	<b>2129.27</b>	<b>38.45</b>	<b>918.85</b>
a. Cotton	1353.42	17.20	608.58
b. Jute	9.98	4.05	0
c. Handicraft/Khadi (Non Priority)	0.00	0.00	0
d. Silk	0.00	0.00	0
e. Woolen	0.00	0.00	0
f. Others	765.88	17.20	310.27
Out of D (i.e., Total Textiles) to Spinning Mills	0.00	0.00	0
<b>E. Leather and Leather products</b>	<b>67.65</b>	<b>1.78</b>	<b>26.10</b>
<b>F. Wood and Wood Products</b>	<b>159.48</b>	<b>1.14</b>	<b>85.68</b>
<b>G. Paper and Paper Products</b>	<b>484.87</b>	<b>26.11</b>	<b>303.25</b>
<b>H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels</b>	<b>1089.57</b>	<b>895.57</b>	<b>527.81</b>
<b>I. Chemicals and Chemical Products (Dyes, Paints, etc.) (I.1 to I.4)</b>	<b>1263.05</b>	<b>119.17</b>	<b>172.32</b>
I.1 Fertilizers	335.94	37.39	1.13
I.2 Drugs and Pharmaceuticals	321.59	14.64	105.23
I.3 Petro-chemicals (excluding under Infrastructure)	73.98	2.02	13.46
I.4 Others	531.54	65.12	52.50
<b>J. Rubber, Plastic and their Products</b>	<b>138.16</b>	<b>23.76</b>	<b>12.58</b>
<b>K. Glass &amp; Glassware</b>	<b>221.27</b>	<b>3.11</b>	<b>79.88</b>
<b>L. Cement and Cement Products</b>	<b>775.03</b>	<b>16.08</b>	<b>524.23</b>
<b>M. Basic Metal and Metal Products (M.1 + M.2)</b>	<b>8774.44</b>	<b>659.04</b>	<b>4950.30</b>
M.1 Iron and Steel	7867.48	308.71	4684.00
M.2 Other Metal and Metal Products	906.96	350.33	266.31
<b>N. All Engineering (N.1 + N.2)</b>	<b>3025.08</b>	<b>692.79</b>	<b>1979.56</b>
N.1 Electronics	979.82	34.36	824.24
N.2 Others	2045.26	658.43	1155.32
<b>O. Vehicles, Vehicle Parts and Transport Equipments</b>	<b>755.50</b>	<b>5.12</b>	<b>654.07</b>
<b>P. Gems and Jewellery</b>	<b>417.93</b>	<b>10.39</b>	<b>178.81</b>
<b>Q. Construction</b>	<b>1969.81</b>	<b>668.18</b>	<b>1458.44</b>
<b>S. Infrastructure (a to d)</b>	<b>17772.24</b>	<b>1951.97</b>	<b>5003.39</b>
a. Transport (a.1 to a.6)	3628.01	452.20	232.80
a.1 Roads and Bridges	3248.22	452.01	222.04
a.2 Ports	126.26	0.00	10.76
a.3 Inland Waterways	0.00	0.00	0
a.4 Airport	0.00	0.00	0

a.5 Railway Track, tunnels, viaducts, bridges	201.63	0.00	0
a.6 Urban Public Transport (except rolling stock in case of urban road transport)	51.90	0.19	0
b. Energy (b.1 to b.6)	11504.45	754.46	3250.11
b.1 Electricity (Generation)	9585.35	254.32	3181.80
b.1.1 Central Govt PSUs	0.00	0.00	0
b.1.2 State Govt PSUs (incl. SEBs)	0.00	0.00	0
b.1.3 Private Sector	0.00	0.00	0
b.2 Electricity (Transmission)	1341.60	303.15	0
b.2.1 Central Govt PSUs	0.00	0.00	0
b.2.2 State Govt PSUs (incl. SEBs)	1341.60	303.15	0
b.2.3 Private Sector	0.00	0.00	0
b.3 Electricity (Distribution)	577.50	196.99	68.31
b.3.1 Central Govt PSUs	0.00	0.00	0
b.3.2 State Govt PSUs (incl. SEBs)	577.50	196.99	68.31
b.3.3 Private Sector	0.00	0.00	0
b.4 Oil pipelines	0.00	0.00	0
b.5 Oil/Gas/Liquefied Natural Gas (LNG) storage facility	0.00	0.00	0
b.6 Gas pipelines	0.00	0.00	0
c. Water and Sanitation (c.1 to c.6)	281.90	152.57	156.46
c.1 Solid Waste Management	281.03	152.57	0
c.2 Water supply pipelines	0.00	0.00	0
c.3 Water treatment plants	0.87	0.00	0
c.4 Sewage collection, treatment and disposal system	0.00	0.00	0
c.5 Irrigation (dams, channels, embankments etc)	0.00	0.00	0
c.6 Storm Water Drainage System	0.00	0.00	0
d. Communication (d.1 to d.2)	1717.49	262.59	823.65
d.1 Telecommunication (Fixed network)	68.53	0.00	0
d.2 Telecommunication towers	1648.96	262.59	823.65
e. Social and Commercial Infrastructure (e.1 to e.9)	640.39	330.15	540.36
e.1 Education Institutions (capital stock)	29.34	0.90	0
e.2 Hospitals (capital stock)	10.16	0.15	0
e.3 Three-star or higher category classified hotels located outside cities with population of more than 1 million	381.26	118.19	0
e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	140.16	71.25	0
e.5 Fertilizer (Capital investment)	0.00	0.00	0
e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	88.56	40.66	0
e.7 Terminal markets	20.25	0.00	0
e.8 Soil-testing laboratories	0.00	0.00	0
e.9 Cold Chain	0.00	0.00	0

<b>T. Other Industries</b>	2393.38	7.05	26.54
<b>All Industries (A to T)</b>	<b>45158.66</b>	<b>5438.29</b>	<b>17987.68</b>

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

Tenure	Deposits	Advance Gross	Investment Gross	Borrowing	Foreign Currency -Asset	Foreign Currency -Liability
Day 1	535	964	3	90	764	695
2 day to 7 days	3495	1379	1	208	860	940
8 days to 14 days	2914	1927	142	128	1034	623
15 days to 30 days	4455	2981	19	0	473	442
31 days to 2 month	10063	5689	433	1	3542	1557
Over 2 month to 3 month	11738	5959	877	88	5476	2785
Over 3 month to 6 month	24243	8933	1493	100	4587	6654
Over 6 month to 1 year	35537	10377	1317	227	1759	6533
1 year to 3 year	33746	12002	7476	3630	3176	6267
3 year to 5 year	9501	13426	6370	2218	1926	642
Over 5 Year	49793	59309	53304	1750	4584	8732
<b>Total</b>	<b>186020</b>	<b>122948</b>	<b>71435</b>	<b>8440</b>	<b>28180</b>	<b>35869</b>

e) Amount of NPAs (Gross): 25382.40Cr

- Substandard : 5424.71 Cr
- Doubtful 1 :4675.69 Cr
- Doubtful 2 :11978.51 Cr
- Doubtful 3 :1757.10Cr
- Loss :1546.39Cr

f) Net NPAs :11923.45Cr

g) NPA Ratios: -

- Gross NPAs to gross advances: 20.64%
- Net NPAs to net advances : 10.90%

h) Movement of NPAs (Gross)

- Opening balance: 22540.95Cr
- Additions :8783.36Cr
- Reductions : 5941.91Cr
- Closing balance :25382.40Cr

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

<b>Movement of provisions</b>	<b>Specific Provisions#</b>	<b>General Provisions@</b>
Opening balance	10452.62	841.34
Provisions made during the period	4210.17	0.00
Write-off	2577.42	NIL
Write-back of excess provisions	NIL	348.44
Exchange Diff	4.25	2.70
Closing balance	12089.62	495.60

#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.108.54 crore

k) Amount of Non-Performing Investments: 293.62 Cr

l) Amount of provisions held for non-performing investments: 245.56Cr

m) Movement of provisions for depreciation on investments

- Opening balance : 464.57Cr
- Provisions made during the period : 678.98Cr
- Write-off : NIL
- Exchange Difference : 0.27 Cr
- Write-back of excess provisions : 17.96 Cr
- Closing balance : 1125.86 Cr

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

<b>Particulars</b>	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>
Gross NPA	24308.18	1074.22	25382.40
Provisions for NPA	11307.36	782.26	12089.62
Provisions for Standard Advances	459.20	36.40	495.60

## 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	-	` 134229.96 Cr.
2) 100% risk weight	-	` 25186.99 Cr.
3) More than 100% risk weight	-	` 16541.84 Cr.
4) Deduction	-	` 3087.14 Cr.
Total	-	<u>` 1,72871.65 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 December 31, 2017 is as follows

(Rs in cr)						
S No	Particulars	31.12.17	30.09.17	30.06.2017	31.03.2017	31.12.2016
1	Tier-1 Capital (A)	7682.13	8082.83	9038.75	9868.74	10275.69
2	Exposure Measure (B)	223110.98	225837.91	233174.84	240282.74	246249.08
3	Leverage Ratio (A/B)	3.44%	3.58%	3.88%	4.11%	4.17%