

CITY UNION BANK LTD CENTRAL OFFICE KUMBAKONAM

NEW CAPITAL ADEQUACY FRAMEWORK – BASEL II DISCLOSURES UNDER PILLAR 3 AS ON 30.09.2012

CAPITAL STRUCTURE

Quantitative Disclosures

Sl. No.	Description	Amount (Rs in Crs)	
01.	Tier – I Capital		1381.33
	- Paid-up Share Capital - Total	41.00	
	- Reserves & Surplus - Total	1340.33	
	Amount deducted from Tier I Capital (if any)		
	- Intangible Assets	7.29	7.29
	Total eligible Tier I Capital		1374.04
02.	Tier – II Capital		79.20
	a) Revenue Reserves	2.25	
	b) Lower Tier II – Subordinated Debts	26.00	
	c) Provision for Standard Assets	50.95	
03.	Total Eligible Capital (net of deductions from Tier I & Tier II Capital)		1453.24

CAPITAL ADEQUACY

Quantitative disclosures

(Rs. in crore)

(a) Capital requirements for credit risk: (@ 9% on Risk weighted Assets)

- Portfolios subject to standardised approach 884.04
- Securitisation exposures

(b) Capital requirements for market risk:

- Standardised duration approach 19.39
 - Interest rate risk 7.76
 - Equity risk 10.18
 - Foreign exchange risk 1.45

(c) Capital requirements for operational risk:

- Basic indicator approach; 83.18

Total capital required @ 9% 986.61

(d) Total and Tier 1 capital ratio:

Total CRAR 13.26%
Tier I CRAR 12.53%

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CREDIT RISK : GENERAL DISCLOSURES

Quantitative Disclosures

Total Gross Credit Risk Exposures including Geographic Distribution of Exposure:

Rs. in crore

Exposure as on 30.09.2012	Domestic	Overseas	Total
Fund based	14974.51	Nil	14974.51
Non-fund based	1731.79	Nil	1731.79
Total Credit Exposure	16706.30	Nil	16706.30

Industry type distribution of exposures - 30.09.2012

	Funded Exposure	Non-Fund Exposure	Total Exposure
INDUSTRYWISE EXPOSURE REPORT FOR 30.09.2012 (RS. IN CR)			
A. Mining and Quarrying	37.50	2.30	39.80
B. Food Processing	167.78	20.84	188.62
C. Beverages (excluding Tea & Coffee) and Tobacco	103.57	0.15	103.72
D. Textiles (sum of D.1 to D6)	1204.77	87.73	1292.50
D.1 Cotton	854.32	79.76	934.08
D.2 Jute	0.29	0.00	0.29
D.3 Handicraft/Khadi (Non Priority)	1.18	0.00	1.18
D.4 Silk	72.45	0.05	72.50
D.5 Woolen	3.86	0.03	3.89
D.6 Other Textiles	272.67	7.89	280.56
Out of D (i.e., Total Textiles) to Spinning Mills	289.60	26.22	315.82
E. Leather and Leather products	6.59	1.77	8.36
F. Wood and Wood Products	15.12	19.29	34.41
G. Paper and Paper Products	310.30	22.22	332.52
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	7.03	0.00	7.03
I. Chemicals and Chemical Products (Dyes, Paints, etc.) (Sum of 1.1. to 1.2)	176.78	30.83	207.61
I.1 Drugs and Pharmaceuticals	77.03	6.67	83.70
I.2 Others	99.75	24.16	123.91
J. Rubber, Plastic and their Products	88.24	19.89	108.13
K. Glass & Glassware	1.32	0.00	1.32
L. Cement and Cement Products	9.79	2.89	12.68
M. Basic Metal and Metal Products (M.1 + M.2)	1002.44	399.84	1402.28
M.1 Iron and Steel	796.76	363.47	1160.23
M.2 Other Metal and Metal Products	205.68	36.37	242.05

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INDUSTRYWISE EXPOSURE REPORT FOR 30.09.2012 (RS. IN CR)	Funded Exposure	Non-Fund Exposure	Total Exposure
N. All Engineering (N.1 + N.2)	156.18	85.64	241.82
N.1 Electronics	20.83	69.46	90.29
N.1 Engineering Excluding Electronics	135.35	16.18	151.53
O. Vehicles, Vehicle Parts and Transport Equipments	63.11	2.88	65.99
P. Gems and Jewellery	17.45	8.35	25.80
Q. Construction	773.85	2.93	776.78
R. Infrastructure (Sum of R.1 to R.3)	290.64	27.34	317.98
R.1 Transport	114.79	27.34	142.13
R.2 Energy	144.77	0.00	144.77
R.3 Telecommunication	31.08	0.00	31.08
S. PRINTING AND PUBLISHING	83.37	3.52	86.89
T. Other Industries	130.79	19.47	150.26
All Industries (A to S)	4646.62	757.88	5404.50
Residuary other advances (totally with gross advances)	10327.89	973.91	11301.80
Total Credit Exposure	14974.51	1731.79	16706.30

Residual contractual maturity breakdown of assets 30.09.2012

PERIOD	Cash, RBI Balance and Balance with all Banks	Investments (Net)	Advances (Net)	Fixed & Other Assets	Total
1 Day	566.87	4.51	58.57	24.79	654.74
2 to 7 Days	0.00	27.43	285.85	17.67	330.95
8 to 14 Days	0.00	9.98	1859.45	20.32	1889.75
15 to 28 Days	64.24	328.33	141.78	6.21	540.56
29 Days to 3 Months	174.93	743.30	204.02	7.53	1129.78
Over 3 Months & upto 6 Months	89.12	429.21	179.85	85.20	783.38
Over 6 Months & upto 1 Year	304.43	1561.71	407.11	120.15	2393.40
Over 1 Year & upto 3 Years	207.22	1063.26	8069.28	103.39	9443.15
Over 3 Years & upto 5 Years	14.90	82.14	1036.47	0.00	1133.51
Over 5 Years	11.81	481.80	1087.66	178.60	1759.87
Total	1433.52	4731.67	13330.04	563.86	20059.09

CITY UNION BANK LTD CENTRAL OFFICE KUMBAKONAM

Amount of NPAs (Gross)

Rs in crore	
Sub-standard	121.06
Doubtful 1	23.71
Doubtful 2	15.19
Doubtful 3	1.90
Loss	4.21
Gross NPA Total	166.07

The Amount of Net NPAs is Rs.80.67 crore

The NPA ratios are as under

- Gross NPA to Gross Advances 1.24%
- Net NPAs to Net Advances – 0.60%

The movement of NPA is as under:

Rs in crore	
i. Opening balance at the beginning of the year (01.04.2012)	123.54
ii. Additions made during the year (2 quarters)	105.76
iii. Reductions during the year (2 quarters)	63.23
iv. Closing balance at the end of half year (30.09.2012) (i + ii - iii)	166.07

The movement of provisions for NPAs are as under:

Rs in crore	
i. Opening balance at the beginning of the year (01.04.2012)	49.11
ii. Provisions made during the year (2 quarters)	33.25
iii. Write-off/Write-back of excess provisions (2 quarters)	26.35
iv. Closing Balance at the end of half year (30.09.2012) (i + ii – iii)	56.01

The amount of non-performing investment - Nil

The amount of provision held for non-performing investment is Nil

The movement of provisions for depreciation on investments

Rs in crore	
i. Opening balance at the beginning of the year (01.04.2011)	7.45
ii. Provisions made during the year (2 quarters)	0.05
iii. Depreciation on account of shifting	5.80
iv. Write-back of excess provisions (2 quarters)	0.41
v. Closing Balance at the end of half year (30.09.2011)(i + ii–iii– iv)	1.29

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CREDIT RISK: DISCLOSURES FOR PORTFOLIO SUBJECT TO THE STANDARDISED APPROACH

Quantitative Disclosures

For exposure amounts after risk mitigation subject to the standardised approach, amount of a bank's outstandings (rated and unrated) in the following three major risk buckets as well as those that are deducted as per risk mitigation are given below.

	Rs. in crore		
Risk Weight	Rated	Unrated	Total
Below 100 %	814.70	10599.33	11414.03
100 %	251.60	5266.14	5517.74
More than 100 %	101.56	525.18	626.74
Total outstanding after mitigation	1167.86	16390.65	17558.51
Deducted (as per Eligible Financial Collateral) (A)	0.00	3534.58	3534.58
Deducted using others such as Provision, ECGC, etc (B)	0.00	114.51	114.51
Total Deduction (A + B)	0.00	3649.09	3649.09

CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

Quantitative Disclosures

a. For each separately disclosed credit risk portfolio, the total exposure (after, where applicable, on-or off balance sheet netting) that is covered by eligible financial collateral (FCs) after the application of haircuts is given below:		
Portfolio category	Financial collateral	Quantum of exposure covered Rs in crore
1. Funded - Credit	Bank's own deposits, LIC, KVP, NSC etc	720.67
2. Funded - Credit	Gold jewels	2486.01
3. Non Funded	Bank's own deposits	327.90
Total Amount of Eligible Financial Collateral used		3534.58
b. For each separately disclosed portfolio, the total exposure (after, on balance sheet netting) that is covered by Guarantees:		
Portfolio category	Guaranteed by	Quantum of exposure covered Rs in crore
Funded Credit	ECGC	190.88
Funded Credit	CGTSI	26.76
Funded Credit	Andhra Pradesh State Govt	7.90
Funded Credit	Central Govt	248.44

CITY UNION BANK LTD CENTRAL OFFICE KUMBAKONAM

Securitization : Disclosure for Standardised Approach

Quantitative Disclosures:

NIL

Market Risk in Trading Book

Quantitative Disclosures:

The capital requirements for 30.09.2012

Interest rate risk	Rs. 7.76 Cr
Equity risk	Rs.10.18 Cr
Foreign exchange risk	Rs. 1.45 Cr

Total	<u>Rs.19.39 Cr</u>
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OPERATIONAL RISK

Capital charge for Operational Risk is computed as per the Basic Indicator Approach. The average of the gross income, as defined in the New Capital Adequacy Framework guidelines, for the previous three years i.e. 2009-10, 2010-11 and 2011-12 is considered for computing the capital charge. The required capital is Rs.83.18 crore.

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Quantitative Disclosures:

a) The impact of change in Interest Rate i.e. Earnings at Risk for 200 bps interest rate shock as on 30.09.2012 is Rs.57.14 crore.

b) The impact of change in market value of Equity for an interest rate shock of 200 bps as on 30.09.2012 is 14.62%.