

# CITY UNION BANK LTD CENTRAL OFFICE KUMBAKONAM

## NEW CAPITAL ADEQUACY FRAMEWORK – BASEL II DISCLOSURES UNDER PILLAR 3 AS ON 30.09.2010

### CAPITAL STRUCTURE

#### Quantitative Disclosures

Sl. No.	Description	Amount (Rs in Crs)	
01.	Tier – I Capital - Paid-up Share Capital - Total - Reserves & Surplus - Total  Amount deducted from Tier I Capital (if any) - Intangible Assets  <b>Total eligible Tier I Capital</b>	40.17 890.60  14.13	930.77   14.13  <b>916.64</b>
02.	Tier – II Capital a) Revenue Reserves b) Lower Tier II – Subordinated Debts c) Provision for Standard Assets	3.05 40.00 28.80	<b>71.85</b>
03.	Total Eligible Capital (net of deductions from Tier I & Tier II Capital)		<b>988.49</b>

### CAPITAL ADEQUACY

#### Quantitative disclosures

( Rs. in crore)

(a) Capital requirements for credit risk: (@ 9% on Risk weighted Assets)		
• Portfolios subject to standardised approach	590.27	
• Securitisation exposures		
(b) Capital requirements for market risk:		
• Standardised duration approach	21.74	
- Interest rate risk	11.23	
- Foreign exchange risk	1.98	
- Equity risk	8.53	
(c) Capital requirements for operational risk:		
• Basic indicator approach;	51.37	
Total capital required @ 9%		663.38
(d) Total and Tier 1 capital ratio:		
Total CRAR	13.41%	

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Tier I CRAR 12.44%

## **CREDIT RISK : GENERAL DISCLOSURES**

### **Quantitative Disclosures**

Total Gross Credit Risk Exposures including Geographic Distribution of Exposure:  
Rs. in crore

Outstandings as on 30.09.2010	Domestic	Overseas	Total
<b>Fund based</b>	8039.31	Nil	8039.31
<b>Non-fund based</b>	655.64	nil	655.64
<b>Total</b>	8694.95	nil	8694.95

### **Industry type distribution of exposures :**

#### **DETAILS ON INDUSTRYWISE EXPOSURES -30.09.2010**

(Total advances to Small, Medium & Large Industries) **Rs. in Crores)**

S.No	INDUSTRY NAME	OUTSTANDING BALANCE
1	Mining	3.55
2	Iron and Steel	375.99
3	Other Metal & Metal Products	133.17
4	All Engineering	68.65
4 (a)	Of which Electronics	20.77
5	Cotton Textiles	640.88
6	Other Textiles	201.73
7	Food Processing	138.97
8	Vegetable Oils & Vanaspathi	9.17
9	Paper & Paper Products	179.81
10	Rubber & Rubber Products	5.26
11	Chemicals, Dyes, Paints etc.10	102.06
11a	Drugs & Pharmaceuticals	68.70
11b	Other chemicals	33.36
12	Leather & Leather Products	3.86
13	Gems & Jewellery	9.94
14	Construction* (Comm. Real Estate)	356.13
15	Automobile including Trucks	27.25
16	Infrastructure	70.68
17	Computer software	9.99
18	NBFC	260.81
19	Other Industries	247.97
20	All Traders	1802.44
	Residual advances to balance Gross Adv	3391.00
	<b>Gross Advances</b>	<b>8039.31</b>

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## Residual contractual maturity breakdown of assets 30.09.2010

PERIOD	Cash, RBI Balance and Balance with all Banks	Investments (Net)	Advances (Net)	Fixed & Other Assets	Total
1 Day	334.79	4.35	22.13	9.06	370.33
2 to 7 Days	0.00	16.02	68.66	6.51	91.19
8 to 14 Days	0.00	0.00	341.81	6.51	348.32
15 to 28 Days	54.45	131.02	73.98	3.59	263.04
29 Days to 3 Months	145.54	437.26	157.78	4.29	744.87
Over 3 Months & upto 6 Months	175.10	400.97	101.29	54.95	732.31
Over 6 Months & upto 1 Year	217.00	902.10	230.89	96.43	1446.42
Over 1 Year & upto 3 Years	249.96	1055.59	5493.47	91.56	6890.58
Over 3 Years & upto 5 Years	10.98	50.79	679.49	0.00	741.26
Over 5 Years	7.78	524.95	802.08	124.30	1459.11
<b>Total</b>	<b>1195.60</b>	<b>3523.05</b>	<b>7971.58</b>	<b>397.20</b>	<b>13087.43</b>

### Amount of NPAs (Gross)

Rs in crore

Sub-standard	61.44
Doubtful 1	19.86
Doubtful 2	12.83
Doubtful 3	2.69
Loss	4.29
<b>Gross NPA Total</b>	<b>101.11</b>

**The Amount of Net NPAs is** Rs.42.79 crore

**The NPA ratios are as under**

- Gross NPA to Gross Advances 1.26%
- Net NPAs to Net Advances – 0.54%

**The movement of NPA is as under:**

**Rs in crore**

i. Opening balance at the beginning of the year (01.04.10)	93.50
ii. Additions made during the year (2 quarters)	44.44
iii. Reductions during the year (2 quarters)	36.83
iv. Closing balance at the end of half year (30.09.10) ( i + ii - iii)	101.11

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**The movement of provisions for NPAs are as under:**

<b>Rs in crore</b>	
i. Opening balance at the beginning of the year (01.04.10)	48.60
ii. Provisions made during the year (2 quarters)	24.00
iii. Write-off/Write-back of excess provisions (2 quarters)	20.12
iv. Closing Balance at the end of half year (30.09.10) ( i + ii – iii)	52.48

**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**

<b>Rs in crore</b>	
i. Opening balance at the beginning of the year (01.04.10)	8.03
ii. Provisions made during the year (2 quarters)	-----
iii. Write-off (2 quarters)	-----
iv. Write-back of excess provisions (2 quarters)	2.61
v. Closing Balance at the end of half year (30.09.2010)(i + ii-iii- iv)	5.42

### **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.

Risk Weight	Rs. in crore		
	Rated	Unrated	Total
Below 100 %	762.71	7369.08	8131.79
100 %	220.32	3399.48	3619.80
More than 100 %	33.79	170.38	204.17
Total outstanding after mitigation	1016.82	10938.94	11955.76
Deducted (as per Risk Mitigation)	---	1479.71	1479.71

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## **CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES**

### **Quantitative Disclosures**

<b>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:</b>		
Portfolio category	Financial collateral	Quantum of exposure covered Rs in crore
1. Funded - Credit	Bank's own deposits	407.56
2. Funded - Credit	Gold jewels	758.96
3. Non Funded	Bank's own deposits	245.47
<b>b. For each separately disclosed portfolio, the total exposure (after, on balance sheet netting) that is covered by Guarantees:</b>		
Portfolio category	Guaranteed by	Quantum of exposure covered Rs in crore
Funded Credit	ECGC	158.19

### **Securitization : Disclosure for Standardised Approach**

#### **Quantitative Disclosures:**

NIL

### **Market Risk in Trading Book**

#### **Quantitative Disclosures:**

The capital requirements for 30.09.10

- Interest Rate Risk - Rs. 11.23 crore
- Equity Position Risk - Rs. 8.53 crore
- Foreign Exchange Risk - Rs. 1.98 crore
- Total - Rs. 21.74 crore

### **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. 2007-08, 2008-09 and 2009-10 is considered for computing the capital charge. The required capital is Rs.51.37 crore.

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## **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 30.09.2010 is Rs.52.98 crore.

b) The impact of change in market value of Equity for an interest rate shock of 200 bps as on 30.09.2010 is 11.68%.