**Abstract**

Credit risk management in banks is to maintain credit risk exposure within proper and acceptable parameters. It is the practice of mitigating losses by understanding the adequacy of a bank’s capital and loan loss reserves at any given time. The bank has to monitor not only the entire portfolio but also individual credits. Credit risk is fundamentally significant for sustaining the ability of any investment bank. The studies show that credit risk was one of the risk for determining the economic crisis that the world has suffered from. This research is to study the credit risk exposure of City Union Bank and to try to assess the severity of the bank. In this study Altman’s Z score Model is used for assessing the credit risk in City Union. It indicates credit risk score value according to their proposals. These proposals indicates upper bond value and lower bond value.