



## UNITED OVERSEAS BANK LTD - MUMBAI BRANCH

(Incorporated in Singapore with limited liability)

### INDEPENDENT AUDITOR'S REPORT

To  
The Executive Director and Country Head  
United Overseas Bank Limited, Mumbai Branch

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Mumbai Branch of United Overseas Bank Limited (incorporated in Singapore with limited liability) ("the Bank"), which comprise the Balance Sheet as at 31 March 2018, the Profit and Loss Account and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and notes to financial statements.

#### Management's Responsibility for the Financial Statements

2. The Management of the Bank is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and the guidelines issued by the Reserve Bank of India and in conformity with form A and B (revised) of the Third Schedule to the Banking Regulation Act, 1949, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

#### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at March 31, 2018, its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

6. We draw attention to note no 5.2 (d) regarding deferment of additional provision requirement on account of the enhancement in gratuity limits as per the amendment dated March 31, 2018 in Payment of Gratuity Act, 1972 in terms of the Reserve Bank of India approval vide letter no DBR. BP.9730/21.04.018/2017-18 dated April 27, 2018, and the unamortized balance as at March 31, 2018 of Rs 1690 thousands.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Matters

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
8. As required sub section (3) of section 30 of the Banking Regulation Act, 1949 and the appointment letter dated 19 December 2017, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
  - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
  - (c) The Bank has only one branch and therefore separate accounting returns for the purpose of preparing financial statements are not to be submitted. We have visited the Bank's Mumbai branch for the purpose of our audit.
9. Further, as required by section 143(3) of the Companies Act, 2013, we further report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
  - (e) Reporting requirement pursuant to Section 164 (2) of the Companies Act 2013, are not applicable considering this is a branch of United Overseas Bank Limited (incorporated in Singapore with limited liability);
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Schedule 12.I, Schedule 18 – Note 4.11, Schedule 19 - Note 5.2 (h) to the financial statements;
    - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts, if any – Refer Schedule 18 – Note 4.11, Schedule 19 – Note 5.2 (h) and 5.21 to the financial statements;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank; and

For **S. R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm's Registration Number: 301003E/E300005

Sd/-  
**per Jitendra H. Ranawat**  
Partner  
Membership Number: 103380

Place of Signature: Mumbai  
Date: 21 June 2018



## UNITED OVERSEAS BANK LTD - MUMBAI BRANCH

(Incorporated in Singapore with limited liability)

### ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF UNITED OVERSEAS BANK LIMITED – MUMBAI BRANCH

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

To the Executive Director & Country Head– United Overseas Bank Limited - Mumbai Branch

We have audited the internal financial controls over financial reporting of Mumbai Branch of United Overseas Bank Limited (incorporated in Singapore with limited liability) (“the Bank”) as of 31 March, 2018 in conjunction with our audit of the financial statements of the Bank for the period ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm's Registration Number: 301003E/E300005

**Sd/-**  
**per Jitendra H. Ranawat**  
Partner  
Membership Number: 103380

Place of Signature: Mumbai  
Date: 21 June 2018



## UNITED OVERSEAS BANK LTD - MUMBAI BRANCH

(Incorporated in Singapore with limited liability)

### Balance Sheet as at 31 March 2018

	Schedule	As at 31 March 2018 (₹ '000s)	As at 31 March 2017 (₹ '000s)
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	7,525,524	7,525,524
Reserves and Surplus	2	636,234	634,778
Deposits	3	1,613,431	2,419,915
Borrowings	4	1,196,925	5,722,977
Other Liabilities and Provisions	5	118,866	427,623
<b>Total</b>		<b>11,090,980</b>	<b>16,730,817</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	246,619	227,052
Balances with Banks and Money at Call and Short Notice	7	4,535,027	28,310
Investments	8	3,497,755	4,297,387
Advances	9	2,217,845	11,447,021
Fixed Assets	10	7,589	16,228
Other Assets	11	586,145	714,819
<b>Total</b>		<b>11,090,980</b>	<b>16,730,817</b>
Contingent Liabilities	12	6,923,945	14,770,273
Bills for collection		-	-
Significant Accounting Policies	18		
Notes to the accounts	19		

Schedules referred to herein form an integral part of the Balance Sheet.  
As per our report of even date attached

**For S. R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration  
No. 301003E/E300005

Sd/-  
**per Jitendra H. Ranawat**  
Partner  
Membership No. 103380

Place: Mumbai  
Date: June 21, 2018

**For United Overseas Bank Limited -  
Mumbai Branch**

Sd/-  
**P V Ananthkrishnan**  
Executive Director &  
Country Head

Sd/-  
**Girish Khushalani**  
First Vice President-  
Finance

### Profit and Loss Account for the year ended 31 March 2018

	Schedule	Year Ended 31 March 2018 (₹ '000s)	Year Ended 31 March 2017 (₹ '000s)
<b>I. INCOME</b>			
Interest earned	13	746,820	925,602
Other income	14	60,368	121,912
<b>Total</b>		<b>807,188</b>	<b>1,047,514</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	181,538	298,081
Operating expenses	16	237,716	235,567
Provisions and Contingencies	17	386,478	431,509
<b>Total</b>		<b>805,732</b>	<b>965,157</b>
<b>III. PROFIT/(LOSS)</b>			
Net Profit/(Loss) for the period (After Tax)		1,456	82,357
Profit/(Loss) brought forward		61,768	400,216
<b>Total</b>		<b>63,224</b>	<b>482,573</b>
<b>IV. APPROPRIATIONS</b>			
<b>Transfers to / (from)</b>			
Statutory Reserve		364	20,589
Remittable Surplus retained in India for CRAR		-	400,216
Balance carried over to Balance sheet		62,860	61,768
<b>Total</b>		<b>63,224</b>	<b>482,573</b>
Significant Accounting Policies	18		
Notes to the Financial Accounts	19		

Schedules referred to herein form an integral part of the Profit and Loss Account.  
As per our report of even date attached

**For S. R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration  
No. 301003E/E300005

Sd/-  
**per Jitendra H. Ranawat**  
Partner  
Membership No. 103380

Place: Mumbai  
Date: June 21, 2018

**For United Overseas Bank Limited -  
Mumbai Branch**

Sd/-  
**P V Ananthkrishnan**  
Executive Director &  
Country Head

Sd/-  
**Girish Khushalani**  
First Vice President-  
Finance



## UNITED OVERSEAS BANK LTD - MUMBAI BRANCH

(Incorporated in Singapore with limited liability)

Cash Flow Statement for the year ended 31 March 2018		
	Year Ended 31 March 2018 (₹ '000s)	Year Ended 31 March 2017 (₹ '000s)
<b>Cash flow from operating activities</b>		
Net Profit/(Loss) for the year before taxes	(2,964)	140,747
<b>Adjustments for:</b>		
Depreciation on Fixed Assets charge for the year	9,691	15,554
Provision for Standard Advances/Country Risk	(36,897)	(1,542)
Provision for Unhedged Foreign Currency Exposure	(13,269)	13,790
Provision for NPA	441,065	360,871
<b>Operating profit before working capital changes</b>	<b>397,626</b>	<b>529,420</b>
Increase/(Decrease) in Deposits	(806,485)	(1,594,722)
Increase/(Decrease) in Borrowings	(4,526,052)	2,564,239
Increase/(Decrease) in Other liabilities and provisions	(90,690)	233,978
(Increase)/Decrease in Investments	799,632	(989,311)
(Increase)/Decrease in Advances	8,788,112	(655,699)
(Increase)/Decrease in Other Assets	133,094	(196,757)
Income Tax (paid)/Refund received	(167,901)	(216,750)
<b>Net cash flow from operating activities</b>	<b>4,527,336</b>	<b>(325,602)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(1,052)	(4,740)
Sale of Fixed Assets	-	-
<b>Net cash used in investing activities</b>	<b>(1,052)</b>	<b>(4,740)</b>
<b>Cash flow from financing activities</b>		
Addition to Capital (Infusion/Capitalisation)	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>4,526,284</b>	<b>(330,342)</b>
<b>Cash and cash equivalents* as at beginning of the year (Refer note below)</b>	<b>255,362</b>	<b>585,704</b>
<b>Cash and cash equivalents* as at end of the year (Refer note below)</b>	<b>4,781,646</b>	<b>255,362</b>
Note:		
Balance with RBI in Current Account (As per Schedule 6 II)	246,619	227,052
Balance with banks in India in Current Account (As per Schedule 7 I (i) (a))	1,979	2,360
Balance with banks Outside India:		
(i) In Current Account (As per Schedule 7 II (i))	399,548	25,950
(ii) In Other Deposit Accounts (As per Schedule 7 II (ii))	-	-
(iii) Money at call and short notice (As per Schedule 7 II (iii))	4,133,500	-
<b>Cash and cash equivalents at the end of the year</b>	<b>4,781,646</b>	<b>255,362</b>
As per our report of even date attached		
<b>For S. R. BATLIBOI &amp; CO. LLP</b> Chartered Accountants ICAI Firm Registration No. 301003E/E300005	<b>For United Overseas Bank Limited - Mumbai Branch</b>	
Sd/- <b>per Jitendra H. Ranawat</b> Partner Membership No. 103380	Sd/- <b>P V Ananthakrishnan</b> Executive Director & Country Head	Sd/- <b>Girish Khushalani</b> First Vice President- Finance
Place: Mumbai		
Date: June 21, 2018		



# UNITED OVERSEAS BANK LTD - MUMBAI BRANCH

(Incorporated in Singapore with limited liability)

## Schedules forming part of the Balance Sheet as at 31 March 2018

	As at 31 March 2018 (₹ '000s)	As at 31 March 2017 (₹ '000s)
<b>Schedule 1 : Capital</b>		
<b>Head Office Account</b>		
Capital remitted by Head Office	7,525,524	7,525,524
<b>Total</b>	<b>7,525,524</b>	<b>7,525,524</b>
(Deposit in the form of securities at face value kept with the Reserve Bank of India under Section 11 (2) (b) of the Banking Regulation Act, 1949)	220,000	180,000

## Schedule 2 : Reserves and Surplus

<b>1 Statutory Reserve</b>		
Opening balance	172,794	152,205
Additions during the year	364	20,589
Deductions during the year	-	-
<b>Closing balance</b>	<b>173,158</b>	<b>172,794</b>
<b>2 Capital Reserve</b>	-	-
<b>3 Remittable Surplus retained in India for CRAR purposes</b>	<b>400,216</b>	<b>400,216</b>
<b>4 Profit and Loss Account</b>		
Opening balance	61,768	400,216
Additions during the year	1,456	61,768
Deductions/Transfer during the year	(364)	(400,216)
<b>Closing balance</b>	<b>62,860</b>	<b>61,768</b>
<b>Total (1 + 2 + 3 + 4)</b>	<b>636,234</b>	<b>634,778</b>

## Schedule 3: Deposits

A. I Demand Deposits		
i) From banks	3,663	2,304
ii) From others	23,282	26,471
II Savings Bank Deposits	316	1,140
III Term Deposits		
i) From banks	-	-
ii) From others	1,586,170	2,390,000
<b>Total (I + II + III)</b>	<b>1,613,431</b>	<b>2,419,915</b>
B i) Deposits of Branches In India	1,613,431	2,419,915
ii) Deposits of Branches Outside India.	-	-
<b>Total</b>	<b>1,613,431</b>	<b>2,419,915</b>

## Schedule 4 : Borrowings

<b>I. Innovative Perpetual Debt Instruments (IPDI) and Tier II Debt</b>		
A. Borrowing in India		
i) IPDI	-	-
ii) Tier II Borrowings	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>
B. Borrowings outside India		
i) IPDI	-	-
ii) Tier II Borrowings	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>-</b>	<b>-</b>
<b>II Other Borrowings</b>		
A. Borrowings in India		
i) Reserve Bank of India	480,000	-
ii) Other Banks	-	1,260,000
iii) Other Institutions and Agencies	-	-
<b>Total (A)</b>	<b>480,000</b>	<b>1,260,000</b>
B Borrowings Outside India		
i) From banks	716,925	4,462,977
ii) From others	-	-
<b>Total (B)</b>	<b>716,925</b>	<b>4,462,977</b>
<b>Total (A+B)</b>	<b>1,196,925</b>	<b>5,722,977</b>
<b>Total (I + II)</b>	<b>1,196,925</b>	<b>5,722,977</b>
Secured borrowings included in I and II above	480,000	-

## Schedule 5 : Other Liabilities and Provisions

1 Bills payable	-	-
2 Inter office adjustments Branches in India (net)	-	-
3 Interest accrued	18,476	27,078
4 Provision for Income Tax (Net)	-	-
5 Standard Assets Provision	9,286	46,228
6 Others (including provisions)	91,104	354,317
<b>Total</b>	<b>118,866</b>	<b>427,623</b>

## Schedule 6 : Cash and Balances with Reserve Bank of India

I Cash in Hand	-	-
II Balances with Reserve Bank of India		
i) In Current Account	246,619	227,052
ii) In Other Accounts	-	-
<b>Total (I + II)</b>	<b>246,619</b>	<b>227,052</b>

## Schedule 7 : Balances with Banks and Money at Call and Short Notice

<b>I. In India</b>		
i) Balance with Banks		
(a) In current accounts	1,979	2,360
(b) In other deposit accounts	-	-
ii) Money at Call and Short Notice		
(a) With Bank	4,133,500	-
(b) With other institutions	-	-
<b>Total</b>	<b>4,135,479</b>	<b>2,360</b>
<b>II. Outside India</b>		
i) In current accounts	399,548	25,950
ii) In other deposit accounts	-	-
iii) Money at call and short notice	-	-
<b>Total</b>	<b>399,548</b>	<b>25,950</b>
<b>Total (I + II)</b>	<b>4,535,027</b>	<b>28,310</b>

## Schedule 8 : Investments

<b>I. Investments in India</b>		
i) Government Securities (T-Bill)	3,497,755	4,297,387
ii) Other Approved Securities	-	-
iii) Shares	-	-
iv) Debentures and Bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others	-	-
<b>Total Investments in India</b>	<b>3,497,755</b>	<b>4,297,387</b>
<b>II. Investments outside India</b>		
i) Government securities (including local authorities)	-	-
ii) Subsidiaries and/or joint ventures abroad	-	-
iii) Others	-	-
<b>Total Investments outside India</b>	<b>-</b>	<b>-</b>
<b>Total Investment (I + II)</b>	<b>3,497,755</b>	<b>4,297,387</b>

(Includes securities of Face Value ₹ 220,000 ('000) (Previous year ₹ 180,000 ('000)) kept with the Reserve Bank of India (RBI) as required under section 11(2)(b) of the Banking Regulation Act, 1949 and securities pledged with Clearing Corporation of India Limited for availing borrowing as well as clearing and funding facilities of face value ₹ 162,000 ('000) (Previous year ₹ 612,000 ('000)).

## Schedule 9 : Advances

A. i) Bills purchased and discounted	-	323,874
ii) Cash credits, overdrafts and loans repayable on demand	2,217,845	11,123,147
iii) Term loans	-	-
<b>Total</b>	<b>2,217,845</b>	<b>11,447,021</b>
B. i) Secured by tangible assets (including book debts)	-	4,866,602
ii) Covered by Bank / Government guarantees	78,420	118,500
iii) Unsecured	2,139,425	6,461,919
<b>Total</b>	<b>2,217,845</b>	<b>11,447,021</b>
C. Advances in India		
i) Priority sector	2,020,425	4,194,354
ii) Public sector	-	-
iii) Banks	-	-
iv) Others	197,420	7,252,667
<b>Total</b>	<b>2,217,845</b>	<b>11,447,021</b>



## UNITED OVERSEAS BANK LTD - MUMBAI BRANCH

(Incorporated in Singapore with limited liability)

### Schedule 10 : Fixed Assets

<b>I. Premises</b>		
Opening	-	-
Additions during the year	-	-
Deductions during the year	-	-
Gross book value	-	-
Depreciation to date	-	-
<b>Net book value</b>	-	-
<b>II. Other Fixed Assets (including furniture and fixtures)</b>		
Opening	78,773	74,033
Additions during the year	1,052	4,740
Deductions during the year	-	-
Gross book value	79,825	78,773
Depreciation to date	(72,236)	(62,545)
<b>Net book value</b>	<b>7,589</b>	<b>16,228</b>
<b>III. Capital Work-in-progress (including Capital Advances)</b>	-	-
<b>Total (I + II + III)</b>	<b>7,589</b>	<b>16,228</b>

### Schedule 11 : Other Assets

I. Interest Accrued	9,633	35,565
II. Advance Tax and Tax Deducted at Source (Net)	11,639	1,311
III. Stationery and stamps	-	-
IV. Deferred Tax Asset (Net)	349,925	187,930
V. Non-banking assets acquired in satisfaction of claims -	-	-
VI. Others	214,948	490,013
<b>Total</b>	<b>586,145</b>	<b>714,819</b>

### Schedule 12 : Contingent Liabilities & Capital Commitments

I. Claims against the bank not acknowledged as debts -	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding derivative and forward exchange contracts	4,870,570	14,564,129
IV. Guarantees given on behalf of constituents		
(i) In India	759,328	12,970
(ii) Outside India	309,904	193,174
V. Acceptances, endorsements and other obligations	984,143	-
VI. Other items for which the Bank is contingently liable	-	-
<b>Total</b>	<b>6,923,945</b>	<b>14,770,273</b>

### Schedules forming part of Profit & Loss Account for the year ended 31 March 2018

	Year Ended 31 March 2018 (₹ '000s)	Year Ended 31 March 2017 (₹ '000s)
<b>Schedule 13 : Interest earned</b>		
I Interest / discount on advances / bills	491,276	621,478
II Income on investments	216,833	292,803
III Interest on balances with Reserve Bank of India and other inter-bank funds	30,947	10,746
IV Others	7,764	575
<b>Total</b>	<b>746,820</b>	<b>925,602</b>

### Schedule 14 : Other Income

I Commission, exchange and brokerage	43,631	40,820
II Profit / (Loss) on Sale of Investments (net)	-	-
III Profit / (Loss) on revaluation of investments (net)	-	-
IV Profit / (Loss) on Sale of Land, Buildings and Other Assets (net)	-	-
V Profit / (Loss) on Exchange Transactions (net)	16,445	80,700
VI Miscellaneous Income	292	392
<b>Total</b>	<b>60,368</b>	<b>121,912</b>

### Schedule 15 : Interest expended

I Interest on deposits	89,039	158,106
II Interest on Reserve Bank of India / inter-bank borrowings	92,499	139,975
III Others	-	-
<b>Total</b>	<b>181,538</b>	<b>298,081</b>

### Schedule 16 : Operating Expenses

I Payments to and provisions for employees	145,351	135,575
II Rent, taxes and lighting	31,791	30,188
III Printing & Stationery	320	340
IV Advertisement and publicity	-	-
V Depreciation on bank's property	9,691	15,554
VI Directors fees, allowances and expenses	-	-
VII Auditor's fees and expenses	1,828	1,752
VIII Law charges	1,881	2,483
IX Postage, telegrams and telephone etc	3,259	3,276
X Repairs and maintenance	9,612	10,625
XI Insurance	1,803	3,067
XII Other expenditure	32,180	32,707
<b>Total</b>	<b>237,716</b>	<b>235,567</b>

### Schedule 17: Provisions and Contingencies

I Taxation charge		
i) Current tax expense	157,574	214,786
ii) Deferred tax benefit	(161,995)	(156,396)
II Provision for investments	-	-
III Provision for Standard Assets	(36,942)	(1,800)
IV Provision for NPA	441,065	360,871
V Provision / (Write Back) for Country Risk	45	258
VI Provision for Unhedged Foreign Currency Exposure	(13,269)	13,790
<b>Total</b>	<b>386,478</b>	<b>431,509</b>

#### 1. Background

The accompanying financial statements for the year ended March 31, 2018 comprise of the accounts of the Mumbai Branch of United Overseas Bank Limited ("The Bank"), which is incorporated and registered in Singapore with limited liability.

#### 2. Basis of preparation

The financial statements have been prepared in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of United Overseas Bank Limited – Mumbai Branch used in the preparation of these financial statements is the accrual method of accounting and historical cost convention and it conforms with Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards specified under section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 ("the 2013 act") and the Companies (Accounting Standards) Amendment Rules 2016 in so far as they apply to banks and the guidelines issued by RBI.

#### 3. Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affects the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as at the date of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment in the carrying amounts of assets or liabilities in future periods. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

#### 4. Significant accounting policies

##### 4.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

- Interest income other than on non-performing assets, is recognised in profit and loss account on accrual basis. Income on non-performing assets is recognized in profit and loss account on receipt basis.
- Commission on guarantees/Letter of credit ('LCs') is issued by the Bank is recognized as income over the period of the guarantee/LCs.
- All other fees are accounted for as and when they become due.

##### 4.2 Investments

The classification and valuation of investments is in accordance with RBI master circular DBR.No.BP.BC.6/21.04.141/2015-16 dated July 1, 2015 as amended.

##### Accounting and Classification

As per the guidelines for investments laid down by RBI, Investments are classified under "Held to Maturity", "Available for Sale" and "Held for Trading" categories. Subsequent shifting amongst the categories is done in accordance with the RBI guidelines at the lower of the acquisition cost or carrying value and market value on the date of the transfer, and depreciation, if any, on such transfer is fully provided.

##### Valuation

Investments classified under "Held to Maturity" are carried at acquisition cost unless it is more than the face value in which case, the premium is amortised over the period remaining to maturity.

Investments other than Treasury Bills classified under "Available for Sale" and "Held for Trading" are valued at lower of cost or market value, in aggregate for each balance sheet classification and net depreciation in aggregate for each balance sheet classification is recognised in the Profit and Loss Account. Treasury Bills are valued at carrying cost.

Market value, in case of Government and other approved securities, for which

quotes are not available, is determined on the basis of the 'yield to maturity' rates declared by Fixed Income Money Market and Derivatives Association of India ('FIMMDA') by Financial Benchmark India Private Limited ('FBIL') as at the year end.

The market/ fair value of quoted investments included in 'AFS' and 'HFT' category is the market price of the scrip as available from the trades/ quotes on the stock exchange or prices declared by Primary Dealers Association of India ('PDAI') jointly with FIMMDA/ FBIL, periodically.

Investments where interest/dividend is not serviced regularly are classified as non-performing investment in accordance with prudential norms for classification, valuation and operation of Investment Portfolio by Banks prescribed by RBI.

#### Accounting for repos/reverse repo transactions

Repo/Reverse repo transactions (including under Liquidity Adjustment Facility) are accounted for as collateralized borrowing/lending transactions in accordance with RBI guidelines and correspondingly the expense and income thereon are treated as interest.

#### 4.3 Advances and Provisions

##### Classification:

Advances are classified as performing and non-performing advances ('NPAs') based on RBI guidelines and are stated net of bills rediscounted, specific provisions, interest in suspense for non-performing advances. Also, NPAs are classified into sub-standard, doubtful and loss assets as required by RBI guidelines. Interest on NPAs is transferred to an interest suspense account and not recognised in the Profit and Loss Account until received.

##### Provisioning:

Provision for NPAs comprising sub-standard, doubtful and loss assets is made in accordance with RBI guidelines. In addition, the Bank considers accelerated specific provisioning that is based on past experience, evaluation of security and other related factors. Specific loan

loss provision in respect of non-performing advances are charged to the Profit and Loss Account. Any recoveries made by the Bank in case of NPAs written off are recognised in the Profit and Loss Account. Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time. In accordance with RBI guidelines the Bank has provided general provision on standard assets including credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts:

Provision for Unhedged Foreign Currency Exposure of borrowers is made as per RBI guidelines.

#### 4.4 Transaction involving foreign exchange

- Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized in the profit and loss account of the period.
- Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are restated at the closing rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant exchange differences are recognised in the Profit and Loss Account. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.
- Contingent liabilities on account of foreign exchange contracts, guarantees denominated in foreign currencies are disclosed at the closing exchange rates notified by FEDAI.
- Outstanding forward exchange contracts including tom/spot contracts are revalued at year end on PV basis by discounting the forward value till spot date and converting the FCY amount using the respective spot rates as notified by FEDAI. The resulting gain or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/ FEDAI guidelines.

#### 4.5 Accounting for derivative transactions

Derivative transactions comprise of forward exchange contracts and Interest rate swaps. The Bank undertakes derivative transactions for trading in Banking book and hedging on-balance sheet assets and liabilities. All trading transactions are marked to market on a periodic basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on an accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability. The requirement for collateral and credit risk mitigation on derivative contracts is assessed based on internal credit policy.

As per the RBI guidelines on 'Prudential Norms for Off-balance Sheet Exposures of Banks' any receivables under derivative contracts comprising of crystallized receivables as well as positive Mark-to-Market (MTM) in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss Account and are held in separate suspense account.

#### 4.6 Fixed Assets and Depreciation

- Property, Plant & Equipment and Intangible Assets have been stated at cost less accumulated depreciation and amortisation and adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit/ functioning capability from / of such assets. Gain or losses arising from the retirement or disposal of a Property Plant and Equipment / Intangible

asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account.

- Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of assets based on technical evaluation by management are as follows:

Assets	Useful life of fixed assets
Office equipments	5
Leasehold improvements	Tenure of lease
Computers and Software	3
Furniture & fittings	10

- The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired and provides for impairment loss, if any, in the profit and loss account.

#### 4.7 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. After impairment depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

#### 4.8 Lease Transactions

Assets taken on lease are accounted in accordance with provisions of AS-19 "Leases". Lease payments for assets taken under non-cancelable operating lease are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term.

#### 4.9 Employee Benefits

##### Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution plan. The Bank contributes an amount equal to the Employees' contribution on a monthly basis to the Regional Provident Fund Commissioner. The Bank has no liability for future provident fund benefits apart from its monthly contribution which is debited to the Profit and Loss Account.

##### Gratuity:

Retirement benefit in the form of gratuity is a defined benefit plan. The Bank operates a Gratuity Fund Scheme (defined benefit plan) and the contributions are remitted to the Trust established for this purpose. The trust in turn deploys the funds with the Life Insurance Corporation of India, which also administers the scheme and determines the contribution premium required to be paid by the Bank. The Bank provides for gratuity to all its employees. The Bank accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Bank's obligation towards the same is actuarially determined by independent actuary based on the projected unit credit method as at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

##### Leave encashment and availment:

Provision for Leave encashment including availment is accrued and provided for on the basis of unavailed accumulated leave of employees as at the date of Balance Sheet on a full liability basis in accordance with the rules of the Bank.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

#### 4.10 Taxes on Income

The Income Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets on account of timing differences are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of carry forward losses and unabsorbed depreciation, under tax laws, all the deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the Profit and Loss Account in the period of the change.

#### 4.11 Provisions, Contingent Assets and Contingent Liabilities

The Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources

embodying economic benefit. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these contingencies to have a materially adverse effect on its financial results. Contingent assets are neither recognised nor disclosed in the financial statements.

#### 4.12 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India, balances with other banks/institutions and money at call and short notice.

### 5. Notes to Accounts

#### 5.1 Statutory disclosures

##### (a) Capital adequacy ratio

The capital adequacy ratio of the Bank, calculated as per RBI guidelines (New Capital Adequacy Framework) generally referred to as Basel – III is set out below:

Sr No	Particulars	March 31, 2018	March 31, 2017
i.	Common Equity Tier 1 capital ratio	182.76 %	121.98 %
ii	Tier 1 Capital ratio	182.76 %	121.98 %
iii	Tier 2 Capital ratio	0.26 %	0.94 %
iv	Total Capital ratio (CRAR)	183.02 %	122.92 %
v	Percentage of the shareholding of the Government of India in public sector banks	NA	NA
vi	Amount of Equity Capital raised	-	-
vii	Amount of additional Tier 1 capital raised; of which	-	-
a	PNCPS	-	-
b	PDI	-	-
viii	Amount of Tier 2 capital raised of which	-	-
a	Debt Capital Instruments	-	-
b	Preference Share Capital Instruments/ Perpetual cumulative preference shares/ Redeemable non- cumulative preference shares / Redeemable cumulative preference shares	-	-

##### (b) Investments

(₹ ' 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017
<b>(1) Value of investments</b>		
(i) Gross value of investments		
(a) In India	3,497,755	4,297,387
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	3,497,755	4,297,387
(b) Outside India	-	-
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	-	-
(ii) Add : Provision made during the period	-	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

(Investments consists of Treasury Bills)

##### (c) Repo Transactions (in face value terms)

(₹ ' 000)

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Outstanding as at year end
<b>Securities sold under repos</b>				
i. Government securities	20,000 (250,000)	900,000 (490,000)	23,123 (37,973)	480,000 (-)
ii. Corporate Debt	- (-)	- (-)	- (-)	- (-)
<b>Securities purchased under Reverse repos</b>				
i. Government securities	10,000 (10,000)	2,550,000 (2,259,837)	509,451 (110,571)	1,830,000 (-)
ii. Corporate Debt	- (-)	- (-)	- (-)	- (-)

Includes Liquidity Adjustment Facility with Reserve Bank of India and Clearing Corporation of India Limited. Nil outstanding on any day is ignored for reckoning minimum outstanding. Previous years' figures are shown in brackets.

##### (d) Issuer composition of Non-SLR investments

(₹ ' 000)

No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(i)	PSUs	- (-)	- (-)	- (-)	- (-)	- (-)
(ii)	FIs	- (-)	- (-)	- (-)	- (-)	- (-)
(iii)	Banks	- (-)	- (-)	- (-)	- (-)	- (-)
(iv)	Private Corporate	- (-)	- (-)	- (-)	- (-)	- (-)
(v)	Subsidiaries / Joint Ventures	- (-)	- (-)	- (-)	- (-)	- (-)
(vi)	Others	- (-)	- (-)	- (-)	- (-)	- (-)
(vii)	Provision held towards depreciation	- (-)	- (-)	- (-)	- (-)	- (-)
	<b>Total</b>	- (-)	- (-)	- (-)	- (-)	- (-)

Previous years' figures are shown in brackets.

##### (e) Non-performing Non-SLR investments

The Bank did not have any Non-performing Non-SLR investments as at March 31, 2018 (2017: Nil).

##### (f) Sale and transfers to/from HTM category

During the year, the Bank did not have investments in the HTM category and as such Bank did not sell or transfer any investments to/from the HTM category during the year ended March 31, 2018 (2017: Nil).

##### (g) Interest rate swaps

(₹ ' 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the bank entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap (Assets/Liability)	-	-

##### (h) Forward rate agreements ('FRA')

The Bank has not entered into any forward rate agreements during the year ended March 31, 2018 (2017: Nil).

##### (i) Exchange traded interest rate derivatives

The Bank did not deal in any exchange traded interest rate derivatives (2017: Nil). There is no notional principal outstanding in respect of exchange traded interest rate derivatives as at 31 March, 2018 (2017: Nil).

##### (j) Disclosure on Risk exposure in derivatives

The Bank has exposure to derivatives in the form of foreign exchange contracts.



**Qualitative Disclosures:**
**1) Structure and organization for management of risk in derivatives trading:**

Treasury operations are segregated into three different departments viz. front office, mid office and back office. The primary role of the front office is to book the trades and execute it. It handles the needs of the Bank and its clients with respect to hedging and financing. The mid office function is to ensure control and processing of the transactions, limit monitoring and regulatory compliance. The primary function of the back office is to confirm/process/settle/reconcile the transactions.

The Bank has a Risk Management Committee which reviews/approves policies and procedures and reviews adherence to various risk parameters and prudential limits.

**2) Scope and nature of risk measurement, risk reporting and risk monitoring systems:**

**a) Risk Measurement:** For forward foreign exchange contracts, risk is measured through a daily report called, Value at Risk (VaR), which computes VaR on the forex gaps.

**b) Risk Reporting and Risk monitoring systems:**

The Bank has the following reports/systems in place which are reviewed by the top management:

- VaR
- Net open position
- Aggregate Gap Limit
- Stop loss limits
- Bankline limits

**3) Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:**

The Bank has the following policy papers in place, approved by Local management and Head Office a) Market Risk policy and b) Forex Policy. For derivative contracts in the banking book designated as hedge, the Bank documents at the inception of the relationship between the hedging instrument and the underlying exposure, the risk management objective for undertaking the hedge and ALCO monitors all outstanding hedges on a periodical basis.

**4) Accounting policy:**

All outstanding derivative transactions are booked as Off Balance Sheet items. The trading positions are revalued on a Marked to Market basis whereas the hedging deals follow the accrual basis of accounting.

(₹ '000)

Sr No	Particulars	Currency 2017-18	Derivatives* 2016-17
1	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	4,870,570	14,564,129
2	Marked to Market Positions		
	a) Asset (+)	6,144	259,685
	b) Liability (-)	(13,029)	(259,316)
3	Credit Exposure**	103,555	550,968
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	349.68	196.55
5	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging		
	Minimum	-	-
	Maximum	-	-
	b) on trading		
	Minimum	1.46	-
	Maximum	524.32	559.05

\*Currency Derivatives includes foreign exchange contracts only.

\*\*The credit exposure is computed based on the current exposure method specified in the RBI Norms.

**(k) Non-Performing Assets**

The bank has following non-performing assets for the year ended March 31, 2018.

**1) Net NPAs to Net Advances %**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net NPAs to Net Advances %	0.00%	3.85%

**2) Movement in NPAs (Gross)**

(₹ '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net NPAs to Net Advances %	3.85%	-
Gross NPAs as on 1 <sup>st</sup> April (Opening Balance)	801,936	-
Additions (Fresh NPAs) during the year	-	801,936
Sub-total (A)	801,936	801,936
Less: i. Upgradations	-	-
ii. Recoveries (excluding recoveries made from upgraded accounts)	-	-
iii. Technical / Prudential Write offs	-	-
iv. Write-offs other than those under (iii) above	-	-
Sub-total (B)	-	-
Gross NPAs as on 31st March (Closing Balance) (A-B)	801,936	801,936

**3) Movement of Net NPAs**

(₹ '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
v. Opening balance	441,065	-
vi. Additions during the year	-	441,065
vii. Reductions during the year	441,065	-
viii. Closing balance	-	441,065

**4) Movement of Provisions for NPAs (excluding provisions on standard assets)**

(₹ '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Opening balance	360,871	-
(b) Provisions made during the year	441,065	360,871
(c) Write-off/write-back of excess provisions	-	-
(d) Closing balance	801,936	360,871

**5) Technical / Prudential Write-offs**

(₹ '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance of Technical/Prudential Write offs accounts as on April 1	-	-
Add: Technical/ Prudential Write offs during the year	-	-
Sub-total (A)	-	-
Less: Recoveries made from previously technical / prudential written-off accounts during the year (B)	-	-
Closing Balance as on March 31 (A-B)	-	-

**(l) Details of financial assets sold to securitization/reconstruction company for Asset Reconstruction**

There were no instances of sale of financial assets to securitization/reconstruction company for asset reconstruction during the year ended 31 March, 2018 (2017: Nil). Also there were no realizations during the year ended 31 March, 2018 (2017: Nil).

**(m) Details of non performing financial assets purchased/sold**

There has been no purchase /sale of non-performing assets during the year ended 31 March, 2018 (2017: Nil).

**(n) Provision on standard assets**

Provision towards Standard assets included in Schedule 5 'Other Liabilities and Provisions' of the Financials is:

(₹ '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Standard Assets	9,286	46,228



## UNITED OVERSEAS BANK LTD - MUMBAI BRANCH

(Incorporated in Singapore with limited liability)

**(o) Details of loan assets subjected to restructuring**

(₹ '000)

Sr No	Type of Restructuring Asset Classification Details		Others				Total
			Standard	Sub Standard	Doubtful	Loss	
1	Restructured Accounts as on April 1, 2017	No of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
3	Upgradations to restructured standard category during 2017-18	No of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of 2017-18	No of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during 2017-18	No of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Recovery in restructured accounts during 2017-18	No of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
7	Restructured Accounts as on March 31, 2018	No of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-

There was no account restructured under CDR Mechanism or SME Debt Restructuring Mechanism or any other method.

**(p) Details of Book value of Investments in Security Receipts**

Particulars	As at March 31, 2018	As at March 31, 2017
i. Backed by NPAs sold by the banks as underlying	-	-
ii. Backed by NPAs sold by other banks/financial institutions/ non-banking financial companies as underlying	-	-
Total	-	-

**(q) Business ratios/ information**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income as percentage to working funds <sup>1</sup>	5.61%	6.16%
Non - interest income as percentage to working funds <sup>1</sup>	0.45%	0.81%
Operating profits as percentage to working funds <sup>1</sup>	2.92%	3.42%
Return on assets <sup>2</sup>	0.01%	0.55%
Business (deposits plus advances) per employee (₹ '000) <sup>3</sup>	166,418	602,810
Profit per employee (₹ '000) <sup>3</sup>	63	3,581

Notes:-

- Working funds are taken as average of total assets (excluding accumulated losses, if any) as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.
- Return on assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).
- For computation of the above business per employee ratio, deposits, advances and number of employees as at the year-end has been considered and interbank deposits are excluded from deposits.

**(r) Asset Liability Management - Maturity pattern**

As at March 31, 2018

(₹ '000)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	As at March 31, 2018 Total
Advances	-	86,000	-	-	1,813,725	260,700	56,000	1,420	-	-	2,217,845
Investments	2,667,836	-	375,266	-	288,560	162,520	-	3573	-	-	3,497,755
Deposits	4,074	-	-	526,170	840,000	220,000	-	23,187	-	-	1,613,431
Borrowings	-	480,000	-	-	716,925	-	-	-	-	-	1,196,925
Foreign Currency Assets	401,960	1,306,069	221	86	1,759,766	260,700	3,806	-	-	149,903	3,882,511
Foreign Currency Liabilities	9,797	10,643	-	-	722,334	-	2,386	-	-	-	745,160

As at March 31, 2017

(₹ '000)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	As at March 31, 2017 Total
Advances	1,066,602	2,658,580	66,000	1,733,060	4,363,214	-	1,118,500	-	441,065	-	11,447,021
Investments	3,023,425	205,552	23,365	-	235,164	794,083	-	15,798	-	-	4,297,387
Deposits	4,430	110,000	-	-	1,280,000	1,000,000	-	25,485	-	-	2,419,915
Borrowings	-	2,116,020	-	972,750	2,634,207	-	-	-	-	-	5,722,977
Foreign Currency Assets	28,035	138,540	-	94,212	2,738,831	-	258,072	-	-	149,155	3,406,845
Foreign Currency Liabilities	-	856,203	-	977,991	2,639,905	-	254,967	6,844	-	-	4,735,910

Management has made certain estimates and assumptions in respect of behavioral maturities of non-term assets and liabilities while compiling their maturity profile which has been relied upon by the auditors.



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### (s) Securitization exposures

(₹ ' 000)

The Bank did not have any securitization exposures during the year ended 31 March, 2018 (2017: Nil).

### (t) Disclosure on Single Borrower Limits ('SBL')/Group Borrower Limits ('GBL')

During the year ended March 31, 2018 and March 31, 2017, the Bank has complied with the Reserve Bank of India guidelines on single borrower and borrower group limit. As permitted by the extant RBI regulations, the Bank had enhanced limit exposure for one individual borrower by a further 5 percent of capital funds.

During the year ended March 31, 2018, the prudential exposure limits for Individual Borrower for "Steel Authority of India Limited" exceeded the enhanced limit of 20% due to impact of MTM on Borrowers' FX contracts. The excess was notified to Reserve Bank of India vide letter dated 9th August 2017 and the same was condoned by Reserve Bank of India vide their letter dated 7th September 2017.

### (u) Lending to sensitive sectors

#### Exposure to real estate

(₹ ' 000)

Category		As at March 31, 2018	As at March 31, 2017
<b>a)</b>	<b>Direct Exposure</b>		
i)	Residential Mortgages	-	-
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	-	-
ii)	Commercial Real Estate	-	-
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) Exposure would also include non-fund based (NFB) limits;	-	-
iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
	a Residential	-	-
	b Commercial Real Estate	-	-
<b>b)</b>	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2,500,000	2,500,000
	<b>Total Exposure to Real Estate Exposure</b>	<b>2,500,000</b>	<b>2,500,000</b>

#### Exposure to capital market

The Bank has no exposure to the capital market as at March 31, 2018 (2017: Nil).

### (v) Risk category wise country exposure

Provision is made by the Bank for country risk exposure if the Bank's total exposure to any country (direct or indirect) exceeds 1% of the total assets. Details of exposure as per risk category classification are as under.

Risk Category	As at March 31, 2018		As at March 31, 2017	
	Net Exposure	Provision	Net Exposure	Provision
Insignificant	549,745	386	583,375	365
Low	56,000	140	249,795	116
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
<b>Total</b>	<b>605,745</b>	<b>526</b>	<b>833,170</b>	<b>481</b>

### (w) Advances against Intangible assets

The Bank does not have any advances secured by intangible assets (2017: Nil).

### (x) Subordinated debt

The Bank has not raised any subordinated debt during the year ended March 31, 2018 (2017: Nil).

### (y) Penalties imposed by RBI

No penalties were imposed on the Bank by RBI under the provisions of section 46 (4) of the Banking Regulation Act, 1949 (2017: Nil).

### (z) Micro, Small and Medium Enterprises

There are no outstanding dues towards principal amount or interest thereon remaining unpaid to any supplier covered under Micro, Small and Medium Enterprises Development Act, 2006 as at the end of accounting year. Further, no interest was due or payable by the Bank to any supplier during the year under the provisions of the said Act. The determination has been made to the extent such parties were identified based on the available information (2017: Nil).

### (aa) Classification of Net Investments under various categories is as under

(₹ '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Held to Maturity	-	-
Available for Sale	3,497,755	4,297,387
Held for Trading	-	-
<b>Total</b>	<b>3,497,755</b>	<b>4,297,387</b>

### 5.2 Disclosure Requirement as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for 'Notes to Accounts':

#### (a) Prior Period Items and Changes in Accounting policies

There are no Prior Period Items and changes in Accounting policy in the current year ended 31 March, 2018.

#### (b) Related parties disclosure

Related party disclosure as required by Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below:-

##### 1) Relationship during the year:

###### a) Parent:

United Overseas Bank Limited, Singapore – Head Office.

###### b) Other related parties in United Overseas Bank Group where common control exists:

PT Bank UOB Indonesia

United Overseas Bank (Thai) PCL

These include only those related parties with whom transactions have occurred during current / previous year.

###### c) Key management personnel:

P V Ananthkrishnan – Executive Director & Country Head



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**2) Transactions with related parties - United Overseas Bank Group where common control exists in the ordinary course of business.**

Items / Related Party	Current Year				Previous Year			
	Parent (as per ownership or control)	Subsidiaries of Parent	Whole time directors / individual having significant influence	Relatives of whole time directors / individual having significant influence	Parent (as per ownership or control)	Subsidiaries of Parent	Whole time directors / individual having significant influence	Relatives of whole time directors / individual having significant influence
Deposits								
- Maximum amount during the year	#	32,843	#	N.A.	#	4,818	#	N.A.
- Outstanding	#	271	#	N.A.	#	32	#	N.A.
Investment								
- Maximum amount during the year	#	-	#	N.A.	#	-	#	N.A.
- Outstanding	#	-	#	N.A.	#	-	#	N.A.
Borrowing								
- Maximum amount during the year	#	-	#	N.A.	#	-	#	N.A.
- Outstanding	#	-	#	N.A.	#	-	#	N.A.
FX Notional								
- Maximum amount during the year	#	32,455	#	N.A.	#	11,300	#	N.A.
- Outstanding	#	-	#	N.A.	#	-	#	N.A.
Non-Funded Commitments								
- Maximum amount during the year	#	41,385	#	N.A.	#	34,670	#	N.A.
- Outstanding	#	31,124	#	N.A.	#	30,968	#	N.A.
Interest paid	#	-	#	N.A.	#	-	#	N.A.
Reimbursement of Cost incurred	#	-	#	N.A.	#	-	#	N.A.
Receiving of services	#	-	#	N.A.	#	-	#	N.A.
Rendering of services	#	32	#	N.A.	#	18	#	N.A.
Dividend paid	#	-	#	N.A.	#	-	#	N.A.

# During the year under reference, there was only one related party in the said category, hence the Bank has not disclosed the details of transactions.

**(c) Employee Benefits**

Provident Fund

The Bank has contributed an amount of ₹ 5,907 ('000) (2017: ₹ 6,374 ('000)) towards Provident Fund during the year ended March 31, 2018

Gratuity

The following table sets out the status of the defined benefit Gratuity Plan as required under AS 15 (Revised 2005):

(₹ ' 000)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Assumptions</b>		
Discount Rate	7.71%	7.30%
Future salary increases	8.90%	8.90%
Rate of return (expected) on plan assets	7.55%	7.90%
Attrition Rate	4.72%	5.13%
Mortality	IALM (2006-08)	IALM (2006-08)
Retirement	62 years	62 years

Changes in present value of obligations		
Present Value of Obligation at beginning of period	5,284	4,560
Interest cost	408	325
Current Service Cost	1,191	1,365
Past Service Cost	2,310	-
Benefits Paid	-	(810)
Actuarial (gain)/loss on obligation	(704)	(157)
Present Value of Obligation at end of period	8,489	5,284

Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	5,561	4,603
Expected Return on Plan Assets	432	391
Contributions	312	1,494
Benefit Paid	-	(810)
Actuarial gain/(loss) on plan assets	(69)	(116)
Fair Value of Plan Assets at end of period	6,236	5,561

Expense recognized in Profit and Loss Account		
Current Service Cost	1,191	1,365
Interest cost	408	325
Past Service Cost	2,310	-
Expected Return on Plan Assets	(432)	(391)
Net Actuarial (Gain)/Loss recognized for the period	(635)	(41)
Expense recognized in the statement of P & LA/c	2,842*	1,260

\*Refer Note 5.2 (d)

**Position of plan asset / liability**

Present Value of Obligation at end of period	8,489	5,284
Fair Value of Plan Assets at end of period	6,236	5,561
Plan asset / (liability)	(2,253)	277

**Experience History:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
(Gain)/ Loss on obligation due to changes in Assumptions	(7)	9	(48)	368	(620)
Experience (Gain)/Loss on Obligations	(697)	(166)	(241)	(417)	150
Actuarial Gain/(Loss) on Plan Assets	(69)	(116)	(140)	(14)	(10)

The Bank is yet to determine future contribution to Gratuity fund for financial year 2018-19.

**Leave Encashment**

In respect of encashment of privilege leave, the Bank has made provision on actual basis. The year-end provision based on unavailed privilege leave is ₹ 3,558 ('000) (2017: ₹ 3,586 ('000)) and the debit to current year profit and loss account is ₹ 78 ('000) (2017: Nil)

**(d) Unamortised Pension and Gratuity Liabilities**

Ministry of Labour and Employment, Government of India on March 29, 2018 enhanced the gratuity ceiling payable to an employee under Payment of Gratuity Act, 1972 to ₹ 2,000 ('000) from earlier limit of ₹ 1,000 ('000). This change has resulted to an incremental gratuity liability amounting to ₹ 2,253 ('000). As per RBI Circular DBR BP 9730/21.04.018/201 7-18 dated April 27, 2018, the bank has an option to spread the incremental gratuity expenditure over four quarters beginning with the quarter ended March 31, 2018. The bank has availed the option to spread the incremental gratuity expenditure over four quarters, beginning with the quarter ended March 31, 2018. Accordingly, during the quarter and year ended March 31, 2018 the bank has charged to the profit and loss account an amount of ₹ 563 ('000) and the unamortized gratuity expenditure as at March 31, 2018 is ₹ 1,690 ('000).

**(e) Segment Reporting**

Pursuant to the guidelines issued by RBI on AS-17 (Segment Reporting) - Enhancement of Disclosures dated April 18, 2007, effective from period ending March 31, 2008, the following business segments have been reported.

- Treasury: Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.
- Corporate Banking: Includes lending, deposit taking and other services offered to corporate customers.



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Business Segments	Treasury		Corporate Banking		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue	271,989	384,824	535,199	662,690	807,188	1,047,514
Result	151,649	217,649	403,954	454,540	555,603	672,189
Unallocated Expenses					167,669	158,323
Operating Profit					387,934	513,866
Provisions and contingencies	(1,790)	1,887	392,689	371,232	390,899	373,120
Income Tax					(4,421)	58,389
Extraordinary profit/loss					-	-
Net profit/loss					1,456	82,357
<b>Other Information:</b>						
Segment assets	8,446,639	4,990,680	2,230,565	11,494,202	10,677,204	16,484,882
Unallocated assets					413,776	245,935
Total assets					11,090,980	16,730,817
Segment liabilities	1,217,559	5,985,414	1,642,166	2,521,367	2,859,725	8,506,781
Unallocated liabilities					69,496	63,734
Capital and Reserve & Surplus					8,161,759	8,160,302
Total liabilities					11,090,980	16,730,817

Segmental Information is provided as per the MIS available for internal reporting purposes, which includes certain estimates and assumptions.

### Geographic Segment:

The Bank is considered to operate only within one geographic segment.

### (f) Deferred taxes

In accordance with Accounting Standard 22 on "Accounting for taxes on income", the Bank has recognized Deferred Tax Asset (DTA) on timing differences to the extent there is reasonable/virtual that sufficient future taxable income will be available against which such deferred tax assets can be realised. Items of which deferred tax has been created are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Deferred Tax Assets</b>		
Fixed Assets	9,441	7,510
Employee Benefits	5,408	7,957
Provision on Advances	4,726	26,382
NPA Provision	330,247	144,761
Other items allowed on payment basis	103	1,320
<b>Total</b>	<b>349,925</b>	<b>187,930</b>

### (g) Operating Leases

The Bank has entered into non-cancellable operating leases for premises used primarily for business purposes.

Total operating lease rental of ₹ 31,076 ('000) (2017: ₹ 28,306 ('000)) has been included under Operating expenses- Rent, taxes and lighting and Staff expenses in the profit and loss account.

Total future minimum lease payments under non-cancellable leases at the year-end are as follows: (₹ '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Not later than one year	27,509	28,966
Later than one year but not later than five years	116,258	2,414
Later than five years	-	-

The Bank has not sub-leased any of the above assets and the Bank has not entered into any leases falling under the category of finance lease.

### (h) Description of Contingent Liabilities (Included in Scheduled 12)

Contingent Liability	Brief Description
1. Claims against Bank not acknowledged as debts	The Bank does not have any legal proceedings pending against it. Tax proceedings are in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2. Liability on account of outstanding Foreign Exchange Contracts	The Bank enters into foreign exchange contracts with Inter Bank participants on its own account and for customers. Forward Exchange contracts are commitments to buy/sell foreign currency at a future date at the contracted rate.
3. Guarantees given on behalf of constituents, Acceptances, endorsements and other obligations	As a part of its normal Banking activity, the Bank issues guarantee on behalf of its customers, Correspondent Banks and Head office. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4. Other Items for which Bank is contingently liable	These include estimated amount of contracts remaining to be executed on capital account.

### 5.3 Additional Disclosures:

#### (a) Provisions and Contingencies

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision towards standard asset	(36,942)	(1,800)
Provision / (write back) towards country risk	45	258
Provision for Unhedged Foreign Currency Exposure	(13,269)	13,791
Provision for NPA	441,065	360,871
Provision for Income tax (net of Deferred Tax)	(4,421)	58,389
<b>Total</b>	<b>386,478</b>	<b>431,509</b>

#### (b) Floating Provision

The Bank does not hold floating provisions as at March 31, 2018 (2017: Nil).

#### (c) Drawdown from Reserves

The Bank has not drawn down any amount from reserves during the year ended March 31, 2018 (2017: Nil).

### 5.4 Customer complaints

#### (a) Customer Complaints

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
No of complaints pending at the beginning of the period	-	-
No of complaints received during the period	-	-
No of complaints redressed during the period	-	-
No of complaints pending at the end of the period	-	-

#### (b) Awards Passed By Banking Ombudsman

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
No of unimplemented awards at the beginning of the period	-	-
No of awards passed by the Banking Ombudsman during the period	-	-
No of awards implemented during the period	-	-
No of unimplemented awards at the end of the period	-	-

### 5.5 Letter of comfort

The Bank has not issued any letter of comfort during the year ended March 31, 2018 (2017: Nil)

### 5.6 Fixed Assets

During the year ended March 31, 2018, Software capitalized under Fixed Assets was ₹ Nil (2017: ₹ 7,136 ('000))

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance at Cost	12,394	10,952
Additions during the year	-	1,442
Deductions during the year	-	-
Depreciation to date	11,834	11,353
Net Block	560	1,041

### 5.7 Provision coverage ratio

The provision coverage ratio as computed in accordance with RBI circular no DBOD.No.BP.BC.64/21.04.048/2009-10 dated 01 December 2009 is 100% as at March 31, 2018 (2017: 45%).

### 5.8 Bancassurance income

During the year, the Bank has not earned any income towards Bancassurance business (2017: Nil).

### 5.9 Concentration of Deposits, Advances, Exposures and NPAs

#### (a) Concentration of Deposit

Particulars	March 31, 2018	March 31, 2017
Total Deposits of twenty largest depositors	1,613,430	2,419,313
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	99.99%	99.98%

#### (b) Concentration of Advances

Particulars	March 31, 2018	March 31, 2017
Total Advances of twenty largest borrowers	19,255,576	18,651,180
Percentage of Advances of twenty largest borrowers to Total Advances of the bank	82.26%	87.67%



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### (c) Concentration of Exposures

(₹ ' 000)

Particulars	March 31, 2018	March 31, 2017
Total Exposure of twenty largest borrowers/ customers	19,255,576	18,651,180
Percentage of Exposures of twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers.	82.26%	87.67%

### (d) Concentration of NPAs

(₹ ' 000)

Particulars	March 31, 2018	March 31, 2017
Total Exposure to top four NPA accounts	801,936	801,936

The bank has only one account classified as Non Performing.

### 5.10 Overseas Assets, NPAs and Revenue

(₹ ' 000)

Particulars	March 31, 2018	March 31, 2017
Total Assets	408,363	361,441
Total NPAs	Nil	Nil
Total Revenue	31,699	41,188

#### 5.11 Off Balance Sheet SPV's

The bank has not sponsored any off-balance sheet SPVs (2017: Nil).

#### 5.12 Disclosures on Remuneration

In accordance with the requirement of the RBI circular no DBOD.NO.BC.72/29.67/001/2011-12 dated 13<sup>th</sup> January 2012, the Head office of the Bank has submitted a declaration to RBI that the Bank's compensation policies including that of the CEO is in conformity with the Financial Stability Board principles and standards.

#### 5.13 Credit Default Swaps

The Bank has not dealt in Credit default swaps during the year ended March 31, 2018 (2017: Nil).

#### 5.14 Depositor Education and Awareness Fund (DEAF):

There is no amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years that needed to be transferred to DEAF under the provisions of Section 26A of Banking Regulation Act 1949 As such the DEAF guidelines not applicable.

#### 5.15 Intra Group Exposures:

RBI Circular No RBI/2013-14/487 DBOD.No.BP.BC.96/21.06.102/2013-14 dated Feb 11, 2015 deals with Management of Intra Group Exposure and Transactions As per Point no. 24 c on Entities exempted from Definition of Group Entities of the said circular, exposure of Foreign Banks' (operating as branches in India) to their

#### 5.22 Sector-wise Advances

(₹ ' 000)

No	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	-	-	-	-	-	-
3	Services	-	-	-	-	-	-
4	Personal loans	-	-	-	-	-	-
5	Export Finance	2,020,425	-	-	4,194,355	-	-
	<b>Sub-total (A)</b>	<b>2,020,425</b>			<b>4,194,355</b>		
<b>B</b>	<b>Non Priority Sector</b>						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	999,355	801,936	80.25%	2,526,936	801,936	31.74%
	Of Which,						
	Cement	-	-	-	-	-	-
	Telecom	-	-	-	-	-	-
	Engineering	-	-	-	-	-	-
	Co-operative Societies	-	-	-	1,000,000	-	-
	Power	-	-	-	-	-	-
	Paper & Paper Products	801,936	801,936	100%	835,436	801,936	95.99%
	Leather & Leather Products	-	-	-	236,500	-	-
	Steel	-	-	-	-	-	-
	Others	197,419	-	-	455,000	-	-
3	Services	-	-	-	5,086,602	-	-
	Of Which,						
	NBFC	-	-	-	5,086,602	-	-
	Banks	-	-	-	-	-	-
4	Personal loans	-	-	-	-	-	-
	<b>Sub-total (B)</b>	<b>999,355</b>	<b>801,936</b>	<b>80.25%</b>	<b>7,613,538</b>	<b>801,936</b>	<b>10.53%</b>
	<b>Total (A+B)</b>	<b>3,019,780</b>	<b>801,936</b>	<b>26.56%</b>	<b>11,807,893</b>	<b>801,936</b>	<b>6.79%</b>

Head Office and overseas branches of the parent bank are not covered under these guidelines (except for proprietary derivative transactions undertaken with them) Also, the Bank has no other Group Entities in India and thus no Intra-Group exposure to be reported as on March 31, 2018.

#### 5.16 Unhedged Foreign Currency Exposure

The Bank has in place a policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers. The objective of this policy is to maximize the hedging on foreign currency exposures of borrowers by reviewing their foreign currency product portfolio and encouraging them to hedge the unhedged portion. In line with the policy, assessment of unhedged foreign currency exposure is a part of assessment of borrowers and is undertaken while proposing limits or at the review stage.

Further, the Bank reviews the unhedged foreign currency exposure across its portfolio on a periodic basis. The Bank also maintains incremental provision towards the unhedged foreign currency exposures of its borrowers in line with the extant RBI guidelines.

(₹ ' 000)

Particulars	March 31, 2018	March 31, 2017
Incremental Provision	(13,269)	13,790
Incremental capital held	29,750	441,661

#### 5.17 Corporate Social Responsibility

As required under provisions of Companies Act, 2013, Bank is required to contribute 2% of average profits before tax of 3 immediately preceding financial years i.e. ₹ 7,541 ('000). During the year, Bank has not contributed any amount towards CSR (2017: Nil)

#### 5.18 Priority sector lending certificate

The Bank has purchased Priority sector lending certificate-Micro Enterprises Certificate (PSLC) and General Certificate during the financial year for value ₹ 380,000 ('000) and ₹ 60,000 ('000) respectively. The purchase of PSLC-Micro Enterprises certificate was made to meet the Priority sector target under the 'other than Exports' category target of 4% of ANBC for FY 2017-18. All PSLCs purchased are valid till 31st March 2018.

#### 5.19 Divergence of NPAs

There is no instance of divergence in the asset classification and provisioning of advances based on the latest inspection report published by the RBI

#### 5.20 Provisioning Pertaining to Fraud Account

The bank has not reported any fraud and no provision is made during the year ended March 31, 2018.

#### 5.21 Long Term Contracts

The Bank has assessed its long term contracts (including Derivative contracts) for material foreseeable losses and made adequate provisions in the books of accounts, under any law/accounting standards wherever applicable and disclosed the same under the relevant notes in the financial statements.



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### 5.23 Liquidity Coverage Ratio

#### a. Quantitative Disclosures

Particulars	March 31, 2018 (₹ '000)							
	Apr 17 - Jun 17		Jul 17 - Sep 17		Oct 17 - Dec 17		Jan 18 - Mar 18	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA)	3,591,825	3,591,825	2,032,444	2,032,444	2,441,273	2,441,273	3,294,610	3,294,610
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	(1)	-	(25)	(1)	(3)	-	-	-
(ii) Less stable deposits	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding, of which :								
(i) Operational deposits (all counterparties)	(676,127)	(276,145)	(329,589)	(142,832)	(291,953)	(137,036)	(1,371,663)	(585,912)
(ii) Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	(500)	-	-	-	-	-	-	-
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	(9,415)	(9,415)	(90)	(90)	(1,708,060)	(1,708,060)	(662,172)	(662,172)
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	(2,068,878)	(2,068,878)	(1,216,281)	(1,216,281)	(1,872,092)	(1,872,092)	(2,987,678)	(2,987,678)
7 Other contingent funding obligations	(10,220,103)	(507,023)	(9,296,146)	(459,553)	(9,383,189)	(457,743)	(10,436,666)	(500,674)
8 Total Cash Outflows	(12,975,024)	(2,861,461)	(10,842,131)	(1,818,757)	(13,255,297)	(4,174,931)	(15,458,179)	(4,736,436)
<b>Cash Inflows</b>								
9 Secured lending (eg reverse repos)	921,833	-	68,065	-	527,329	-	461,695	-
10 Inflows from fully performing exposures	3,222,404	2,462,516	1,380,306	1,042,198	4,701,847	3,927,468	3,728,346	3,220,465
11 Other cash inflows	3,226,438	11,369	3,278,985	10,493	3,277,566	9,783	3,284,908	13,454
12 Total Cash Inflows	7,370,675	2,473,885	4,727,356	1,052,691	8,506,742	3,937,251	7,474,949	3,233,919
<b>Total Adjusted Value</b>	(5,604,349)	(387,576)	(6,114,775)	(766,066)	(4,748,555)	(237,680)	(7,983,230)	(1,502,517)
21 TOTAL HQLA		3,591,825		2,032,444		2,441,273		3,294,610
22 Total Net Cash Outflows		715,365		766,066		1,043,733		1,502,517
23 Liquidity Coverage Ratio (%)		502.10%		265.31%		233.90%		219.27%

For the year ended March 31, 2017

Particulars	March 31, 2017 (₹ '000)							
	Apr 16 - Jun 16		Jul 16 - Sep 16		Oct 16 - Dec 16		Jan 17 - Mar 17	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA)	2,496,605	2,496,605	4,095,506	4,095,506	4,073,344	4,073,344	4,612,672	4,612,672
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	(62)	(3)	(1)	-	(1)	-	(1)	(1)
(ii) Less stable deposits	(74)	(7)	-	-	-	-	-	-
3 Unsecured wholesale funding, of which :								
(i) Operational deposits (all counterparties)	(1,456,920)	(717,426)	(465,802)	(189,875)	(426,456)	(173,342)	(200,047)	(87,952)
(ii) Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	-	-	-	-	-	-	-	-
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	(4,012,545)	(4,012,545)	(28,471)	(28,471)	(546,701)	(546,701)	(94,870)	(94,870)
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	(2,132,749)	(2,132,749)	(4,004,376)	(4,004,376)	(2,109,101)	(2,109,101)	(1,814,738)	(1,814,738)
7 Other contingent funding obligations	(7,529,672)	(372,231)	(9,952,230)	(493,297)	(10,557,050)	(523,238)	(10,131,292)	(502,400)
8 Total Cash Outflows	(15,132,022)	(7,234,961)	(14,450,880)	(4,716,019)	(13,639,309)	(3,352,382)	(12,240,948)	(2,499,961)
<b>Cash Inflows</b>								
9 Secured lending (eg reverse repos)	-	-	-	-	219,963	-	211,497	-
10 Inflows from fully performing exposures	8,284,883	7,039,307	3,244,064	2,741,187	3,283,691	2,409,131	2,740,676	2,301,343
11 Other cash inflows	3,413,061	21,531	3,442,543	36,271	3,406,962	18,481	2,659,778	1,329,889
12 Total Cash Inflows	11,697,944	7,060,838	6,686,607	2,777,458	6,910,616	2,427,612	5,611,951	3,631,232
<b>Total Adjusted Value</b>	(3,434,078)	(174,123)	(7,764,273)	(1,938,561)	(6,728,693)	(924,770)	(6,628,997)	(1,131,271)
21 TOTAL HQLA		2,496,605		4,095,506		4,073,344		4,612,672
22 Total Net Cash Outflows		1,808,740		1,938,560		924,769		624,990
23 Liquidity Coverage Ratio (%)		138.03%		211.27%		440.47%		738.04%



## UNITED OVERSEAS BANK LTD - MUMBAI BRANCH

(Incorporated in Singapore with limited liability)

### b. Qualitative disclosure

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". The LCR guidelines aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The LCR requirement has been introduced in a phased manner with banks required to maintain minimum LCR of 60% till Dec 2015 and the 70% from Jan 2016 onwards. The requirement will be increasing by 10% annually to 100% by Jan 2019. LCR requirement is currently at 90% effective Jan 2018.

The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement and regulatory dispensation allowed up to 11% of NDTL. SLR investments of the Bank considered for HQLA consists of Treasury Bills which provides timely liquidity to the Branch. The Branch does not hold any Level 2A or Level 2B Assets. The Bank has been maintaining high LCR primarily due to higher HQLA in the form of SLR investment over and above regulatory requirements.

Outflows majorly comprise of Term Deposits and Borrowing. The Bank's major source of funding is term deposit and bank borrowing. Term deposits are all corporate deposits and majorly for borrowing, the bank has resorted to Head Office. The Bank has also used CBLO and Repo market for sourcing fund during the

year. In line with the RBI guidelines, only committed undrawn limits, if any, have been considered for calculation of outflows. Inflows majorly consist of Loans.

The derivative outflows are adequately covered by corresponding derivative Inflows. Derivative exposures are restricted to FX Forward and FX Swap deals.

Overall liquidity management including LCR of the Bank is guided by Asset Liability Committee which also strategizes the Balance Sheet profile of the Bank. There is no other material inflow or outflow not captured in the LCR common template.

### 5.24 Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to current year's classification.

The Schedules referred to above and the attached notes form an integral part of these statements.

As per our report of even date attached

**For S. R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration  
No. 301003E/E300005

**For United Overseas Bank Limited -  
Mumbai Branch**

Sd/-  
**per Viren H. Mehta**  
Partner  
Membership No. 048749

Sd/-  
**P V Ananthkrishnan**  
Executive Director &  
Country Head

Sd/-  
**Girish Khushalani**  
First Vice President-  
Finance

Place: Mumbai  
Date: June 21, 2018