



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of United Overseas Bank, Mumbai Branch ("the Bank"), which comprise the Balance Sheet as at 31 March, 2016, the Profit and Loss Account and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and notes to the financial statements.

Management's Responsibility for the Financial Statements

The Bank's management 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 Accounting Standards specified under section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, in so far as they apply to the Bank and with 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

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.

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 financial control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Act, in the manner so required for the banking companies and give a true and fair view of the state of affairs of the Bank as at 31 March 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 with Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. As required sub section (3) of section 30 of the Banking Regulation Act, 1949 and the appointment letter 08 December 2015 and 09 March 2016, 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; and
 - (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.
3. Further, as required by section 143(3) of the Act, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank;
 - (e) Reporting requirement pursuant to provision of Section 164 (2) of the Act, are not applicable considering the Bank is a branch of United Overseas Bank 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, 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 and Note 5.2. (f) 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 – Refer Note 5.19 to the financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/300005

Sd/-
per Viren H. Mehta
Partner

Membership Number: 048749

Place: Mumbai
Date: 20 June 2016



UNITED OVERSEAS BANK LIMITED - 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 - 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, Mumbai Branch

We have audited the internal financial controls over financial reporting of United Overseas Bank, Mumbai Branch ("the Bank") as of 31 March 2016 in conjunction with our audit of the financial statements of the Bank for the year 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 (the "Guidance Note"). 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 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 2016 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 Registration No.: 301003E/E300005

Sd/-
per Viren H. Mehta
Partner

Membership Number: 048749

Place: Mumbai

Date: 20 June 2016



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

Balance Sheet as at 31 March 2016

| | <i>Schedule</i> | As at 31 March 2016 (Rs. '000s) | As at 31 March 2015 (Rs. '000s) |
|--|-----------------|--|--|
| CAPITAL AND LIABILITIES | | | |
| Capital | 1 | 7,525,524 | 7,525,524 |
| Reserves and Surplus | 2 | 552,421 | 199,935 |
| Deposits | 3 | 4,014,637 | 1,043,304 |
| Borrowings | 4 | 3,158,738 | 2,558,331 |
| Other Liabilities and Provisions | 5 | 398,147 | 122,347 |
| Total | | 15,649,467 | 11,449,441 |
| ASSETS | | | |
| Cash and balances with Reserve Bank of India | 6 | 256,441 | 191,043 |
| Balances with Banks and Money at Call and Short Notice | 7 | 329,263 | 387,944 |
| Investments | 8 | 3,308,076 | 1,833,472 |
| Advances | 9 | 11,152,194 | 8,764,856 |
| Fixed Assets | 10 | 27,042 | 41,450 |
| Other Assets | 11 | 576,451 | 230,676 |
| Total | | 15,649,467 | 11,449,441 |
| Contingent Liabilities | 12 | 31,057,273 | 7,009,437 |
| Bills for collection | | - | 16,958 |
| 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 Viren H. Mehta
Partner
Membership No. 048749

Sd/-
P V Ananthkrishnan
Executive Director &
Country Head

Sd/-
Girish Khushalani
Vice President - Finance

Place: Mumbai
Date: Jun 20, 2016

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

Profit and Loss Account for the year ended 31 March 2016

| | <i>Schedule</i> | Year Ended 31 March 2016 (Rs. '000s) | Year Ended 31 March 2015 (Rs. '000s) |
|--|-----------------|---|---|
| I. INCOME | | | |
| Interest earned | 13 | 1,081,550 | 696,650 |
| Other income | 14 | 82,426 | 72,443 |
| Total | | 1,163,976 | 769,093 |
| II. EXPENDITURE | | | |
| Interest expended | 15 | 305,084 | 148,907 |
| Operating expenses | 16 | 235,153 | 214,340 |
| Provisions and Contingencies | 17 | 271,253 | 196,935 |
| Total | | 811,490 | 560,182 |
| III. PROFIT/ (LOSS) | | | |
| Net Profit/(Loss) for the period (After Tax) | | 352,486 | 208,911 |
| Profit/(Loss) brought forward | | 135,851 | (20,832) |
| Total | | 488,337 | 188,079 |
| IV. APPROPRIATIONS | | | |
| Transfers to / (from) | | | |
| Statutory Reserve | | 88,121 | 52,228 |
| Balance carried over to Balance sheet | | 400,216 | 135,851 |
| Total | | 488,337 | 188,079 |
| 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 Viren H. Mehta
Partner
Membership No. 048749

Place: Mumbai
Date: Jun 20, 2016

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

Sd/-
P V Ananthkrishnan
Executive Director &
Country Head

Sd/-
Girish Khushalani
Vice President - Finance



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

Cash Flow Statement for the year ended March 31, 2016

| | Year ended 31 March 2016 (Rs. '000s) | Year ended 31 March 2015 (Rs. '000s) |
|---|---|---|
| Cash flow from operating activities | | |
| Net Profit for the year before taxes | 619,849 | 370,564 |
| Adjustments for: | | |
| Depreciation on Fixed Assets charge for the year | 15,853 | 14,098 |
| Provision for Standard Advances/Country Risk | 12,262 | 26,423 |
| Provision for Unhedged Foreign Currency Exposure | (8,372) | 8,859 |
| (Profit)/Loss on Sale of Fixed Assets | 0 | (30) |
| Operating profit before working capital changes | 639,592 | 419,914 |
| Increase/(Decrease) in Deposits | 2,971,333 | 429,238 |
| Increase/(Decrease) in Borrowings | 600,407 | 1,158,117 |
| Increase/(Decrease) in Other liabilities and provisions | 546,410 | 61,726 |
| (Increase)/Decrease in Investments | (1,474,604) | (784,061) |
| (Increase)/Decrease in Advances | (2,387,338) | (6,631,013) |
| (Increase)/Decrease in Other Assets | (613,138) | (318,547) |
| Income Tax (paid)/Refund received | (274,500) | (180,539) |
| Net cash flow from operating activities | 8,162 | (5,845,165) |
| Cash flow from investing activities | | |
| Purchase of fixed assets | (1,445) | (25,356) |
| Sale of Fixed Assets | | 30 |
| Net cash used in investing activities | (1,445) | (25,326) |
| Cash flow from financing activities | | |
| Addition to Capital (Infusion/Capitalisation) | - | 5,976,015 |
| Net cash generated from financing activities | - | 5,976,015 |
| Net (decrease)/increase in cash and cash equivalents | 6,717 | 105,524 |
| Cash and cash equivalents* as at beginning of the year | 578,987 | 473,463 |
| Cash and cash equivalents* as at end of the year | 585,704 | 578,987 |

* (Note: Cash and Cash Equivalents represents Cash and Balance with Reserve Bank of India and Balances with Banks and Money at Call and Short notice)
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 Ananthakrishnan
Executive Director &
Country Head

Sd/-
Girish Khushalani
Vice President - Finance

Place: Mumbai
Date: Jun 20, 2016

Schedules forming part of the Financial Statements

| | | As at 31 March 2016 (Rs. '000s) | As at 31 March 2015 (Rs. '000s) |
|--|--|---------------------------------------|---------------------------------------|
| Schedule 1 : Capital | | | |
| Head Office Account | | | |
| Capital remitted by Head Office | | 7,525,524 | 1,549,509 |
| Infusion / Capitalisation during the year | | - | 5,976,015 |
| Total | | 7,525,524 | 7,525,524 |
| (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) | | | |
| | | 80,000 | 20,000 |
| Schedule 2 : Reserves and Surplus | | | |
| 1 | Statutory Reserve | | |
| | Opening balance | 64,084 | 11,856 |
| | Additions during the year | 88,121 | 52,228 |
| | Deductions during the year | - | - |
| | Closing balance | 152,205 | 64,084 |
| 2 | Capital Reserve | - | - |
| 3 | Balance in Profit and Loss Account | 400,216 | 135,851 |
| | Total (1 + 2 + 3) | 552,421 | 199,935 |
| Schedule 3: Deposits | | | |
| A. | I Demand Deposits | | |
| | i) From banks | 12,087 | 100 |
| | ii) From others | 14,432 | 10,084 |
| | II Savings Bank Deposits | 1,550 | 870 |
| | III Term Deposits | | |
| | i) From banks | 1,102,068 | 500,000 |
| | ii) From others | 2,884,500 | 532,250 |
| | Total (I + II + III) | 4,014,637 | 1,043,304 |
| B | i) Deposits of Branches In India | 4,014,637 | 1,043,304 |
| | ii) Deposits of Branches Outside India. | - | - |
| | Total | 4,014,637 | 1,043,304 |
| Schedule 4 : Borrowings | | | |
| I. | Innovative Perpetual Debt Instruments (IPDI) and Tier II Debt | | |
| A. | Borrowing in India | | |
| | i) IPDI | - | - |
| | ii) Tier II Borrowings | - | - |
| | Total (A) | - | - |
| B. | Borrowings outside India | | |
| | i) IPDI | - | - |
| | ii) Tier II Borrowings | - | - |
| | Total (B) | - | - |
| | Total (A+B) | - | - |
| II | Other Borrowings | | |
| A. | Borrowings in India | | |
| | i) Reserve Bank of India | - | 150,000 |
| | ii) Other Banks | - | - |
| | iii) Other Institutions and Agencies | 5,000 | 248,956 |
| | Total (A) | 5,000 | 398,956 |
| B | Borrowings Outside India | | |
| | i) From banks | 3,153,738 | 2,159,375 |
| | ii) From others | - | - |
| | Total (B) | 3,153,738 | 2,159,375 |
| | Total (A+B) | 3,158,738 | 2,558,331 |
| | Total (I + II) | 3,158,738 | 2,558,331 |
| | Secured borrowings included in I and II above | - | 150,000 |
| Schedule 5 : Other Liabilities and Provisions | | | |
| 1 | Bills payable | - | - |
| 2 | Inter office adjustments Branches in India (net) | - | - |
| 3 | Interest accrued | 55,944 | 3,137 |
| 4 | Provision for Income Tax (Net) | 653 | 684 |
| 5 | Standard Assets Provision | 48,027 | 35,607 |
| 6 | Others (including provisions) | 293,523 | 82,919 |
| | Total | 398,147 | 122,347 |

| | | | |
|---|---|-------------------|------------------|
| 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 | 256,441 | 191,043 |
| | ii) In Other Accounts | - | - |
| | Total (I + II) | 256,441 | 191,043 |
| Schedule 7 : Balances with Banks and Money at Call and Short Notice | | | |
| I. | In India | | |
| | i) Balance with Banks | | |
| | (a) In current accounts | 11,486 | 137 |
| | (b) In other deposit accounts | - | - |
| | ii) Money at Call and Short Notice | | |
| | (a) With Bank | - | - |
| | (b) With other institutions | - | - |
| | Total | 11,486 | 137 |
| II. | Outside India | | |
| | i) In current accounts | 185,267 | 387,807 |
| | ii) In other deposit accounts | - | - |
| | iii) Money at call and short notice | 132,510 | - |
| | Total | 317,777 | 387,807 |
| | Total (I + II) | 329,263 | 387,944 |
| Schedule 8 : Investments | | | |
| I. | Investments in India | | |
| | i) Government Securities(T-Bill) | 3,308,076 | 1,833,472 |
| | ii) Other Approved Securities | - | - |
| | iii) Shares | - | - |
| | iv) Debentures and Bonds | - | - |
| | v) Subsidiaries and/or joint ventures | - | - |
| | vi) Others | - | - |
| II. | Investments outside India | | |
| | i) Government securities (including local authorities) | - | - |
| | ii) Subsidiaries and/or joint ventures abroad | - | - |
| | iii) Others | - | - |
| | Total | 3,308,076 | 1,833,472 |
| (Includes securities of Face Value Rs.80,000 ('000) (Previous year Rs.20,000 ('000)) kept with the Reserve Bank of India (RBI) as required under section 11(2)(b) of the Banking Regulation Act, 1949. Includes securities pledged with RBI under LAF Rs.Nil (Previous year Rs. 156,000 ('000)), with Market Participants Rs.Nil (Previous year Rs.Nil) for availing of REPO borrowing and securities pledged with Clearing Corporation of India Limited for availing borrowing as well as clearing and funding facilities of face value Rs.700,000 ('000) (Previous year Rs.394,900 ('000)). | | | |
| Schedule 9 : Advances | | | |
| A. | i) Bills purchased and discounted | 1,610,093 | 903,231 |
| | ii) Cash credits, overdrafts and loans repayable on demand | 9,542,101 | 6,061,625 |
| | iii) Term loans | - | 1,800,000 |
| | Total | 11,152,194 | 8,764,856 |
| B. | i) Secured by tangible assets (including book debts) | 1,400,000 | 1,146,875 |
| | ii) Covered by Bank / Government guarantees | 89,362 | 330,100 |
| | iii) Unsecured | 9,662,832 | 7,287,881 |
| | Total | 11,152,194 | 8,764,856 |
| C. | Advances in India | | |
| | i) Priority sector | 3,187,738 | 1,069,725 |
| | ii) Public sector | 1,100,000 | 1,100,000 |
| | iii) Banks | 1,610,093 | 674,131 |
| | iv) Others | 5,254,363 | 5,921,000 |
| | Total | 11,152,194 | 8,764,856 |
| Schedule 10 : Fixed Assets | | | |
| I. | Premises | | |
| | Opening | - | - |
| | Additions during the year | - | - |
| | Deductions during the year | - | - |
| | Gross book value | - | - |
| | Depreciation to date | - | - |
| | Net book value | - | - |
| II. | Other Fixed Assets (including furniture and fixtures) | | |



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

| | | | |
|-------------|--|---------------|---------------|
| | Opening | 72,588 | 39,670 |
| | Additions during the year | 1,445 | 33,059 |
| | Deductions during the year | - | (141) |
| | Gross book value | 74,033 | 72,588 |
| | Depreciation to date | (46,991) | (31,138) |
| | Net book value | 27,042 | 41,450 |
| III. | Capital Work-in-progress (including Capital Advances) | - | - |
| | Total (I + II + III) | 27,042 | 41,450 |

| Schedule 11 : Other Assets | | | |
|-----------------------------------|---|----------------|----------------|
| I. | Interest Accrued | 95,776 | 64,533 |
| II. | Inter office adjustments Branches in India (net) | - | - |
| III. | Advance Tax and Tax Deducted at Source (Net) | - | - |
| IV. | Stationery and stamps | - | - |
| V. | Deferred Tax Asset (Net) | 31,534 | 24,428 |
| VI. | Non-banking assets acquired in satisfaction of claims | - | - |
| VII. | Others | 449,141 | 141,715 |
| | Total | 576,451 | 230,676 |

| 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 | 30,830,013 | 6,111,865 |
| IV. | Guarantees given on behalf of constituents | - | - |
| | (i) In India | - | - |
| | (ii) Outside India | 174,654 | 60,380 |
| V. | Acceptances, endorsements and other obligations | 52,606 | 837,192 |
| VI. | Other items for which the Bank is contingently liable | - | - |
| | Total | 31,057,273 | 7,009,437 |

Schedules forming part of the Financial Statements

| | | Year ended 31 March 2016 (Rs. '000s) | Year ended 31 March 2015 (Rs. '000s) |
|--------------------------------------|--|---|---|
| Schedule 13 : Interest earned | | | |
| I | Interest / discount on advances / bills | 896,099 | 357,568 |
| II | Income on investments | 171,839 | 142,399 |
| III | Interest on balances with Reserve Bank of India and other inter-bank funds | 13,517 | 196,669 |
| IV | Others | 95 | 14 |
| | Total | 1,081,550 | 696,650 |

| Schedule 14 : Other Income | | | |
|-----------------------------------|---|---------------|---------------|
| I | Commission, exchange and brokerage | 56,960 | 49,363 |
| II | Profit / (Loss) on Sale of Investments (net) | - | 204 |
| III | Profit / (Loss) on revaluation of investments (net) | - | - |
| IV | Profit / (Loss) on Sale of Land, Buildings and Other Assets (net) | - | 30 |
| V | Profit / (Loss) on Exchange Transactions (net) | 25,014 | 22,417 |
| VI | Miscellaneous Income | 452 | 429 |
| | Total | 82,426 | 72,443 |

| Schedule 15 : Interest expended | | | |
|--|---|----------------|----------------|
| I | Interest on deposits | 224,398 | 44,607 |
| II | Interest on Reserve Bank of India / inter-bank borrowings | 67,654 | 30,434 |
| III | Others (Swap Premium Amortisation) | 13,032 | 73,866 |
| | Total | 305,084 | 148,907 |

| Schedule 16 : Operating Expenses | | | |
|---|--|---------|---------|
| I | Payments to and provisions for employees | 135,462 | 116,830 |
| II | Rent, taxes and lighting | 31,646 | 31,550 |
| III | Printing & Stationery | 370 | 336 |
| IV | Advertisement and publicity | - | 456 |

| | | | |
|------|---|----------------|----------------|
| V | Depreciation on bank's property | 15,853 | 14,098 |
| VI | Directors fees, allowances and expenses | - | - |
| VII | Auditor's fees and expenses | 1,548 | 628 |
| VIII | Law charges | 1,991 | 2,035 |
| IX | Postage, telegrams and telephone etc | 3,370 | 3,875 |
| X | Repairs and maintenance | 10,326 | 7,003 |
| XI | Insurance | 1,417 | 1,012 |
| XII | Other expenditure (Refer note -5.1(x) of Schedule 18) | 33,170 | 36,517 |
| | Total | 235,153 | 214,340 |

| Schedule 17: Provisions and Contingencies | | | |
|--|--|----------------|----------------|
| I | Taxation charge | | |
| | i) Current tax expense | 274,469 | 178,887 |
| | ii) Deferred tax benefit | (7,106) | (17,234) |
| II | Provision for investments | - | - |
| III | Provision for Standard Assets | 12,420 | 26,168 |
| IV | Provision / (Write Back) for Country Risk | (158) | 255 |
| V | Provision for Unhedged Foreign Currency Exposure | (8,372) | 8,859 |
| | Total | 271,253 | 196,935 |

Schedule 18

Significant Accounting Policies forming part of Financial Statements for the year ended March 31, 2016

- Background**
The accompanying financial statements for the year ended March 31, 2016 comprise of the accounts of the Mumbai Branch ("Bank") of United Overseas Bank Ltd., which is incorporated and registered in Singapore with limited liability.
- Basis of preparation**
The accompanying financial statements are prepared and presented under the historical cost convention and accrual basis of accounting unless otherwise stated and in accordance with the generally accepted accounting principles and statutory provisions prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by the Reserve Bank of India (RBI), notified Accounting Standards (AS) specified under section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounting Rules) 2014 to the extent applicable and current practices prevailing within the banking industry in India.
The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- 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.
- Significant accounting policies**
 - 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.

4.2 Accounting for derivative transactions

Derivative transactions comprise of forward exchange contracts. 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. Overdues if any, on account of derivative transactions are accounted in accordance with extant RBI guidelines.

As per the RBI guidelines on 'Prudential Norms for Off-balance Sheet Exposures of Banks' a general provision is made on the current gross MTM gain of the contract for all outstanding foreign exchange derivative transactions.

4.3 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.

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.

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 indicated by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

Investments where interest/dividend is not serviced regularly are classified 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.

4.4 Advances and Provisions

Advances are classified into performing and non-performing in terms of prudential norms on asset classification laid down by the RBI. Specific provision for 'Non Performing Advances' is made on the basis of provisioning requirement under the prudential norms as laid down by the RBI, and is deducted from Advances.

General provision on standard advances, provision for country risk and provision for Unhedged Foreign Currency Exposure is made as per guidelines prescribed by RBI and included under 'Other Liabilities and Provisions'.

4.5 Fixed Assets and Depreciation

a) Fixed Assets are stated at acquisition cost less accumulated depreciation less impairment provision. Cost comprises the purchase price and other attributable costs of bringing the asset to its working condition and for its intended use.

b) Depreciation is provided on a straight line basis over the estimated useful life of the asset as given below which is in accordance with Schedule 2 of Companies Act, 2013:

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

c) 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.

4.6 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.

4.7 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.

4.8 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.

- a) Interest income other than on Non-Performing Assets, is recognised in profit and loss account on accrual basis.
- b) Commission income on Letter of Credits ('LCs') and Guarantees issued is

amortized on straight-line basis over the period of the LCs / Guarantees except commission up to Rs. 100,000, which is recognized upfront in the year of issuance.

- c) All other fees are accounted for as and when they become due.

4.9 Employee Benefits

Provident Fund:

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:

The Bank operates a Gratuity Fund Scheme 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 benefit is in the form of lump sum payments to vested employees on retirement, resignation, death while in employment or on termination of employment for an amount equivalent to 15 days basic salary payable for each completed years of service. Vesting occurs on completion of five years of service. 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

Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only if there is reasonable certainty that they can be realized against future taxable profits. Deferred tax asset in respect of unabsorbed depreciation and carried forward losses are recognized only if there is a virtual certainty supported by convincing evidence of realization of such assets.

At each balance sheet date the Bank re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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.

Contingent assets are not recognised 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.

4.13 Other

Expenses incurred on stationery and stamps are charged off to the Profit and Loss account at the time of purchases.

4.14 Net Profit

The net profit disclosed in Profit and Loss account is after:

- a) Provision for current taxes and deferred taxes on income in accordance with statutory requirements



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

- b) Provision on advances
- c) Depreciation on fixed assets
- d) Provision for shortfall in the value of Investments
- e) Provision for contingencies and other necessary provisions

Schedule 19 Notes forming part of Financial Statements for the year ended March 31, 2016

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:

(Rs '000)

| Sr No | Particulars | March 31, 2016 | March 31, 2015 |
|-------|---|----------------|----------------|
| i. | Common Equity Tier 1 capital ratio (%) | 149.58% | 208.89% |
| ii | Tier 1 Capital ratio (%) | 149.58% | 208.89% |
| iii | Tier 2 Capital ratio (%) | 0.95% | 1.24% |
| iv | Total Capital ratio (CRAR %) | 150.53% | 210.13% |
| 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 | - | 5,976,015 |
| 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 (Rs '000)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---------------------------------|----------------------|----------------------|
| (1) Value of investments | | |
| (i) Gross value of investments | | |
| (a) In India | 3,308,076 | 1,833,622 |
| (b) Outside India | - | - |
| (ii) Provision for depreciation | | |
| (a) In India | - | - |
| (b) Outside India | - | - |
| (iii) Net value of investments | | |
| (a) In India | 3,308,076 | 1,833,622 |
| (b) Outside India | - | - |

(Investments consists of Treasury Bills)

| (2) Movement of provisions held towards depreciation on investments | | |
|--|---|---|
| (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 | - | - |

(c) Repo Transactions (in face value terms) (Rs '000)

| Particulars | Minimum Outstanding during the year | Maximum Outstanding during the year | Daily Average Outstanding during the year | Outstanding as at year end |
|--|-------------------------------------|-------------------------------------|---|----------------------------|
| Securities sold under repos | | | | |
| i. Government securities | 156,000 (10,000) | 520,000 (454,300) | 36,826 (23,958) | - (156,000) |
| ii. Corporate Debt | - (-) | - (-) | - (-) | - (-) |
| Securities purchased under Reverse repos | | | | |
| i. Government securities | 10,200 (10,100) | 1,310,400 (5,657,600) | 179,627 (562,221) | - (-) |
| ii. Corporate Debt | - (-) | - (-) | - (-) | - (-) |

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

(d) Issuer composition of Non-SLR investment

(Rs '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 | - | | | | |
| Total | | - (-) | - (-) | - (-) | - (-) | - (-) |

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, 2016 (2015: 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, 2016 (2015: Nil).

(g) Interest rate swaps and forward rate agreements ('FRA')

The Bank has not entered into any interest rate swaps or forward rate agreements during the year ended March 31, 2016 (2015: Nil).

(h) Exchange traded interest rate derivatives

The Bank did not deal in any exchange traded interest rate derivatives (2015: Nil). There is no notional principal outstanding in respect of exchange traded interest rate derivatives (2015: Nil).

(i) Disclosure on Risk exposure in derivatives

The Bank has exposure to derivatives in the form of forward 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:

- i. VaR
- ii. Net open position
- iii. AGL
- iv. Stop loss limits
- v. 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.

Quantitative Disclosure:

(Rs '000)

| Sr No | Particulars | Currency Derivatives [#] | |
|-------|--|-----------------------------------|-----------|
| | | 2015-16 | 2014-15 |
| 1 | Derivatives (Notional Principal Amount) | | |
| | a) For hedging | - | 1,015,669 |
| | b) For trading | 30,830,013 | 5,274,238 |
| 2 | Marked to Market Positions | | |
| | a) Asset (+) | 223,885 | 11,210 |
| | b) Liability (-) | (218,077) | (10,000) |
| 3 | Credit Exposure ^{##} | 840,486 | 137,008 |
| 4 | Likely impact of one percentage change in interest rate (100*PV01) | | |
| | a) on hedging derivatives | - | (168.68) |
| | b) on trading derivatives | (24.02) | (1.84) |
| 5 | Maximum and Minimum of 100*PV01 observed during the year | | |
| | a) on hedging | | |
| | Minimum | - | (877.28) |
| | Maximum | - | 147.46 |
| | b) on trading | | |
| | Minimum | (676.75) | (63.17) |
| | Maximum | 144.39 | 113.46 |

[#]Currency Derivatives includes foreign exchange contracts only.

^{##}The credit exposure is computed based on the current exposure method specified in the RBI Norms.

(j) Non-Performing Assets (NPA)

The Bank did not have any non-performing assets during the Financial Year 2015-16 (2014-15: Nil).

1) Movement in NPAs

(Rs '000)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| Gross NPAs as on 1 st April (Opening Balance) | | |
| Additions (Fresh NPAs) during the year | - | - |
| Sub-total (A) | - | - |
| 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) | - | - |

(n) Details of loan assets subjected to restructuring

(Rs '000)

| Sr No | Type of Restructuring | | Standard | Sub Standard | Doubtful | Loss | Total |
|-------|--|--------------------|----------|--------------|----------|------|-------|
| | Asset Classification | | | | | | |
| | Details | | | | | | |
| 1 | Restructured Accounts as on April 1, 2015 | 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 2015-16 | 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 2016-16 | No of borrowers | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - |
| 5 | Downgradations of restructured accounts during 2015-16 | No of borrowers | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - |
| 6 | Recovery in restructured accounts during 2015-16 | No of borrowers | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - |
| 7 | Restructured Accounts as on March 31, 2016 | No of borrowers | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - |

2) Technical / Prudential Write-offs

(Rs '000)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| Opening Balance of Technical/Prudential Writeoffs 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) | - | - |

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

(Rs '000)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| (a) Opening balance | - | - |
| (b) Provisions made during the year | - | - |
| (c) Write –off/write–back of excess provisions | - | - |
| (d) Closing balance | - | - |

(k) 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 (2015: Nil). Also there were no realizations during the year (2015: Nil).

(l) Details of non performing financial assets purchased/sold

There has been no purchase /sale of non-performing assets during the year (2015: Nil) .

(m) Provision on standard assets (Rs '000)

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

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|-------------------------------|----------------------|----------------------|
| Provision for Standard Assets | 48,027 | 35,607 |



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

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

Notes:-

(o) Business ratios/ information

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| Interest income as percentage to working funds ¹ | 7.39% | 8.20% |
| Non - interest income as percentage to working funds ¹ | 0.56% | 0.85% |
| Operating profits as percentage to working funds ¹ | 4.26% | 4.78% |
| Return on assets ² | 2.41% | 2.46% |
| Business (deposits plus advances) per employee (Rs '000) ³ | 610,986 | 387,836 |
| Profit per employee (Rs '000) ³ | 15,325 | 8,705 |

- 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 ratios, number of employees as at the year-end has been considered.

p) Asset Liability Management - Maturity pattern

As on March 31, 2016

(Rs. in '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 12 months | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | March 31, 2016 Total |
|------------------------------|-----------|-------------|--------------|---------------|---------------------|---------------------------|----------------------------|------------------------|-------------------------|--------------|----------------------|
| Advances | 4,862 | - | 700,000 | 95,000 | 5,537,650 | 3,030,182 | 1,784,500 | - | - | - | 11,152,194 |
| Investments | 1,513,333 | 350,871 | 0 | 21,583 | 950,513 | 466,395 | 5,381 | 0 | 0 | 0 | 3,308,076 |
| Deposits | 28,069 | 1,732,568 | 980,000 | 100,000 | 1,149,500 | 24,500 | - | - | - | - | 4,014,637 |
| Borrowings | - | 5,000 | - | - | 1,987,650 | 1,166,088 | - | - | - | - | 3,158,738 |
| Foreign Currency Assets | 185,267 | 132,942 | - | - | 1,987,650 | 1,160,088 | - | - | - | 152,387 | 3,618,334 |
| Foreign Currency Liabilities | 13,635 | - | - | - | 1,988,871 | 1,167,270 | - | - | - | - | 3,169,776 |

As on March 31, 2015

(Rs. in '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 12 months | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | March 31, 2015 Total |
|------------------------------|---------|-------------|--------------|---------------|---------------------|---------------------------|----------------------------|------------------------|-------------------------|--------------|----------------------|
| Advances | - | 220,000 | 1,800,000 | - | 4,149,850 | 151,875 | 2,443,131 | - | - | - | 8,764,856 |
| Investments | 207,910 | - | - | 1,078 | 584,103 | 38 | 1,040,493 | - | - | - | 1,833,622 |
| Deposits | 11,054 | 102,500 | 255,000 | 250,000 | 424,500 | - | 250 | - | - | - | 1,043,304 |
| Borrowings | - | 150,000 | - | 248,956 | 2,159,375 | - | - | - | - | - | 2,558,331 |
| Foreign Currency Assets | 387,807 | - | - | - | 935,238 | 146,877 | - | - | - | 81,250 | 1,551,172 |
| Foreign Currency Liabilities | - | - | - | - | 2,166,055 | - | 201 | - | - | - | 2,166,256 |

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.

(q) Securitization exposures

The Bank did not have any securitization exposures during the year (2015: Nil).

(r) Disclosure on Single Borrower Limits ('SBL')/Group Borrower Limits ('GBL')

During the year under reference the Bank has not exceeded the Prudential Exposure Limits for Single Borrowers. (2015: During the year, the prudential exposure limits for One Borrower got exceeded due to impact of MTM on Borrowers' FX contracts. The excess was ratified by Bank's Management Committee and was regularized on July 8, 2014).

During the year under reference, the Bank has not exceeded the Prudential Exposure Limits for Group Borrowers. (2015: Nil).

(s) Lending to sensitive sectors

Exposure to real estate

(Rs '000)

| Category | As on March 31, 2016 | As on March 31, 2015 |
|--|----------------------|----------------------|
| a) Direct Exposure | | |
| 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) Indirect Exposure | | |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | 1,350,000 | - |
| Total Exposure to Real Estate Exposure | 1,350,000 | - |

Exposure to capital market

The Bank has no exposure to the capital market as at March 31, 2016 (2015: Nil).

(t) Risk category wise country exposure



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

Provision is made by the Bank for country risk exposure since the Bank's country wise net funded exposure exceeds 1% of the total assets. Details of exposure as per risk category classification is as under.

(Rs '000)

| Risk Category | As at March 31, 2016 | | As at March 31, 2015 | |
|---------------|----------------------|------------|----------------------|------------|
| | Net Exposure | Provision | Net Exposure | Provision |
| Insignificant | 356,600 | 223 | 442,183 | 238 |
| Low | 64,000 | - | 288,100 | 143 |
| Moderate | - | - | - | - |
| High | - | - | - | - |
| Very High | - | - | - | - |
| Restricted | - | - | - | - |
| Off-credit | - | - | - | - |
| Total | 420,600 | 223 | 730,283 | 381 |

(u) Advances against Intangible assets

The Bank does not have any advances secured by intangible assets (2015: Nil).

(v) Subordinated debt

The Bank has not raised any subordinated debt during the year ended March 31, 2016 (2015: Nil).

(w) 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 (2015: Nil).

(x) 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 (2015: Nil).

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

(Rs. '000)

(y) Classification of Net Investments under various categories is as under:
(Rs '000)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--------------------|----------------------|----------------------|
| Held to Maturity | - | - |
| Available for Sale | 3,308,076 | 1,833,622 |
| Held for Trading | - | - |
| Total | 3,308,076 | 1,833,622 |

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

(a) 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:

United Overseas Bank (Malaysia) Limited.

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

(Rs. '000)

| Items / Related Party | Current Year | | | Previous Year | | |
|----------------------------------|------------------------|--|---|------------------------|--|---|
| | Subsidiaries of Parent | Whole time directors / individual having significant influence | Relatives of whole time directors / individual having significant influence | 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 | 2,911 | # | N.A. | - | # | N.A. |
| - Outstanding | 26 | # | N.A. | - | # | N.A. |
| Investment | | | | | | |
| - Maximum amount during the year | - | # | N.A. | - | # | N.A. |
| - Outstanding | - | # | N.A. | - | # | N.A. |
| Non-Funded Commitments | | | | | | |
| - Maximum amount during the year | 32,052 | # | N.A. | 8,943 | # | N.A. |
| - Outstanding | 32,052 | # | N.A. | 1,700 | # | 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 | 12 | # | N.A. | 31 | # | 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 in accordance with circular issued by the RBI on March 29, 2003 "Guidance on compliance with the accounting standards by banks"

(b) Employee Benefits

Provident Fund

The Bank has contributed an amount of Rs. 5,743 ('000) (2015: Rs. 5,100 ('000)) towards Provident Fund during the year.

Gratuity

The following table sets out the status of the defined benefit Gratuity Plan as required under AS 15 (Revised 2005): Rs. '000)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|----------------------|----------------------|
| Assumptions | | |
| Discount Rate | 7.83% | 7.80% |
| Future salary increases | 10.00% | 10.00% |
| Rate of return (expected) on plan assets | 8.00% | 8.75% |
| Attrition Rate | 8.00% | 6.00% |
| 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 | 3,134 | 1,591 |

| | | |
|--|-------|-------|
| Interest cost | 244 | 145 |
| Current Service Cost | 1,471 | 1,447 |
| Past Service Cost | - | - |
| Benefits Paid | - | - |
| Actuarial (gain)/loss on obligation | (288) | (49) |
| Present Value of Obligation at end of period | 4,560 | 3,134 |

Changes in fair value of plan assets

| | | |
|--|-------|-------|
| Fair Value of Plan Assets at beginning of period | | 1,608 |
| Expected Return on Plan Assets | 314 | 183 |
| Contributions | 1,672 | 979 |
| Benefit Paid | - | - |
| Actuarial gain/(loss) on plan assets | (139) | (14) |
| Fair Value of Plan Assets at end of period | 4,603 | 2,756 |

Expense recognized in Profit and Loss Account

| | | |
|---|-------|-------|
| Current Service Cost | 1,471 | 1,447 |
| Interest cost | 244 | 145 |
| Expected Return on Plan Assets | (314) | (183) |
| Net Actuarial (Gain)/Loss recognized for the period | (149) | (35) |
| Expense recognized in the statement of P & L A/c | 1,252 | 1,374 |



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

| Position of plan asset / liability | | |
|--|-------|-------|
| Present Value of Obligation at end of period | 4,560 | 3,134 |
| Fair Value of Plan Assets at end of period | 4,603 | 2,756 |
| Plan asset / (liability) | 43 | (378) |

Experience History:

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| (Gain)/ Loss on obligation due to changes in Assumptions | (48) | 368 | (620) | (-) |
| Experience (Gain)/Loss on Obligations | (241) | (417) | 150 | (-) |
| Actuarial Gain/(Loss) on Plan Assets | (140) | (14) | (10) | (-) |

(Rs '000)

| Business Segments | Treasury | | Corporate Banking | | Total | |
|------------------------------|-----------|-----------|-------------------|-----------|------------|------------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Revenue | 210,465 | 361,703 | 953,511 | 407,174 | 1,163,976 | 768,877 |
| Result | 107,689 | 234,016 | 697,354 | 325,944 | 805,043 | 559,960 |
| Unallocated Expenses | | | | | 181,303 | 154,114 |
| Operating Profit | | | | | 623,740 | 405,846 |
| Provisions and contingencies | - | - | 3,890 | 35,282 | 3,890 | 35,282 |
| Income Tax | | | | | 267,363 | 161,653 |
| Extraordinary profit/loss | | | | | - | - |
| Net profit/loss | | | | | 352,487 | 208,911 |
| <u>Other Information:</u> | | | | | | |
| Segment assets | 4,117,457 | 2,416,772 | 11,261,430 | 8,787,557 | 15,378,887 | 11,204,329 |
| Unallocated assets | | | | | 245,581 | 245,112 |
| Total assets | | | | | 15,649,468 | 11,449,441 |
| Segment liabilities | 3,379,220 | 2,564,740 | 4,123,210 | 1,088,870 | 7,502,430 | 3,653,610 |
| Unallocated liabilities | | | | | 8,147,038 | 7,795,831 |
| Total liabilities | | | | | 15,649,468 | 11,449,441 |

Geographic Segment:

The Bank is considered to operate only with in one geographic segment.

(d) 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

(Rs. '000)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--------------------------------------|----------------------|----------------------|
| Deferred Tax Assets | | |
| Fixed Assets | 4,514 | 2,600 |
| Employee Benefits | 6,333 | 2,011 |
| Provision on Advances | 21,084 | 19,401 |
| Other items allowed on payment basis | 2,116 | 416 |
| Total | 34,047 | 24,428 |

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|-------------------------------|----------------------|----------------------|
| Deferred Tax Liability | | |
| Others | 2,513 | - |
| Total | 2,513 | - |
| Net Deferred tax asset | 31,534 | 24,428 |

(e) Operating Leases

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

Total operating lease rental of Rs. 29,706 ('000) (2015: Rs. 29,492 ('000)) has been included under Operating expenses- Rent, taxes and lighting in the profit and loss account.

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

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| Not later than one year | 27,986 | 26,697 |
| Later than one year but not later than five years | 31,379 | 60,624 |
| 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.

The Bank is yet to determine future contribution to Gratuity fund for financial year 2015-16.

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 Rs. 3,611 ('000) (2015: Rs. 3,022 ('000)) and the debit to current year profit and loss account is Rs. 651 ('000) (2015: Rs. 1,029 ('000))

(c) 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.

(f) 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 customers, 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

(Rs. '000)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| Provision towards standard asset | 12,420 | 26,168 |
| Provision / (write back) towards country risk | (158) | 255 |
| Provision for Unhedged Foreign Currency Exposure | (8,372) | 8,859 |
| Provision for Income tax (net of Deferred Tax) | 267,363 | 161,653 |
| Total | 271,253 | 196,935 |

(b) Floating Provision

The Bank does not hold floating provisions as at March 31, 2016 (2015: Nil).

(c) Drawdown from Reserves

The Bank has not drawn down any amount from reserves during the year (2015: Nil).

5.4 Customer complaints

(a) *Customer Complaints*

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| 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, 2016 | For the year ended March 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| 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, 2016 (2015: Nil)

5.6 Fixed Assets

During the year ended March 31, 2016, Software capitalized under Fixed Assets was Rs. Nil (2015: Rs. 7,136('000)

(Rs. '000)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|----------------------------|-----------------------------------|-----------------------------------|
| Opening Balance at Cost | 10,952 | 3,816 |
| Additions during the year | - | 7,136 |
| Deductions during the year | - | - |
| Depreciation to date | 7,649 | 4,021 |
| Net Block | 3,303 | 6,931 |

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 not applicable as the Bank did not have any non performing advances as at March 31, 2016 (2015: Nil).

5.8 Bancassurance income

During the year, the Bank has not earned any income towards Bancassurance business (2015: Nil).

5.9 Concentration of Deposits, Advances, Exposures and NPAs

(a) *Concentration of Deposits*

(Rs. '000)

| Particulars | March 31,2016 | March 31,2015 |
|---|---------------|---------------|
| Total Deposits of twenty largest depositors | 4,013,489 | 1,043,076 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the bank | 99.97% | 99.98% |

(b) *Concentration of Advances*

(Rs. '000)

| Particulars | March 31,2016 | March 31,2015 |
|--|---------------|---------------|
| Total Advances of twenty largest borrowers | 18,231,155 | 13,477,971 |
| Percentage of Advances of twenty largest borrowers to Total Advances of the bank | 92% | 94% |

(c) *Concentration of Exposures*

(Rs. '000)

| Particulars | March 31,2016 | March 31,2015 |
|---|---------------|---------------|
| Total Exposure of twenty largest borrowers/ customers | 18,231,155 | 13,477,971 |
| Percentage of Exposures of twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers. | 92% | 94% |

(d) *Concentration of NPAs*

(Rs. '000)

| Particulars | March 31,2016 | March 31,2015 |
|---|---------------|---------------|
| Total Exposure to top four NPA accounts | Nil | Nil |

5.10 Overseas Assets, NPAs and Revenue

(Rs. '000)

| Particulars | March 31, 2016 | March 31, 2015 |
|---------------|----------------|----------------|
| Total Assets | 331,238 | 629,283 |
| Total NPAs | Nil | Nil |
| Total Revenue | 36,593 | 35,476 |

5.11 Off Balance Sheet SPV's

The bank has not sponsored any off-balance sheet SPVs (2015: Nil).

5.12 Unamortized Pension and Gratuity Liabilities

The Bank does not have any unamortized Pension / Gratuity Liability as at March 31, 2016 (2015: Nil).

5.13 Disclosures on Remuneration

In accordance with the requirements of the RBI circular no DBOD.NO.BC.72/29.67/001/2011-12 dated 13th 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.

5.14 Credit Default Swaps

The Bank has not dealt in Credit default swaps during the year ended March 31, 2016 (2015: Nil).

5.15 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.

5.16 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 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, 2016.

5.17 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.
(Rs in '000)

| Particulars | March 31, 2016 | March 31, 2015 |
|--------------------------|----------------|----------------|
| Incremental Provision | (8,372) | 8,859 |
| Incremental capital held | - | 29,946 |

5.18 Corporate Social Responsibility

Bank has a global policy on Corporate Social Responsibility programmes that support art, children and education In India, Banks Management Committee acts as CSR committee.

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 which works out to Rs 2,778 ('000). During the year, Bank has contributed an amount of Rs 2,778 ('000) towards The Akshay Patra Foundation included under Other Expenditure of Schedule 16.

5.19 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.



UNITED OVERSEAS BANK LIMITED - MUMBAI BRANCH
(Incorporated in Singapore with limited liability)

5.20 Sector-wise Advances

(Rs '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 |
| A | Priority Sector | | | | | | |
| 1 | Agriculture and allied activities | - | - | - | - | - | - |
| 2 | Industry | - | - | - | - | - | - |
| 3 | Services | - | - | - | - | - | - |
| 4 | Personal loans | - | - | - | - | - | - |
| 5 | Export Finance | 3,187,738 | - | - | 1,069,725 | - | - |
| Sub-total (A) | | 3,187,738 | | | 1,069,725 | | |
| B | Non Priority Sector | | | | | | |
| 1 | Agriculture and allied activities | - | - | - | - | - | - |
| 2 | Industry | 3,634,363 | - | - | 6,021,000 | - | - |
| | <i>Of Which,</i> | | | | | | |
| | <i>Cement</i> | - | - | - | 800,000 | - | - |
| | <i>Telecom</i> | - | - | - | 1,100,000 | - | - |
| | <i>Engineering</i> | - | - | - | 1,000,000 | - | - |
| | <i>Co-operative Societies</i> | 1,000,000 | - | - | 1,000,000 | - | - |
| | <i>Power</i> | 700,000 | - | - | 700,000 | - | - |
| | <i>Paper & Paper Products</i> | 500,000 | - | - | - | - | - |
| | <i>Leather & Leather Products</i> | 245,000 | - | - | - | - | - |
| | <i>Steel</i> | 1,100,000 | - | - | - | - | - |
| | <i>Others</i> | 89,363 | - | - | - | - | - |
| 3 | Services | 4,330,093 | - | - | 1,674,131 | - | - |
| | <i>Of Which,</i> | | | | | | |
| | <i>NBFC</i> | 2,720,000 | - | - | 1,000,000 | - | - |
| | <i>Banks</i> | 1,610,093 | - | - | 674,131 | - | - |
| 4 | Personal loans | - | - | - | - | - | - |
| Sub-total (B) | | 7,964,456 | | | 7,695,131 | | |
| Total (A+B) | | 11,152,194 | | | 8,764,856 | | |

5.21 Liquidity Coverage Ratio

a. Quantitative Disclosures

| Particulars | Current year | | | | | | | | Previous Year | | |
|-----------------------------------|--|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|--------------------------------|------------------|
| | Apr 15 - Jun 15 | | Jul 15 - Sep 15 | | Oct 15 - Dec 15 | | Jan 16 - Mar 16 | | Apr 14 - Mar 15 | | |
| | Total Un-weighted Value (average) | Total Weighted Value (average) | Total Un-weighted Value (average) | Total Weighted Value (average) | Total Un-weighted Value (average) | Total Weighted Value (average) | Total Un-weighted Value (average) | Total Weighted Value (average) | Total Un-weighted Value (average) | Total Weighted Value (average) | |
| High Quality Liquid Assets | | | | | | | | | | | |
| 1 | Total High Quality Liquid Assets (HQLA) | 1,084,025 | 1,084,025 | 991,946 | 991,946 | 1,217,929 | 1,217,929 | 1,661,726 | 1,661,726 | 1,347,879 | 1,347,879 |
| Cash Outflows | | | | | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 446 | 22 | 434 | 22 | 422 | 21 | 427 | 21 | 19,014 | 1,872 |
| | (i) Stable deposits | 446 | 22 | 434 | 22 | 422 | 21 | 427 | 21 | 584 | 29 |
| | (ii) Less stable deposits | - | - | - | - | - | - | - | - | 18,430 | 1,843 |
| 3 | Unsecured wholesale funding, of which : | 162,028 | 150,055 | 596,995 | 243,704 | 2,664,728 | 2,066,602 | 1,989,196 | 1,315,319 | 204,417 | 81,767 |
| | (i) Operational deposits (all counterparties) | 162,028 | 150,055 | 596,995 | 243,704 | 2,664,728 | 2,066,602 | 1,989,196 | 1,315,319 | - | - |
| | (ii) Non-operational deposits (all counterparties) | - | - | - | - | - | - | - | - | 204,417 | 81,767 |
| | (iii) Unsecured debt | - | - | - | - | - | - | - | - | - | - |
| 4 | Secured wholesale funding | - | - | - | - | - | - | - | - | 132,985 | - |
| 5 | Additional requirements, of which | 46,606 | 46,607 | 330,990 | 330,990 | 841,814 | 841,814 | 1,586,581 | 1,586,581 | 2,117,185 | 2,117,185 |
| | (i) Outflows related to derivative exposures and other collateral requirements | 46,606 | 46,607 | 330,990 | 330,990 | 841,814 | 841,814 | 1,586,581 | 1,586,581 | 2,117,185 | 2,117,185 |
| | (ii) Outflows related to loss of funding on debt products | - | - | - | - | - | - | - | - | - | - |
| | (iii) Credit and liquidity facilities | - | - | - | - | - | - | - | - | - | - |
| 6 | Other contractual funding obligations | 3,266,157 | 3,266,157 | 2,816,026 | 2,816,026 | 2,320,034 | 2,320,034 | 808,421 | 808,421 | 661,042 | 661,042 |
| 7 | Other contingent funding obligations | 52,906 | 2,645 | 42,690 | 2,135 | 76,918 | 3,846 | 141,015 | 4,230 | - | - |
| 8 | Total Cash Outflows | 3,528,143 | 3,465,486 | 3,787,135 | 3,392,877 | 5,903,916 | 5,232,317 | 4,525,640 | 3,714,572 | 3,134,643 | 2,861,866 |
| Cash Inflows | | | | | | | | | | | |
| 9 | Secured lending (eg reverse repos) | - | - | 910,000 | 910,000 | - | - | - | - | - | - |
| 10 | Inflows from fully performing exposures | 3,458,889 | 25,77,432 | 2,314,749 | 1,884,947 | 50,40,852 | 3,841,497 | 4,030,022 | 3,423,879 | 2,135,808 | 2,135,808 |
| 11 | Other cash inflows | 39,284 | 19,642 | 50,677 | 25,338 | 65,065 | 32,532 | 65,434 | 32,717 | 1,375,424 | 687,712 |
| 12 | Total Cash Inflows | 3,498,173 | 2,597,074 | 3,275,426 | 2,820,285 | 5,105,917 | 3,874,030 | 4,095,456 | 3,456,596 | 3,511,232 | 2,823,520 |
| | Total Adjusted Value | (29,970) | (868,412) | (511,710) | (572,591) | 797,999 | (1,358,287) | (430,183) | (257,977) | 376,589 | (38,346) |
| 21 | TOTAL HQLA | | 1,084,025 | | 991,946 | | 1,217,929 | | 1,661,726 | | 1,347,879 |
| 22 | Total Net Cash Outflows | | 1,046,352 | | 853,645 | | 1,864,222 | | 1,006,661 | | 715,466 |
| 23 | Liquidity Coverage Ratio (%) | | 103.60% | | 116.20% | | 65.33% | | 165.07% | | 188.39% |



UNITED OVERSEAS BANK LIMITED - 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 Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement and regulatory dispensation allowed up to 10% 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.

LCR for the quarter end March 31, 2015 had been computed based on the guidelines applicable at that point in time. Subsequently there have been amendments in the RBI guidelines w.e.f April 2015. Hence, LCR computed based 3 months average for Mar 15 is not comparable with those reported for the current financial year based on 12 months average.

5.22 Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to current year's classification. Prior year's numbers are audited by an audit firm other than M/s S. R. Batliboi & Co.

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
Vice President -
Finance

Place: Mumbai
Date: Jun 20, 2016