GUHA NANDI & CO.
Chartered Accountants,
Commerce House, 5th Floor,
Room 8D & E,
2A, Ganesh Chandra Avenue,
Kolkata – 700 013

A. SACHDEV & CO.
Chartered Accountants,
27 (II), Gokhle Marg,
Lucknow – 226 001
(U.P.)

NIRUPAM & ASSOCIATES
Chartered Accountants,
Rashkhola Para,
Khardah,
Kolkata – 700 117

O. P. GARG & CO.
Chartered Accountants,
40 A/D, Gandhi Nagar,
Jammu – 180 004
(J & K)

TEJ RAJ & PAL.
Chartered Accountants,
1, Kalpana Square
Bhubaneswar – 751 014
Odisha

INDEPENDENT AUDITORS' REPORT

To The Members of UCO Bank

Report on the Financial Statements

1. We have audited the accompanying financial statements of UCO Bank ('the Bank') as at 31 March 2017, which comprise the Balance Sheet as at 31 March 2017 and the Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 21 branches audited by us (inclusive of treasury branch) and 1129 branches (including service branches) audited by statutory branch auditors and 4 foreign branches audited by local overseas auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Statement of Profit and Loss are the returns from 1950 branches which have not been subjected to audit. These unaudited branches account for 7.93 percent of advances, 36.72 per cent of deposits, 12.59 per cent of interest income and 34.87 per cent of interest expenses.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Banking Regulation Act 1949, Reserve Bank of India guidelines from time to time and accounting standards generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the financial statements that 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 conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

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 judgement, 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 effectiveness of the entity'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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of bank and to the best of our information and according to the explanations given to us:

   (a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31 March 2017 in conformity with accounting principles generally accepted in India;

   (b) the Profit and Loss Account, read with the notes thereon shows a true balance of loss, in conformity with accounting principles generally accepted in India, for the year covered by the account; and

   (c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and subject also to the limitations of disclosure required therein, 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 purposes 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 returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

9. We further report that:

   (a) the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account and returns;

   (b) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;

GUHA NANDI & CO. Chartered Accountants Kolkata

A. SAXENA & CO. Chartered Accountants LUCKNOW

NIRUPAM & ASSOCIATES Chartered Accountants KHARDAH

D. GARG & CO. Chartered Accountants

TEJ RAJ & PAL Chartered Accountants BHUBANESWAR

(c) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards.

For GUHA NANDI & CO.
Chartered Accountants
FRN : 300039E

(CA Dr. B. S. Kundu)
Partner
Membership No.051221

For A. SACHDEV & CO.
Chartered Accountants
FRN : 001307C

(CA Manish Agarwal)
Partner
Membership No.078628

For NIRUPAM & ASSOCIATES
Chartered Accountants
FRN : 323575E

(CA M. Chakrabarti)
Partner
Membership No.059207

For O.P.GARG & CO.
Chartered Accountants
FRN : 001194N

(CA Vikram Garg)
Partner
Membership No.097038

For Tej Raj & Pal
Chartered Accountants
FRN : 304124E

(CA P. Venugopal Rao)
Partner
Membership No.010905

Place : Kolkata

Date : 12th May 2017

UCO BANK

Head Office : 10, B.T.M.Sarani, Kolkata - 700 001 **Website : www.ucobank.com**

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

SL No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2017 (Audited)	31.12.2016 (Reviewed)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
1	**Interest Earned (a)+(b)+(c)+(d)**	**361424**	**419247**	**435768**	**1632580**	**1856097**
	(a) Interest/discount on advances / bills	215051	257236	263689	987129	1229345
	(b) Income on investments	125636	141063	157313	573419	566294
	(c) Interest on balances with R.B.I & other inter-bank funds	11079	11246	6226	35318	23646
	(d) Others	9658	9702	8540	36714	36812
2	**Other Income**	**29250**	**67174**	**38780**	**211449**	**159631**
3	**Total Income (1+2)**	**390674**	**486421**	**474548**	**1844029**	**2015728**
4	Interest Expended	300494	321671	342457	1250902	1371295
5	**Operating Expenses (i) + (ii)**	**78286**	**75854**	**75325**	**300519**	**284094**
	(i) Employees Cost	47814	47656	47980	192058	183531
	(ii) Other Operating Expenses (All items exceeding 10% of the total	30472	28198	27345	108461	100563
6	**Total Expenditure (4+5)** (excluding Provisions and Contingencies)	**378780**	**397525**	**417782**	**1551421**	**1655389**
7	**Operating Profit** (Before Provisions and Contingencies) **(3-6)**	**11894**	**88896**	**56766**	**292608**	**360339**
8	**Provisions (other than current tax) and Contingencies (Net)**	**70102**	**132605**	**234488**	**476591**	**638255**
	of which provisions for Non-performing assets	157760	91432	280572	441468	629934
9	Exceptional Items	0	0	0	0	0
10	**Profit(+)/Loss(-) from Ordinary Activities before tax (7-8-9)**	**-58208**	**-43709**	**-177722**	**-183983**	**-277916**
11	**Provision for Current Taxes**	**611**	**0**	**-6207**	**1084**	**2009**
12	**Net Profit(+)/Loss(-) from Ordinary Activities after tax (10-11)**	**-58819**	**-43709**	**-171515**	**-185067**	**-279925**
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	**Net Profit(+)/Loss (-) for the period (12-13)**	**-58819**	**-43709**	**-171515**	**-185067**	**-279925**
15	**Paid-up Equity Share Capital (Face Value ₹ 10/- each)**	**155973**	**155973**	**107559**	**155973**	**107559**
16	**Reserves excluding Revaluation Reserves** (As per Balance Sheet of previous accounting year)	**771857**	**814571**	**814571**	**771857**	**814571**
17	**Analytical Ratios**					
	(i) Percentage of shares held by Govt. of India	76.67%	76.67%	72.83%	76.67%	72.83%
	(ii) Capital Adequacy Ratio: **Basel-III**	10.93%	10.26%	9.63%	10.93%	9.63%
	(a) Common Equity Tier-I Ratio	7.64%	7.60%	7.52%	7.64%	7.52%
	(b) Additional Tier-I Ratio	0.63%	0.60%	0.11%	0.63%	0.11%
	(iii) Earning Per Share (EPS) (in ₹) (Not Annualised)					
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year.	-3.77	-2.90	-15.95	-13.29	-26.03
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year.	-3.77	-2.90	-15.95	-13.29	-26.03
	(iv) NPA Ratios					
	a) Amount of Gross NPA	2254095	2218126	2090773	2254095	2090773
	b)Amount of Net NPA	1070339	1054498	1144359	1070339	1144359
	c) % of Gross NPA	17.12%	17.18%	15.43%	17.12%	15.43%
	d) % of Net NPA	8.94%	8.99%	9.09%	8.94%	9.09%
	(v) Return on Assets (Annualised) (%)	-1.07%	-0.77%	-3.00%	-0.75%	-1.25%

SEGMENT REPORTING AS ON 31ST MARCH, 2017

(₹ in Lakh)

PART : A BUSINESS SEGMENTS						
Sl. No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2017 (Audited)	31.12.2016 (Reviewed)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
1	**Segment Revenue**					
	i) Treasury Operations	158548	219255	196717	793094	729664
	ii) Corporate Banking Operations	138301	169238	169465	656384	803230
	iii) Retail Banking Operations	92422	97022	107052	390146	477852
	iv) Other Banking Operations	1403	906	1314	4405	4982
	Total Revenue	**390674**	**486421**	**474548**	**1844029**	**2015728**
2	**Segment Results**					
	i) Treasury Operations	35265	83967	2504	287064	142209
	ii) Corporate Banking Operations	-16880	2430	36333	-1155	136714
	iii) Retail Banking Operations	-7894	1593	16615	2294	76434
	iv) Other Banking Operations	1403	906	1314	4405	4982
	Total (Operating Profit)	**11894**	**88896**	**56766**	**292608**	**360339**
	Less: Other Un-allocable Expenditure	70102	132605	234488	476591	638255
	Profit Before Tax	**-58208**	**-43709**	**-177722**	**-183983**	**-277916**
	Provision for Tax	611	0	-6207	1084	2009
	Net Profit	**-58819**	**-43709**	**-171515**	**-185067**	**-279925**
3	**Segment Assets**					
	i) Treasury Operations	10410313	10899663	11291365	10410313	11291365
	ii) Corporate Banking Operations	7988250	8080877	8216679	7988250	8216679
	iii) Retail Banking Operations	4711897	4622929	4948608	4711897	4948608
	iv) Other Banking Operations	23511	23764	31601	23511	31601
	Total Assets	**23133971**	**23627233**	**24488253**	**23133971**	**24488253**
4	**Segment Liabilities**					
	i) Treasury Operations	8604190	9132772	9550897	8604190	9550897
	ii) Corporate Banking Operations	9139069	9219911	9322657	9139069	9322657
	iii) Retail Banking Operations	5390712	5274550	5614699	5390712	5614699
	iv) Other Banking Operations	0	0	0	0	0
	Total Liabilities	**23133971**	**23627233**	**24488253**	**23133971**	**24488253**

(₹ in Lakh)

PART : B GEOGRAPHICAL SEGMENTS						
	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2017 (Audited)	31.12.2016 (Reviewed)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
	Domestic					
	i) Revenue	374119	470201	460559	1779466	1959663
	ii) Assets	20655214	21207685	22196364	20655214	22196364
	International					
	i) Revenue	16555	16220	13989	64563	56065
	ii) Assets	2478757	2419548	2291889	2478757	2291889
	Global					
	i) Revenue	390674	486421	474548	1844029	2015728
	ii) Assets	23133971	23627233	24488253	23133971	24488253

(₹ in Lakh)

STATEMENT OF ASSETS AND LIABILITIES		
Particulars	As on 31.03.2017 (Audited)	As on 31.03.2016 (Audited)
Capital & Liabilities		
Capital	1559 73	1075 59
Share Application Money	1150 00	935 00
Reserves & Surplus	10043 74	10511 36
Deposits	201284 51	207118 24
Borrowings	9534 96	17240 44
Other Liabilities & Provisions	7766 77	8001 90
Total	**231339 71**	**244882 53**
Assets		
Cash and Balance with RBI	8790 25	7949 95
Balance with Banks and Money at Call and Short Notice	9309 63	10609 28
Investments	74019 12	83974 20
Advances	119724 45	125905 37
Fixed Assets	2849 48	2884 64
Other Assets	16646 78	13559 09
Total	**231339 71**	**244882 53**

Notes:

1. The above financial results were reviewed by the Audit Committee of Board and approved by the Board of Directors at their meeting held on 12th May, 2017. The same have been audited by the Statutory Central Auditors of the Bank, in line with the guidelines issued by Reserve Bank of India.

2. During the quarter, Government of India vide its letter no. F.7/38/2014-BOA dated 31.03.2017 infused Rs. 1150 crore by way of preferential allotment of equity shares and the amount was maintained under Share application money pending for allotment. In terms of Reserve Bank of India letter DBR.CO.BP NO.11551/21.01.002/2016-17 dated March 30, 2017 the Bank has considered such amount received from Government of India as a part of Common Equity Tier 1 (CET 1) as on March 31, 2017.

3. Based on the available data, available financial statements and the declaration from borrowers wherever received, the Bank has estimated the liability of Rs. 56.37 lacs as on 31.03.2017 on Unhedged Foreign Currency Exposure to their constituents in terms of RBI Circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014. The entire estimated amount is fully provided for.

4. In compliance of RBI letter No. DBR.No.BO.13018/21.04.048/2015-16 dated 12.04.2016, bank is maintaining a provision of Rs.139.72 Crore under food credit availed by State Government of Punjab.

5. The Non Performing Loan Provisioning Coverage Ratio is 61.17% as on 31st March, 2017.

6. Number of investor Complaints:- (i) Outstanding at the beginning of the quarter – Nil (ii) Received during the quarter – 202 (iii) Disposed of during the quarter –201 and Outstanding at the end of the quarter –1.

7. Figures of the previous periods have been regrouped / reclassified wherever necessary. The bracketed figures indicate corresponding previous period figures.

(G Subramania Iyer)	(Charan Singh)	(R K Takkar)
Executive Director	Executive Director	Managing Director & CEO

Date: 12.05.2017
Place: Kolkata