



12th May 2020

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
The Colombo Stock Exchange,
04-01, West Block,
World Trade Centre,
Echelon Square,
Colombo 1.

Dear Sir,

Disclosure regarding the impact of COVID-19 pandemic on the business and operations of Union Bank of Colombo PLC

With reference to your circular dated 20th April 2020 on the above matter, we hereby disclose the following with regard to the impact of COVID-19 on the business and operations of Union Bank of Colombo PLC ("the Bank").

(i) Impact of COVID-19 on the business/operations

Following the outbreak of the COVID-19 pandemic and banking being declared as an essential service, the Bank has been conducting its operations in strict adherence to the guidelines issued by the Government as well as the Central Bank of Sri Lanka.

As a result of the curfew imposed by the Government and social distancing guidelines, the operations of the Bank have been restricted in terms of banking hours and the number of staff on ground. However, recognizing the need to support the customers and ensuring continuity of business, the Bank has been continuing its operations in both curfew and non-curfew areas whilst strictly adhering to social distancing guidelines and other sanitizing and safety measures recommended by the health authorities.

The Bank also took measures to immediately roll out the financial relief scheme introduced by the Central Bank of Sri Lanka in a bid to help communities to recover from the financial impacts in the medium term and is working closely with its customers to finalise the applications submitted for such relief measures within the stipulated timelines.

Contd.2/-

(ii) The Bank's response to the impact of COVID-19 pandemic

As a proactive measure, the Bank rolled out a Pandemic Business Continuity Plan as an extension to its standard business continuity plan and formed a special task force to lead and coordinate the said plan. In accordance with the said plan, minimum staff required to operate the branches and support other critical functions continue to report to work on a roster basis whilst other critical staff have been provided with appropriate work-from-home and remote working facilities.

Furthermore, the Bank has taken a number of initiatives to ensure the health and safety of its employees, customers and other stakeholders including, practicing social distancing, supplying health and safety equipment, issuing explicit guidelines on health and safety precautions etc. As part of these initiatives, all meetings during this period were conducted through online platforms.

In order to provide an uninterrupted service to the customers, the Bank's call centre was operational 24x7 whilst the Bank's Online Banking Portal, Mobile Banking App and the network of ATMs island-wide, supplemented by over 4500 ATMs connected via LankaPay have been instrumental in providing easy access to customer accounts at times of emergency. The customers have been educated and assisted to carry out their transactions through these digital platforms as far as practically possible.

(iii) The Bank's expectation of the future impact of COVID-19 on future operations and financial condition

In view of the current uncertainties regarding the duration and intensity of the pandemic in Sri Lanka and globally, the pace of economic recovery and the degree of financial support that is required to be extended to the customers under the relief scheme introduced by the Central Bank of Sri Lanka, the Bank is of the view that it is still too early to assess the cost of disruptions to its operations caused by the pandemic. However, the Bank will continue to closely monitor the situation as it evolves in order to implement changes, if any, required to its operating model.

The Bank will also continue with its operations in line with the guidelines issued by the regulators and other relevant authorities and implement measures that are deemed necessary to support the revival of the economy and to ensure continuity of business.

Yours faithfully,

UNION BANK OF COLOMBO PLC

A handwritten signature in blue ink, appearing to read 'Indrajit Wickramasinghe'.

INDRAJIT WICKRAMASINGHE
DIRECTOR/CHIEF EXECUTIVE OFFICER