



INTERIM FINANCIAL STATEMENTS

for the period ended 31 March 2019



UNION BANK

Union Bank records a healthy 49% growth in Profit before all taxes in 1Q19

Bank Performance

- Results from Operating activities grew by 62% YoY to Rs.362 Mn
- Profit before all taxes grew by 49% YoY to Rs.366 Mn
- Net Interest Income grew by 19% YoY to Rs.1,013Mn
- Fee and Commission Income grew by 19% YoY to Rs.266 Mn
- Total Capital Adequacy Ratio was 16.9%

Group Performance

- Profit before all taxes grew by 31% YoY to Rs.401Mn
- Net Interest Income grew by 17% YoY to Rs. 1,219Mn
- Fee and Commission Income grew by 8% YoY to Rs.296 Mn

Core Banking Growth and Profitability

Continuing its growth momentum powered by a three - year growth strategy set forth in January last year, Union Bank posted significant growth in its core banking operations reflecting a 62% Year on Year (YoY) growth in Profits from operating activities to report Rs.362 Mn during the 1st quarter of 2019. This was despite the continuously challenging macroeconomic backdrop which had been affecting the industry over the past few quarters.

Union Bank recorded an impressive profit before all taxes of Rs. 366 Mn, a 49% growth YoY for the period ended March 2019, highlighting the Bank's continued performance and progress towards achieving its strategic growth objectives for the year.

Continuous focus on revenue optimisation through portfolio re-alignment within and across business units resulted in a 19% YoY growth in Net Interest Income (NII) which was Rs.1,013 Mn during the period ended 31st March despite the increase in cost of deposits.

Fee and commission income grew by 19% YoY to Rs.266 Mn during the period under review. The growth in fee income has been from across a number of products including fees collected on Credit Cards - the newest addition to the product portfolio which made its debut in late 2018. Trade and remittances related fees indicated a slight decline YoY, owing to the uncondusive market dynamics for these products.

Capital gains from government securities for the period were Rs. 71 Mn which was a 23% increase YoY. Income from investment in units for the period was Rs. 70 Mn and was a reduction of 33% YoY. This negative growth stemmed from reduced investments in units as a result of the changes to tax regulations which came into effect mid last year. Meanwhile, foreign exchange income for the period showed a 71% decline YoY, as a result of revaluation due to the appreciation of the value of the Sri Lankan Rupee.

During the quarter under review, the Total Operating Income of the Bank rose to Rs. 1,368 Mn, and represented a growth of 8% YoY. Total Operating Expenses were prudently managed and grew only by 2% YoY to Rs.955 Mn during the period. As a result, the operating margin improved by 24% YoY to Rs. 413 Mn.

Press Release

Impairment charge for the period reduced by 53% YoY and was reported at Rs. 51 Mn, reflecting a reduction of the individual impairment.

Profit share from subsidiaries was reported at Rs.4 Mn which was Rs.19Mn reduction YoY as both subsidiaries of the Bank were affected due to adverse market conditions that prevailed during the period.

Profit after Tax (PAT) for the period was affected by significant increase in the effective tax rate. The Effective tax rate for the quarter was 72% compared to 52% in the comparative period. The Increase in the effective tax rate was due to the withdrawal of tax exemptions on profits earned on investments in Sri Lanka Development bonds, investments in units, investments in debentures and also due to introduction of Debt Repayment Levy. In addition, the withdrawal of notional tax credit further impacted the effective tax rate. As a result, PAT for the period was reported at Rs.105Mn, which was a 19% decline YoY.

The total comprehensive income of the Bank was Rs.295 Mn and was an increase of Rs.246 Mn YoY. This was mainly due to the positive impact from the valuation on Debt instruments at fair value through the other comprehensive income.

Total assets of the Bank stood at Rs.124,624 Mn as at 31st March. The Bank's loans and receivables stood at Rs. 76,279 Mn and was a 3% growth YTD. The deposits base was Rs.77,897 Mn as at the balance sheet date. Loan to Deposit ratio improved to 99% from 105% reported in the comparative period last year. The Bank continued to focus on asset quality with prudent risk management practices and the net NPL ratio of the Bank stood at 3.1% at the end of the reporting period.

Also within the period under review, total CASA grew to Rs.20,077 Mn which translated to a growth of 22% YoY. Maintaining a healthy CASA inflow was supported through focused acquisition strategies driven by Retail, Corporate and SME banking segments.

The Bank continued to maintain its robust Capital Adequacy, reporting a Total Capital Ratio of 16.9% as at the balance sheet date.

The Group consisting of the Bank and its two subsidiaries, UB Finance Company Limited and National Asset Management Limited reported a Profit before all taxes of Rs.401 Mn for the period which was a growth of 31% YoY. Total assets of the Group was Rs. 134,065Mn of which 93% was represented by the Bank. The Group maintained a healthy Core Capital Ratio of 16% as at the balance sheet date.

Business Performance and Strategic Enablers

Pursuing growth in its 2nd year of the 3-year growth strategy, Union Bank's Corporate Banking portfolio recorded a notable performance in the quarter under review. Steered by impressive growth in assets and liabilities, the corporate loans portfolio expanded by 18% YoY and the deposits base of the corporate banking segment increased by 45% YoY, while the Cash Management proposition Union Bank Biz Direct continued to make significant contributions to the overall CASA growth of the Bank.

The SME Banking portfolio set off on a continued growth phase in the 1st quarter of 2019 on the back of a strategic lending approach that places focus on large disbursements to selected industries. The SME business of the Bank is reflecting a positive start to the year creating a strong pipeline for asset growth while increasing geographical focus at branch level for the growth of SME business including the SME CASA base.

The Retail Banking segment of the Bank continued to make significant strides recording a YoY deposits growth of 4% with a CASA portfolio expansion of 16% YoY. The Launch of Union Bank Gold Circle was a key highlight of the quarter under review. Union Bank Gold Circle is a specially designed financial proposition aimed at empowering the dreams of dynamic and ambitious individuals. The unique banking proposition is bundled with benefits on saving and borrowing options, allowing more flexible and convenient terms of banking to suit the evolving needs of young professionals/ business owners



Press Release

and go-getters. Designed to provide a personalized service through dedicated relationship managers, Union Bank Gold Circle is an affirmation of the Bank's commitment to continuously enhance its retail banking propositions to suit the evolving banking needs in the market.

Retail assets portfolio continued to expand aided by the Bank's focused efforts during the review period, growing its mortgage backed loans by 196% YoY. Having launched its Credit Cards proposition in October last year, the Bank's retail banking operation continued to place significant emphasis and efforts on the expansion of the Credit Cards base with the introduction of unmatched offers including Cash Back offers for fuel and supermarket purchases, special avurudu discount offers, 0% interest instalment schemes, Loan on Card facility as well as other targeted campaigns conducted with the aim of acquiring new customers and gaining the wallet-share of existing customers.

The Treasury which consists of Interbank, Fixed Income and Corporate Sales desks performed well above expectations in the first quarter of the year, making significant contributions to the Bank's bottom line, especially in terms of capital and exchange gains.

Human Resources and operations functions of the Bank continued to support the business growth with the reorganization of resources and processes to match market dynamics while ensuring prime performance amidst optimal cost management that contributed towards the sound management of the cost to income ratio.

The outstanding achievers of the Retail and SME segments of Union Bank were felicitated at the Union Bank Retail and SME Banking Awards ceremony held at the Marino Beach Hotel on 30th March under the theme 'Race to Win. The Bank's top performing branch and sales staff were felicitated and awarded at the event, for their outstanding contributions and commitment towards the noteworthy core banking growth of the Bank in the year 2018.

Union Bank's Annual Report 2018 was presented in February 2019, under the theme 'Building Strong Bonds' - which signifies the Bank's commitment to forge ahead as one of Sri Lanka's fastest growing commercial banks, while building on the profound stakeholder relationships fostered over the years and leveraging on its strengths of a solid capital base, comprehensive product portfolio, an empowered team, technological finesse and operational efficiency to create sustainable growth opportunities for all stakeholders.

Further, on March, 27 2019, the Bank announced that the Board had resolved to repurchase up to a maximum of 7,875,798 ordinary shares of the Bank at a price of Rs.15/- per share from the shareholders of the Bank ("Repurchase Offer"), subject to all necessary approvals and consents under applicable laws, including the approval of the shareholders.

Commenting on the 1st quarter performance of the Bank, Union Bank's Director/CEO Mr. Indrajit Wickramasinghe said, "We have got a very positive start to the year 2019 with significant growth in the core banking operations. However the macro environmental conditions are very challenging which will have an impact going forward. We will continue to build on this solid foundation, with focused efforts in expanding our business growth in the identified key strategic business pillars. We also plan to add scale to the Bank through inorganic growth strategies, including portfolio acquisitions with the objective of optimising capital utilisation and thereby enhancing shareholder returns."

-End -

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS

Period ended 31 March 2019

	BANK			GROUP		
	For the three months ended			For the three months ended		
	31.03.2019 Rs.000	31.03.2018 Rs.000	Change %	31.03.2019 Rs.000	31.03.2018 Rs.000	Change %
Gross Income	3,710,938	3,367,088	10	4,253,049	3,899,438	9
Interest income	3,309,151	2,922,061	13	3,817,264	3,398,797	12
Less: Interest expenses	2,295,946	2,068,603	11	2,598,476	2,357,841	10
Net interest income	1,013,205	853,458	19	1,218,788	1,040,956	17
Fee and commission income	265,871	224,288	19	295,933	272,893	8
Less: Fee and commission expenses	46,738	27,438	70	49,445	35,347	40
Net fee and commission income	219,133	196,850	11	246,488	237,546	4
Net fair value gains / (losses) from financial instruments at fair value through profit or loss / Net trading income	118,590	116,274	2	119,367	116,274	3
Net gains/ (losses) from financial investments	22,070	58,094	(62)	22,208	60,548	(63)
Net gain/ (loss) from financial instruments designated at fair value through profit or loss	-	-		-	-	
Other operating income	(4,744)	46,372	(110)	(1,725)	50,926	(103)
Total operating income	1,368,254	1,271,048	8	1,605,126	1,506,250	7
Less: Impairment for loans and other losses						
Loans and advances to customers	61,090	109,012	(44)	114,651	146,326	(22)
Other financial assets	(7,462)	-	(100)	(7,098)	-	(100)
Non financial assets	(2,288)	-	100	(288)	(20,642)	99
Net operating income	1,316,912	1,162,036	13	1,497,860	1,380,566	8
Less: Personnel expenses	456,148	425,255	7	521,729	488,096	7
Depreciation & amortisation	92,170	104,222	(12)	102,442	111,381	(8)
Other expenses	406,498	408,611	(1)	472,340	474,143	(0)
Total operating expenses	954,816	938,088	2	1,096,511	1,073,620	2
Results from operating activities	362,096	223,949	62	401,349	306,946	31
Share of profit of equity accounted investees, net of tax	3,681	22,214	(83)	-	-	
Profit before value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services	365,777	246,162	49	401,349	306,946	31
Less: VAT, NBT and DRL on financial services	165,673	99,632	66	176,815	115,327	53
Profit before tax	200,104	146,531	37	224,534	191,619	17
Less: Tax expenses	94,870	16,308	482	105,385	37,913	178
Profit after tax	105,234	130,223	(19)	119,149	153,706	(22)
Profit Attributable to:						
Equity holders of the parent	105,234	130,223	(19)	117,645	141,383	(17)
Non-controlling interest	-	-		1,504	12,323	(88)
Profit after tax	105,234	130,223	(19)	119,149	153,706	(22)
Earnings per share						
Earnings per share - Basic	0.10	0.12	(19)	0.11	0.13	(17)
Earnings per share - Diluted	0.10	0.12	(19)	0.11	0.13	(17)

The amounts for the period ended 31 March 2019 have been prepared in accordance with Sri Lanka Accounting Standard-SLFRS 9 (Financial Instruments), where prior period amounts have not been restated.

STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2019

	BANK			GROUP		
	For the three months ended			For the three months ended		
	31.03.2019 Rs.'000	31.03.2018 Rs.'000	Change %	31.03.2019 Rs.'000	31.03.2018 Rs.'000	Change %
Profit for the period	105,234	130,223	(19)	119,149	153,706	(22)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
<i>Debt instruments at fair value through other comprehensive income</i>						
Net change in fair value during the period	264,022	-		260,378	-	
Changes in allowance for expected credit loss	-	-		-	-	
Reclassification to the income statement	-	-		-	-	
Less: Income tax effect on above	(73,926)	-		(73,926)	-	
Net gains/(losses) on financial investments at fair value through other comprehensive income	190,096	-		186,452	-	
<i>Available for sale financial assets</i>						
Gains/ (losses) on re-measuring available for sale financial assets	-	(112,958)		-	(115,386)	
Net amount transferred to profit or loss (available for sale financial assets)	-	-		-	-	
Less: Income tax effect on gains/ (losses) on re-measuring available for sale financial assets	-	31,628		-	31,628	
Net gains/(losses) on available for sale financial investments	-	(81,330)		-	(83,758)	
Share of other comprehensive income of equity accounted investees, net of tax	(1,859)	(1,238)		-	-	
Total items that will be reclassified to the statement of profit or loss	188,237	(82,568)		186,452	(83,758)	
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:						
Actuarial gains and losses on defined benefit plans	-	-		-	-	
Revaluation gains/ (losses) on equity instruments at fair value through other comprehensive income	-	-		-	-	
Less: Income tax effect on above	-	-		-	-	
Share of other comprehensive income of equity accounted investees, net of tax	-	-		-	-	
Total items that will not be reclassified to the statement of profit or loss	-	-		-	-	
Other comprehensive income for the period, net of tax	190,096	(82,568)	330	186,452	(83,758)	323
Total comprehensive income for the period, net of tax	295,330	47,655	520	305,600	69,948	337
Attributable to:						
Equity holders of the parent	295,330	47,655	520	305,882	58,815	420
Non-controlling interest	-	-		(282)	11,133	(103)
Total comprehensive income for the period, net of taxes	295,330	47,655	520	305,600	69,948	337

The amounts for the period ended 31 March 2019 have been prepared in accordance with Sri Lanka Accounting Standard-SLFRS 9 (Financial Instruments), where prior period amounts have not been restated.

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	BANK			GROUP		
	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited	Change %	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited	Change %
Assets						
Cash and cash equivalents	2,633,630	2,917,866	(10)	3,123,511	3,306,393	(6)
Balances with Central Bank of Sri Lanka	3,229,591	4,219,932	(23)	3,229,591	4,219,932	(23)
Placements with banks	167,540	3,265,425	(95)	167,540	3,265,425	(95)
Reverse repurchased agreements	1,302,679	417,146		1,849,204	950,998	94
Derivative financial instruments	27,431	34,274	(20)	27,431	34,274	(20)
Financial investments at fair value through profit or loss	3,541,920	2,863,121	24	3,541,920	2,863,121	24
Financial investments designated at fair value through profit or loss	-	-		-	-	
Financial assets at amortised cost - loans and advances to customers	76,279,487	73,749,208	3	84,598,441	82,120,068	3
Financial assets at amortised cost - debt and other instruments	15,823,412	16,567,940	(4)	15,475,831	15,942,404	(3)
Financial investments at fair value through other comprehensive income	17,466,063	17,735,959	(2)	17,527,334	17,787,621	(1)
Current tax assets	254,784	336,167	(24)	254,787	336,167	(24)
Investments in real estate	-	-		122,496	118,633	3
Investments in subsidiaries	837,195	835,373	0	-	-	
Goodwill and intangible assets	1,166,756	1,202,532	(3)	1,514,289	1,550,544	(2)
Property, plant and equipment	754,270	789,158	(4)	972,418	1,013,541	(4)
Deferred tax assets	47,156	115,596		441,157	517,374	(15)
Other assets	1,091,805	870,457	25	1,218,986	1,005,213	21
Total assets	124,623,720	125,920,154	(1)	134,064,936	135,031,708	(1)
Liabilities						
Due to banks	12,244,540	9,348,209	31	12,390,836	9,515,547	30
Derivative financial instruments	101,578	71,750	42	101,578	71,750	42
Financial liabilities designated at fair value through profit or loss	-	-		-	-	
Repurchased agreements	14,107,538	17,585,912	(20)	14,107,538	17,535,900	(20)
Due to other customers	77,897,162	79,251,073	(2)	84,903,788	86,266,123	(2)
Other borrowed funds	1,272,988	1,234,220	3	3,216,352	2,921,647	10
Debt securities issued	-	-		-	-	
Subordinated term debts	-	-		-	-	
Current tax liabilities	-	-	100	186,611	188,001	(1)
Deferred tax liabilities	-	-		1,436	1,436	0
Other Provisions	-	-		-	-	
Other liabilities	2,078,029	1,801,642	15	2,377,098	2,058,270	15
Total liabilities	107,701,835	109,292,806	(1)	117,285,236	118,558,674	(1)

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	BANK			GROUP		
	31.03.2019	31.12.2018	Change	31.03.2019	31.12.2018	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
Equity						
Stated capital	16,334,782	16,334,782	(0)	16,334,782	16,334,782	0
Share warrants	65,484	65,484	(0)	65,484	65,484	0
Statutory reserve fund	145,146	139,883	4	162,831	157,569	3
ESOP reserve	53,881	52,816	2	53,881	52,816	2
FVOCI reserve	(122,754)	(310,991)	(61)	(117,948)	(306,184)	(61)
Retained earnings	445,347	345,374	29	68,651	(43,734)	(257)
Total equity attributable to equity holders of the bank	16,921,885	16,627,348	2	16,567,680	16,260,733	2
Non-controlling interests	-	-		212,020	212,301	(0)
Total equity	16,921,885	16,627,348	2	16,779,700	16,473,034	2
Total equity and liabilities	124,623,720	125,920,154	(1)	134,064,936	135,031,708	(1)

Contingent liabilities and commitments	36,058,603	34,337,204	5	36,058,603	34,528,827	4
Net asset value per share (Rs.)	15.50	15.23		15.18	14.90	

Memorandum information

Number of Employees	1,271	1,266
Number of Branches	67	67

CERTIFICATION:

We, the undersigned, being the Deputy Chairman, Director/ Chief Executive Officer and Chief Financial Officer of Union Bank of Colombo PLC certify jointly that:

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- (b) the information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group unless indicated as audited.

Sgd.

Malinda Samaratunga
Chief Financial Officer

Sgd.

Indrajit Wickramasinghe
Director/ Chief Executive Officer

Sgd.

Priyantha Fernando
Deputy Chairman

Date: 7 May 2019

INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2019

BANK	Stated Capital Rs.'000	Share Warrants Rs.'000	Statutory Reserve Fund Rs.'000	ESOP Reserve Rs.'000	Available for sale/ FVOCI Reserve Rs.'000	Retained Earnings Rs.'000	Total Equity Rs.'000
Balance as at 1 January 2018	16,334,782	65,484	116,256	35,848	150,570	1,154,757	17,857,697
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	-	130,223	130,223
Other comprehensive Income	-	-	-	-	(82,568)	-	(82,568)
Total comprehensive Income	-	-	-	-	(82,568)	130,223	47,655
Transactions with equity holders, recognised directly in equity							
Fair value of ESOP	-	-	-	1,382	-	-	1,382
Transfers during the period	-	-	6,511	-	-	(6,511)	-
Dividend Paid	-	-	-	-	-	(109,141)	(109,141)
Balance as at 31 March 2018	16,334,782	65,484	122,767	37,230	68,002	1,169,328	17,797,592
Balance as at 1 January 2019	16,334,782	65,484	139,884	52,816	(310,991)	345,374	16,627,348
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	-	105,235	105,235
Other comprehensive Income	-	-	-	-	188,237	-	188,237
Total comprehensive Income	-	-	-	-	188,237	105,235	293,472
Transactions with equity holders, recognised directly in equity							
Fair value of ESOP	-	-	-	1,065	-	-	1,065
Transfers during the period	-	-	5,262	-	-	(5,262)	-
Dividend Paid	-	-	-	-	-	-	-
Balance as at 31 March 2019	16,334,782	65,484	145,146	53,881	(122,754)	445,347	16,921,885

GROUP	Stated Capital Rs.'000	Share Warrants Rs.'000	Statutory Reserve Fund Rs.'000	ESOP Reserve Rs.'000	Available for sale/ FVOCI Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000	Non-controlling Interest Rs.'000	Total Equity Rs.'000
Balance as at 1 January 2018	16,334,782	65,484	131,519	35,848	155,378	714,444	17,437,454	404,262	17,841,715
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	141,383	141,383	12,323	153,706
Other comprehensive Income	-	-	-	-	(82,568)	-	(82,568)	(1,190)	(83,758)
Total comprehensive Income	-	-	-	-	(82,568)	141,383	58,815	11,133	69,948
Transactions with equity holders, recognised directly in equity									
Fair value of ESOP	-	-	-	1,382	-	-	1,382	-	1,382
Transfers during the period	-	-	6,511	-	-	(6,511)	-	-	-
Dividend Paid	-	-	-	-	-	(109,141)	(109,141)	(49,000)	(158,141)
Balance as at 31 March 2018	16,334,782	65,484	138,030	37,230	72,809	740,175	17,388,510	366,395	17,754,905
Balance as at 1 January 2019	16,334,782	65,484	157,569	52,816	(306,186)	(43,734)	16,260,733	212,302	16,473,034
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	117,645	117,645	1,504	119,149
Other comprehensive Income	-	-	-	-	188,237	-	188,237	(1,786)	186,452
Total comprehensive Income	-	-	-	-	188,237	117,645	305,882	(282)	305,601
Transactions with equity holders, recognised directly in equity									
Fair value of ESOP	-	-	-	1,065	-	-	1,065	-	1,065
Transfers during the period	-	-	5,262	-	-	(5,262)	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	16,334,782	65,484	162,831	53,881	(117,948)	68,651	16,567,679	212,020	16,779,700

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

Period ended 31 March 2019

	BANK		GROUP	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flow from operating activities				
Interest received	3,375,915	3,019,815	3,849,437	4,070,591
Fees and commission receipts	219,133	196,850	246,488	237,546
Interest paid	(2,313,016)	(2,081,313)	(2,602,206)	(2,320,184)
Net Foreign Exchange gain	-	-	-	-
Receipts from Other operating activities	43,735	272,331	47,555	279,340
Payments on Other operating activities	(1,011,283)	(915,644)	(1,152,647)	(1,057,816)
Operating profit/(loss) before changes in operating assets & liabilities	314,484	492,038	388,627	1,209,476
(Increase)/decrease in operating assets:				
Balance with Central Bank of Sri Lanka	990,341	(106,279)	990,341	(106,279)
Funds advanced to customers	(2,542,114)	(249,800)	(2,532,042)	(1,257,205)
Others	(214,506)	(75,755)	(206,931)	(86,032)
	(1,766,279)	(431,834)	(1,748,632)	(1,449,516)
Increase /(decrease) in operating liabilities:				
Due to other customers	(1,225,772)	(1,200,508)	(1,211,867)	(751,159)
Repurchased agreements	(3,470,176)	(662,631)	(3,420,164)	(649,493)
Other liabilities	294,138	(191,944)	332,629	(49,708)
	(4,401,810)	(2,055,083)	(4,299,402)	(1,450,360)
Net cash from/(used in) operating activities before income tax	(5,853,604)	(1,994,880)	(5,659,407)	(1,690,399)
Retiring gratuity paid	(1,421)	(6,189)	(1,961)	(6,800)
Income tax paid	(19,162)	(49,618)	(21,993)	(43,973)
Net cash from operating activities	(5,874,187)	(2,050,688)	(5,683,361)	(1,741,172)
Cash flow from/(used in) investing activities				
Dividends received	-	45,962	-	-
Net investment in other financial assets - Held for trading	(705,475)	3,027,293	(705,475)	3,027,293
Sale of shares	-	-	-	-
Net increase in investment in financial assets - Held to maturity	-	(805,633)	-	(955,633)
Net increase in investment in financial assets - Available for sale	541,650	271,825	528,396	315,835
Net increase in debt securities	654,945	(755,612)	399,489	(734,582)
Net investment in real estates	-	-	(3,864)	9,726
Purchase of property & equipment	(19,989)	(25,887)	(27,447)	(27,974)
Purchase of intangible assets	(1,612)	(5,520)	(1,612)	(6,485)
Proceeds from sale of property, plant & equipment	199	8,140	4,208	8,138
Net cash used in investing activities	469,718	1,760,568	193,695	1,636,318
Cash flow from/(used in) financing activities				
Increase in borrowings	3,164,923	(1,781,615)	3,385,190	(2,291,305)
Dividend paid	-	(109,141)	-	(158,141)
Net cash from/ (used in) financing activities	3,164,923	(1,890,756)	3,385,190	(2,449,446)
Net Increase/(decrease) in cash and cash equivalents	(2,239,546)	(2,180,876)	(2,104,476)	(2,554,299)
Cash and cash equivalents at beginning of the year	6,325,430	5,225,473	7,081,221	6,039,343
Cash and cash equivalents at end of the period	4,085,884	3,044,598	4,976,745	3,485,044
Reconciliation of cash and cash equivalents				
Cash in hand and at banks	2,633,630	2,533,963	3,123,511	2,870,602
Reverse repurchased agreements	1,299,392	450,000	1,845,917	755,652
Placements with banks	167,463	83,135	168,212	81,916
Due to banks - Unfavorable balances with banks	(14,601)	(22,500)	(160,895)	(223,125)
	4,085,884	3,044,598	4,976,745	3,485,044

The amounts for the period ended 31 March 2019 have been prepared in accordance with Sri Lanka Accounting Standard-SLFRS 9 (Financial Instruments), where prior period amounts have not been restated.

STATEMENT OF CASH FLOWS

Period ended 31 March 2019

Reconciliation of liabilities arising from financing activities

For the period ended 31 March 2019	Non cash change			
	31 Mar 2019 Rs.'000	Cash change - Cash flow Rs.'000	- Foreign exchange movement Rs.'000	1 Jan 2019 Rs.'000
BANK				
Due to banks	12,244,540	2,985,353	(89,022)	9,348,209
Other borrowed funds	1,272,988	38,768	-	1,234,220
Less : Unfavorable balances with banks	(14,601)	260,068	-	(274,669)
Less : Interest payable	(219,403)	(119,266)	-	(100,137)
	13,283,524	3,164,923	(89,022)	10,207,623
GROUP				
Due to banks	12,390,836	2,964,311	(89,022)	9,515,547
Other borrowed funds	3,216,352	294,705	-	2,921,647
Less : Unfavorable balances with banks	(160,895)	281,112	-	(442,007)
Less : Interest payable	(358,854)	(154,937)	-	(203,917)
	15,087,439	3,385,190	(89,022)	11,791,270
For the period ended 31 March 2018	Non cash change			
	31 Mar 2018 Rs.'000	Cash change - Cash flow Rs.'000	- Foreign exchange movement Rs.'000	1 Jan 2018 Rs.'000
BANK				
Due to banks	15,313,159	(1,953,665)	58,182	17,208,642
Other borrowed funds	1,286,037	61,226	-	1,224,811
Less : Unfavorable balances with banks	(22,500)	167,707	-	(190,207)
Less : Interest payable	(223,541)	(56,883)	-	(166,658)
	16,353,155	(1,781,615)	58,182	18,076,588
GROUP				
Due to banks	15,513,784	(1,843,126)	58,182	17,298,728
Other borrowed funds	2,665,238	(302,995)	-	2,968,233
Less : Unfavorable balances with banks	(223,125)	(37,057)	-	(186,068)
Less : Interest payable	(292,347)	(108,127)	-	(184,220)
	17,663,550	(2,291,305)	58,182	19,896,673

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

Period ended 31 March 2019

- 1 There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2018.
- 2 There are no material changes during the period in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.
- 3 These Interim financial statements are presented in accordance with LKAS 34 - "Interim Financial Reporting" and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 4 The Group financial statements comprise a consolidation of the financial statements of the Bank and its subsidiaries, National Asset Management Limited & UB Finance Company Limited and the Special Purpose Entity, Serandib Capital (Private) Limited.
- 5 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements other than stated below;
- 5.1 Sow Lin Chiew (Non-Independent-Non-Executive Director) resigned with effective from 5th April 2019. Hence, her alternate Director Yoke Sun Woon ceased to be an alternate director as well.

6 Information on Ordinary Shares

Market Value	31.03.2019	31.03.2018
	Rs.	Rs.
Last traded price	11.00	12.80
Highest price for the quarter	13.00	14.30
Lowest price for the quarter	10.70	12.70

7. ANALYSIS OF LOANS & ADVANCES TO CUSTOMERS AND IMPAIRMENT

7.1 Product-wise Gross Loans & Advances

	BANK		GROUP	
	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Term loans	44,045,069	41,034,410	45,883,711	42,729,945
Overdrafts	11,320,968	11,904,826	11,320,968	11,851,545
Trade finance	5,671,176	5,908,911	5,671,176	5,908,911
Lease and hire purchase	1,040,290	1,192,136	6,712,173	7,199,578
Factoring	699,933	725,547	2,604,822	2,543,911
Pawning	418,002	459,792	520,802	508,288
Credit Card	431,180	243,428	431,180	243,428
Staff loans	839,843	854,000	839,839	854,000
Others	-	-	148,950	148,950
By Product - Local Currency	64,466,460	62,323,050	74,133,621	71,988,556
Term loans	6,038,655	5,982,306	6,038,655	5,982,306
Overdrafts	145,548	133,632	145,548	133,632
Trade finance	7,692,432	7,348,048	7,692,431	7,348,048
By Product - Foreign Currency	13,876,635	13,463,985	13,876,634	13,463,985
Total Loans and Receivables	78,343,094	75,787,035	88,010,255	85,452,541

7.2 Stage-wise impairment on loans & advances to customers

	BANK		GROUP	
	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Gross loans and advances (Note 7.1)	78,343,094	75,787,035	88,010,255	85,452,541
Less: Accumulated impairment under stage 1	(602,365)	(605,502)	(700,802)	(666,168)
Accumulated impairment under stage 2	(84,793)	(89,109)	(173,747)	(187,695)
Accumulated impairment under stage 3	(1,376,449)	(1,343,216)	(2,537,265)	(2,478,610)
Net value of loans and advances	76,279,488	73,749,208	84,598,441	82,120,068

7.3 Movement of impairment during the period for Loans and Advances to customers

	Stage 1	Stage 2	Stage 3	Total
BANK				
Opening balance as at 1 January 2019	605,502	89,109	1,343,216	2,037,827
Charge to statement of profit or loss	(3,137)	(4,316)	68,543	61,090
Net write-off during the period	-	-	(35,311)	(35,311)
Closing Balance as at 31 March 2019	602,365	84,793	1,376,449	2,063,607
GROUP				
Opening balance as at 1 January 2019	666,168	187,695	2,478,610	3,332,473
Charge to statement of profit or loss	34,634	(13,948)	93,966	114,651
Net write-off during the period	-	-	(35,311)	(35,311)
Closing Balance as at 31 March 2019	700,802	173,747	2,537,265	3,411,814
BANK				
Opening balance as at 1 January 2018	659,080	40,224	1,082,118	1,781,422
Charge to statement of profit or loss	(53,456)	48,885	309,978	305,407
Net write-off during the year	(122)	-	(48,880)	(49,002)
Closing Balance as at 31 December 2018	605,502	89,109	1,343,216	2,037,827
GROUP				
Opening balance as at 1 January 2018	715,492	122,434	2,000,144	2,838,070
Charge to statement of profit or loss	(49,202)	65,261	527,344	543,403
Net write-off during the year	(122)	-	(48,878)	(49,000)
Closing Balance as at 31 December 2018	666,168	187,695	2,478,610	3,332,473

8. DUE TO OTHER CUSTOMERS

	BANK		GROUP	
	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Local Currency Deposits				
Demand deposits	3,711,729	3,634,418	3,690,439	3,634,287
Savings deposits	13,017,024	11,784,873	12,897,821	11,723,271
Fixed deposits	44,499,692	49,275,332	51,646,811	56,352,115
Other deposits	2,393,491	2,483,518	2,393,491	2,483,518
Total	63,621,936	67,178,141	70,628,562	74,193,191
Foreign Currency Deposits				
Demand deposits	172,274	408,737	172,274	408,737
Savings deposits	3,175,805	2,891,468	3,175,805	2,891,468
Fixed deposits	10,927,147	8,772,727	10,927,147	8,772,727
Total	14,275,226	12,072,932	14,275,226	12,072,932
Total Deposits	77,897,162	79,251,073	84,903,788	86,266,123

9. ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

9.1 Product-wise Commitments and Contingencies

	BANK		GROUP	
	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Undrawn loan commitments	8,405,010	8,909,109	8,405,010	9,006,300
Guarantees	5,843,728	6,916,823	5,843,728	6,916,823
Letters of credit	35,910	36,516	35,910	36,516
Forward contracts	4,297,964	1,390,760	4,297,964	1,390,760
Cheque pending for realisation	675,782	887,413	675,782	887,413
Spot contracts	1,874,925	-	1,874,925	-
Forward Bonds	407,483	-	407,483	-
Other contingent items	1,961,170	1,834,905	1,961,170	1,929,337
By Product - Local Currency	23,501,972	19,975,526	23,501,972	20,167,149
Undrawn loan commitments	4,624,001	4,647,081	4,624,001	4,647,081
Guarantees	2,346,452	1,131,188	2,346,452	1,131,188
Letters of credit	2,186,665	1,924,537	2,186,665	1,924,537
Forward contracts	1,548,650	4,350,969	1,548,650	4,350,969
Spot contracts	-	540,168	-	540,168
Acceptances	721,503	758,373	721,503	758,373
Other contingent items	1,129,360	1,009,362	1,129,360	1,009,362
By Product - Foreign Currency	12,556,631	14,361,678	12,556,631	14,361,678
Commitments and Contingencies	36,058,603	34,337,204	36,058,603	34,528,827

9.2 Stage-wise impairment on commitment and contingencies

	BANK		GROUP	
	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited	31.03.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Gross Commitments and Contingencies (Note 9.1)	36,058,603	34,337,204	36,058,603	34,528,827
Less: Accumulated impairment under stage 1	(41,645)	(42,049)	(42,685)	(43,089)
Accumulated impairment under stage 2	(2,874)	(2,874)	(3,300)	(3,300)
Accumulated impairment under stage 3	(33,475)	(35,359)	(52,934)	(52,818)
Net value of commitments and contingencies	35,980,608	34,256,922	35,959,683	34,429,620

9.3 Movement of impairment during the period for Commitments & Contingencies

	Stage 1	Stage 2	Stage 3	Total
BANK				
Opening balance as at 1 January 2019	42,049	2,874	35,359	80,282
Charge to statement of profit or loss	(404)	-	(1,884)	(2,288)
Net write-off during the period	-	-	-	-
Closing Balance as at 31 March 2019	41,645	2,874	33,475	77,994
GROUP				
Opening balance as at 1 January 2019	43,089	3,300	52,818	99,207
Charge to statement of profit or loss	(404)	-	116	(288)
Net write-off during the period	-	-	-	-
Closing Balance as at 31 March 2019	42,685	3,300	52,934	98,919
BANK				
Opening balance as at 1 January 2018	21,816	344	25,128	47,288
Charge to statement of profit or loss	20,233	2,530	10,231	32,994
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2018	42,049	2,874	35,359	80,282
GROUP				
Opening balance as at 1 January 2018	21,816	344	25,128	47,288
Charge to statement of profit or loss	21,273	2,956	27,690	51,919
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2018	43,089	3,300	52,818	99,207

INTERIM FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 March 2019

SEGMENT INFORMATION

	Corporate		Treasury		SME		Retail		Other Group Companies		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the period ended 31 March												
Interest income	1,121,611	868,472	738,323	672,272	868,299	855,218	778,302	482,771	310,730	520,063	3,817,264	3,398,796
Inter-segment interest income	-	-	343,144	158,106	-	-	719,857	758,172	-	-	1,063,002	916,278
Total interest income	1,121,611	868,472	1,081,467	830,378	868,299	855,218	1,498,159	1,240,943	310,730	520,063	4,880,266	4,315,074
Interest expense	282,092	271,335	642,181	454,310	395,972	232,448	1,211,257	1,121,179	66,974	278,568	2,598,476	2,357,840
Inter-segment interest expense	715,632	464,568	-	-	347,369	451,711	-	-	-	-	1,063,002	916,279
Total interest expense	997,725	735,903	642,181	454,310	743,342	684,159	1,211,257	1,121,179	66,974	278,568	3,661,478	3,274,119
Net interest income	123,887	132,569	439,287	376,068	124,957	171,059	286,902	119,764	243,755	241,495	1,218,788	1,040,956
Other income	43,991	70,609	142,639	236,070	93,803	125,684	93,003	64,387	12,903	(31,455)	386,338	465,294
Total net income	167,878	203,178	581,925	612,138	218,760	296,743	379,905	184,151	256,658	210,040	1,605,126	1,506,250
Less : Expenses including impairments	131,774	145,954	79,288	137,868	315,733	402,479	502,385	385,260	174,597	127,742	1,203,777	1,199,304
Segmental Results	36,104	57,224	502,638	474,270	(96,973)	(105,736)	(122,480)	(201,109)	82,060	82,298	401,349	306,946
Less: VAT, NBT and DRL on financial services											176,815	115,327
Less: Tax expenses											105,385	37,913
Profit after tax											119,149	153,706
Other information												
As at 31 March												
Segment assets	37,907,579	32,168,950	34,794,145	26,593,252	24,972,306	23,920,922	14,996,189	13,151,739	16,991,083	23,600,872	129,661,302	119,435,735
Unallocated assets											4,403,634	4,447,501
Consolidated total assets											134,064,936	123,883,236
Segment liabilities	17,548,631	12,108,847	27,352,953	25,524,865	10,907,620	9,625,687	47,257,839	45,593,076	11,653,049	10,826,604	114,720,092	103,679,079
Unallocated liabilities											2,565,144	2,449,252
Consolidated total liabilities											117,285,236	106,128,331
For the period ended 31 March												
Cash flow from operating activities	(2,572,189)	(321,440)	(8,481,049)	(968,442)	(3,298,326)	(469,467)	(5,598,023)	(291,339)	14,266,226	309,515	(5,683,361)	(1,741,173)
Cash flow from investing activities	(9,377)	(3,647)	460,200	1,772,847	(12,025)	(5,327)	(20,409)	(3,306)	(224,694)	(124,248)	193,695	1,636,319
Cash flow from financing activities	-	-	3,161,252	(1,890,756)	-	-	-	-	223,938	(558,690)	3,385,190	(2,449,446)

INTERIM FINANCIAL STATEMENTS

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 31st March 2019

TOP 20 SHAREHOLDERS

Name	No. of shares as at 31.03.2019	% holding
1 Culture Financial Holdings Ltd	763,984,374	70.00%
2 Vista Knowledge Pte Ltd	64,677,973	5.93%
3 Associated Electrical Corporation Ltd	29,237,387	2.68%
4 Mr. A.I. Lovell	24,371,269	2.23%
5 Mr. D.A.J. Warnakulasuriya	19,842,730	1.82%
6 Mr. C.P.A. Wijeyesekera	18,508,468	1.70%
7 Ashyaki Holdings (Pvt) Ltd	7,792,806	0.71%
8 Mr. M.D. Samarawickrama	7,660,582	0.70%
9 Mr. S.P. Khattar	7,323,365	0.67%
10 Sterling Holdings (Private) Ltd	7,207,557	0.66%
11 Dr. T. Senthilvel	6,791,920	0.62%
12 Sofilogic Life Insurance PLC – A/C 05 (Non Participating Fund)	6,023,317	0.55%
13 Deutsche Bank AG-National Equity Fund	5,609,782	0.51%
14 Anverally and Sons (Pvt) Ltd A/C No 01	4,783,702	0.44%
15 Commercial Agencies (Ceylon) Ltd	4,050,833	0.37%
16 Ajita De Zoysa & Company Limited	4,050,832	0.37%
17 Mr. A.I.T. Hettiaratchi	3,848,735	0.35%
18 Mr. A. de Zoysa	3,515,631	0.32%
19 Ideal Motors (Private) Limited	3,300,000	0.30%
20 Rosewood (Pvt) Limited - A/C No 01	2,774,542	0.25%
	995,355,805	91.20%
Other shareholders	96,050,444	8.80%
Total	1,091,406,249	100.00%

As at 31 March 2019

Number of shares in public holding	327,282,075
Number of public shareholders	31,157
Percentage of public holding	29.99%
Market capitalisation (Rs.)	12,005,468,739
Float adjusted market capitalisation	3,600,103,922
Required minimum public holding percentage under option 4 of rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange	10%

DIRECTORS' INDIVIDUAL HOLDING IN SHARES

Name	No. of shares held as at 31.03.2019
Mr. Atul Malik	None
Mr. Priyantha Fernando	None
Ms. Sow Lin Chiew*	None
Mr. Sabry Ghouse	None
Mr. Ranvir Dewan	None
Mr. Gaurav Trehan	None
Mr. Puneet Bhatia	None
Mr. Michael J. O'Hanlon	None
Mr. Indrajit Wickramasinghe	None
Mr. Trevine Fernandopulle	None
Ms. Dilshani Wijayawardana	None
Ms. Yoke Sun Woon (alternate to Ms. Sow Lin Chiew)*	None
Mr. Keshav Thakkar (alternate to Mr. Puneet Bhatia)	None

The Minimum Public Holding of Union Bank of Colombo PLC as at 31st March 2019 complied with option 4 of rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

*Sow Lin Chiew (Non-Independent-Non-Executive Director) resigned with effective from 5th April 2019. Hence, her alternate Director Yoke Sun Woon ceased to be an alternate director as well with effective from 5th April 2019.

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Bank - As at 31 March 2019

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	2,633,630	2,633,630
Balances with Central Bank of Sri Lanka	-	-	3,229,591	3,229,591
Placements with banks	-	-	167,540	167,540
Reverse repurchased agreements	-	-	1,302,679	1,302,679
Derivative financial instruments	27,431	-	-	27,431
Financial investments at fair value through profit or loss	3,541,920	-	-	3,541,920
Financial assets at amortised cost - loans and advances to customers	-	-	76,279,487	76,279,487
Financial assets at amortised cost - debt and other instruments	-	-	15,823,412	15,823,412
Financial investments at fair value through other comprehensive income	-	17,466,063	-	17,466,063
Other financial assets	-	-	276,292	276,292
Total financial assets	3,569,351	17,466,063	99,712,631	120,748,046

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	12,244,540	12,244,540
Derivative financial instruments	101,578	-	101,578
Repurchased agreements	-	14,107,538	14,107,538
Due to customers	-	77,897,162	77,897,162
Other borrowed funds	-	1,272,988	1,272,988
Other financial liabilities	-	1,128,510	1,128,510
Total financial liabilities	101,578	106,650,738	106,752,316

b. Bank - As at 31 December 2018 (Audited)

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	2,917,866	2,917,866
Balances with Central Bank of Sri Lanka	-	-	4,219,932	4,219,932
Placements with banks	-	-	3,265,425	3,265,425
Reverse repurchased agreements	-	-	417,146	417,146
Derivative financial instruments	34,274	-	-	34,274
Financial investments at fair value through profit or loss	2,863,121	-	-	2,863,121
Financial assets at amortised cost - loans and advances to customers	-	-	73,749,208	73,749,208
Financial assets at amortised cost - debt and other instruments	-	-	16,567,940	16,567,940
Financial investments at fair value through other comprehensive income	-	17,735,959	-	17,735,959
Other financial assets	-	-	153,865	153,865
Total financial assets	2,897,395	17,735,959	101,291,382	121,924,736

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total -
LIABILITIES			
Due to banks	-	9,348,209	9,348,209
Derivative financial instruments	71,750	-	71,750
Repurchased agreements	-	17,585,912	17,585,912
Due to customers	-	79,251,073	79,251,073
Other borrowed funds	-	1,234,220	1,234,220
Other financial liabilities	-	972,330	972,330
Total financial liabilities	71,750	108,391,744	108,463,494

INTERIM FINANCIAL STATEMENTS
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As at 31 March 2018

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Group - As at 31 March 2019

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised Cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	3,123,511	3,123,511
Balances with Central Bank of Sri Lanka	-	-	3,229,591	3,229,591
Placements with banks	-	-	167,540	167,540
Reverse repurchased agreements	-	-	1,849,204	1,849,204
Derivative financial instruments	27,431	-	-	27,431
Financial investments at fair value through profit or loss	3,541,920	-	-	3,541,920
Financial assets at amortised cost - loans and advances to customers	-	-	84,598,441	84,598,441
Financial assets at amortised cost - debt and other instruments	-	-	15,475,831	15,475,831
Financial investments at fair value through other comprehensive income	-	17,527,334	-	17,527,334
Other financial assets	-	-	346,404	346,404
Total financial assets	3,569,352	17,527,334	108,790,522	129,887,207

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	12,390,836	12,390,836
Derivative financial instruments	101,578	-	101,578
Repurchased agreements	-	14,107,538	14,107,538
Due to customers	-	84,903,788	84,903,788
Other borrowed funds	-	3,216,352	3,216,352
Other financial liabilities	-	1,160,839	1,160,839
Total financial liabilities	101,578	115,779,353	115,880,931

b. Group - As at 31 December 2018 (Audited)

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised Cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	3,306,393	3,306,393
Balances with Central Bank of Sri Lanka	-	-	4,219,932	4,219,932
Placements with banks	-	-	3,265,425	3,265,425
Reverse repurchased agreements	-	-	950,998	950,998
Derivative financial instruments	34,274	-	-	34,274
Financial investments at fair value through profit or loss	2,863,121	-	-	2,863,121
Financial assets at amortised cost - loans and advances to customers	-	-	82,120,068	82,120,068
Financial assets at amortised cost - debt and other instruments	-	-	15,942,404	15,942,404
Financial investments at fair value through other comprehensive income	-	17,787,621	-	17,787,621
Other financial assets	-	-	235,267	235,267
Total financial assets	2,897,395	17,787,621	110,040,487	130,725,503

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	9,515,547	9,515,547
Derivative financial instruments	71,750	-	71,750
Repurchased agreements	-	17,535,900	17,535,900
Due to customers	-	86,266,123	86,266,123
Other borrowed funds	-	2,921,647	2,921,647
Other financial liabilities	-	1,046,167	1,046,167
Total financial liabilities	71,750	117,285,384	117,357,134

INTERIM FINANCIAL STATEMENTS
SELECTED PERFORMANCE INDICATORS

Item	BANK		GROUP	
	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
Regulatory Capital - Rs '000				
Common Equity Tier 1 (Basel III)	15,134,910	15,031,473	15,669,784	15,557,644
Tier 1 Capital / Core Capital (Basel III)	15,134,910	15,031,473	15,669,784	15,557,644
Total Capital / Total Capital Base (Basel III)	15,134,910	15,031,473	15,669,784	15,557,644
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2019 - 7%, 2018 - 6.375%)	16.88%	17.41%	16.01%	16.47%
Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2019 - 8.5%, 2018 - 7.875%)	16.88%	17.41%	16.01%	16.47%
Total Capital Ratio (Minimum Requirement as per Basel III 2019 - 12.5%, 2018- 11.875%)	16.88%	17.41%	16.01%	16.47%
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit, Rs. '000	17,909,913	18,006,765		
Foreign Currency Banking Unit, USD '000	13,066	12,791		
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	21.26%	21.77%		
Foreign Currency Banking Unit	21.60%	21.14%		
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement 2019 - 100%, 2018- 90%)	425.37%	335.43%		
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement 2019 - 100%, 2018- 90%)	185.15%	131.50%		
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (Net of interest in suspense)	4.32%	3.68%		
Net Non-Performing Advances, % (Net of interest in suspense and provision)	3.11%	2.51%		
Profitability				
Interest Margin, %	3.24%	2.98%		
Return on Assets (Before Tax), %	0.64%	0.63%		
Return on Assets (After Tax), %	0.34%	0.39%		
Return on Equity (After Tax), %	2.51%	2.74%		

Name of Company

Union Bank of Colombo PLC

Legal Form

A Public Limited Liability Company incorporated in Sri Lanka under the Companies Act No. 17 of 1982.

Re-registered under the Companies Act No. 7 of 2007. Listed as a public quoted Company at the Colombo Stock Exchange. A Licensed Commercial Bank under the Banking Act No. 30 of 1988.

Date of Incorporation

February 2nd, 1995

Company Registration Number

PB 676 PQ

Accounting Year-end

December-31

Subsidiary Companies

National Asset Management Ltd

UB Finance Company Ltd

Tax Payer Identity Number (TIN)

134005610

VAT Registration Number

134005610-7000

Credit Rating

Fitch : BB+ (lka) Positive Rating

ICRA : (SL) BBB Stable Rating

Registered Office & Principal Place of Business

No. 64, Galle Road,

Colombo 03, Sri Lanka.

Telephone : +94 11 2374100

Fax: +94 11 2370971

E-mail: ubc@unionb.com

Web Address: www.unionb.com

Auditors

M/s. Ernst & Young

Chartered Accountants,

No. 201, De Saram Place,

Colombo 10.