

INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2026

Union Bank Posts LKR 881 Mn PBT in 1H 2026

31 July 2026, Colombo, Sri Lanka

Building on its robust start to the year, Union Bank sustained its strong performance momentum into the first half (1H) of 2026, delivering strong growth in profitability, core earnings, and balance sheet strength.

Reflecting a sharp trajectory of operational efficiency and revenue expansion, the Bank's Profit Before Tax (PBT) increased by 84% year-on-year to LKR 881 Mn for 1H 2026. Profit After Tax (PAT) expanded by 134% year-on-year to LKR 587 Mn, almost doubling its first-quarter performance and underscoring sustained earnings quality.

Core revenue drivers continued to perform strongly during the six-month period. Gross income rose by 19% to LKR 10,139 Mn, underpinned by a 22% increase in Net Interest Income (NII) to LKR 3,148 Mn, reflecting the resilience of the Bank's core lending and treasury operations. Net Fee and Commission Income also posted a steady 13% increase to LKR 732 Mn, driven by consistent contributions from the retail, SME, and corporate banking segments. Overall, income from operating activities grew by an impressive 58% to LKR 1,250 Mn, which also included LKR 249 Mn arising from the sale of shares held by the Bank in its subsidiary, UB Finance PLC. To support market penetration and accelerate deposit mobilization, operating expenses increased by a disciplined 9%.

The Bank's balance sheet continued its upward expansion, with Total Assets growing by 15% to LKR 199,283 Mn. Customer deposits grew by 10% to LKR 130,219 Mn, demonstrating deepening customer confidence in response to the Bank's targeted marketing and promotional initiatives. Gross loans and advances stood at LKR 136,742 Mn, up 16% year-on-year, maintaining the strong credit momentum established earlier in the year.

At the Group level, which includes UB Finance PLC and National Asset Management Limited, performance remained equally robust. Group Total Assets grew by 17%, while Group Profit Before Tax rose by 97% to LKR 997 Mn. Group Profit After Tax surged by 141% to LKR 604 Mn, confirming strong performance across the Group's non-bank financial and asset management businesses.

Commenting on the results, Chairman Dinesh Weerakkody said, "Our first-half 2026 performance reflects the strong momentum of Union Bank's transformation. We remain committed to delivering sustainable growth and creating long-term value for our customers, shareholders, employees, and all stakeholders."

Director/Chief Executive Officer Dilshan Rodrigo added that the first-half results highlight tangible returns from deliberate investments in new products, marketing, sales initiatives, and digital capabilities, providing a solid foundation for sustaining this momentum through the remainder of 2026.

STATEMENT OF PROFIT OR LOSS

Period ended 30 June 2026

	BANK						GROUP					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.06.2026 LKR '000	30.06.2025 LKR '000	Change %	30.06.2026 LKR '000	30.06.2025 LKR '000	Change %	30.06.2026 LKR '000	30.06.2025 LKR '000	Change %	30.06.2026 LKR '000	30.06.2025 LKR '000	Change %
Gross Income	**10,139,755**	**8,495,516**	**19**	**5,142,562**	**4,449,409**	**16**	**11,841,726**	**9,786,514**	**21**	**6,247,074**	**5,147,139**	**21**
Interest income	8,776,478	7,103,428	24	4,511,603	3,605,206	25	10,280,641	8,234,840	25	5,303,382	4,230,394	25
Less: Interest expenses	5,628,590	4,523,552	24	3,013,154	2,303,228	31	6,367,556	5,080,530	25	3,399,248	2,589,757	31
Net interest income	**3,147,888**	**2,579,876**	**22**	**1,498,449**	**1,301,978**	**15**	**3,913,085**	**3,154,310**	**24**	**1,904,134**	**1,640,637**	**16**
Fee and commission income	1,006,346	860,012	17	486,172	469,263	4	1,143,727	951,120	20	540,652	519,002	4
Less: Fee and commission expenses	274,765	210,218	31	142,081	103,447	37	274,765	233,194	18	142,094	114,749	24
Net fee and commission income	**731,581**	**649,794**	**13**	**344,091**	**365,816**	**(6)**	**868,962**	**717,926**	**21**	**398,558**	**404,253**	**(1)**
Net fair value gains / (losses) on:												
- financial assets at fair value through profit or loss	(72,828)	54,463	(234)	1,845	78,333	(98)	(71,729)	59,884	(220)	11,581	80,566	(86)
Net gains / (losses) on derecognition of financial assets:												
- at fair value through profit or loss	42,927	93,296	(54)	19,644	53,834	(64)	42,927	93,296	(54)	19,644	53,834	(64)
- at fair value through other comprehensive income	36,630	267,324	(86)	3,503	186,520	(98)	36,630	267,324	(86)	3,503	186,519	(98)
Net other operating income	350,202	116,993	199	119,795	56,253	113	409,530	180,050	127	368,312	76,824	379
Total operating income	**4,236,400**	**3,761,746**	**13**	**1,987,327**	**2,042,734**	**(3)**	**5,199,405**	**4,472,790**	**16**	**2,705,732**	**2,442,633**	**11**
Less: Impairment for loans and other losses	(266,369)	(23,525)	NM	(296,882)	10,154	NM	(194,692)	55,408	(451)	(236,757)	74,537	(418)
Net operating income	**4,502,769**	**3,785,271**	**19**	**2,284,209**	**2,032,580**	**12**	**5,394,097**	**4,417,382**	**22**	**2,942,489**	**2,368,096**	**24**
Less: Personnel expenses	1,390,737	1,336,811	4	707,303	680,203	4	1,685,252	1,572,750	7	858,402	809,516	6
Depreciation and amortisation	441,049	514,372	(14)	224,144	256,810	(13)	513,417	559,892	(8)	264,106	278,760	(5)
Other expenses	1,420,930	1,143,454	24	745,687	580,299	29	1,655,049	1,354,415	22	858,880	678,608	27
Total operating expenses	**3,252,716**	**2,994,637**	**9**	**1,677,134**	**1,517,312**	**11**	**3,853,718**	**3,487,057**	**11**	**1,981,388**	**1,766,884**	**12**
Results from operating activities	**1,250,053**	**790,634**	**58**	**607,075**	**515,268**	**18**	**1,540,379**	**930,325**	**66**	**961,101**	**601,212**	**60**
Share of profit of equity accounted investees, net of tax	70,968	43,522	63	34,015	33,963	0	-	-	-	-	-	-
Profit before Value Added Tax (VAT) & Social Security Contribution Levy (SSCL) on financial services	**1,321,021**	**834,156**	**58**	**641,090**	**549,231**	**17**	**1,540,379**	**930,325**	**66**	**961,101**	**601,212**	**60**
Less: VAT on financial services	386,181	312,552	24	197,314	175,766	12	476,167	373,188	28	247,409	207,726	19
Less: SSCL on financial services	53,636	43,410	24	27,405	24,412	12	66,967	50,849	32	35,195	28,851	22
Profit before tax	**881,204**	**478,194**	**84**	**416,371**	**349,053**	**19**	**997,245**	**506,288**	**97**	**678,497**	**364,635**	**86**
Less: Tax expenses	294,279	227,093	30	163,121	147,759	10	392,792	255,300	54	197,625	161,021	23
Profit after tax	**586,925**	**251,101**	**134**	**253,250**	**201,294**	**26**	**604,453**	**250,988**	**141**	**480,872**	**203,614**	**136**
Profit Attributable to:												
Equity holders of the parent	586,925	251,101	134	253,250	201,294	26	592,720	245,289	142	471,505	199,281	137
Non-controlling interest	-	-	-	-	-	-	11,733	5,699	106	9,367	4,332	116
Profit after tax	586,925	251,101	134	253,250	201,294	26	604,453	250,988	141	480,872	203,614	136
Earnings per share												
Earnings per share - Basic	0.54	0.23	134	0.23	0.19	26	0.55	0.23	142	0.44	0.18	137
Earnings per share - Diluted	0.54	0.23	134	0.23	0.19	26	0.55	0.23	142	0.44	0.18	137

** NM- "Not meaningful"*

STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2026

	BANK						GROUP					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.06.2026 LKR '000	30.06.2025 LKR '000	Change %	30.06.2026 LKR '000	30.06.2025 LKR '000	Change %	30.06.2026 LKR '000	30.06.2025 LKR '000	Change %	30.06.2026 LKR '000	30.06.2025 LKR '000	Change %
Profit for the period	586,925	251,101	134	253,250	201,294	26	604,453	250,988	141	480,872	203,614	136
Other comprehensive income to be reclassified to profit or loss in subsequent periods:												
Net change in fair value during the period	(296,386)	142,721	(308)	(184,638)	77,696	(338)	(296,386)	142,721	(308)	(184,638)	77,696	(338)
Reclassification to the income statement	(214,028)	(162,322)	32	(190,872)	(98,896)	(93)	(214,028)	(162,322)	32	(190,872)	(98,896)	(93)
Less: Tax effect on above	153,124	5,880	NM	112,653	6,360	NM	153,124	5,880	NM	112,653	6,360	NM
Total items that will be reclassified to the Statement of Profit or Loss	(357,290)	(13,721)	NM	(262,857)	(14,840)	NM	(357,290)	(13,721)	NM	(262,857)	(14,840)	NM
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:												
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-	(3,538)	-	NM	(3,538)	-	NM
Change in revaluation surplus	-	257,550	100	-	257,550	(100)	-	257,550	100	-	257,550	(100)
Revaluation gains/ (losses) on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	13,739	4,643	(196)	-	4,643	(100)
Less: Tax effect on above	-	(77,265)	(100)	-	(77,265)	100	(3,060)	(77,265)	(96)	1,062	(77,265)	101
Share of other comprehensive income of equity accounted investees, net of tax	6,496	4,176	(56)	(2,146)	4,176	(151)	-	-	-	-	-	-
Total items that will not be reclassified to the Statement of Profit or Loss	6,496	184,461	96	(2,146)	184,461	101	7,141	184,928	96	(2,476)	184,928	(101)
Other comprehensive income for the period, net of tax	(350,794)	170,740	305	(265,003)	169,621	(256)	(350,149)	171,207	305	(265,333)	170,088	(256)
Total comprehensive income for the period, net of tax	236,131	421,841	(44)	(11,753)	370,915	(103)	254,304	422,195	(40)	215,539	373,702	(42)
Attributable to:												
Equity holders of the parent	236,131	421,841	(44)	(11,753)	370,915	(103)	241,926	416,029	(42)	206,502	368,903	(44)
Non-controlling interest	-	-	-	-	-	-	12,378	6,166	101	9,037	4,799	88
Total comprehensive income for the period, net of taxes	236,131	421,841	(44)	(11,753)	370,915	(103)	254,304	422,195	(40)	215,539	373,702	(42)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	BANK			GROUP		
	30.06.2026	**31.12.2025**	**Change**	**30.06.2026**	**31.12.2025**	**Change**
	LKR '000	**LKR '000 Audited**	**%**	**LKR '000**	**LKR '000 Audited**	**%**
Assets						
Cash and cash equivalents	3,546,906	3,611,952	(2)	4,590,221	3,911,709	17
Balances with Central Bank of Sri Lanka	1,452,329	807,025	80	1,452,329	807,025	80
Placements with banks	8,632,153	1,865,906	363	8,635,146	1,865,906	363
Reverse repurchased agreements	100,026	370,074	(73)	286,842	370,074	(22)
Derivative financial instruments	67,569	101,354	(33)	67,569	101,354	(33)
Financial assets recognised through profit or loss - measured at fair value	5,365,928	6,127,879	(12)	5,488,811	6,245,426	(12)
Financial assets at amortised cost - loans and advances	129,710,651	110,786,384	17	145,382,908	123,661,943	18
Financial assets at amortised cost - debt and other instruments	15,628,804	16,093,548	(3)	16,306,909	16,771,211	(3)
Financial assets measured at fair value through other comprehensive income	24,369,134	23,385,583	4	24,417,880	23,420,591	4
Investments in real estate	-	-	-	28,827	24,958	16
Investments in subsidiaries	3,079,274	3,124,444	(1)	-	-	-
Goodwill and intangible assets	1,418,283	1,403,631	1	1,857,668	1,740,537	7
Property, plant and equipment and right of use assets	2,382,991	2,342,482	2	3,109,102	2,905,952	7
Deferred tax assets	890,219	814,344	9	930,394	863,205	8
Other assets	2,638,814	1,798,697	47	2,888,443	2,124,674	36
Total assets	**199,283,081**	**172,633,303**	**15**	**215,443,049**	**184,814,565**	**17**
Liabilities						
Due to banks	18,732,909	16,049,233	17	23,320,146	18,391,473	27
Derivative financial instruments	108,038	5,720	1789	108,038	5,720	1789
Repurchased agreements	22,988,761	14,409,249	60	22,988,761	14,409,249	60
Financial liabilities at amortised cost						
- due to customers	130,219,094	118,801,447	10	138,514,698	124,821,582	11
- due to debt security holders	3,118,318	-	NM	3,118,318	-	NM
- other borrowed funds	-	-	-	1,916,424	2,711,522	(29)
Current tax liabilities	448,317	520,470	(14)	615,745	601,352	2
Other liabilities	3,109,943	2,525,614	23	3,787,374	3,179,075	19
Total liabilities	**178,725,380**	**152,311,733**	**17**	**194,369,504**	**164,119,973**	**18**

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	BANK			GROUP		
	30.06.2026	**31.12.2025**	**Change**	**30.06.2026**	**31.12.2025**	**Change**
	LKR '000	**LKR '000**	**%**	**LKR '000**	**LKR '000**	**%**
		Audited			**Audited**	
Equity						
Stated capital	16,334,782	16,334,782	-	16,334,782	16,334,782	-
Share warrants	-	65,484	-	-	65,484	-
Statutory reserve fund	354,233	324,887	9	389,428	354,492	10
FVOCI reserve	(182,738)	174,552	(205)	(170,503)	186,787	(191)
Retained earnings	4,051,424	3,421,865	18	4,031,316	3,339,149	21
Regulatory Loss Allowance Reserve	-	-	-	-	38,702	(100)
Total equity attributable to equity holders of the bank	**20,557,701**	**20,321,570**	**1**	**20,585,023**	**20,319,396**	**1**
Non-controlling interests	-	-		488,522	375,196	30
Total equity	**20,557,701**	**20,321,570**	**1**	**21,073,545**	**20,694,592**	**2**
Total equity and liabilities	**199,283,081**	**172,633,303**	**15**	**215,443,049**	**184,814,565**	**17**
Contingent liabilities and commitments	44,970,685	47,868,881	(6)	44,894,418	47,868,881	(6)
Net asset value per share (LKR)	19.0	18.8		19.0	18.8	
Memorandum information						
Number of Employees	1,070	1,140				
Number of Branches	56	56				

CERTIFICATION:

We, the undersigned, being the 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.

(c) the above statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.
……..
Nandana Senevirathne
Chief Financial Officer

Sgd.
……..
Dilshan Rodrigo
Director / Chief Executive Officer

Sgd.
……..
Dinesh Weerakkody
Chairman

Date: 31 July 2026

STATEMENT OF CHANGES IN EQUITY

As at 30 June 2026

BANK	Stated Capital LKR '000	Share Warrants LKR '000	Statutory Reserve Fund LKR '000	FVOCI Reserve LKR '000	Retained Earnings LKR '000	Revaluation Reserve LKR '000	ESOP Reserve LKR '000	Total Equity LKR '000
Balance as at 1 January 2025	16,334,782	65,484	292,152	333,875	2,771,202	-	42,863	19,840,358
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	251,101	-	-	251,101
Other comprehensive Income	-	-	-	(13,721)	4,176	180,285	-	170,740
Total comprehensive Income	-	-	-	(13,721)	255,277	180,285	-	421,841
Transactions with equity holders, recognised directly in equity								
Share based payment expense	-	-	-	-	-	-	344	344
Transfers during the period	-	-	12,555	-	(12,555)	-	-	-
Balance as at 30 June 2025	16,334,782	65,484	304,707	320,154	3,013,926	180,285	43,207	20,262,545
Balance as at 1 January 2026	16,334,782	65,484	324,887	174,552	3,421,865	-	-	20,321,570
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	586,925	-	-	586,925
Other comprehensive Income	-	-	-	(357,290)	6,496	-	-	(350,794)
Total comprehensive Income	-	-	-	(357,290)	593,421	-	-	236,131
Transactions with equity holders, recognised directly in equity								
Transfers during the period	-	(65,484)	29,346	-	36,138	-	-	-
Balance as at 30 June 2026	16,334,782	-	354,233	(182,738)	4,051,424	-	-	20,557,701

GROUP	Stated Capital LKR '000	Share Warrants LKR '000	Statutory Reserve Fund LKR '000	FVOCI Reserve LKR '000	Retained Earnings LKR '000	Revaluation Reserve LKR '000	ESOP Reserve LKR '000	Regulatory Loss Allowance Reserve LKR '000	Total LKR '000	Non-controlling Interest LKR '000	Total Equity LKR '000
Balance as at 1 January 2025	16,334,782	65,484	319,758	346,111	2,537,465	-	42,863	201,688	19,848,151	360,677	20,208,828
Total comprehensive income for the period											
Net profit for the period	-	-	-	-	245,289	-	-	-	245,289	5,699	250,988
Other comprehensive Income	-	-	-	(13,721)	4,176	180,285	-	-	170,740	467	171,207
Total comprehensive Income	-	-	-	(13,721)	249,465	180,285	-	-	416,029	6,166	422,195
Transactions with equity holders, recognised directly in equity											
Share based payment expense	-	-	-	-	-	-	344	-	344	-	344
Transfers during the period	-	-	14,555	-	(14,555)	-	-	-	-	-	-
Transfer to Regulatory Loss Allowance Reserve	-	-	-	-	113,486	-	-	(113,486)	-	-	-
Balance as at 30 June 2025	16,334,782	65,484	334,313	332,390	2,885,861	180,285	43,207	88,202	20,264,524	366,843	20,631,367
Balance as at 1 January 2026	16,334,782	65,484	354,492	186,787	3,339,149	-	-	38,702	20,319,396	375,196	20,694,592
Total comprehensive income for the period											
Net profit for the period	-	-	-	-	592,720	-	-	-	592,720	11,733	604,453
Other comprehensive Income	-	-	-	(357,290)	6,496	-	-	-	(350,794)	645	(350,149)
Total comprehensive Income	-	-	-	(357,290)	599,216	-	-	-	241,926	12,378	254,304
Transactions with equity holders, recognised directly in equity											
Subsidiary share dilution	-	-	-	-	23,701	-	-	-	23,701	100,948	124,649
Transfers during the period	-	(65,484)	34,936	-	30,548	-	-	-	-	-	-
Transfer to Regulatory Loss Allowance Reserve	-	-	-	-	38,702	-	-	(38,702)	-	-	-
Balance as at 30 June 2026	16,334,782	-	389,428	(170,503)	4,031,316	-	-	-	20,585,023	488,522	21,073,545

STATEMENT OF CASH FLOWS

Period ended 30 June 2026

	BANK		GROUP	
	30.06.2026 LKR '000	30.06.2025 LKR '000 Audited	30.06.2026 LKR '000	30.06.2025 LKR '000 Audited
Cash flow from operating activities				
Interest received	8,188,096	6,806,100	9,687,355	7,946,476
Fees and commission receipts	731,581	649,794	868,962	717,926
Interest paid	(5,349,960)	(4,641,733)	(5,797,100)	(5,165,904)
Receipts from Other operating activities	221,477	478,748	530,911	547,226
Payments on Other operating activities	(3,211,967)	(2,779,555)	(3,809,741)	(3,279,164)
Operating cash flow before changes in operating assets & liabilities	579,226	513,354	1,480,387	766,560
(Increase)/decrease in operating assets:				
Balance with Central Bank of Sri Lanka	(645,304)	(269,404)	(645,304)	(269,404)
Funds advanced to customers	(17,944,687)	(18,604,264)	(20,758,835)	(20,552,132)
Others	(840,111)	(361,934)	(767,636)	(453,151)
	(19,430,102)	(19,235,602)	(22,171,774)	(21,274,687)
Increase /(decrease) in operating liabilities:				
Due to other customers	9,428,405	5,404,710	11,703,873	5,461,847
Repurchased agreements	8,499,669	4,237,646	8,499,669	4,237,646
Other liabilities	376,353	1,582,717	376,035	1,625,451
	18,304,427	11,225,073	20,579,577	11,324,944
Net cash from/(used in) operating activities before income tax	(546,449)	(7,497,175)	(111,810)	(9,183,183)
Retirement benefit obligation paid	(18,904)	(52,394)	(21,970)	(56,034)
Income tax paid	(351,759)	-	(351,759)	(733)
Net cash from/ (used in) operating activities	(917,112)	(7,549,569)	(485,539)	(9,239,950)
Cash flow from/(used in) investing activities				
Net financial investment at fair value through profit or loss	661,610	(2,856,136)	649,054	(3,242,162)
Net financial assets at amortised cost - Debt and other instruments	432,131	2,866,901	431,689	3,094,807
Net financial investment at fair value through other comprehensive income	(1,470,242)	4,741,069	(1,483,981)	4,736,282
Net Proceeds from dilution / acquisition of a subsidiary	371,123	-	-	-
Net investment in real estates	-	-	-	(11,132)
Purchase of property & equipment	(144,775)	(104,130)	(331,832)	(172,665)
Purchase of intangible assets	(135,947)	(20,976)	(243,569)	(31,524)
Proceeds from sale of property & equipment	363	-	363	-
Net cash from/ (used in) investing activities	(285,736)	4,626,728	(978,274)	4,373,606
Cash flow from/(used in) financing activities				
Increase in borrowings	3,165,207	1,641,970	(496,150)	3,036,897
Proceeds from the issue of debentures	3,000,000	-	3,000,000	-
Net cash from/ (used in) financing activities	6,165,207	1,641,970	2,503,850	3,036,897
Net increase/(decrease) in cash and cash equivalents	4,962,359	(1,280,870)	1,040,037	(1,829,446)
Cash and cash equivalents at beginning of the year	5,847,932	5,224,670	6,147,348	5,603,664
Cash and cash equivalents at end of the period	10,810,291	3,943,800	7,187,385	3,774,218
Reconciliation of cash and cash equivalents				
Cash in hand and at banks	3,546,906	3,320,545	4,590,221	3,488,713
Reverse repurchased agreements	100,026	500,394	286,842	500,394
Placements with banks	8,630,156	446,491	8,633,149	447,291
Due to banks - Unfavorable balances with banks	(1,466,797)	(323,630)	(6,322,827)	(662,180)
	10,810,291	3,943,800	7,187,385	3,774,218

Reconciliation of liabilities arising from financing activities

For the period ended 30 June 2026	30 Jun 2026	Cash change - Cash flow	Non cash change - Foreign exchange movement	1 Jan 2026
	LKR '000	LKR '000	LKR '000	LKR '000
BANK				
Due to banks	15,903,963	4,656,813	-	11,247,150
Proceeds from the issue of debentures	3,118,318	3,118,318	-	-
Less : Unfavorable balances with banks	(1,466,797)	(1,463,942)	-	(2,856)
Less : Interest payable	(226,575)	(145,983)	-	(80,593)
	17,328,909	**6,165,207**	**-**	**11,163,702**
GROUP				
Due to banks	20,491,200	6,901,809	-	13,589,391
Proceeds from the issue of debentures	3,118,318	3,118,318	-	-
Other borrowed funds	1,916,424	(795,098)	-	2,711,522
Less : Unfavorable balances with banks	(6,322,827)	(6,233,585)	-	(89,242)
Less : Interest payable	(808,767)	(487,594)	-	(321,173)
	18,394,348	**2,503,850**	**-**	**15,890,498**

For the period ended 30 Jun 2025	30 Jun 2025	Cash change - Cash flow	Non cash change - Foreign exchange movement	1 Jan 2025
	LKR '000	LKR '000	LKR '000	LKR '000
BANK				
Due to banks	6,144,872	1,768,037	-	4,376,835
Less : Unfavorable balances with banks	(323,630)	(115,539)	-	(208,091)
Less : Interest payable	(24,263)	(10,527)	-	(13,736)
	5,796,979	**1,641,970**	**-**	**4,155,008**
GROUP				
Due to banks	6,483,421	1,887,421	-	4,596,000
Other borrowed funds	1,800,352	1,393,224	-	407,128
Less : Unfavorable balances with banks	(662,180)	(234,923)	-	(427,257)
Less : Interest payable	(24,264)	(8,826)	-	(15,438)
	7,597,329	**3,036,897**	**-**	**4,560,434**

EXPLANATORY NOTES

As at 30 June 2026

1 There are no changes to the accounting policies and methods of computation since the publication of the annual financial statements for the year 2025.

2 Net other operating income for the current period includes LKR 249 Mn arising from the sale of shares held by the Bank in its subsidiary, UB Finance PLC.

3 In accordance with the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka on the reclassification of the debt portfolio, the Bank has classified LKR 18,893 Mn of the debt portfolio from Fair Value through Other Comprehensive Income to Amortised Cost category on 30 June 2022 as holding these instruments in the fair value through other comprehensive income category was not commercially viable in the economic environment at that time. The cumulative losses from these instruments previously recognised in Other Comprehensive Income has been removed from equity and adjusted against the fair value of the financial asset at the reclassification date. Accordingly, the reclassified assets have been measured at the reclassification date as if they had always been measured at Amortised Cost. The cumulative losses and the fair value as at 30 June 2026 if the assets have continued to be measured at Fair Value through Other Comprehensive Income amounts to LKR 35 Mn and LKR 1,188 Mn respectively.

4 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.

5 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.

6 The Group financial statements comprises of consolidation of the financial statements of the Bank and its subsidiaries, National Asset Management Limited and UB Finance PLC.

7 Expected credit losses of credit facilities are assessed based on two approaches namely individual and collective assessments. The individually significant customers are assessed based on individual basis and staged based on the identified triggers. Collective assessment is based on probability of default, loss given default and the economic factor adjustments considering recent forecasts and projections. Further the bank has recorded management overlays where necessary to capture uncertainties in the economic conditions.

8 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements.

9 Information on Ordinary Shares

Market Value	**30.06.2026**	**30.06.2025**
	LKR	**LKR**
Last traded price	12.50	10.80
Highest price for the quarter	14.60	11.40
Lowest price for the quarter	12.40	9.40

10. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS AND IMPAIRMENT

10.1 Product-wise Gross Loans and Advances to customers

	BANK		GROUP	
	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited
Term loans	76,409,244	69,083,888	84,400,866	75,317,071
Overdrafts	14,806,471	12,520,820	14,710,238	12,520,820
Trade finance	7,304,469	7,222,043	7,304,469	7,222,043
Lease and hire purchase	6,311,386	5,286,584	11,196,061	10,229,849
Factoring	605,320	440,540	830,116	667,480
Pawning & Gold loans	11,295,432	6,029,849	14,835,338	8,356,585
Credit cards	4,041,106	3,897,160	4,041,106	3,897,160
Staff loans	1,652,598	1,236,951	1,709,578	1,279,012
By Product - Local Currency	122,426,026	105,717,837	139,027,772	119,490,023
Term loans	5,785,576	6,213,473	5,785,576	6,213,473
Overdrafts	642,299	590,326	642,299	590,326
Trade finance	7,888,142	5,529,603	7,888,142	5,529,603
By Product - Foreign Currency	14,316,017	12,333,401	14,316,017	12,333,402
Total Loans and Receivables	**136,742,043**	**118,051,238**	**153,343,789**	**131,823,425**

10.2 Stage -wise impairment on Loans and Advances to customers

	BANK		GROUP	
	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited
Gross loans and advances (Note 10.1)	136,742,043	118,051,238	153,343,789	131,823,425
Less: Accumulated impairment under stage 1	(1,123,527)	(1,354,086)	(1,196,000)	(1,419,816)
Accumulated impairment under stage 2	(708,230)	(428,132)	(788,918)	(498,222)
Accumulated impairment under stage 3	(5,199,635)	(5,482,636)	(5,975,963)	(6,243,444)
Net value of loans and advances	**129,710,651**	**110,786,384**	**145,382,908**	**123,661,943**

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

	Stage 1 LKR '000	Stage 2 LKR '000	Stage 3 LKR '000	Total LKR '000
BANK				
Opening balance as at 1 January 2026	1,354,086	428,132	5,482,636	7,264,854
Charge/(reversal) to Statement of Profit or Loss	(230,559)	280,098	(271,673)	(222,134)
Net write-off during the period	-	-	(11,328)	(11,328)
Closing Balance as at 30 June 2026	1,123,527	708,230	5,199,635	7,031,392
GROUP				
Opening balance as at 1 January 2026	1,419,816	498,222	6,243,444	8,161,482
Charge/(reversal) to Statement of Profit or Loss	(223,816)	290,696	(227,106)	(160,226)
Net write-off during the period	-	-	(40,375)	(40,375)
Closing Balance as at 30 June 2026	1,196,000	788,918	5,975,963	7,960,881
BANK - (Audited)				
Opening balance as at 1 January 2025	873,008	503,094	5,685,574	7,061,676
Charge/(reversal) to Statement of Profit or Loss	481,078	(74,962)	(74,600)	331,516
Net write-off during the year	-	-	(128,338)	(128,338)
Closing Balance as at 31 December 2025	1,354,086	428,132	5,482,636	7,264,854
GROUP - (Audited)				
Opening balance as at 1 January 2025	956,862	547,156	6,447,178	7,951,196
Charge/(reversal) to Statement of Profit or Loss	462,954	(48,934)	12,398	426,418
Net write-off during the year	-	-	(216,132)	(216,132)
Closing Balance as at 31 December 2025	1,419,816	498,222	6,243,444	8,161,482

11. ANALYSIS OF DUE TO CUSTOMERS

	BANK		GROUP	
	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited
Local Currency Deposits				
Demand deposits	7,721,012	7,816,706	7,719,925	7,815,023
Savings deposits	16,926,460	16,577,923	16,937,927	15,505,519
Fixed deposits	80,858,065	73,793,266	89,143,289	80,887,488
Other deposits	1,100,118	1,277,806	1,100,118	1,277,806
Total	**106,605,655**	**99,465,701**	**114,901,259**	**105,485,836**
Foreign Currency Deposits				
Demand deposits	338,632	442,001	338,632	442,001
Savings deposits	4,047,791	4,175,972	4,047,791	4,175,972
Fixed deposits	19,227,016	14,717,773	19,227,016	14,717,773
Total	**23,613,439**	**19,335,746**	**23,613,439**	**19,335,746**
Total Deposits	**130,219,094**	**118,801,447**	**138,514,698**	**124,821,582**

12. ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

12.1 Product-wise Commitments and Contingencies

	BANK		GROUP	
	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited
Undrawn loan commitments	14,593,430	13,689,599	14,517,163	13,689,599
Guarantees	6,861,434	7,048,424	6,861,434	7,048,424
Documentary credit	-	13,824	-	13,824
Forward contracts	5,813,510	10,819,351	5,813,510	10,819,351
Spot contracts	504,225	852,600	504,225	852,600
Forward bonds	-	498,431	-	498,431
Forward borrowing	-	22,000	-	22,000
Other contingent items	983,309	1,092,329	983,309	1,092,329
By Product - Local Currency	**28,755,908**	**34,036,558**	**28,679,641**	**34,036,558**
Undrawn loan commitments	862,970	791,184	862,970	791,184
Guarantees	4,764,569	4,146,079	4,764,569	4,146,079
Documentary credit	4,400,961	3,766,106	4,400,961	3,766,106
Forward contracts	2,146,538	1,149,216	2,146,538	1,149,216
Spot contracts	5,750	78,498	5,750	78,498
Acceptances	3,534,522	3,405,935	3,534,522	3,405,935
Other contingent items	499,467	495,305	499,467	495,305
By Product - Foreign Currency	**16,214,777**	**13,832,323**	**16,214,777**	**13,832,323**
Commitments and Contingencies	**44,970,685**	**47,868,881**	**44,894,418**	**47,868,881**

12.2 Stage -wise impairment on Commitment and Contingencies

	BANK		GROUP	
	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited	30.06.2026 LKR '000	31.12.2025 LKR '000 Audited
Gross Commitments and Contingencies (Note 12.1)	44,970,685	47,868,881	44,894,418	47,868,881
Less: Accumulated impairment under stage 1	(96,144)	(143,861)	(95,905)	(143,859)
Accumulated impairment under stage 2	(4,012)	(1,041)	(4,012)	(1,041)
Accumulated impairment under stage 3	-	-	-	-
Net value of commitments and contingencies	**44,870,529**	**47,723,979**	**44,794,501**	**47,723,981**

12.3 Movement of impairment during the period for Commitments and Contingencies

	Stage 1 LKR '000	Stage 2 LKR '000	Stage 3 LKR '000	Total LKR '000
BANK				
Opening balance as at 1 January 2026	143,861	1,041	-	144,902
Charge/(reversal) to Statement of Profit or Loss	(47,717)	2,971	-	(44,746)
Closing Balance as at 30 June 2026	96,144	4,012	-	100,156
GROUP				
Opening balance as at 1 January 2026	143,859	1,041	-	144,900
Charge/(reversal) to Statement of Profit or Loss	(47,954)	2,971	-	(44,983)
Closing Balance as at 30 June 2026	95,905	4,012	-	99,917
BANK - (Audited)				
Opening balance as at 1 January 2025	118,672	1,563	764	120,999
Charge/(reversal) to Statement of Profit or Loss	25,189	(522)	(764)	23,903
Closing Balance as at 31 December 2025	143,861	1,041	-	144,902
GROUP - (Audited)				
Opening balance as at 1 January 2025	116,608	1,563	764	118,935
Charge/(reversal) to Statement of Profit or Loss	27,251	(522)	(764)	25,965
Closing Balance as at 31 December 2025	143,859	1,041	-	144,900

	Corporate		SME		Retail		Treasury		Other		Other Group Companies		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	Rs.'000	Rs.'000	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 30th June 2026														
Net Interest Income	**623,399**	**341,702**	**930,617**	**543,372**	**1,138,267**	**721,716**	**100,531**	**209,672**	**340,240**	**756,822**	**780,031**	**581,026**	**3,913,085**	**3,154,310**
Other Income	201,993	164,624	327,036	153,382	224,814	349,183	88,718	513,573	245,950	2,277	197,809	135,441	1,286,320	1,318,480
Total Net Income	**825,392**	**506,326**	**1,257,654**	**696,754**	**1,363,080**	**1,070,899**	**189,250**	**723,245**	**586,190**	**759,099**	**977,840**	**716,467**	**5,199,405**	**4,472,790**
Less : Expenses including impairments	(261,342)	(237,994)	565,686	601,806	715,003	1,083,065	122,701	90,733	1,867,905	1,432,592	649,072	572,263	3,659,026	3,542,465
Impairment	*(354,900)*	*(304,636)*	*97,785*	*155,178*	*(10,111)*	*202,510*	-	-	*857*	*(75,395)*	*71,677*	*77,751*	*(194,692)*	*55,408*
Depreciation & amortisation	*433*	*440*	*1,078*	*752*	*10,967*	*12,707*	*629*	*649*	*428,108*	*499,824*	*72,202*	*45,520*	*513,417*	*559,892*
Other expenses	*93,125*	*66,202*	*466,824*	*445,876*	*714,147*	*867,847*	*122,073*	*90,084*	*1,438,940*	*1,008,164*	*505,193*	*448,993*	*3,340,301*	*2,927,165*
Segmental Results	**1,086,733**	**744,320**	**691,968**	**94,948**	**648,077**	**(12,165)**	**66,548**	**632,512**	**(1,281,715)**	**(673,493)**	**328,768**	**144,204**	**1,540,379**	**930,325**
Less: VAT and SSCL on Financial Services													543,134	424,037
Less: Taxation													392,792	255,300
Profit after Taxation													**604,453**	**250,988**
As at 30th June 2026														
Other Information														
Segment Assets	38,844,337	43,536,430	47,721,127	37,134,798	48,029,683	25,553,584	52,897,671	44,368,785			19,135,795	12,943,859	206,628,614	163,537,456
Unallocated													8,814,436	7,296,992
Consolidated Total Assets													**215,443,050**	**170,834,448**
														-
Segment Liabilities	13,243,006	12,428,544	23,826,596	21,279,835	91,569,330	76,202,156	35,669,082	20,276,583			25,658,371	15,077,957	189,966,385	145,265,076
Unallocated													4,403,119	4,938,005
Consolidated Total Liabilities													**194,369,504**	**150,203,081**
For the period ended 30th June														
Cash flow from operating activities	(145,597)	(854,623)	(221,847)	(1,176,044)	(240,445)	(1,807,558)	(33,383)	(1,220,757)	(103,350)	(1,281,275)	259,084	(2,899,692)	**(485,539)**	**(9,239,950)**
Cash flow from investing activities	14,410	(19,348)	21,956	(26,625)	23,796	(40,923)	(373,198)	4,770,011	(32,200)	785,225	(633,039)	(1,094,734)	**(978,274)**	**4,373,606**
Cash flow from financing activities							6,165,207	1,641,970	-	-	(3,661,357)	1,394,926	**2,503,850**	**3,036,896**

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 30 June 2026

TOP 20 SHAREHOLDERS

	Name	No. of shares as at 30.06.2026	% holding
1	Culture Financial Holdings Ltd	767,558,888	70.84%
2	Vista Knowledge Pte Ltd	64,677,973	5.97%
3	Associated Electrical Corporation Ltd	28,446,137	2.63%
4	Sampath Bank PLC / Yaden Capital (Pvt)Ltd	25,881,430	2.39%
5	Mr. D.A.J. Warnakulasuriya	19,862,730	1.83%
6	Mr. C.P.A. Wijeyesekera	18,375,314	1.70%
7	Mrs. P. D. A. S Beruwalage	9,658,313	0.89%
8	Seylan Bank PLC /Sarath Kumara Wijekoon	9,270,176	0.86%
9	People's Leasing & Finance PLC/L.P. Hapangama	7,793,668	0.72%
10	Ashyaki Holdings (Pvt) Ltd	7,792,806	0.72%
11	Mr.S.P Khattar	7,323,365	0.68%
12	Mr. A.I.T.Hettiarachchi	3,848,735	0.36%
13	Ajita De Zoysa & Company Limited	3,110,183	0.29%
14	Sampath Bank PLC / Andaradeniya Estate (Pvt) Ltd	3,099,273	0.29%
15	Commercial Agencies (Ceylon) Ltd	2,973,748	0.27%
16	Seylan Bank PLC /A.P Jayasinghe	2,920,684	0.27%
17	Mr. P. Brahmanage	2,825,000	0.26%
18	Mrs. H.K.S.R Perera	2,800,000	0.26%
19	People's Leasing & Finance PLC/L.H.L.M.P Haradasa	2,623,500	0.24%
20	Mr. A. M Weerasinghe	2,009,220	0.19%
		992,851,143	**91.66%**
	Other shareholders	90,707,195	8.34%
	Total	**1,083,558,338**	**100.00%**

As at 30th June 2026	
Number of shares in public holding	314,636,850
Number of public shareholders	27,843
Percentage of public holding	29.04%
Market capitalisation (LKR)	13,544,479,225
Float adjusted market capitalisation	3,932,964,610
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 30.06.2026
Mr. Dinesh Weerakkody	None
Mr. Nirvana Chaudhary	None
Mr. Dilshan Rodrigo	1,000,000
Mr. Sabry Ibrahim	None
Mr. Sanjay Pokhrel	None
Dr. Dharmasri Kumaratunge	None
Mr. Mahesh Nanayakkara	None
Mr. Gyanendra Dhungana	None
Ms. Shaheeda Barrie	None

The Minimum Public Holding of Union Bank of Colombo PLC as at 30th June 2026 complied with option 4 of rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

MEASUREMENT OF FINANCIAL INSTRUMENTS

Bank - As at 30 June 2026

	Fair Value through P&L	Fair Value through OCI	Amortised cost	Total
	LKR '000	LKR '000	LKR '000	LKR '000
ASSETS				
Cash and cash equivalents	-	-	3,546,906	3,546,906
Balances with Central Bank of Sri Lanka	-	-	1,452,329	1,452,329
Placements with banks	-	-	8,632,153	8,632,153
Reverse repurchased agreements	-	-	100,026	100,026
Derivative financial instruments	67,569	-	-	67,569
Financial assets recognised through profit or loss - measured at fair value	5,365,928	-	-	5,365,928
Financial assets at amortised cost - loans and advances	-	-	129,710,651	129,710,651
Financial assets at amortised cost - debt and other instruments	-	-	15,628,804	15,628,804
Financial assets measured at fair value through other comprehensive income	-	24,369,134	-	24,369,134
Other financial assets	-	-	62,068	62,068
Total financial assets	**5,433,497**	**24,369,134**	**159,132,937**	**188,935,568**

	Fair Value through P&L	Amortised cost	Total
	LKR '000	LKR '000	LKR '000
LIABILITIES			
Due to banks	-	18,732,909	18,732,909
Derivative financial instruments	108,038	-	108,038
Repurchased agreements	-	22,988,761	22,988,761
Financial liabilities at amortised cost			
- due to customers	-	130,219,094	130,219,094
- due to debt security holders	-	3,118,318	3,118,318
Other financial liabilities	-	1,831,746	1,831,746
Total financial liabilities	**108,038**	**176,890,828**	**176,998,866**

Bank - As at 31 December 2025 (Audited)

	Fair Value through P&L	Fair Value through OCI	Amortised cost	Total
	LKR '000	LKR '000	LKR '000	LKR '000
ASSETS				
Cash and cash equivalents	-	-	3,611,952	3,611,952
Balances with Central Bank of Sri Lanka	-	-	807,025	807,025
Placements with banks	-	-	1,865,906	1,865,906
Reverse repurchased agreements	-	-	370,074	370,074
Derivative financial instruments	101,354	-	-	101,354
Financial assets recognised through profit or loss - measured at fair value	6,127,879	-	-	6,127,879
Financial assets at amortised cost - loans and advances	-	-	110,786,384	110,786,384
Financial assets at amortised cost - debt and other instruments	-	-	16,093,548	16,093,548
Financial investments at fair value through other comprehensive income	-	23,385,583	-	23,385,583
Other financial assets	-	-	61,370	61,370
Total financial assets	**6,229,233**	**23,385,583**	**133,596,259**	**163,211,075**

	Fair Value through P&L	Amortised cost	Total
	LKR '000	LKR '000	LKR '000
LIABILITIES			
Due to banks	-	16,049,233	16,049,233
Derivative financial instruments	5,720	-	5,720
Repurchased agreements	-	14,409,249	14,409,249
- due to customers	-	118,801,447	118,801,447
Other financial liabilities	-	1,356,502	1,356,502
Total financial liabilities	**5,720**	**150,616,431**	**150,622,151**

MEASUREMENT OF FINANCIAL INSTRUMENTS

Group - As at 30 June 2026

	Fair Value through P&L LKR '000	Fair Value through OCI LKR '000	Amortised Cost LKR '000	Total LKR '000
ASSETS				
Cash and cash equivalents	-	-	4,590,221	4,590,221
Balances with Central Bank of Sri Lanka	-	-	1,452,329	1,452,329
Placements with banks	-	-	8,635,146	8,635,146
Reverse repurchased agreements	-	-	286,842	286,842
Derivative financial instruments	67,569	-	-	67,569
Financial assets recognised through profit or loss - measured at fair value	5,488,811	-	-	5,488,811
Financial assets at amortised cost - loans and advances	-	-	145,382,908	145,382,908
Financial assets at amortised cost - debt and other instruments	-	-	16,306,909	16,306,909
Financial assets measured at fair value through other comprehensive income	-	24,417,880	-	24,417,880
Other financial assets	-	-	72,035	72,035
Total financial assets	**5,556,379**	**24,417,880**	**176,726,390**	**206,700,650**

	Fair Value through P&L LKR '000	Amortised Cost LKR '000	Total LKR '000
LIABILITIES			
Due to banks	-	23,320,146	23,320,146
Derivative financial instruments	108,038	-	108,038
Repurchased agreements	-	22,988,761	22,988,761
Financial liabilities at amortised cost			
- due to customers	-	138,514,698	138,514,698
- due to debt security holders	-	3,118,318	3,118,318
- other borrowed funds	-	1,916,424	1,916,424
Other financial liabilities	-	2,316,764	2,316,764
Total financial liabilities	**108,038**	**192,175,111**	**192,283,149**

Group - As at 31 December 2025 (Audited)

	Fair Value through P&L LKR '000	Fair Value through OCI LKR '000	Amortised Cost LKR '000	Total LKR '000
ASSETS				
Cash and cash equivalents	-	-	3,911,709	3,911,709
Balances with Central Bank of Sri Lanka	-	-	807,025	807,025
Placements with banks	-	-	1,865,906	1,865,906
Reverse repurchased agreements	-	-	370,074	370,074
Derivative financial instruments	101,354	-	-	101,354
Financial assets recognised through profit or loss - measured at fair value	6,245,426	-	-	6,245,426
Financial assets at amortised cost - loans and advances	-	-	123,661,943	123,661,943
Financial assets at amortised cost - debt and other instruments	-	-	16,771,211	16,771,211
Financial assets measured at fair value through other comprehensive income	-	23,420,591	-	23,420,591
Other financial assets	-	-	73,589	73,589
Total financial assets	**6,346,780**	**23,420,591**	**147,461,457**	**177,228,828**

	Fair Value through P&L LKR '000	Amortised Cost LKR '000	Total LKR '000
LIABILITIES			
Due to banks	-	18,391,473	18,391,473
Derivative financial instruments	5,720	-	5,720
Repurchased agreements	-	14,409,249	14,409,249
- due to customers	-	124,821,582	124,821,582
- other borrowed funds	-	2,711,522	2,711,522
Other financial liabilities	-	1,897,509	1,897,509
Total financial liabilities	**5,720**	**162,231,335**	**162,237,055**

FAIR VALUE OF ASSETS AND LIABILITIES

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as discribed below;

Fair values are determined according to the following hierarchy:

Level 1 – quoted market price (unadjusted): financial instruments with quoted prices in active markets.

Level 2 – valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments are valued using models where all significant inputs are observable.

Level 3 – valuation technique with significant unobservable inputs: This category includes all instruments valued using valuation techniques where one or more significant inputs are unobservable.

The following table provides an analysis of assets and liabilities measured at fair value as at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position:

Assets and liabilities recorded at fair value

Bank - As at 30 June 2026

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial assets measured at fair value				
Derivative financial instruments	-	67,569	-	67,569
Financial assets recognised through profit or loss - measured at fair value	5,365,928	-	-	5,365,928
Financial assets measured at fair value through other comprehensive income	24,366,604	-	2,530	24,369,134
Total financial assets	29,732,532	67,569	2,530	29,802,631
Financial liabilities measured at fair value				
Derivative financial instruments	-	108,038	-	108,038
Total financial liabilities	-	108,038	-	108,038

Bank - As at 31 December 2025 (Audited)

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial assets measured at fair value				
Derivative financial instruments	-	101,354	-	101,354
Financial assets recognised through profit or loss - measured at fair value	6,127,879	-	-	6,127,879
Financial assets measured at fair value through other comprehensive income	23,383,053	-	2,530	23,385,583
Total financial assets	29,510,932	101,354	2,530	29,614,816
Financial liabilities measured at fair value				
Derivative financial instruments	-	5,720	-	5,720
Total financial liabilities	-	5,720	-	5,720

Group - As at 30 June 2026

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial assets measured at fair value				
Derivative financial instruments	-	67,569	-	67,569
Financial assets recognised through profit or loss - measured at fair value	5,488,811	-	-	5,488,811
Financial assets measured at fair value through other comprehensive income	24,366,603	-	51,277	24,417,880
Total financial assets	29,855,414	67,569	51,277	29,974,260
Financial liabilities measured at fair value				
Derivative financial instruments	-	108,038	-	108,038
Total financial liabilities	-	108,038	-	108,038

Group - As at 31 December 2025 (Audited)

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial assets measured at fair value				
Derivative financial instruments	-	101,354	-	101,354
Financial assets recognised through profit or loss - measured at fair value	6,245,426	-	-	6,245,426
Financial assets measured at fair value through other comprehensive income	23,383,053	-	37,538	23,420,591
Total financial assets	29,628,479	101,354	37,538	29,767,372
Financial liabilities measured at fair value				
Derivative financial instruments	-	5,720	-	5,720
Total financial liabilities	-	5,720	-	5,720

FAIR VALUE OF ASSETS AND LIABILITIES

Fair value of financial assets and liabilities not carried at fair value

Bank - As at 30 June 2026

	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total Value	Value
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets					
Financial assets at amortised cost - loans and advances	-	135,459,180	-	135,459,180	136,742,043
Financial assets at amortised cost - debt and other instruments	15,239,502	-	-	15,239,502	15,628,804
Total	15,239,502	135,459,180	-	150,698,682	152,370,847
Financial liabilities					
Due to Banks & Other Borrowed funds	-	18,107,857	-	18,107,857	18,732,909
Financial liabilities at amortised cost					
- due to debt security holders	-	3,045,255	-	3,045,255	3,118,318
- due to customers	-	100,909,733	-	100,909,733	101,185,199
Total	-	122,062,845	-	122,062,845	123,036,426

Bank - As at 31 December 2025 (Audited)

	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total Value	Value
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets					
Financial assets at amortised cost - loans and advances	-	87,285,436	-	87,285,436	118,051,238
Financial assets at amortised cost - debt and other instruments	16,366,705	-	-	16,366,705	16,093,548
Total	16,366,705	87,285,436	-	103,652,141	134,144,786
Financial liabilities					
Due to Banks	-	7,996,693	-	7,996,693	16,049,233
Due to customers	-	77,728,425	-	77,728,425	89,788,845
Total	-	85,725,118	-	85,725,118	105,838,078

Group - As at 30 June 2026

	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total Value	Value
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets					
Financial assets at amortised cost - loans and advances	-	151,118,307	-	151,118,307	153,343,789
Financial assets at amortised cost - debt and other instruments	15,946,206	-	-	15,946,206	16,306,909
Total	15,946,206	151,118,307	-	167,064,513	169,650,698
Financial liabilities					
Due to Banks	-	21,847,583	-	21,847,583	23,320,146
Financial liabilities at amortised cost					
- due to debt security holders	-	3,045,255	-	3,045,255	3,118,318
- due to customers	-	109,158,860	-	109,158,860	109,470,423
Other borrowed funds	-	1,581,955	-	1,581,955	1,916,424
Total	-	135,633,653	-	135,633,653	137,825,311

Group - As at 31 December 2025 (Audited)

	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total Value	Value
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets					
Financial assets at amortised cost - loans and advances	-	100,445,555	-	100,445,555	131,823,425
Financial assets at amortised cost - debt and other instruments	17,047,396	-	-	17,047,396	16,771,211
Total	17,047,396	100,445,555	-	117,492,951	148,594,636
Financial liabilities					
Due to Banks	-	16,309,383	-	16,309,383	18,391,473
Due to customers	-	86,143,774	-	86,143,774	96,883,067
Other borrowed funds	-	1,964,292	-	1,964,292	2,711,522
Total	-	104,417,449	-	104,417,449	117,986,062

For financial assets and financial liabilities that have short term maturity, it is assumed that carrying amounts approximates their fair value. This assumption is applied for following assets and liabilities which are short-term maturity or re-price to current market rates.

Assets	**Liabilities**
▸ Cash and cash equivalents	▸ Repurchased agreements
▸ Balances with Central Bank of Sri Lanka	▸ Savings and demand deposits in "Financial liabilities at amortised cost - Due to customers"
▸ Placements with banks	▸ Other financial liabilities
▸ Reverse repurchased agreements	
▸ Other financial assets	

INFORMATION ON DEBENTURES

Issued in 2026	Interest Payement Frequency	Type of Interest	Coupon rate	Effective rate	Interest Rates of Comparable Government Securities	Market Values (LKR)			Other Ratios as at date of last trade		LKR' 000
						Highest	Lowest	Quarter End	Interest yield %	Yield to Maturity %	
2026/2031 Type A - Public/Listed	Annual	Fixed	13.00%	13.00%	11.06%	Not traded during the period			N/A	N/A	1,150,000
2026/2031 Type B - Public/Listed	Semi Annual	Fixed	12.50%	12.89%	11.06%	Not traded during the period			N/A	N/A	513,290
2026/2031 Type C - Public/Listed	Semi Annual	Floating	Note 1		7.53%	Not traded during the period			N/A	N/A	1,336,710

Note 1
Floating rate is equivalent to the 182 days gross Treasury Bill rate plus 400 bps

N/A - Not Applicable

SELECTED PERFORMANCE INDICATORS

Item	BANK		GROUP	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
Regulatory Capital Adequacy - LKR '000				
Common Equity Tier 1	15,345,855	15,160,188	17,878,005	17,750,551
Tier 1 Capital	15,345,855	15,160,188	17,878,005	17,750,551
Total Regulatory Capital	19,735,460	16,490,037	22,381,223	19,178,794
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III - 7%)	10.8%	12.2%	11.6%	13.2%
Tier 1 Capital Ratio (Minimum Requirement as per Basel III - 8.5%)	10.8%	12.2%	11.6%	13.2%
Total Capital Ratio (Minimum Requirement as per Basel III - 12.5%)	13.8%	13.2%	14.6%	14.3%
Basel III Leverage Ratio (Minimum Requirement - 3%)	6.4%	7.2%	6.9%	7.9%
Regulatory Liquidity				
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement - 100%)	143.0%	160.3%		
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement - 100%)	131.1%	153.8%		
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	128.7%	128.3%		
Assets Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) to Total Loans, Ratio (%) - Net	8.1%	8.1%		
Impaired Loans (Stage 3) to Total Loans, Ratio (%) - Gross	12.8%	13.8%		
Impairment (Stage 3) to Stage 3 Loans, Ratio (%)	29.6%	33.8%		
Profitability				
Net Interest Margin, %	3.4%	3.5%		
Return on Assets (Before Tax), %	0.9%	1.2%		
Return on Equity (After Tax), %	5.7%	3.3%		
Cost to Income Ratio, %	76.8%	73.4%		
Debt Security - Related Ratios				
Debt to Equity Ratio (%)	39.7%	24.8%		
Interest Cover (Times)	4.5	10.7		
Memorandum Information				
Credit Rating	BBB-(lka)	BBB-(lka)		
Number of Employees	1,070	1,140		
Number of Branches	56	56		

CORPORATE INFORMATION

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 PLC

Tax Payer Identity Number (TIN)
134005610

VAT Registration Number
134005610-7000

Credit Rating
Fitch : BBB- (lka) (Negative watch)

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

Auditor
Deloitte Partners
100, Braybrooke Place,
Colombo 02,
Sri Lanka.