



# **INTERIM FINANCIAL STATEMENTS**

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**For the period ended 31 March 2021**

**STATEMENT OF PROFIT OR LOSS**

Period ended 31 March 2021

	<b>BANK</b>			<b>GROUP</b>		
	<b>For the three months ended</b>			<b>For the three months ended</b>		
	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>Change</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>Change</b>
	<b>Rs.000</b>	<b>Rs.000</b>	<b>%</b>	<b>Rs.000</b>	<b>Rs.000</b>	<b>%</b>
<b>Gross Income</b>	2,871,905	3,579,138	(20)	3,338,300	4,040,760	(17)
Interest income	2,281,448	3,058,695	(25)	2,691,267	3,472,446	(22)
Less: Interest expenses	1,295,974	2,028,152	(36)	1,468,074	2,284,811	(36)
<b>Net interest income</b>	985,474	1,030,543	(4)	1,223,193	1,187,635	3
Fee and commission income	270,860	253,648	7	306,479	280,695	9
Less: Fee and commission expenses	55,265	52,693	5	62,319	55,170	13
<b>Net fee and commission income</b>	215,595	200,955	7	244,160	225,525	8
Net fair value gains / (losses) from financial instruments at fair value through profit or loss	78,438	131,222	(40)	79,078	132,509	(40)
Net gains/ (losses) from financial investments	107,062	58,045	84	107,062	58,070	84
Net gain/ (loss) from financial instruments designated at fair value through profit or loss	-	-		-	-	
Other operating income	134,098	77,528	73	154,414	97,040	59
<b>Total operating income</b>	1,520,667	1,498,293	1	1,807,907	1,700,779	6
<b>Less: Impairment for loans and other losses</b>	196,129	92,808	111	237,834	136,371	74
<b>Net operating income</b>	1,324,538	1,405,485	(6)	1,570,073	1,564,408	0
Less: Personnel expenses	455,367	498,732	(9)	512,837	563,797	(9)
Depreciation and amortisation	156,680	167,329	(6)	169,661	182,351	(7)
Other expenses	294,914	334,736	(12)	342,707	375,257	(9)
<b>Total operating expenses</b>	906,961	1,000,797	(9)	1,025,205	1,121,405	(9)
<b>Results from operating activities</b>	417,577	404,688	3	544,868	443,002	23
Share of profit of equity accounted investees, net of tax	8,465	376		-	-	
<b>Profit before Value Added Tax on Financial Services</b>	426,042	405,064	5	544,868	443,002	23
Less: VAT on financial services	109,961	115,925	(5)	127,952	124,406	3
<b>Profit before tax</b>	316,081	289,139	9	416,916	318,597	31
Less: Tax expenses	33,676	109,182	(69)	116,017	123,810	(6)
<b>Profit after tax</b>	282,405	179,957	57	300,899	194,787	54
<b>Profit Attributable to:</b>						
Equity holders of the parent	282,405	179,957	57	297,066	194,902	52
Non-controlling interest	-	-		3,833	(115)	
<b>Profit after tax</b>	282,405	179,957	57	300,899	194,787	54

**Earnings per share**

Earnings per share - Basic	0.26	0.17	57	0.27	0.18	52
Earnings per share - Diluted	0.26	0.17	57	0.27	0.18	52

## STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2021

	BANK			GROUP		
	For the three months ended			For the three months ended		
	31.03.2021 Rs.'000	31.03.2020 Rs.'000	Change %	31.03.2021 Rs.'000	31.03.2020 Rs.'000	Change %
<b>Profit for the period</b>	282,405	179,957	57	300,899	194,787	54
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>						
<i>Debt instruments at fair value through other comprehensive income</i>						
Net change in fair value during the period	(205,075)	86,021	(338)	(204,666)	81,638	(351)
Changes in allowance for expected credit loss	-	-	-	-	-	-
Less: Income tax effect on above	59,763	(24,086)	(348)	59,763	(24,086)	(348)
<b>Total items that will be reclassified to the statement of profit or loss</b>	(145,312)	61,935	(335)	(144,903)	57,552	(352)
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</b>						
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	208	(2,235)	109	-	-	-
<b>Total items that will not be reclassified to the statement of profit or loss</b>	208	(2,235)	109	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	(145,104)	59,700	(343)	(144,903)	57,552	(352)
<b>Total comprehensive income for the period, net of tax</b>	137,301	239,657	(43)	155,996	252,339	(38)
<b>Attributable to:</b>						
Equity holders of the parent	137,301	239,657	(43)	151,963	254,602	(40)
Non-controlling interest	-	-	-	4,033	(2,263)	278
<b>Total comprehensive income for the period, net of taxes</b>	137,301	239,657	(43)	155,996	252,339	(38)

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2021

	BANK			GROUP		
	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	Change %	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	Change %
<b>Assets</b>						
Cash and cash equivalents	2,298,989	2,405,091	(4)	2,711,144	2,832,540	(4)
Balances with Central Bank of Sri Lanka	979,044	722,727	35	979,044	722,727	35
Placements with banks	56,022	15,747	256	56,488	15,747	259
Reverse repurchased agreements	-	-	-	243,582	240,736	1
Derivative financial instruments	49,087	38,189	29	49,087	38,189	29
Financial investments at fair value through profit or loss	7,257,193	7,143,403	2	7,257,193	7,180,220	1
Financial investments designated at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost - loans and advances to customers	71,608,816	67,517,674	6	77,775,671	73,776,668	5
Financial assets at amortised cost - debt and other instruments	17,485,791	21,168,076	(17)	16,850,154	20,509,495	(18)
Financial investments at fair value through other comprehensive income	20,141,077	19,385,038	4	20,217,605	19,397,252	4
Current tax assets	-	-	-	-	-	-
Investments in real estate	-	-	-	100,377	106,890	(6)
Investments in subsidiaries	891,151	882,478	1	-	-	-
Goodwill and intangible assets	1,300,593	1,314,234	(1)	1,648,648	1,661,555	(1)
Property, plant and equipment and Right of use assets	1,209,101	1,317,789	(8)	1,406,857	1,523,305	(8)
Deferred tax assets	-	-	-	394,240	445,436	(11)
Other assets	1,519,598	1,032,828	47	1,614,896	1,119,602	44
<b>Total assets</b>	<b>124,796,462</b>	<b>122,943,274</b>	<b>2</b>	<b>131,304,986</b>	<b>129,570,362</b>	<b>1</b>
<b>Liabilities</b>						
Due to banks	10,578,625	9,980,590	6	10,667,527	9,168,079	16
Derivative financial instruments	20,750	8,313	150	20,750	8,313	150
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Repurchased agreements	10,076,970	10,205,564	(1)	9,971,959	10,100,553	(1)
Due to other customers	83,828,518	82,383,852	2	88,158,712	87,104,192	1
Other borrowed funds	-	-	-	1,571,407	2,347,634	(33)
Debt securities issued	-	-	-	-	-	-
Subordinated term debts	-	-	-	-	-	-
Current tax liabilities	199,826	262,689	(24)	439,682	471,398	(7)
Deferred tax liabilities	12,836	53,841	(76)	13,131	54,135	(76)
Other provisions	-	-	-	-	-	-
Other liabilities	1,851,619	1,958,408	(5)	2,240,866	2,251,102	(0)
<b>Total liabilities</b>	<b>106,569,144</b>	<b>104,853,257</b>	<b>2</b>	<b>113,084,034</b>	<b>111,505,406</b>	<b>1</b>

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	BANK			GROUP		
	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	Change %	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	Change %
<b>Equity</b>						
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	218,347	204,227	7	242,967	228,847	6
ESOP reserve	23,500	23,500	0	23,500	23,500	0
FVOCI reserve	72,736	217,840	(67)	84,972	230,076	(63)
Retained earnings	1,512,469	1,244,184	22	1,234,620	951,674	30
<b>Total equity attributable to equity holders of the bank</b>	<b>18,227,318</b>	<b>18,090,017</b>	<b>1</b>	<b>17,986,325</b>	<b>17,834,363</b>	<b>1</b>
Non-controlling interests	-	-		234,627	230,593	2
<b>Total equity</b>	<b>18,227,318</b>	<b>18,090,017</b>	<b>1</b>	<b>18,220,952</b>	<b>18,064,956</b>	<b>1</b>
<b>Total equity and liabilities</b>	<b>124,796,462</b>	<b>122,943,274</b>	<b>2</b>	<b>131,304,986</b>	<b>129,570,362</b>	<b>1</b>

<b>Contingent liabilities and commitments</b>	36,559,903	40,214,886	(9)	36,661,076	40,360,918	(9)
<b>Net asset value per share (Rs.)</b>	16.82	16.70		16.60	16.46	

#### Memorandum information

Number of Employees	1,250	1,275
Number of Branches	67	67

#### CERTIFICATION:

We, the undersigned, being the Deputy Chairman, Director/ Chief Executive Officer and Financial Controller 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.

.....  
Ayesha Naotunna  
Financial Controller

Sgd.

.....  
Indrajit Wickramasinghe  
Director/ Chief Executive Officer

Sgd.

.....  
Sabry Ghouse  
Deputy Chairman

Date: 29 April 2021

BANK	Statutory Reserve						Total Equity
	Stated Capital Rs.'000	Share Warrants Rs.'000	Fund Rs.'000	ESOP Reserve Rs.'000	FVOCI Reserve Rs.'000	Retained Earnings Rs.'000	
<b>Balance as at 1 January 2020</b>	16,334,782	65,484	175,400	51,426	44,549	838,815	17,510,456
<b>Total comprehensive income for the period</b>							
Net profit for the period	-	-	-	-	-	179,957	179,957
Other comprehensive Income	-	-	-	-	59,700	-	59,700
<b>Total comprehensive Income</b>	-	-	-	-	59,700	179,957	239,657
<b>Transactions with equity holders, recognised directly in equity</b>							
Fair value of ESOP	-	-	-	1,131	-	-	1,131
Transfers during the period	-	-	8,998	-	-	(8,998)	-
Dividend Paid	-	-	-	-	-	(151,698)	(151,698)
<b>Balance as at 31 March 2020</b>	16,334,782	65,484	184,398	52,557	104,249	858,076	17,599,546
<b>Balance as at 1 January 2021</b>	16,334,782	65,484	204,227	23,500	217,840	1,244,184	18,090,017
<b>Total comprehensive income for the period</b>							
Net profit for the period	-	-	-	-	-	282,405	282,405
Other comprehensive Income	-	-	-	-	(145,104)	-	(145,104)
<b>Total comprehensive Income</b>	-	-	-	-	(145,104)	282,405	137,301
<b>Transactions with equity holders, recognised directly in equity</b>							
Fair value of ESOP	-	-	-	-	-	-	-
Transfers during the period	-	-	14,120	-	-	(14,120)	-
Dividend Paid	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	16,334,782	65,484	218,347	23,500	72,736	1,512,469	18,227,318

GROUP	Statutory Reserve						Total	Non-controlling Interest	Total Equity
	Stated Capital Rs.'000	Share Warrants Rs.'000	Fund Rs.'000	ESOP Reserve Rs.'000	FVOCI Reserve Rs.'000	Retained Earnings Rs.'000			
<b>Balance as at 1 January 2020</b>	16,334,782	65,484	200,020	51,426	56,785	490,129	17,198,626	240,645	17,439,271
<b>Total comprehensive income for the period</b>									
Net profit for the period	-	-	-	-	-	194,902	194,902	(115)	194,787
Other comprehensive Income	-	-	-	-	59,700	-	59,700	(2,148)	57,552
<b>Total comprehensive Income</b>	-	-	-	-	59,700	194,902	254,602	(2,263)	252,339
<b>Transactions with equity holders, recognised directly in equity</b>									
Fair value of ESOP	-	-	-	1,131	-	-	1,131	-	1,131
Transfers during the period	-	-	8,998	-	-	(8,998)	-	-	-
Repurchase of Shares	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	(151,698)	(151,698)	-	(151,698)
<b>Balance as at 31 March 2020</b>	16,334,782	65,484	209,018	52,557	116,485	524,335	17,302,661	238,382	17,541,043
<b>Balance as at 1 January 2021</b>	16,334,782	65,484	228,847	23,500	230,076	951,674	17,834,363	230,593	18,064,956
<b>Total comprehensive income for the period</b>									
Net profit for the period	-	-	-	-	-	297,066	297,066	3,833	300,899
Other comprehensive Income	-	-	-	-	(145,104)	-	(145,104)	201	(144,903)
<b>Total comprehensive Income</b>	-	-	-	-	(145,104)	297,066	151,962	4,034	155,996
<b>Transactions with equity holders, recognised directly in equity</b>									
Fair value of ESOP	-	-	-	-	-	-	-	-	-
Transfers during the period	-	-	14,120	-	-	(14,120)	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	16,334,782	65,484	242,967	23,500	84,972	1,234,620	17,986,325	234,627	18,220,952

**STATEMENT OF CASH FLOWS**

Period ended 31 March 2021

	BANK		GROUP	
	31.03.2021 Rs.'000	31.03.2020 Rs.'000	31.03.2021 Rs.'000	31.03.2020 Rs.'000
<b>Cash flow from operating activities</b>				
Interest received	1,653,494	2,489,763	1,876,508	3,096,625
Fees and commission receipts	215,595	200,954	244,160	225,525
Interest paid	(1,364,382)	(1,803,637)	(1,583,953)	(2,225,138)
Receipts from Other operating activities	483,086	402,629	504,042	423,454
Payments on Other operating activities	(929,712)	(1,010,774)	(1,051,313)	(1,125,186)
<b>Operating profit/(loss) before changes in operating assets &amp; liabilities</b>	58,081	278,935	(10,556)	395,280
<b>(Increase)/decrease in operating assets:</b>				
Balance with Central Bank of Sri Lanka	(256,318)	565,756	(256,318)	565,756
Funds advanced to customers	(3,865,392)	(522,421)	(3,523,661)	(579,966)
Others	(482,962)	(64,545)	(491,479)	(61,454)
	(4,604,672)	(21,210)	(4,271,458)	(75,663)
<b>Increase/(decrease) in operating liabilities:</b>				
Due to other customers	1,520,852	7,247,212	1,195,309	7,265,225
Repurchased agreements	(131,861)	1,426,280	(131,861)	1,426,280
Other liabilities	41,744	(320,330)	39,533	(314,506)
	1,430,735	8,353,162	1,102,981	8,376,999
<b>Net cash from/(used in) operating activities before income tax</b>	(3,115,857)	8,610,888	(3,179,033)	8,696,616
Retirement benefit obligation paid	(1,156)	(4,351)	(1,163)	(4,513)
Income tax paid	(77,780)	(25,036)	(77,778)	(25,299)
<b>Net cash from operating activities</b>	(3,194,792)	8,581,501	(3,257,974)	8,666,804
<b>Cash flow from/(used in) investing activities</b>				
Net financial investment at fair value through profit or loss	(113,881)	(1,452,893)	(105,844)	(1,452,893)
Net financial assets at amortised cost - Debt and other instruments	3,674,717	(6,334,997)	3,677,793	(6,330,002)
Net financial investment at fair value through other comprehensive income	(856,701)	(685,028)	(920,608)	(744,958)
Net investment in real estates	-	-	6,514	722
Purchase of property & equipment	(6,520)	(9,199)	(27,248)	(12,881)
Purchase of intangible assets	(27,831)	(90,079)	(28,584)	(90,618)
Proceeds from sale of property & equipment	-	-	-	-
<b>Net cash used in investing activities</b>	2,669,784	(8,572,196)	2,602,023	(8,630,630)
<b>Cash flow from/(used in) financing activities</b>				
Increase in borrowings	205,812	735,449	455,269	1,470,703
Dividend paid	-	(151,698)	-	(151,698)
<b>Net cash from/ (used in) financing activities</b>	205,812	583,751	455,269	1,319,005
<b>Net Increase/(decrease) in cash and cash equivalents</b>	(319,196)	593,056	(200,682)	1,355,178
Cash and cash equivalents at beginning of the year	2,414,598	3,053,031	2,850,142	3,034,999
<b>Cash and cash equivalents at end of the period</b>	2,095,402	3,646,086	2,649,460	4,390,177
<b>Reconciliation of cash and cash equivalents</b>				
Cash in hand and at banks	2,298,989	3,349,278	2,711,144	3,799,597
Reverse repurchased agreements	-	243,391	243,582	837,057
Placements with banks	56,022	68,638	56,487	68,451
Due to banks - Unfavorable balances with banks	(259,609)	(15,221)	(361,753)	(314,927)
	2,095,402	3,646,086	2,649,460	4,390,177



- 1 There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2020.
- 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 Final dividend of Rs. 0.13 per share for the year ended December 31, 2020 was declared on 31st March 2021.
- 6 In accordance with the guideline on application of tax rates in measurement of current tax and deferred tax in LKAS 12 - Income Taxes, 24% income tax rate has been applied retrospectively and the related adjustments have been incorporated in the current quarter. Accordingly, income tax and deferred tax charge reduced by Rs.72mn and Rs.2 Mn in the Statement of Profit or Loss and the Statement of Other Comprehensive Income respectively in the Bank only Financial Statements. However, due to the deferred tax asset recorded in the UB Finance Books, the tax rate revision resulted in a Rs.38mn additional charge on the subsidiary profits. This offset the favourable impact that came through the bank only financials to a certain extent due to the equity accounting method in recording the subsidiary performance in the separate Financial Statements of the Bank.

7 Information on Ordinary Shares

<b>Market Value</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Last traded price	10.40	8.10
Highest price for the quarter	17.00	13.30
Lowest price for the quarter	10.00	8.00

**8. ANALYSIS OF LOANS & ADVANCES TO CUSTOMERS AND IMPAIRMENT**

**8.1 Product-wise Gross Loans & Advances**

	BANK		GROUP	
	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited
Term loans	41,873,403	40,830,272	43,198,956	42,251,366
Overdrafts	12,928,329	10,934,523	12,885,418	10,846,252
Trade finance	1,735,956	1,544,214	1,735,956	1,544,214
Lease and hire purchase	396,639	462,816	3,940,512	4,212,687
Factoring	252,805	189,911	1,653,241	1,472,497
Pawning & Gold loans	374,887	337,254	866,875	879,371
Credit cards	1,825,960	1,709,462	1,825,960	1,709,462
Staff loans	1,199,616	1,150,428	1,223,899	1,172,971
<b>By Product - Local Currency</b>	<b>60,587,595</b>	<b>57,158,880</b>	<b>67,330,816</b>	<b>64,088,820</b>
Term loans	6,008,550	6,236,680	6,008,550	6,236,680
Overdrafts	186,298	147,780	186,298	147,780
Trade finance	7,472,560	6,451,440	7,472,560	6,451,440
<b>By Product - Foreign Currency</b>	<b>13,667,408</b>	<b>12,835,900</b>	<b>13,667,408</b>	<b>12,835,900</b>
<b>Total Loans and Receivables</b>	<b>74,255,003</b>	<b>69,994,780</b>	<b>80,998,224</b>	<b>76,924,720</b>

**8.2 Stage-wise impairment on loans & advances to customers**

	BANK		GROUP	
	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited
Gross loans and advances (Note 8.1)	74,255,003	69,994,780	80,998,224	76,924,720
Less: Accumulated impairment under stage 1	(445,273)	(449,460)	(507,771)	(500,946)
Accumulated impairment under stage 2	(235,781)	(232,072)	(276,861)	(304,689)
Accumulated impairment under stage 3	(1,965,133)	(1,795,574)	(2,437,921)	(2,342,417)
<b>Net value of loans and advances</b>	<b>71,608,816</b>	<b>67,517,674</b>	<b>77,775,671</b>	<b>73,776,668</b>

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

	Stage 1 Rs.'000	Stage 2 Rs.'000	Stage 3 Rs.'000	Total Rs.'000
<b>BANK</b>				
Opening balance as at 1 January 2021	449,460	232,072	1,795,574	2,477,106
Charge to statement of profit or loss	(4,187)	3,709	197,362	196,884
Net write-off during the period	-	-	(27,803)	(27,803)
Closing Balance as at 31 March 2021	445,273	235,781	1,965,133	2,646,187
<b>GROUP</b>				
Opening balance as at 1 January 2021	500,946	304,689	2,342,417	3,148,052
Charge to statement of profit or loss	6,825	(27,828)	254,528	233,526
Net write-off during the period	-	-	(159,025)	(159,025)
Closing Balance as at 31 March 2021	507,771	276,861	2,437,921	3,222,553
<b>BANK</b>				
Opening balance as at 1 January 2020	397,970	57,832	1,501,940	1,957,742
Charge to statement of profit or loss	57,323	174,240	386,846	618,409
Other adjustments	(5,833)	-	-	(5,833)
Net write-off during the year	-	-	(93,212)	(93,212)
Closing Balance as at 31 December 2020	449,460	232,072	1,795,574	2,477,106
<b>GROUP</b>				
Opening balance as at 1 January 2020	463,481	139,319	2,015,009	2,617,809
Charge to statement of profit or loss	43,298	165,370	649,245	857,913
Other adjustments	(5,833)	-	-	(5,833)
Net write-off during the year	-	-	(321,837)	(321,837)
Closing Balance as at 31 December 2020	500,946	304,689	2,342,417	3,148,052

**9. DUE TO OTHER CUSTOMERS**

	BANK		GROUP	
	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited
<b>Local Currency Deposits</b>				
Demand deposits	3,909,717	4,026,765	3,908,762	4,024,209
Savings deposits	14,737,223	13,341,615	14,703,873	13,332,000
Fixed deposits	47,727,758	49,218,664	52,092,257	53,951,175
Other deposits	2,383,584	2,303,561	2,383,584	2,303,561
<b>Total</b>	<b>68,758,282</b>	<b>68,890,605</b>	<b>73,088,476</b>	<b>73,610,945</b>
<b>Foreign Currency Deposits</b>				
Demand deposits	409,028	782,772	409,028	782,772
Savings deposits	6,481,110	6,359,212	6,481,110	6,359,212
Fixed deposits	8,180,098	6,351,263	8,180,098	6,351,263
<b>Total</b>	<b>15,070,236</b>	<b>13,493,247</b>	<b>15,070,236</b>	<b>13,493,247</b>
<b>Total Deposits</b>	<b>83,828,518</b>	<b>82,383,852</b>	<b>88,158,712</b>	<b>87,104,192</b>

10. ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

10.1 Product-wise Commitments and Contingencies

	BANK		GROUP	
	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited
Undrawn loan commitments	12,069,508	10,863,386	12,170,681	11,009,418
Guarantees	5,181,287	5,101,842	5,181,287	388,172
Documentary credit	90,941	141,591	90,941	141,591
Forward contracts	2,010,823	2,055,225	2,010,823	2,055,225
Cheque pending for realisation	406,733	322,110	406,733	322,110
Spot contracts	-	419,075	-	419,075
Acceptances	7,986	-	7,986	-
Other contingent items	401,192	342,239	401,192	342,239
<b>By Product - Local Currency</b>	<b>20,168,470</b>	<b>19,245,468</b>	<b>20,269,643</b>	<b>14,677,830</b>
Undrawn loan commitments	1,784,199	4,994,160	1,784,199	4,994,160
Guarantees	2,975,670	4,123,292	2,975,670	8,836,962
Documentary credit	4,542,750	3,448,149	4,542,750	3,448,149
Forward contracts	2,126,342	2,836,262	2,126,342	2,836,262
Spot contracts	57,987	176,049	57,987	176,049
Acceptances	4,307,298	4,763,752	4,307,298	4,763,752
Other contingent items	597,187	627,754	597,187	627,754
<b>By Product - Foreign Currency</b>	<b>16,391,433</b>	<b>20,969,418</b>	<b>16,391,433</b>	<b>25,683,088</b>
<b>Commitments and Contingencies</b>	<b>36,559,903</b>	<b>40,214,886</b>	<b>36,661,076</b>	<b>40,360,918</b>

10.2 Stage -wise impairment on commitment and contingencies

	BANK		GROUP	
	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited	31.03.2021 Rs.'000	31.12.2020 Rs.'000 Audited
Gross Commitments and Contingencies (Note 10.1)	36,559,903	40,214,886	36,661,076	40,360,918
Less: Accumulated impairment under stage 1	(76,357)	(84,870)	(77,192)	(84,870)
Accumulated impairment under stage 2	(2,383)	(5,921)	(2,783)	(8,160)
Accumulated impairment under stage 3	(6,188)	(3,543)	(34,539)	(25,891)
<b>Net value of commitments and contingencies</b>	<b>36,474,975</b>	<b>40,120,552</b>	<b>36,546,562</b>	<b>40,241,997</b>

10.3 Movement of impairment during the period for Commitments & Contingencies

	Stage 1 Rs.'000	Stage 2 Rs.'000	Stage 3 Rs.'000	Total Rs.'000
<b>BANK</b>				
Opening balance as at 1 January 2021	84,870	5,921	3,543	94,334
Charge to statement of profit or loss	(8,513)	(3,538)	2,645	(9,406)
Net write-off during the period	-	-	-	-
Closing Balance as at 31 March 2021	76,357	2,383	6,188	84,928
<b>GROUP</b>				
Opening balance as at 1 January 2021	84,870	8,160	25,891	118,921
Charge to statement of profit or loss	(7,678)	(5,377)	8,648	(4,408)
Net write-off during the period	-	-	-	-
Closing Balance as at 31 March 2021	77,192	2,783	34,539	114,513
<b>BANK</b>				
Opening balance as at 1 January 2020	72,786	4,103	4,697	81,586
Charge to statement of profit or loss	12,084	1,818	(1,154)	12,748
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2020	84,870	5,921	3,543	94,334
<b>GROUP</b>				
Opening balance as at 1 January 2020	72,786	4,103	57,847	134,736
Charge to statement of profit or loss	12,084	4,057	(31,956)	(15,815)
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2020	84,870	8,160	25,891	118,921

**SEGMENTAL ANALYSIS - GROUP**

	Corporate		SME		Retail		Treasury		Other Group Companies		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Period ended 31 March 2021</b>												
Interest Income	622,073	995,494	583,640	734,184	607,171	823,914	421,944	440,791	456,439	478,062	2,691,267	3,472,446
Add: Inter-Segment Interest Income	-	-	-	-	453,920	595,849	87,745	288,306	-	-	541,665	884,155
<b>Total Interest Income</b>	622,073	995,494	583,640	734,184	1,061,091	1,419,763	509,689	729,097	456,439	478,062	3,232,932	4,356,601
Less: Interest Expense	151,285	210,999	218,214	324,435	786,935	1,108,566	121,492	395,688	190,149	245,123	1,468,074	2,284,811
Less: Inter-Segment Interest Expense	299,297	564,809	242,368	319,346	-	-	-	-	-	-	541,665	884,155
<b>Net Interest Income</b>	171,491	219,686	123,058	90,403	274,156	311,197	388,198	333,409	266,290	232,939	1,223,193	1,187,635
Other Income	61,790	49,120	47,313	68,449	147,060	118,567	284,392	266,495	44,160	10,513	584,714	513,144
<b>Total Net Income</b>	233,281	268,806	170,371	158,852	421,216	429,764	672,589	599,904	310,450	243,452	1,807,907	1,700,779
<b>Less :</b>												
Impairment	24,912	16,977	127,389	13,948	(963)	56,854	9,032	5,029	77,463	43,562	237,834	136,370
Depreciation & amortisation	21,669	19,949	33,152	35,966	81,858	91,660	20,001	19,754	12,981	15,022	169,661	182,351
Other expenses	65,675	74,090	156,813	220,346	427,747	467,230	53,883	71,801	151,427	105,587	855,544	939,055
<b>Segmental Results</b>	121,025	157,790	(146,983)	(111,406)	(87,426)	(185,980)	589,673	503,320	68,579	79,281	544,869	443,003
Less: VAT and NBT on Financial Services											127,952	124,406
Less: Taxation											116,017	123,810
<b>Profit after Taxation</b>											300,899	194,787
<b>As at 31 March</b>												
<b>Other Information</b>												
Segment Assets	34,791,718	38,352,000	22,938,973	24,797,173	13,948,103	15,938,000	40,931,521	39,250,736	13,630,031	15,972,824	126,240,346	134,310,735
Unallocated											5,064,640	4,895,349
<b>Consolidated Total Assets</b>											131,304,986	139,206,084
Segment Liabilities	15,935,171	15,068,000	12,766,562	11,413,701	53,437,958	55,345,000	19,130,261	26,318,000	9,120,402	10,414,126	110,390,355	118,558,828
Unallocated											2,693,679	3,106,213
<b>Consolidated Total Liabilities</b>											113,084,034	121,665,041
Cash flow from operating activities	(497,700)	5,393,913	(363,482)	3,187,588	(898,656)	8,623,759	(1,434,955)	12,037,822	(63,179)	(20,576,276)	(3,257,972)	8,666,806
Cash flow from investing activities	(5,352)	(62,402)	(3,908)	(36,877)	(9,663)	(99,768)	2,688,705	(8,612,183)	(67,759)	180,600	2,602,023	(8,630,631)
Cash flow from financing activities	-	-	-	-	-	-	(400,283)	583,751	855,550	735,254	455,268	1,319,005

**INFORMATION ON ORDINARY SHARES OF THE BANK**

As at 31st March 2021

**TOP 20 SHAREHOLDERS**

Name	No. of shares as at 31.03.2021	% 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	29,237,387	2.70%
4 Mr. A.I. Lovell	23,765,942	2.19%
5 Mr. D.A.J. Warnakulasuriya	19,842,730	1.83%
6 Mr. C.P.A. Wijeyesekera	18,375,314	1.70%
7 Ashyaki Holdings (Pvt) Ltd	7,792,806	0.72%
8 Mr. S.P. Khattar	7,323,365	0.68%
9 Anverally International (Pvt) Limited	4,749,287	0.44%
10 Mr. A.I.T. Hettiarachchi	3,848,735	0.36%
11 Malik Devapriya Samarawickrama	3,370,434	0.31%
12 Ajita De Zoysa & Company Limited	3,110,183	0.29%
13 Commercial Agencies (Ceylon) Ltd.	2,973,748	0.27%
14 Dr. T. Senthilvel	2,552,031	0.24%
15 Mr. S.N.W. Ekanayake	2,395,399	0.22%
16 Deutsche Bank AG-National Equity Fund	2,226,849	0.21%
17 Mr. L.M. Anthony	2,107,528	0.19%
18 Mr. D.G. Wirasekara	1,500,000	0.14%
19 Mr. R.S. Nanayakkara	1,487,518	0.14%
20 Standard Chartered Bank Singapore S/A HL Bank Singapore Branch	1,445,021	0.13%
	<b>970,341,138</b>	<b>89.57%</b>
Other shareholders	113,217,200	10.43%
<b>Total</b>	<b>1,083,558,338</b>	<b>100.00%</b>

**As at 31st March 2021**

Number of shares in public holding	315,989,550
Number of public shareholders	30,234
Percentage of public holding	29.16%
Market capitalisation (Rs.)	11,258,606,715.20
Float adjusted market capitalisation	3,283,259,434.05
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 31.03.2021
Mr. Atul Malik	None
Mr. Indrajit Asela Wickramasinghe	None
Mr. Sabry Ghouse	None
Mr. Michael J. O'Hanlon	None
Mr. Trevine Fernandopulle	None
Ms. Dilshani Wijayawardana	None
Mr. Drayton Sarath Palitha Wikramanayake	None
Mr. Puneet Bhatia	None
Mr. Sanjeev Mehra (Alternate Director to Mr. Puneet Bhatia)	None

The Minimum Public Holding of Union Bank of Colombo PLC as at 31st March 2021 complied with option 4 of rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

**MEASUREMENT OF FINANCIAL INSTRUMENTS**

**a. Bank - As at 31 March 2021**

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised cost Rs.000	Total Rs.000
<b>ASSETS</b>				
Cash and cash equivalents	-	-	2,298,989	2,298,989
Balances with Central Bank of Sri Lanka	-	-	979,044	979,044
Placements with banks	-	-	56,022	56,022
Reverse repurchased agreements	-	-	-	-
Derivative financial instruments	49,087	-	-	49,087
Financial investments at fair value through profit or loss	7,257,193	-	-	7,257,193
Financial assets at amortised cost - loans and advances to customers	-	-	71,608,816	71,608,816
Financial assets at amortised cost - debt and other instruments	-	-	17,485,791	17,485,791
Financial investments at fair value through other comprehensive income	-	20,141,077	-	20,141,077
Other financial assets	-	-	313,141	313,141
<b>Total financial assets</b>	<b>7,306,281</b>	<b>20,141,077</b>	<b>92,741,802</b>	<b>120,189,159</b>

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
<b>LIABILITIES</b>			
Due to banks	-	10,578,625	10,578,625
Derivative financial instruments	20,750	-	20,750
Repurchased agreements	-	10,076,970	10,076,970
Due to customers	-	83,828,518	83,828,518
Other borrowed funds	-	-	-
Other financial liabilities	-	929,822	929,822
<b>Total financial liabilities</b>	<b>20,750</b>	<b>105,413,936</b>	<b>105,434,685</b>

**b. Bank - As at 31 December 2020 (Audited)**

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised cost Rs.000	Total Rs.000
<b>ASSETS</b>				
Cash and cash equivalents	-	-	2,405,091	2,405,091
Balances with Central Bank of Sri Lanka	-	-	722,727	722,727
Placements with banks	-	-	15,747	15,747
Reverse repurchased agreements	-	-	-	-
Derivative financial instruments	38,189	-	-	38,189
Financial investments at fair value through profit or loss	7,143,403	-	-	7,143,403
Financial assets at amortised cost - loans and advances to customers	-	-	67,517,674	67,517,674
Financial assets at amortised cost - debt and other instruments	-	-	21,168,076	21,168,076
Financial investments at fair value through other comprehensive income	-	19,385,038	-	19,385,038
Other financial assets	-	-	147,865	147,865
<b>Total financial assets</b>	<b>7,181,592</b>	<b>19,385,038</b>	<b>91,977,180</b>	<b>118,543,810</b>

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
<b>LIABILITIES</b>			
Due to banks	-	9,980,590	9,980,590
Derivative financial instruments	8,313	-	8,313
Repurchased agreements	-	10,205,564	10,205,564
Due to customers	-	82,383,852	82,383,852
Other borrowed funds	-	-	-
Other financial liabilities	-	1,059,919	1,059,919
<b>Total financial liabilities</b>	<b>8,313</b>	<b>103,629,925</b>	<b>103,638,238</b>

**MEASUREMENT OF FINANCIAL INSTRUMENTS**

**a. Group - As at 31 March 2021**

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised Cost Rs.000	Total Rs.000
<b>ASSETS</b>				
Cash and cash equivalents	-	-	2,711,144	2,711,144
Balances with Central Bank of Sri Lanka	-	-	979,044	979,044
Placements with banks	-	-	56,488	56,488
Reverse repurchased agreements	-	-	243,582	243,582
Derivative financial instruments	49,087	-	-	49,087
Financial investments at fair value through profit or loss	7,257,193	-	-	7,257,193
Financial assets at amortised cost - loans and advances to customers	-	-	77,775,671	77,775,671
Financial assets at amortised cost - debt and other instruments	-	-	16,850,154	16,850,154
Financial investments at fair value through other comprehensive income	-	20,217,605	-	20,217,605
Other financial assets	-	-	316,409	316,409
<b>Total financial assets</b>	<b>7,306,280</b>	<b>20,217,605</b>	<b>98,932,492</b>	<b>126,456,378</b>

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
<b>LIABILITIES</b>			
Due to banks	-	10,667,527	10,667,527
Derivative financial instruments	20,750	-	20,750
Repurchased agreements	-	9,971,959	9,971,959
Due to customers	-	88,158,712	88,158,712
Other borrowed funds	-	1,571,407	1,571,407
Other financial liabilities	-	1,059,711	1,059,711
<b>Total financial liabilities</b>	<b>20,750</b>	<b>111,429,316</b>	<b>111,450,065</b>

**b. Group - As at 31 December 2020 (Audited)**

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised Cost Rs.000	Total Rs.000
<b>ASSETS</b>				
Cash and cash equivalents	-	-	2,832,540	2,832,540
Balances with Central Bank of Sri Lanka	-	-	722,727	722,727
Placements with banks	-	-	15,747	15,747
Reverse repurchased agreements	-	-	240,736	240,736
Derivative financial instruments	38,189	-	-	38,189
Financial investments at fair value through profit or loss	7,180,220	-	-	7,180,220
Financial assets at amortised cost - loans and advances to customers	-	-	73,776,668	73,776,668
Financial assets at amortised cost - debt and other instruments	-	-	20,509,495	20,509,495
Financial investments at fair value through other comprehensive income	-	19,397,252	-	19,397,252
Other financial assets	-	-	177,807	177,807
<b>Total financial assets</b>	<b>7,218,409</b>	<b>19,397,252</b>	<b>98,275,720</b>	<b>124,891,381</b>

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
<b>LIABILITIES</b>			
Due to banks	-	9,168,079	9,168,079
Derivative financial instruments	8,313	-	8,313
Repurchased agreements	-	10,100,553	10,100,553
Due to customers	-	87,104,192	87,104,192
Other borrowed funds	-	2,347,634	2,347,634
Other financial liabilities	-	1,264,705	1,264,705
<b>Total financial liabilities</b>	<b>8,313</b>	<b>109,985,163</b>	<b>109,993,476</b>

**INTERIM FINANCIAL STATEMENTS**  
**SELECTED PERFORMANCE INDICATORS**

Item	BANK		GROUP	
	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020
<b>Regulatory Capital - Rs '000</b>				
Common Equity Tier 1 (Basel III)	15,384,043	15,415,491	15,975,177	16,024,248
Tier 1 Capital / Core Capital (Basel III)	15,384,043	15,415,491	15,975,177	16,024,248
Total Capital / Total Capital Base (Basel III)	15,647,206	15,680,987	16,621,378	16,677,537
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III - 6.5%)	15.61%	16.66%	15.35%	16.34%
Tier 1 Capital Ratio (Minimum Requirement as per Basel III - 8%)	15.61%	16.66%	15.35%	16.34%
Total Capital Ratio (Minimum Requirement as per Basel III - 12%)	15.88%	16.95%	15.97%	17.00%
Leverage Ratio (Minimum Requirement - 3%)	10.54%	10.23%	10.42%	10.14%
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit, Rs. '000	24,868,251	26,629,637		
Foreign Currency Banking Unit, USD '000	19,530	18,585		
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	27.71%	29.08%		
Foreign Currency Banking Unit	23.24%	21.93%		
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement - 90%)	307.04%	861.13%		
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement 90%)	192.95%	459.60%		
Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	110.07%	121.05%		
<b>Assets Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio, % (Net of interest in suspense)	5.85%	6.05%		
Net Non-Performing Advances, % (Net of interest in suspense and provision)	3.29%	3.54%		
<b>Profitability</b>				
Interest Margin, %	3.18%	3.16%		
Return on Assets (Before Tax), %	1.02%	0.77%		
Return on Assets (After Tax), %	0.91%	0.47%		
Return on Equity (After Tax), %	6.22%	3.24%		

**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 : BBB- (lka)

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](mailto:ubc@unionb.com)

Web Address: [www.unionb.com](http://www.unionb.com)

**Auditors**

M/s. Ernst & Young

Chartered Accountants,

No. 201, De Saram Place,

Colombo 10.