



INTERIM FINANCIAL STATEMENTS

For the period ended 31 March 2017



INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS

Period ended 31 March 2017

	BANK			GROUP		
	For the three months ended			For the three months ended		
	31.03.2017 Rs.000	31.03.2016 Rs.000 (Restated)	Change %	31.03.2017 Rs.000	31.03.2016 Rs.000 (Restated)	Change %
Interest income	2,344,596	1,353,466	73	2,737,494	1,629,864	68
Less: Interest expenses	1,577,636	909,632	73	1,815,225	1,058,798	71
Net interest income	766,960	443,834	73	922,269	571,066	61
Fee and commission income	190,809	134,051	42	237,750	182,287	30
Less: Fee and commission expenses	24,746	17,603	41	33,428	22,450	49
Net fee and commission income	166,063	116,447	43	204,322	159,837	28
Net trading income	48,828	145,357	(66)	48,828	145,357	(66)
Other operating income	29,537	40,289	(27)	60,630	137,319	(56)
Total operating income	1,011,388	745,928	36	1,236,049	1,013,579	22
Less: Impairment charge						
Individual Impairment	82,204	5,889	1296	101,804	28,917	252
Collective Impairment	11,163	(3,279)	440	19,192	98	19459
Net operating income	918,021	743,318	24	1,115,053	984,564	13
Less: Personnel Expenses	351,383	306,470	15	408,801	361,896	13
Depreciation & Amortisation	92,992	91,770	1	100,888	99,181	2
Other expenses	327,025	269,761	21	382,722	334,043	15
Results from operating activities	146,621	75,317	95	222,642	189,444	18
Share of profit of equity accounted investees, net of tax	20,353	39,546	(49)	-	-	-
Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services	166,974	114,863	45	222,641	189,444	18
Less: VAT and NBT on financial services	60,447	41,273	46	72,395	53,263	36
Profit before tax	106,527	73,590	45	150,247	136,180	10
Less: Tax expenses	11,583	(30,255)	138	30,612	(6,351)	582
Profit for the period	94,944	103,845	(9)	119,635	142,532	(16)
Profit Attributable to:						
Owners of the parent	94,944	103,845	(9)	107,522	117,391	(8)
Non-controlling interest	-	-		12,113	25,141	(52)
	94,944	103,845	(9)	119,635	142,532	(16)

Earnings per share

Earnings per share - Basic	0.09	0.10	(9)	0.10	0.11	(8)
Earnings per share - Diluted	0.09	0.09	(4)	0.10	0.10	(4)

STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2017

	BANK			GROUP		
	For the three months ended			For the three months ended		
	31.03.2017	31.03.2016	Change	31.03.2017	31.03.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		(Restated)			(Restated)	
Profit for the period	94,944	103,845	(9)	119,635	142,532	(16)
Other comprehensive income						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>						
Gains and losses on re-measuring available for sale financial assets	(102,390)	(385,183)	73	(102,888)	(396,698)	74
Less: Income tax effect on losses on re-measuring available for sale financial assets	28,669	-	100	28,669	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(73,721)	(385,183)	81	(74,219)	(396,698)	81
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>						
Actuarial gains and losses on defined benefit plans	-	-		-	-	-
Less: Income tax effect on actuarial gains/(losses) on defined benefit plans	-	-		-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-		-	-	
Share of other comprehensive income of equity accounted investees, net of tax	(246)	(5,915)	(96)	-	-	-
Other comprehensive income for the period, net of taxes	(73,967)	(391,098)	(81)	(74,219)	(396,698)	81
Total comprehensive income for the period	20,977	(287,253)	(107)	45,416	(254,164)	118
Attributable to:						
Owners of the parent	20,977	(287,253)	(107)	33,556	(273,707)	(112)
Non-controlling interest	-	-	-	11,860	19,543	(39)
	20,977	(287,253)	(107)	45,416	(254,164)	(118)

INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	BANK			GROUP		
	31.03.2017	31.12.2016	Change	31.03.2017	31.12.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
Assets						
Cash and cash equivalents	4,205,514	2,506,685	68	5,052,539	2,717,650	86
Balances with Central Bank of Sri Lanka	3,011,905	2,487,805	21	3,011,905	2,487,805	21
Placements with banks	2,549,709	2,819,629	(10)	2,549,709	2,826,710	(10)
Reverse repurchased agreements	183,595	2,137	8490	183,595	275,498	(33)
Derivative financial instruments	8,340	15,412	(46)	8,340	15,412	(46)
Financial investments – held for trading	1,503,017	1,346,932	12	1,503,017	1,346,932	12
Loans and receivables to other customers	61,168,137	55,438,415	10	68,959,786	62,931,936	10
Other loans and receivables	7,251,963	7,747,231	(6)	6,239,787	6,739,578	(7)
Financial investments – available for sale	16,712,824	16,520,365	1	16,922,339	16,694,470	1
Financial investments – held to maturity	138,162	140,231	(1)	138,162	140,231	(1)
Current tax asset	304,333	268,454	13	304,333	268,454	13
Investment in real estate	-	-	-	152,317	189,449	(20)
Investments in subsidiaries	960,134	940,027	2	-	-	-
Goodwill and intangible assets	1,157,623	1,151,033	1	1,507,776	1,501,682	0
Property, plant and equipment	890,581	897,371	(1)	1,061,554	1,073,818	(1)
Deferred tax assets	103,233	82,534	25	555,768	541,807	3
Other assets	758,204	644,248	18	847,045	781,229	8
Total assets	100,907,274	93,008,510	8	108,997,972	100,532,661	8
Liabilities						
Due to banks	12,493,091	12,160,244	3	13,642,776	12,770,197	7
Derivative financial instruments	11,538	3,976	100	11,538	3,976	100
Repurchased agreements	11,703,974	10,256,670	14	11,539,857	10,113,570	14
Due to other customers	57,200,325	51,841,372	10	63,060,785	57,525,156	10
Other borrowed funds	-	-	-	754,948	833,095	(9)
Current tax liabilities	-	-	-	169,054	162,396	4
Deferred tax liabilities	-	-	-	289	289	(0)
Other liabilities	2,499,075	1,663,034	50	2,912,839	2,158,591	35
Total liabilities	83,908,003	75,925,296	11	92,092,086	83,567,270	10
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	100,186	95,439	5	112,349	107,602	4
ESOP reserve	22,056	17,836	24	22,056	17,836	24
Available for sale reserve	(325,861)	(251,894)	29	(321,055)	(247,088)	30
Retained earnings	802,624	821,567	(2)	323,830	330,196	2
Total shareholders' equity	16,999,271	17,083,214	(0)	16,537,446	16,608,812	(0)
Non-controlling interests	-	-	-	368,440	356,579	3
Total equity	16,999,271	17,083,214	(0)	16,905,887	16,965,391	(0)
Total equity and liabilities	100,907,274	93,008,510	8	108,997,972	100,532,661	8
Contingent liabilities and commitments	60,481,628	44,404,415	36	60,481,628	44,404,415	36
Net asset value per ordinary share (Rs.)	15.58	15.65	(0)	15.15	15.54	(3)
Memorandum information						
Number of Employees	1,218	1,194				
Number of Branches	65	65				

BANK	Statutory Reserve		ESOP Reserve		Available for sale		Retained Earnings	Total Equity
	Stated Capital	Share Warrants	Fund	ESOP Reserve	Reserve	Reserve		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2016	16,334,782	65,484	72,880	1,030	(10,449)		449,463	16,913,189
Net profit for the period	-	-	-	-	-	-	103,845	103,845
Other comprehensive Income	-	-	-	-	(391,098)	-	-	(391,098)
Total comprehensive Income	-	-	-	-	(391,098)	-	103,845	(287,253)
Dividend Paid	-	-	-	-	-	-	(43,656)	(43,656)
Fair value of ESOP	-	-	-	3,229	-	-	-	3,229
Transfers during the period	-	-	5,192	-	-	-	(5,192)	-
Balance as at 31 March 2016	16,334,782	65,484	78,072	4,259	(401,546)		460,803	16,541,853
Balance as at 1 January 2016	16,334,782	65,484	95,439	17,836	(251,894)		821,568	17,083,214
Net profit for the period	-	-	-	-	-	-	94,944	94,944
Other comprehensive Income	-	-	-	-	(73,967)	-	-	(73,967)
Total comprehensive Income	-	-	-	-	(73,967)	-	94,944	20,977
Dividend Paid	-	-	-	-	-	-	(109,141)	(109,141)
Fair value of ESOP	-	-	-	4,220	-	-	-	4,220
Transfers during the period	-	-	4,747	-	-	-	(4,747)	-
Balance as at 31 March 2017	16,334,782	65,484	100,186	22,056	(325,861)		802,624	16,999,271

GROUP	Statutory Reserve		ESOP Reserve		Available for sale		Retained Earnings	Total	Non-controlling Interest	Total Equity
	Stated Capital	Share Warrants	Fund	ESOP Reserve	Reserve	Reserve				
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2016	16,334,782	65,484	80,624	1,030	(4,576)		(91,502)	16,385,842	329,227	16,715,069
Net profit for the period	-	-	-	-	-	-	117,391	117,391	25,141	142,532
Other comprehensive Income	-	-	-	-	(391,098)	-	-	(391,098)	(5,599)	(396,696)
Total comprehensive Income	-	-	-	-	(391,098)	-	117,391	(273,707)	19,543	(254,165)
Transfers during the period	-	-	4,019	3,229	-	-	(4,019)	3,229	-	3,229
Dividend Paid	-	-	-	-	-	-	(43,656)	(43,656)	(17,150)	(60,806)
Balance as at 31 March 2016	16,334,782	65,484	84,644	4,259	(395,674)		(21,787)	16,071,708	331,620	16,403,328
Balance as at 1 January 2016	16,334,782	65,484	107,602	17,836	(247,088)		330,196	16,608,812	356,579	16,965,391
Net profit for the period	-	-	-	-	-	-	107,522	107,522	12,113	119,635
Other comprehensive Income	-	-	-	-	(73,967)	-	-	(73,967)	(252)	(74,219)
Total comprehensive Income	-	-	-	-	(73,967)	-	107,523	33,555	11,861	45,416
Fair value of ESOP	-	-	-	4,220	-	-	-	4,220	-	4,220
Transfers during the period	-	-	4,747	-	-	-	(4,747)	-	-	-
Dividend Paid	-	-	-	-	-	-	(109,141)	(109,141)	-	(109,141)
Balance as at 31 March 2017	16,334,782	65,484	112,349	22,056	(321,055)		323,830	16,537,446	368,440	16,905,887

INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS

Period ended 31 March 2017

	BANK		GROUP	
	31.03.2017 Rs.'000	31.03.2016 Rs.'000	31.03.2017 Rs.'000	31.03.2016 Rs.'000
Cash Flow from Operating Activities				
Interest received	2,476,058	1,279,726	2,894,531	1,763,188
Fees and commission receipts	166,063	61,730	204,322	105,119
Interest paid	(1,390,928)	(797,497)	(1,581,077)	(944,075)
Receipts from Other operating activities	86,432	101,905	117,525	202,155
Payments on Other operating activities	(721,970)	(613,183)	(846,381)	(747,312)
Operating Profit/(Loss) before changes in Operating Assets & Liabilities	615,655	32,681	788,920	379,076
(Increase)/Decrease in Operating Assets:				
Balance with Central Bank of Sri Lanka	(524,100)	(802,365)	(524,100)	(802,365)
Funds advanced to customers	(5,860,793)	(3,172,036)	(6,227,898)	(4,074,046)
Others	(104,751)	(19,455)	(61,809)	(3,618)
	(6,489,644)	(3,993,855)	(6,813,807)	(4,880,029)
Increase /(Decrease) in Operating Liabilities:				
Due to other customers	5,241,667	4,872,992	5,333,097	4,934,608
Repurchased agreements	1,446,101	1,095,761	1,425,083	969,166
Other liabilities	831,489	517,135	749,143	562,293
	7,519,257	6,485,887	7,507,323	6,466,067
Net Cash from/(used in) Operating Activities before Income Tax	1,645,268	2,524,713	1,482,436	1,965,115
Retiring gratuity paid	(550)	(1,563)	(650)	(1,712)
Income tax paid	(39,491)	(12,493)	(45,124)	(11,951)
Net Cash from/(used in) Operating Activities	1,605,227	2,510,657	1,436,662	1,951,454
Cash Flow from/(used in) Investing Activities				
Dividends received	-	16,088	-	10
Net investment in other financial assets - Held for trading	(155,078)	1,968,763	(155,078)	1,968,763
Net increase in investment in financial assets - Held to maturity	(24)	2,555	(24)	2,555
Net increase in investment in financial assets - Available for sale	(395,353)	(2,491,991)	(431,261)	(2,945,733)
Net increase in debt securities	495,348	(993,663)	558,650	(989,846)
Net investment in real estates	-	-	37,132	(123)
Purchase of property & equipment	(49,673)	(49,233)	(51,710)	(64,549)
Purchase of intangible assets	(43,117)	(13,159)	(43,008)	(13,159)
Proceeds from sale of property, plant & equipment	-	45	-	45
Net Cash used in Investing Activities	(147,897)	(1,560,596)	(85,299)	(2,042,036)
Cash Flow from/(used in) Financing Activities				
Increase/decrease in borrowings	379,511	(1,408,281)	(185,711)	(1,237,294)
Dividend paid	(109,141)	(43,656)	(109,141)	(60,806)
Net Cash from Financing Activities	270,370	(1,451,938)	(294,852)	(1,298,100)
Net Increase/(decrease) in cash and cash equivalents	1,727,701	(501,876)	1,056,511	(1,388,684)
Cash and cash equivalents at beginning of the year	5,190,478	3,243,723	5,470,816	3,563,864
Cash and Cash Equivalents at end of the period	6,918,179	2,741,848	6,527,327	2,175,180
Reconciliation of Cash and Cash Equivalents				
Cash in hand and at banks	4,205,514	2,221,812	5,052,539	2,184,174
Reverse repurchased agreements	183,595	369,000	183,595	369,000
Placements with banks	2,549,601	173,051	2,549,601	173,051
Due to banks	(20,531)	(22,017)	(1,258,408)	(551,045)
	6,918,179	2,741,848	6,527,327	2,175,180

INTERIM FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2017

1 LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	BANK		GROUP	
	31.03.2017 Rs.'000	31.12.2016 Rs.'000 Audited	31.03.2017 Rs.'000	31.12.2016 Rs.'000 Audited
Gross loans and receivables (Note 1.1)	61,930,645	56,109,622	70,251,966	64,105,185
(Less): Individual impairment (Note 1.2)	(385,673)	(303,469)	(674,135)	(572,331)
Collective impairment (Note 1.2)	(376,835)	(367,737)	(618,045)	(600,918)
Net loans and receivables	61,168,137	55,438,415	68,959,786	62,931,936

1.1 Loans and Receivables to other customers - by product

Overdrafts	10,701,569	9,816,879	10,613,376	9,691,941
Trade finance	5,363,348	5,283,571	5,363,348	5,283,571
Pawning	244,966	196,948	244,966	196,948
Staff loans	723,173	700,800	723,248	700,875
Term loans	33,672,607	30,503,671	35,090,154	31,926,650
Lease and Hire purchase	1,366,976	1,339,952	6,301,631	6,240,628
Factoring	401,660	411,200	2,216,851	1,967,785
Others	-	-	242,048	240,186
By Product - Local Currency	52,474,299	48,253,021	60,795,622	56,248,584
Overdrafts	22,483	14,075	22,483	14,075
Trade finance	6,685,755	6,256,932	6,685,755	6,256,932
Term loans	2,748,108	1,585,594	2,748,106	1,585,594
By Product - Foreign Currency	9,456,346	7,856,601	9,456,344	7,856,601
Total Loans and Receivables	61,930,645	56,109,622	70,251,966	64,105,185

1.2 Movements in Individual and Collective Impairment for the period

Individual impairment				
Opening balance as at 1 January	303,469	204,579	572,331	430,908
Charge/(Write back) to Statement of Profit or loss	82,204	98,890	101,804	141,424
Net write-off during the period	-	-	-	-
Closing balance as at 31 March	385,673	303,469	674,135	572,331
Collective impairment				
Opening balance as at 1 January	367,737	363,804	600,918	539,560
Charge/(Write back) to Statement of Profit or loss	11,163	53,424	19,192	110,849
Net write-off during the period	(2,065)	(49,491)	(2,065)	(49,491)
Closing balance as at 31 March	376,835	367,737	618,045	600,918
Total Impairment Balance	762,508	671,206	1,292,181	1,173,249

2 DUE TO OTHER CUSTOMERS

	BANK		GROUP	
	31.03.2017 Rs.'000	31.12.2016 Rs.'000 Audited	31.03.2017 Rs.'000	31.12.2016 Rs.'000 Audited
Local Currency Deposits				
Current accounts	3,030,551	3,294,303	3,028,473	3,292,382
Saving accounts	8,272,378	7,282,592	8,285,983	7,293,188
Fixed deposits	36,177,742	33,197,397	42,026,675	38,872,506
Certificate of Deposits	2,585,373	2,379,775	2,585,373	2,379,775
Total	50,066,044	46,154,067	55,926,504	51,837,851
Foreign Currency Deposits				
Current accounts	342,288	250,884	342,288	250,884
Saving accounts	1,374,356	1,530,120	1,374,356	1,530,120
Fixed deposits	5,417,637	3,906,301	5,417,637	3,906,301
Total	7,134,281	5,687,305	7,134,281	5,687,305
Total Deposits	57,200,325	51,841,372	63,060,785	57,525,156

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

Period ended 31 March 2017

- 1 The figures are provisional, unless otherwise stated as audited.
- 2 Interim financial statements are presented in accordance with LKAS 34 - Interim Financial Reporting applicable after 1 January 2012 and there are no changes to the accounting policies and methods of computation as against those disclosed in the Annual Report for the year ended 31 December 2016.
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.
- 3 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements other than mentioned below;
- 3.1 Mr. Trevine Sylvester Anthony Fernandopulle and Ms. Dilshani Gayathri Wijayawardana have been appointed as an independent non executive directors of Union Bank with effect from 1 April 2017.
- 3.2 Mrs. Ayomi Aluwihare, an independent non executive director of Union Bank resigned from Directorship with effect from 31 March 2017.

4 Information on Ordinary Shares

Market Value	31.03.2017	31.03.2016
	Rs.	Rs.
Market value	14.20	16.60
Highest price for the quarter	15.20	20.80
Lowest price for the quarter	13.40	14.20

	Corporate		Treasury		SME		Retail		Other Group Companies		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Period ended 31 March												
Interest Income	696,151	412,110	591,787	327,907	752,980	500,170	254,971	75,052	441,606	314,625	2,737,494	1,629,864
Add: Inter-Segment Interest Income	-	-	(80,246)	-	-	-	821,768	605,050	-	-	741,523	605,050
Total Interest Income	696,151	412,110	511,541	327,907	752,980	500,170	1,076,739	680,101	441,606	314,625	3,479,017	2,234,914
Less: Interest Expense	179,163	66,446	346,896	286,728	143,559	-	907,936	549,994	237,671	155,630	1,815,225	1,058,798
Less: Inter-Segment Interest Expense	369,470	261,517	-	3,687	372,053	339,845	-	-	-	-	741,523	605,050
Net Interest Income	147,518	84,147	164,645	37,493	237,369	160,325	168,803	130,108	203,935	158,994	922,269	571,066
Other Income	42,704	32,846	69,451	195,265	88,848	24,313	41,964	70,196	70,813	124,332	313,780	446,953
Total Net Income	190,222	116,993	234,096	232,757	326,216	184,638	210,767	200,303	274,748	283,327	1,236,050	1,018,019
Less: Expenses including impairments	208,008	145,195	160,492	134,802	260,718	180,281	244,171	211,356	140,019	156,941	1,013,408	828,575
Segmental Results	(17,786)	(28,202)	73,604	97,956	65,498	4,357	(33,404)	(11,053)	134,729	126,386	222,641	189,444
Less: VAT and NBT on Financial Services											72,395	53,263
Less: Taxation											30,612	(6,351)
Profit after Taxation											119,635	142,532
Cash flow from operating activities	317,642	792,804	390,905	658,610	544,732	933,500	351,949	140,011	(168,565)	(573,473)	1,436,662	1,951,454
Cash flow from investing activities	(18,361)	(19,576)	(77,703)	(1,528,779)	(31,488)	(23,051)	(20,345)	(3,457)	62,599	(467,172)	(85,299)	(2,042,036)
Cash flow from financing activities	-	-	270,370	(1,408,281)	-	-	-	-	(565,222)	110,181	(294,852)	(1,298,100)
As at 31 March												
Other Information												
Segment Assets	29,356,512	20,910,560	30,132,324	26,883,045	25,496,712	18,218,282	12,317,759	3,563,427	7,418,190	9,741,881	104,721,497	79,317,194
Unallocated											4,276,475	2,761,110
Consolidated Total Assets											108,997,972	82,078,304
Segment Liabilities	9,934,420	6,668,245	25,681,723	14,881,078	11,252,865		34,612,979	35,929,846	7,527,917	6,428,960	89,009,904	63,908,129
Unallocated											3,082,182	1,766,848
Consolidated Total Liabilities											92,092,086	65,674,977

INTERIM FINANCIAL STATEMENTS

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 31 March 2017

TOP 20 SHAREHOLDERS

Name	No. of shares as at 31.03.2017	% 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	23,974,505	2.20%
5 Mr. C.P.A. Wijeyesekera	18,508,468	1.70%
6 Mr. D.A.J. Warnakulasuriya	14,842,730	1.36%
7 Dr. T. Senthilverl	14,822,844	1.36%
8 Ashyaki Holdings (Pvt) Ltd	7,792,806	0.71%
9 Mr. M.D. Samarawickrama	7,660,582	0.70%
10 Mr. S.P. Khattar	7,343,365	0.67%
11 Sterling Holdings (Private)Ltd	7,207,557	0.66%
12 Soflogie Life Insurance PLC – A/C 02 (Life Fund)	6,023,317	0.55%
13 Anverally and Sons (Pvt) Ltd A/C No 01	5,203,602	0.48%
14 Commercial Agencies (Ceylon) Ltd	4,050,833	0.37%
15 Ajita De Zoysa & Company Limited	4,050,832	0.37%
16 Rosewood (Pvt) Limited - A/C No 01	3,513,158	0.32%
17 Seylan Bank PLC / Pinnadoowage Aravinda de Silva	3,300,000	0.30%
18 EXSAB International Holding Co. for Trading Development	2,202,139	0.20%
19 Mr. A.I.T. Hettiarachchi	2,082,000	0.19%
20 Ceylon Biscuits Limited	2,000,000	0.18%
	992,478,472	90.94%
Other shareholders	98,927,777	9.06%
Total	1,091,406,249	100.00%

As at 31 March 2017

Number of shares in public holding	238,589,797
Number of public shareholders	32,402
Percentage of public holding	21.86%

DIRECTORS' INDIVIDUAL HOLDING IN SHARES

Name	No. of shares held as at 31.03.2017
Dr. P. Jayendra Nayak	None
Mr. Bodahandi Asoka Keerthi De Silva	8,900
Ms. Sow Lin Chiew (Alternate Director Ms. Yoke Sun Woon)	None
Mr. Priyantha Fernando	None
Mr. Sabry Ghouse	None
Mr. Ranvir Dewan	None
Mr. Gaurav Trehan	None
Mr. Puneet Bhatia	None
Mr. Michael J. O'Hanlon (Alternate Director Mr. Sumedh Jog)	None
Ms. Ayomi Aluwihare (Ceased to be a director at the AGM held on 31st March 2017)	None
Mr. Indrajit Wickramasinghe	None
Mr. Yudhishtran Kanagasabai	None

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Bank - 31 March 2017

	Fair Value through P & L	Held to Maturity	Loans & Receivables	Available for Sale	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
ASSETS					
Cash and cash equivalents	-	-	4,205,514	-	4,205,514
Balances with Central Bank	-	-	3,011,905	-	3,011,905
Reverse repurchased agreements	-	-	183,595	-	183,595
Placements with banks	-	-	2,549,709	-	2,549,709
Derivative financial instruments	8,340	-	-	-	8,340
Other financial assets - Held for trading	1,503,017	-	-	-	1,503,017
Loans and receivables to other customers	-	-	61,168,137	-	61,168,137
Other loans and receivables	-	-	7,251,963	-	7,251,963
Financial investments - Available for sale	-	-	-	16,712,824	16,712,824
Financial investments - Held to maturity	-	138,162	-	-	138,162
Other assets	-	-	93,353	-	93,353
Total financial assets	1,511,357	138,162	78,464,176	16,712,824	96,826,520

	Fair Value through P & L	Amortised cost	Total
	Rs.000	Rs.000	Rs.000
LIABILITIES			
Due to banks	-	12,493,091	12,493,091
Derivative financial instruments	11,538	-	11,538
Repurchased agreements	-	11,703,974	11,703,974
Due to other customers	-	57,200,325	57,200,325
Other liabilities	-	1,579,893	1,579,893
Total financial liabilities	11,538	82,977,284	82,988,823

b. Bank - 31 December 2016 (Audited)

	Fair Value through P & L	Held to Maturity	Loans & Receivables	Available for Sale	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS					
Cash and cash equivalents	-	-	2,506,685	-	2,506,685
Balances with Central Bank	-	-	2,487,805	-	2,487,805
Placements with banks	-	-	2,819,629	-	2,819,629
Reverse repurchased agreements	-	-	2,137	-	2,137
Derivative financial instruments	15,412	-	-	-	15,412
Other financial assets - Held for trading	1,346,932	-	-	-	1,346,932
Loans and receivables to other customers	-	-	55,438,415	-	55,438,415
Other loans and receivables	-	-	7,747,231	-	7,747,231
Financial investments - Available for sale	-	-	-	16,520,365	16,520,365
Financial investments - Held to maturity	-	140,231	-	-	140,231
Other assets	-	-	105,667	-	105,667
Total financial assets	1,362,344	140,231	71,107,569	16,520,365	89,130,509

	Fair Value through P & L	Amortised cost	Total
	Rs.000	Rs.000	Rs.000
LIABILITIES			
Due to banks	-	12,160,244	12,160,244
Derivative financial instruments	3,976	-	3,976
Repurchased agreements	-	10,256,670	10,256,670
Due to other customers	-	51,841,372	51,841,372
Other liabilities	-	1,279,019	1,279,019
Total financial liabilities	3,976	75,537,305	75,541,280

INTERIM FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2017

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Group - 31 March 2017

	Fair Value through P & L Rs.000	Held to Maturity Rs.000	Loans & Receivables Rs.000	Avaialable for Sale Rs.000	Total Rs.000
ASSETS					
Cash and cash equivalents	-	-	5,052,539	-	5,052,539
Balances with Central Bank	-	-	3,011,905	-	3,011,905
Placements with banks	-	-	2,549,709	-	2,549,709
Reverse repurchased agreements	-	-	183,595	-	183,595
Derivative financial instruments	8,340	-	-	-	8,340
Other financial assets - Held for trading	1,503,017	-	-	-	1,503,017
Loans and receivables to banks	-	-	-	-	-
Loans and receivables to other customers	-	-	68,959,786	-	68,959,786
Other loans and receivables	-	-	6,239,787	-	6,239,787
Financial investments - Available for sale	-	-	-	16,922,339	16,922,339
Financial investments - Held to maturity	-	138,162	-	-	138,162
Other assets	-	-	93,353	-	93,353
Total financial assets	1,511,357	138,162	86,090,674	16,922,339	104,662,533

	Fair Value through P & L Rs.000	Amortised cost Rs.000	Total Rs.
LIABILITIES			
Due to banks	-	13,642,776	13,642,776
Derivative Financial Instruments	11,538	-	11,538
Due to other customers	-	11,539,857	11,539,857
Due to other customers	-	63,060,785	63,060,785
Other borrowed funds	-	754,948	754,948
Other liabilities	-	1,579,893	1,579,893
Total financial liabilities	11,538	90,578,258	90,589,796

b. Group - 31 December 2016 (Audited)

	Fair Value through P & L Rs.000	Held to Maturity Rs.000	Loans & Receivables Rs.000	Avaialable for Sale Rs.000	Total Rs.000
ASSETS					
Cash and cash equivalents	-	-	2,717,650	-	2,717,650
Balances with Central Bank	-	-	2,487,805	-	2,487,805
Reverse repurchased agreements	-	-	275,498	-	275,498
Placements with banks	-	-	2,826,710	-	2,826,710
Derivative financial instruments	15,412	-	-	-	15,412
Other financial assets - Held for trading	1,346,932	-	-	-	1,346,932
Loans and receivables to other customers	-	-	62,931,936	-	62,931,936
Other loans and receivables	-	-	6,739,578	-	6,739,578
Financial investments - Available for sale	-	-	-	16,694,470	16,694,470
Financial investments - Held to maturity	-	140,231	-	-	140,231
Other assets	-	-	123,349	-	123,349
Total financial assets	1,362,344	140,231	78,102,525	16,694,470	96,299,570

	Fair Value through P & L Rs.000	Amortised cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	12,770,197	12,770,197
Derivative financial instruments	3,976	-	-
Repurchased agreements	-	10,113,570	10,113,570
Due to other customers	-	57,525,156	57,525,156
Other borrowed funds	-	833,095	833,095
Other liabilities	-	1,643,926	1,643,926
Total financial liabilities	3,976	82,885,943	82,885,943

INTERIM FINANCIAL STATEMENTS
SELECTED PERFORMANCE INDICATORS

Period ended 31 March 2017

Item	BANK	
	31-Mar-17	31-Dec-16
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. '000	15,859,750	15,688,158
Total Capital Base, Rs. '000	15,429,318	15,257,726
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	22.09%	22.87%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	21.49%	22.24%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	2.73%	2.40%
Net-Non Performing Advances,% (net of interest in suspense and provision)	1.90%	1.60%
Profitability		
Interest Margin, %	3.16%	3.06%
Return on Assets (Before Tax), %	0.44%	0.53%
Return on Assets (After Tax), %	0.39%	0.55%
Return on Equity (After Tax), %	2.23%	2.65%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. '000		
Domestic Banking Unit	13,476,060	13,246,635
Foreign Currency Banking Unit	1,100,637	901,821
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
Domestic Banking Unit	21.41%	22.02%
Foreign Currency Banking Unit	21.87%	21.79%

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.

Sgd.
 Malinda Samaratunga
 Chief Financial Officer

Sgd.
 Indrajit Wickramasinghe
 Director/ Chief Executive Officer

Sgd.
 P. Jayendra Nayak
 Chairman

Date: 26 April 2017

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

Company Secretary

Nirosha Kannangara

Auditors

M/s. Ernst & Young

Chartered Accountants,

No. 201, De Saram Place,

Colombo 10.