



INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2020

	BANK						GROUP					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.06.2020 Rs.000	30.06.2019 Rs.000	Change %	30.06.2020 Rs.000	30.06.2019 Rs.000	Change %	30.06.2020 Rs.000	30.06.2019 Rs.000	Change %	30.06.2020 Rs.000	30.06.2019 Rs.000	Change %
Gross Income	7,103,445	7,486,479	(5)	3,524,307	3,775,541	(7)	7,958,447	8,549,141	(7)	3,917,687	4,296,092	(9)
Interest income	6,072,852	6,605,618	(8)	3,014,157	3,296,467	(9)	6,834,176	7,598,588	(10)	3,361,730	3,781,324	(11)
Less: Interest expenses	4,050,779	4,474,952	(9)	2,022,627	2,179,005	(7)	4,532,807	5,082,214	(11)	2,247,996	2,483,738	(9)
Net interest income	2,022,073	2,130,666	(5)	991,530	1,117,462	(11)	2,301,369	2,516,374	(9)	1,113,734	1,297,586	(14)
Fee and commission income	388,539	524,230	(26)	134,891	258,359	(48)	437,111	579,035	(25)	156,416	283,103	(45)
Less: Fee and commission expenses	101,936	111,986	(9)	49,242	65,249	(25)	104,919	116,985	(10)	49,749	67,540	(26)
Net fee and commission income	286,603	412,244	(30)	85,649	193,110	(56)	332,192	462,050	(28)	106,667	215,563	(51)
Net fair value gains / (losses) from financial instruments at fair value through profit or loss	324,542	236,778	37	193,320	118,188	64	326,778	238,631	37	194,269	119,263	63
Net gains/ (losses) from financial investments	217,643	139,278	56	159,598	117,209	36	217,846	139,783	56	159,776	117,575	36
Net gain/ (loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Other operating income	99,869	(19,426)	614	22,341	(14,682)	252	142,536	(6,897)	2167	45,496	(5,172)	980
Total operating income	2,950,730	2,899,540	2	1,452,438	1,531,287	(5)	3,320,722	3,349,941	(1)	1,619,942	1,744,815	(7)
Less: Impairment for loans and other losses												
Loans and advances to customers	270,214	131,555	105	181,447	70,465	158	394,114	278,929	41	259,305	164,277	58
Other financial assets	5,536	(4,091)	235	230	3,371	(93)	6,278	(3,452)	282	555	3,645	(85)
Non financial assets	5,435	11,943	(54)	6,701	14,231	(53)	(15,732)	30,085	(152)	(11,570)	30,373	(138)
Net operating income	2,669,544	2,760,133	(3)	1,264,060	1,443,220	(12)	2,936,061	3,044,379	(4)	1,371,651	1,546,520	(11)
Less: Personnel expenses	929,223	925,228	0	430,491	469,080	(8)	1,055,907	1,056,763	(0)	492,110	535,034	(8)
Depreciation and amortisation	333,255	185,178	80	165,926	93,008	78	363,341	202,806	79	180,989	100,364	80
Other expenses	651,825	863,153	(24)	317,088	456,655	(31)	721,090	985,836	(27)	345,833	513,497	(33)
Total operating expenses	1,914,303	1,973,559	(3)	913,506	1,018,743	(10)	2,140,338	2,245,405	(5)	1,018,932	1,148,895	(11)
Results from operating activities	755,241	786,574	(4)	350,554	424,477	(17)	795,723	798,974	(0)	352,719	397,625	(11)
Share of profit of equity accounted investees, net of tax	(22,859)	62,329	(137)	(23,235)	58,648	(140)	-	-	-	-	-	-
Profit before value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services	732,383	848,903	(14)	327,320	483,125	(32)	795,723	798,974	(0)	352,719	397,625	(11)
Less: VAT, NBT and DRL on financial services	215,275	343,066	(37)	99,350	177,394	(44)	224,390	368,780	(39)	99,984	191,965	(48)
Profit before tax	517,108	505,837	2	227,970	305,732	(25)	571,333	430,194	33	252,735	205,660	23
Less: Tax expenses	200,845	208,387	(4)	91,664	113,516	(19)	235,481	83,327	183	111,670	(22,057)	606
Profit after tax	316,263	297,450	6	136,306	192,215	(29)	335,852	346,867	(3)	141,065	227,717	(38)
Profit Attributable to:												
Equity holders of the parent	316,263	297,450	6	136,306	192,215	(29)	344,777	323,058	7	149,875	205,412	(27)
Non-controlling interest	-	-	-	-	-	-	(8,925)	23,809	(137)	(8,810)	22,305	(139)
Profit after tax	316,263	297,450	6	136,306	192,215	(29)	335,852	346,867	(3)	141,065	227,717	(38)
Earnings per share												
Earnings per share - Basic	0.29	0.27	8	0.13	0.18	(29)	0.32	0.30	7	0.14	0.19	(27)
Earnings per share - Diluted	0.29	0.27	8	0.13	0.17	(28)	0.32	0.29	8	0.14	0.19	(26)

	BANK						GROUP					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.06.2020 Rs.'000	30.06.2019 Rs.'000	Change %	30.06.2020 Rs.'000	30.06.2019 Rs.'000	Change %	30.06.2020 Rs.'000	30.06.2019 Rs.'000	Change %	30.06.2020 Rs.'000	30.06.2019 Rs.'000	Change %
Profit for the period	316,263	297,450	6	136,306	192,215	(29)	335,852	346,867	(3)	141,065	227,717	(38)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:												
<i>Debt instruments at fair value through other comprehensive income</i>												
Net change in fair value during the period	753,197	542,765	39	667,176	278,743	139	751,175	537,441	40	669,537	277,063	142
Changes in allowance for expected credit loss	-	-	-	-	-	-	-	-	-	-	-	-
Less: Income tax effect on above	(210,895)	(151,974)	39	(186,809)	(78,048)	139	(210,895)	(151,974)	39	(186,809)	(78,048)	139
Total items that will be reclassified to the statement of profit or loss	542,302	390,791	39	480,367	200,695	139	540,280	385,467	40	482,728	199,015	143
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:												
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation gains/ (losses) on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Less: Income tax effect on above	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees, net of tax	(1,031)	(2,715)	62	1,205	(857)	241	-	-	-	-	-	-
Total items that will not be reclassified to the statement of profit or loss	(1,031)	(2,715)	62	1,205	(857)	241	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	541,271	388,076	39	481,572	199,838	141	540,280	385,467	40	482,728	199,015	143
Total comprehensive income for the period, net of tax	857,534	685,526	25	617,878	392,053	58	876,132	732,334	20	623,793	426,732	46
Attributable to:												
Equity holders of the parent	857,534	685,526	25	617,878	392,053	58	886,048	711,134	25	631,446	405,250	56
Non-controlling interest	-	-	-	-	-	-	(9,916)	21,200	(147)	(7,653)	21,482	(136)
Total comprehensive income for the period, net of taxes	857,534	685,526	25	617,878	392,053	58	876,132	732,334	20	623,793	426,732	46

INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	BANK			GROUP		
	30.06.2020	31.12.2019	Change	30.06.2020	31.12.2019	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
Assets						
Cash and cash equivalents	2,546,829	2,718,860	(6)	3,008,943	3,104,542	(3)
Balances with Central Bank of Sri Lanka	721,714	2,314,197	(69)	721,714	2,314,197	(69)
Placements with banks	91,707	94,257	(3)	97,376	94,257	3
Reverse repurchased agreements	541,865	426,823	27	776,704	1,009,581	(23)
Derivative financial instruments	27,041	6,230	334	27,041	6,230	334
Financial investments at fair value through profit or loss	3,953,426	3,228,565	22	3,953,426	3,270,208	21
Financial investments designated at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost - loans and advances to customers	75,996,595	77,358,301	(2)	82,666,457	84,780,138	(2)
Financial assets at amortised cost - debt and other instruments	19,467,635	13,441,040	45	18,743,363	12,670,558	48
Financial investments at fair value through other comprehensive income	20,676,234	17,503,245	18	20,740,470	17,516,485	18
Current tax assets	-	1,148	(100)	17,486	1,148	1423
Investments in real estate	-	-	-	111,141	112,563	(1)
Investments in subsidiaries	888,378	912,268	(3)	-	-	-
Goodwill and intangible assets	1,327,253	1,329,791	(0)	1,675,589	1,678,668	(0)
Property, plant and equipment and Right of use assets	1,330,470	1,482,366	(10)	1,564,258	1,741,074	(10)
Deferred tax assets	-	-	-	450,295	497,620	(10)
Other assets	1,074,089	936,568	15	1,169,669	1,042,696	12
Total assets	128,643,236	121,753,659	6	135,723,932	129,839,965	5
Liabilities						
Due to banks	10,155,741	11,475,176	(11)	10,487,183	11,601,966	(10)
Derivative financial instruments	22,134	4,515	390	22,134	4,515	390
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Repurchased agreements	16,357,862	12,116,040	35	16,227,846	12,116,040	34
Due to other customers	79,778,940	76,532,012	4	85,092,362	82,751,668	3
Other borrowed funds	1,245,016	1,242,450	0	2,285,549	2,514,058	(9)
Debt securities issued	-	-	-	-	-	-
Subordinated term debts	-	-	-	-	-	-
Current tax liabilities	215,766	-	100	411,315	197,957	108
Deferred tax liabilities	230,960	62,299	271	231,723	63,062	267
Other provisions	-	-	-	-	-	-
Other liabilities	2,417,348	2,810,711	(14)	2,798,938	3,151,428	(11)
Total liabilities	110,423,767	104,243,203	6	117,557,050	112,400,694	5

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	BANK			GROUP		
	30.06.2020 Rs.'000	31.12.2019 Rs.'000 Audited	Change %	30.06.2020 Rs.'000	31.12.2019 Rs.'000 Audited	Change %
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	191,213	175,400	9	215,833	200,020	8
ESOP reserve	54,603	51,426	6	54,603	51,426	6
FVOCI reserve	585,820	44,549	1215	598,056	56,785	953
Retained earnings	987,567	838,815	18	667,395	490,129	36
Total equity attributable to equity holders of the bank	18,219,469	17,510,456	4	17,936,153	17,198,626	4
Non-controlling interests	-	-		230,729	240,645	(4)
Total equity	18,219,469	17,510,456	4	18,166,882	17,439,271	4
Total equity and liabilities	128,643,236	121,753,659	6	135,723,932	129,839,965	5
Contingent liabilities and commitments	34,674,797	32,014,254	8	34,746,827	32,104,191	8
Net asset value per share (Rs.)	16.81	16.16		16.55	15.87	
Memorandum information						
Number of Employees	1,335	1,344				
Number of Branches	67	67				

CERTIFICATION:

We, the undersigned, being the Deputy Chairman, Director/ Chief Executive Officer and Acting Head of Finance 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
Acting Head of Finance

Sgd.

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

Sgd.

.....
Priyantha Fernando
Deputy Chairman

Date: 31 July 2020

BANK	Statutory Reserve						Total Equity
	Stated Capital	Share Warrants	Fund	ESOP Reserve	FVOCI Reserve	Retained Earnings	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2019	16,334,782	65,484	139,883	52,816	(310,991)	345,374	16,627,348
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	-	297,450	297,450
Other comprehensive Income	-	-	-	-	388,076	-	388,076
Total comprehensive Income	-	-	-	-	388,076	297,450	685,526
Transactions with equity holders, recognised directly in equity							
Fair value of ESOP	-	-	-	(657)	-	-	(657)
Transfers during the period	-	-	14,873	-	-	(14,873)	-
Dividend Paid	-	-	-	-	-	-	-
Balance as at 30 June 2019	16,334,782	65,484	154,756	52,159	77,085	627,951	17,312,217
Balance as at 1 January 2020	16,334,782	65,484	175,400	51,426	44,549	838,815	17,510,456
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	-	316,263	316,263
Other comprehensive Income	-	-	-	-	541,271	-	541,271
Total comprehensive Income	-	-	-	-	541,271	316,263	857,534
Transactions with equity holders, recognised directly in equity							
Fair value of ESOP	-	-	-	3,177	-	-	3,177
Transfers during the period	-	-	15,813	-	-	(15,813)	-
Dividend Paid	-	-	-	-	-	(151,698)	(151,698)
Balance as at 30 June 2020	16,334,782	65,484	191,213	54,603	585,820	987,567	18,219,469

GROUP	Statutory Reserve						Total	Non-controlling Interest	Total Equity
	Stated Capital	Share Warrants	Fund	ESOP Reserve	FVOCI Reserve	Retained Earnings			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance as at 1 January 2019	16,334,782	65,484	157,569	52,816	(306,184)	(43,734)	16,260,735	212,301	16,473,034
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	323,058	323,058	23,809	346,867
Other comprehensive Income	-	-	-	-	388,076	-	388,076	(2,609)	385,467
Total comprehensive Income	-	-	-	-	388,076	323,058	711,134	21,200	732,334
Transactions with equity holders, recognised directly in equity									
Fair value of ESOP	-	-	-	(657)	-	-	(657)	-	(657)
Transfers during the period	-	-	14,873	-	-	(14,873)	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	16,334,782	65,484	172,442	52,159	81,892	264,451	16,971,210	233,501	17,204,711
Balance as at 1 January 2020	16,334,782	65,484	200,020	51,426	56,785	490,129	17,198,626	240,645	17,439,271
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	344,777	344,777	(8,925)	335,852
Other comprehensive Income	-	-	-	-	541,271	-	541,271	(991)	540,280
Total comprehensive Income	-	-	-	-	541,271	344,777	886,048	(9,916)	876,132
Transactions with equity holders, recognised directly in equity									
Fair value of ESOP	-	-	-	3,177	-	-	3,177	-	3,177
Transfers during the period	-	-	15,813	-	-	(15,813)	-	-	-
Dividend Paid	-	-	-	-	-	(151,698)	(151,698)	-	(151,698)
Balance as at 30 June 2020	16,334,782	65,484	215,833	54,603	598,056	667,395	17,936,153	230,729	18,166,882

STATEMENT OF CASH FLOWS

Period ended 30 June 2020

	BANK		GROUP	
	30.06.2020 Rs.'000	30.06.2019 Rs.'000	30.06.2020 Rs.'000	30.06.2019 Rs.'000
Cash flow from operating activities				
Interest received	4,790,119	6,510,517	5,517,749	7,436,662
Fees and commission receipts	286,604	412,243	332,191	462,050
Interest paid	(3,921,642)	(4,412,337)	(4,601,028)	(4,940,278)
Receipts from Other operating activities	631,959	362,847	677,066	377,619
Payments on Other operating activities	(1,904,355)	(2,098,193)	(2,106,718)	(2,369,234)
Operating profit/(loss) before changes in operating assets & liabilities	(117,315)	775,077	(180,740)	966,819
(Increase)/decrease in operating assets:				
Balance with Central Bank of Sri Lanka	1,592,483	1,833,668	1,592,483	1,833,668
Funds advanced to customers	2,200,042	(512,801)	2,812,676	(257,832)
Others	(129,979)	(623,898)	(119,426)	(611,374)
	3,662,546	696,969	4,285,733	964,462
Increase /(decrease) in operating liabilities:				
Due to other customers	3,233,802	(4,688,186)	2,521,853	(5,211,991)
Repurchased agreements	4,192,530	(3,872,986)	4,062,514	(3,822,974)
Other liabilities	(341,762)	60,951	(258,473)	27,216
	7,084,570	(8,500,221)	6,325,894	(9,007,749)
Net cash from/(used in) operating activities before income tax	10,629,801	(7,028,175)	10,430,887	(7,076,468)
Retirement benefit obligation paid	(11,100)	(6,308)	(11,845)	(7,121)
Income tax paid	(18,582)	(35,971)	(19,192)	(36,759)
Net cash from operating activities	10,600,119	(7,070,454)	10,399,850	(7,120,348)
Cash flow from/(used in) investing activities				
Dividends received	-	-	-	-
Net financial investment at fair value through profit or loss	(728,803)	(1,608,229)	(728,803)	(1,608,229)
Net financial assets at amortised cost - Debt and other instruments	(5,960,552)	472,162	(5,952,961)	729,446
Net financial investment at fair value through other comprehensive income	(2,284,417)	2,502,168	(2,337,435)	2,484,751
Net investment in real estates	-	-	1,422	(750)
Purchase of property & equipment	(83,749)	(41,677)	(88,008)	(49,135)
Purchase of intangible assets	(95,070)	(7,295)	(95,684)	(7,295)
Proceeds from sale of property & equipment	14	624	14	4,633
Net cash used in investing activities	(9,152,577)	1,317,751	(9,201,455)	1,553,421
Cash flow from/(used in) financing activities				
Increase in borrowings	(1,284,292)	3,797,170	(645,933)	3,575,912
Dividend paid	(151,698)	-	(151,698)	-
Net cash from/ (used in) financing activities	(1,435,990)	3,797,170	(797,631)	3,575,912
Net Increase/(decrease) in cash and cash equivalents	11,552	(1,955,533)	400,764	(1,991,015)
Cash and cash equivalents at beginning of the year	3,053,031	6,325,430	3,034,999	7,081,221
Cash and cash equivalents at end of the period	3,064,584	4,369,897	3,435,763	5,090,204
Reconciliation of cash and cash equivalents				
Cash in hand and at banks	2,546,829	2,159,126	3,008,943	2,568,625
Reverse repurchased agreements	541,682	1,790,456	776,521	2,349,862
Placements with banks	91,707	433,701	97,375	434,451
Due to banks - Unfavorable balances with banks	(115,634)	(13,386)	(447,076)	(262,734)
	3,064,584	4,369,897	3,435,763	5,090,204

- 1 There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2019.

The Bank prepared Interim Financial Statements for the period ended June 30, 2020 based on SLFRS 16 - "Leases". The comparative information for 2019 is reported under LKAS 17 - "Leases" and is not comparable to the information presented for 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 **Coronavirus (COVID 19) Outbreak and the subsequent relief measures**

The outbreak of COVID 19 has caused disruptions to business and economic activities, and uncertainty to the global and local economy. The quarantine and border control measures taken by respective governments have curtailed global supply chains and brought pressure on global trade which is adversely affecting a large cross section of the Bank's clientele in various industries and sectors. Subsequent to the outbreak of COVID 19 in Sri Lanka, the Bank has strictly adhered to the guidelines and directions issued by both Government and Central Bank of Sri Lanka (CBSL) when conducting its business operations. Accordingly, the Bank is currently in the process of providing relief for the affected businesses and individuals in line with the directions issued by the CBSL. These relief measures include deferment of repayment terms of credit facilities, offering concessionary rates of interest to eligible loan products and waiving off certain fees including late payment fees on credit cards and other credit facilities. The said relief packages have negative impacts on the earnings, cash flows/liquidity positions of the Bank. However, the management is of the view that the negative impact would not pose any additional stress on the Bank's ability to maintain its regulatory capital margins which is well above the regulatory requirements. The bank has also on a prudent basis increased its liquidity buffers and maintains a strong excess liquidity position.

When assessing the expected credit losses, the Bank considered the potential impact of the COVID - 19 outbreak based on the available information and has made provisions as management overlays to counter the future possible deteriorations in the credit quality. However, due to the uncertainty in the business environment with the pandemic, actual losses may differ from the amount provided. In addition, we will refine our assessment at the time of lapse of the debt moratoriums when the credit condition of borrowers becomes clearer.

During this period, the Bank has approved debt moratoria worth Rs.22.2Bn under the CBSL recommended debt relief schemes.

- 6 No material events have taken place subsequent to the reporting period that require disclosure and/or adjustment in the Financial Statements other than stated below;
- 6.1 Mr. Gaurav Trehan (Non-Executive, Non- Independent Director) resigned from the Board Directors with effect from 20th May 2020.
- 6.2 At the request of the Bank, the Monetary Board of the Central Bank of Sri Lanka granted approval for Union Bank to cease its operations as a Primary Dealer with effect from 01 May 2020. The Bank will continue to function as a Dealer Direct Participant and in the secondary market operations and transact in scripless Government Securities on behalf of its customers and maintain its customer accounts in the LankaSecure system.
- 6.3 The Bank issued 218,281,250 unlisted warrants ("Warrants") to Culture Financial Holdings Ltd ("Culture") on 30 September 2014. As per the terms of issue thereof, each Warrant confers the holder of that Warrant with the right to subscribe to one (1) new ordinary voting share of the Bank within a period of six (6) years from issue of the Warrant at a consideration of LKR 16.00 per share. The exercise period for the Warrants expires on 30 September 2020.

Given the Bank does not have an immediate need for new capital, Culture requested that the exercise period for the Warrants be extended by a further two (2) years (i.e. until 30 September 2022). Culture also requested that, in the event the Bank agreed to extend the exercise period of the Warrants until 30 September 2022, the exercise price of the Warrants also be revised such that it is equivalent to the average closing price per share for the five day period that immediately precedes the exercise of Warrants.

The Board of Directors of the Bank, having considered Culture's request, decided to: (i) extend the exercise period of the Warrants by a further two (2) years (i.e. until 30 September 2022) and (ii) revise the exercise price to a price that is equivalent to the average closing price per share for the five day period that immediately precedes the exercise of Warrants. The Bank has obtained the concurrence of the Central Bank of Sri Lanka and the Securities and Exchange Commission of Sri Lanka for the extension of the Warrants' exercise period and the revision to the exercise price, as described above.

The extension of the exercise period and the revision of the exercise price is subject to the shareholders of the Bank approving such extension and revision, by way of a special resolution at a general meeting.

- 7 New amendments to Income Tax Law announced by the Government

Reduction of Income tax rate with effects from 1st January 2020

The cabinet has approved to reduce the Banking sector income tax rate to 24% from 28% with effect from 1 January 2020. However, considering the fact that the said amendment is yet to be enacted, both income tax and deferred tax were calculated at the rate of 28% for the period ended 30 June 2020. Had the Bank considered the reduced income tax rate of 24%, the income tax charge recognized in the P&L would have reduced by Rs.32Mn. Further, there will be a reversal of deferred tax expense of Rs.2.5Mn and Rs.30Mn to the Statement of Profit or Loss and Statement of Other Comprehensive Income respectively for the period ended 30 June 2020.

- 8 Information on Ordinary Shares

Market Value	30.06.2020 Rs.	30.06.2019 Rs.
Last traded price	9.70	11.50
Highest price for the quarter	10.30	11.80
Lowest price for the quarter	6.50	10.80

9. ANALYSIS OF LOANS & ADVANCES TO CUSTOMERS AND IMPAIRMENT

9.1 Product-wise Gross Loans & Advances

	BANK		GROUP	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Audited		Audited
Term loans	44,362,246	45,721,780	46,121,717	47,516,351
Overdrafts	12,509,781	11,162,693	12,432,290	11,069,823
Trade finance	3,869,580	4,949,846	3,869,580	4,949,846
Lease and hire purchase	584,152	708,997	4,981,943	5,340,896
Factoring	263,260	477,161	1,638,155	1,920,315
Pawning	377,209	369,592	377,209	369,593
Credit cards	1,447,353	1,176,806	1,447,353	1,176,806
Staff loans	1,004,135	902,113	1,004,135	902,113
Others	-	-	-	305,149
By Product - Local Currency	64,417,716	65,468,988	71,872,382	73,550,892
Term loans	5,373,596	5,573,725	5,373,596	5,573,725
Overdrafts	62,016	71,432	62,016	71,432
Trade finance	8,355,174	8,201,898	8,355,174	8,201,898
By Product - Foreign Currency	13,790,786	13,847,055	13,790,786	13,847,055
Total Loans and Receivables	78,208,502	79,316,043	85,663,168	87,397,947

9.2 Stage-wise impairment on loans & advances to customers

	BANK		GROUP	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Audited		Audited
Gross loans and advances (Note 9.1)	78,208,502	79,316,043	85,663,168	87,397,947
Less: Accumulated impairment under stage 1	(446,632)	(397,970)	(499,077)	(463,481)
Accumulated impairment under stage 2	(50,555)	(57,832)	(117,361)	(139,319)
Accumulated impairment under stage 3	(1,714,720)	(1,501,940)	(2,380,273)	(2,015,009)
Net value of loans and advances	75,996,595	77,358,301	82,666,457	84,780,138

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

	Stage 1	Stage 2	Stage 3	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
BANK				
Opening balance as at 1 January 2020	397,970	57,832	1,501,940	1,957,742
Charge to statement of profit or loss	48,662	(7,277)	228,829	270,214
Net write-off during the period	-	-	(16,049)	(16,049)
Closing Balance as at 30 June 2020	446,632	50,555	1,714,720	2,211,907
GROUP				
Opening balance as at 1 January 2020	463,481	139,319	2,015,009	2,617,809
Charge to statement of profit or loss	35,596	(21,958)	380,476	394,114
Net write-off during the period	-	-	(15,212)	(15,212)
Closing Balance as at 30 June 2020	499,077	117,361	2,380,273	2,996,710
BANK				
Opening balance as at 1 January 2019	605,502	89,109	1,343,216	2,037,827
Charge to statement of profit or loss	(207,262)	(29,968)	630,928	393,698
Net write-off during the year	(270)	(1,309)	(472,204)	(473,783)
Closing Balance as at 31 December 2019	397,970	57,832	1,501,940	1,957,742
GROUP				
Opening balance as at 1 January 2019	666,168	187,695	2,478,610	3,332,473
Charge to statement of profit or loss	(202,417)	(47,067)	796,480	546,996
Net write-off during the year	(270)	(1,309)	(1,260,081)	(1,261,660)
Closing Balance as at 31 December 2019	463,481	139,319	2,015,009	2,617,809

10. DUE TO OTHER CUSTOMERS

	BANK		GROUP	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Audited		Audited
Local Currency Deposits				
Demand deposits	3,360,733	3,452,248	3,360,498	3,451,798
Savings deposits	12,434,825	11,585,257	12,397,730	11,374,106
Fixed deposits	30,475,448	46,368,000	53,826,200	52,799,257
Other deposits	2,357,167	2,433,580	2,357,167	2,433,580
Total	68,628,173	63,839,085	73,941,595	70,058,741
Foreign Currency Deposits				
Demand deposits	271,092	411,630	271,092	411,630
Savings deposits	4,514,895	3,883,343	4,514,895	3,883,343
Fixed deposits	6,364,780	8,397,954	6,364,780	8,397,954
Total	11,150,767	12,692,927	11,150,767	12,692,927
Total Deposits	79,778,940	76,532,012	85,092,362	82,751,668

11. ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

11.1 Product-wise Commitments and Contingencies

	BANK		GROUP	
	30.06.2020 Rs.'000	31.12.2019 Rs.'000 Audited	30.06.2020 Rs.'000	31.12.2019 Rs.'000 Audited
Undrawn loan commitments	13,095,564	10,356,996	13,167,594	10,446,934
Guarantees	4,968,831	5,288,602	4,968,831	5,288,602
Letters of credit	8,762	21,382	8,762	21,382
Forward contracts	1,000,165	1,805,082	1,000,165	1,805,082
Cheque pending for realisation	439,866	503,543	439,866	503,543
Spot contracts	-	544,860	-	544,860
Forward Bonds	402,646	931,760	402,646	931,760
Other contingent items	467,668	800,812	467,668	800,812
By Product - Local Currency	20,383,502	20,253,037	20,455,532	20,342,975
Undrawn loan commitments	4,226,974	2,529,949	4,226,974	2,529,949
Guarantees	2,987,952	4,257,179	2,987,952	4,257,179
Letters of credit	2,306,331	1,660,442	2,306,331	1,660,442
Forward contracts	2,862,510	758,594	2,862,510	758,594
Spot contracts	905,630	1,106,164	905,630	1,106,164
Acceptances	466,271	952,060	466,271	952,060
Other contingent items	535,627	496,828	535,627	496,828
By Product - Foreign Currency	14,291,295	11,761,217	14,291,295	11,761,216
Commitments and Contingencies	34,674,797	32,014,254	34,746,827	32,104,191

11.2 Stage-wise impairment on commitment and contingencies

	BANK		GROUP	
	30.06.2020 Rs.'000	31.12.2019 Rs.'000 Audited	30.06.2020 Rs.'000	31.12.2019 Rs.'000 Audited
Gross Commitments and Contingencies (Note 11.1)	34,674,797	32,014,254	34,746,827	32,104,191
Less: Accumulated impairment under stage 1	(77,110)	(72,786)	(77,109)	(72,785)
Accumulated impairment under stage 2	(5,097)	(4,103)	(5,097)	(4,103)
Accumulated impairment under stage 3	(4,814)	(4,697)	(36,798)	(57,848)
Net value of commitments and contingencies	34,587,776	31,932,668	34,627,823	31,969,455

11.3 Movement of impairment during the period for Commitments & Contingencies

	Stage 1	Stage 2	Stage 3	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
BANK				
Opening balance as at 1 January 2020	72,786	4,103	4,697	81,586
Charge to statement of profit or loss	4,324	994	117	5,435
Net write-off during the period	-	-	-	-
Closing Balance as at 30 June 2020	77,110	5,097	4,814	87,021
GROUP				
Opening balance as at 1 January 2020	72,785	4,103	57,848	134,736
Charge to statement of profit or loss	4,324	994	(21,050)	(15,732)
Net write-off during the period	-	-	-	-
Closing Balance as at 30 June 2020	77,109	5,097	36,798	119,004
BANK				
Opening balance as at 1 January 2019	42,049	2,873	35,360	80,282
Charge to statement of profit or loss	30,737	1,230	(30,663)	1,304
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2019	72,786	4,103	4,697	81,586
GROUP				
Opening balance as at 1 January 2019	43,088	3,300	52,819	99,207
Charge to statement of profit or loss	29,697	803	5,029	35,529
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2019	72,785	4,103	57,848	134,736

	Corporate		SME		Retail		Treasury		Other Group Companies		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	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 30 June 2020												
Interest Income	1,963,264	2,251,997	1,471,084	1,751,261	1,658,025	1,588,639	860,226	1,735,210	881,577	271,481	6,834,176	7,598,588
Add: Inter-Segment Interest Income	-	-	-	-	1,229,600	1,385,431	479,823	691,700	-	-	1,709,423	2,077,131
Total Interest Income	1,963,264	2,251,997	1,471,084	1,751,261	2,887,625	2,974,070	1,340,049	2,426,910	881,577	271,481	8,543,599	9,675,719
Less: Interest Expense	405,364	569,665	674,607	811,731	2,256,069	2,346,384	711,387	1,686,494	485,379	(332,060)	4,532,806	5,082,214
Less: Inter-Segment Interest Expense	1,119,167	1,417,656	590,256	659,475	-	-	-	-	-	-	1,709,423	2,077,131
Net Interest Income	438,733	264,676	206,221	280,055	631,556	627,686	628,662	740,416	396,198	603,541	2,301,370	2,516,374
Other Income	84,397	111,636	85,166	201,950	145,129	218,351	613,910	425,767	195,670	(7,152)	1,124,272	950,552
Total Net Income	523,130	376,312	291,387	482,005	776,685	846,037	1,242,572	1,166,183	591,868	596,389	3,425,642	3,466,926
Less : Expenses including impairments	216,075	291,554	600,403	663,338	1,169,074	1,128,121	212,708	193,562	431,658	391,378	2,629,918	2,667,952
Segmental Results	307,055	84,758	(309,016)	(181,333)	(392,389)	(282,084)	1,029,864	972,621	160,210	205,011	795,723	798,974
Less: VAT and NBT on Financial Services											224,390	368,780
Less: Taxation											235,481	83,327
Profit after Taxation											335,852	346,867
As at 30 June												
Other Information												
Segment Assets	36,516,000	34,646,212	23,788,919	25,883,752	15,787,000	15,276,702	40,729,747	34,971,773	14,024,969	16,991,083	130,846,636	125,650,452
Unallocated											4,877,296	4,718,591
Consolidated Total Assets											135,723,932	130,369,043
Segment Liabilities	12,219,000	14,152,027	11,933,826	11,005,896	54,176,000	47,957,688	26,269,984	26,806,710	9,516,264	11,653,049	114,115,074	110,765,232
Unallocated											3,441,976	2,399,101
Consolidated Total Liabilities											117,557,050	113,164,333
Cash flow from operating activities	6,808,005	(3,099,900)	3,792,114	(3,970,554)	10,107,792	(6,969,297)	16,170,854	(9,606,525)	(26,478,916)	14,266,226	10,399,850	(7,120,348)
Cash flow from investing activities	(114,839)	(21,197)	(63,966)	(27,151)	(170,500)	(47,656)	(9,246,546)	1,300,410	394,397	(224,694)	(9,201,455)	1,553,421
Cash flow from financing activities	-	-	-	-	-	-	(1,435,990)	3,797,170	638,359	223,938	(797,631)	3,575,912

INTERIM FINANCIAL STATEMENTS

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 30th June 2020

TOP 20 SHAREHOLDERS

Name	No. of shares as at 30.06.2020	% 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	24,371,269	2.25%
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 Sterling Holdings (Private) Ltd	7,207,557	0.67%
10 Mr. M.D. Samarawickrama	7,031,016	0.65%
11 Anverally and Sons (Pvt) Ltd A/C No 01	4,749,287	0.44%
12 Deutsche Bank AG-National Equity Fund	4,726,849	0.44%
13 Commercial Agencies (Ceylon) Ltd	4,050,833	0.37%
14 Ajita De Zoysa & Company Limited	4,050,832	0.37%
15 Mr. A.I.T. Hettiarachchi	3,848,735	0.36%
16 Ideal Motors (Private) Limited	2,780,607	0.26%
17 Rosewood (Pvt) Ltd	2,774,542	0.26%
18 ARRC Capital (Pvt) Ltd	2,716,649	0.25%
19 J.B. Cocoshell (Pvt) Ltd	2,520,049	0.23%
20 Mrs. T. Gunawardena	1,700,000	0.16%
	987,336,688	91.15%
Other shareholders	96,221,650	8.85%
Total	1,083,558,338	100.00%

As at 30th June 2020

Number of shares in public holding	315,859,650
Number of public shareholders	30,540
Percentage of public holding	29.15%
Market capitalisation (Rs.)	10,510,515,878.60
Float adjusted market capitalisation	3,063,838,606.85
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 30.06.2020
Mr. Atul Malik	None
Mr. Priyantha Fernando	None
Mr. Sabry Ghouse	None
Mr. Michael J. O'Hanlon	None
Mr. Indrajit Wickramasinghe	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 30th June 2020 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 30 June 2020

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	2,546,829	2,546,829
Balances with Central Bank of Sri Lanka	-	-	721,714	721,714
Placements with banks	-	-	91,707	91,707
Reverse repurchased agreements	-	-	541,865	541,865
Derivative financial instruments	27,041	-	-	27,041
Financial investments at fair value through profit or loss	3,953,426	-	-	3,953,426
Financial assets at amortised cost - loans and advances to customers	-	-	75,996,595	75,996,595
Financial assets at amortised cost - debt and other instruments	-	-	19,467,635	19,467,635
Financial investments at fair value through other comprehensive income	-	20,676,234	-	20,676,234
Other financial assets	-	-	130,796	130,796
Total financial assets	3,980,467	20,676,234	99,497,141	124,153,842

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	10,155,741	10,155,741
Derivative financial instruments	22,134	-	22,134
Repurchased agreements	-	16,357,862	16,357,862
Due to customers	-	79,778,940	79,778,940
Other borrowed funds	-	1,245,016	1,245,016
Other financial liabilities	-	1,566,233	1,566,233
Total financial liabilities	22,134	109,103,792	109,125,926

b. Bank - As at 31 December 2019 (Audited)

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	2,718,860	2,718,860
Balances with Central Bank of Sri Lanka	-	-	2,314,197	2,314,197
Placements with banks	-	-	94,257	94,257
Reverse repurchased agreements	-	-	426,823	426,823
Derivative financial instruments	6,230	-	-	6,230
Financial investments at fair value through profit or loss	3,228,565	-	-	3,228,565
Financial assets at amortised cost - loans and advances to customers	-	-	77,358,301	77,358,301
Financial assets at amortised cost - debt and other instruments	-	-	13,441,040	13,441,040
Financial investments at fair value through other comprehensive income	-	17,503,245	-	17,503,245
Other financial assets	-	-	217,561	217,561
Total financial assets	3,234,795	17,503,245	96,571,039	117,309,079

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	11,475,176	11,475,176
Derivative financial instruments	4,515	-	4,515
Repurchased agreements	-	12,116,040	12,116,040
Due to customers	-	76,532,012	76,532,012
Other borrowed funds	-	1,242,450	1,242,450
Other financial liabilities	-	1,907,756	1,907,756
Total financial liabilities	4,515	103,273,434	103,277,949

INTERIM FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2020

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Group - As at 30 June 2020

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised Cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	3,008,943	3,008,943
Balances with Central Bank of Sri Lanka	-	-	721,714	721,714
Placements with banks	-	-	97,376	97,376
Reverse repurchased agreements	-	-	776,704	776,704
Derivative financial instruments	27,041	-	-	27,041
Financial investments at fair value through profit or loss	3,953,426	-	-	3,953,426
Financial assets at amortised cost - loans and advances to customers	-	-	82,666,457	82,666,457
Financial assets at amortised cost - debt and other instruments	-	-	18,743,363	18,743,363
Financial investments at fair value through other comprehensive income	-	20,740,470	-	20,740,470
Other financial assets	-	-	142,415	142,415
Total financial assets	3,980,466	20,740,470	106,156,972	130,877,909

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	10,487,183	10,487,183
Derivative financial instruments	22,134	-	22,134
Repurchased agreements	-	16,227,846	16,227,846
Due to customers	-	85,092,362	85,092,362
Other borrowed funds	-	2,285,549	2,285,549
Other financial liabilities	-	1,721,499	1,721,499
Total financial liabilities	22,134	115,814,439	115,836,573

b. Group - As at 31 December 2019 (Audited)

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised Cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	3,104,542	3,104,542
Balances with Central Bank of Sri Lanka	-	-	2,314,197	2,314,197
Placements with banks	-	-	94,257	94,257
Reverse repurchased agreements	-	-	1,009,581	1,009,581
Derivative financial instruments	6,230	-	-	6,230
Financial investments at fair value through profit or loss	3,270,208	-	-	3,270,208
Financial assets at amortised cost - loans and advances to customers	-	-	84,780,138	84,780,138
Financial assets at amortised cost - debt and other instruments	-	-	12,670,558	12,670,558
Financial investments at fair value through other comprehensive income	-	17,516,485	-	17,516,485
Other financial assets	-	-	245,956	245,956
Total financial assets	3,276,438	17,516,485	104,219,229	125,012,152

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	11,601,966	11,601,966
Derivative financial instruments	4,515	-	4,515
Repurchased agreements	-	12,116,040	12,116,040
Due to customers	-	82,751,668	82,751,668
Other borrowed funds	-	2,514,058	2,514,058
Other financial liabilities	-	2,085,401	2,085,401
Total financial liabilities	4,515	111,069,133	111,073,648

INTERIM FINANCIAL STATEMENTS
SELECTED PERFORMANCE INDICATORS

Item	BANK		GROUP	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Regulatory Capital - Rs '000				
Common Equity Tier 1 (Basel III)	15,120,938	15,286,211	15,850,322	15,810,228
Tier 1 Capital / Core Capital (Basel III)	15,120,938	15,286,211	15,850,322	15,810,228
Total Capital / Total Capital Base (Basel III)	15,292,847	15,413,097	16,408,080	16,050,219
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2020 - 6.5%, 2019 - 7%)	15.88%	16.61%	15.75%	16.12%
Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2020 - 8%, 2019 - 8.5%)	15.88%	16.61%	15.75%	16.12%
Total Capital Ratio (Minimum Requirement as per Basel III 2020 - 12%, 2019 - 12.5%)	16.06%	16.75%	16.30%	16.36%
Leverage Ratio (Minimum Requirement - 3%)	9.73%	10.64%	9.70%	10.36%
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit, Rs. '000	25,280,283	19,095,889		
Foreign Currency Banking Unit, USD '000	14,591	13,587		
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	27.18%	22.95%		
Foreign Currency Banking Unit	21.74%	21.95%		
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement 2020 - 90%, 2019 100%)	200.49%	225.57%		
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement 2020- 90%,2019-100%)	144.07%	154.70%		
Net Stable Funding Ratio (%) (Minimum Requirement 2020- 90%,2019-100%)	115.35%	113.08%		
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (Net of interest in suspense)	5.30%	5.03%		
Net Non-Performing Advances,% (Net of interest in suspense and provision)	3.31%	3.55%		
Profitability				
Interest Margin, %	3.23%	3.62%		
Return on Assets (Before Tax), %	0.83%	0.96%		
Return on Assets (After Tax), %	0.51%	0.57%		
Return on Equity (After Tax), %	3.54%	4.16%		

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

Web Address: www.unionb.com

Auditors

M/s. Ernst & Young

Chartered Accountants,

No. 201, De Saram Place,

Colombo 10.