



**INTERIM FINANCIAL STATEMENTS**  
**For the period ended 30 September 2019**

	BANK						GROUP					
	For the nine months ended			For the quarter ended			For the nine months ended			For the quarter ended		
	30.09.2019 Rs.000	30.09.2018 Rs.000	Change %	30.09.2019 Rs.000	30.09.2018 Rs.000	Change %	30.09.2019 Rs.000	30.09.2018 Rs.000	Change %	30.09.2019 Rs.000	30.09.2018 Rs.000	Change %
<b>Gross Income</b>	11,271,378	10,231,117	10	3,784,900	3,510,274	8	12,839,571	11,856,261	8	4,290,431	4,057,301	6
Interest income	9,940,327	8,923,975	11	3,334,709	3,055,113	9	11,395,677	10,408,716	9	3,797,088	3,560,392	7
Less: Interest expenses	6,473,845	6,202,171	4	1,998,894	2,118,330	(6)	7,362,969	7,066,779	4	2,280,755	2,409,631	(5)
<b>Net interest income</b>	3,466,482	2,721,804	27	1,335,815	936,783	43	4,032,708	3,341,937	21	1,516,333	1,150,761	32
Fee and commission income	784,097	698,234	12	259,867	251,341	3	868,535	816,432	6	289,500	283,950	2
Less: Fee and commission expenses	160,400	120,716	33	48,414	42,923	13	168,095	141,854	18	51,110	48,741	5
<b>Net fee and commission income</b>	623,697	577,518	8	211,453	208,418	1	700,440	674,578	4	238,390	235,209	1
Net fair value gains / (losses) from financial instruments at fair value through profit or loss / Net trading income	278,933	226,773	23	42,155	32,405	30	281,918	226,773	24	43,288	32,405	34
Net gains/ (losses) from financial investments	265,196	179,040	48	125,918	77,210	63	265,700	179,040	48	125,918	77,210	63
Net gain/ (loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Other operating income	2,825	203,095	(99)	22,251	94,205	(76)	27,741	225,300	(88)	34,638	103,345	(66)
<b>Total operating income</b>	4,637,133	3,908,231	19	1,737,592	1,349,021	29	5,308,507	4,647,628	14	1,958,567	1,598,930	22
<b>Less: Impairment for loans and other losses</b>												
Loans and advances to customers	356,029	213,962	66	224,474	55,559	304	468,689	360,300	30	189,760	104,602	81
Other financial assets	(4,183)	-	(100)	(92)	-	100	(3,091)	-	(100)	361	-	100
Non financial assets	2,476	-	100	(9,467)	-	100	33,645	(20,642)	263	3,559	-	100
<b>Net operating income</b>	4,282,811	3,694,268	16	1,522,677	1,293,462	18	4,809,264	4,307,970	12	1,764,887	1,494,328	18
Less: Personnel expenses	1,399,511	1,354,714	3	474,282	474,020	0	1,599,489	1,550,547	3	542,726	539,852	1
Depreciation and amortisation	280,867	310,411	(10)	95,689	107,047	(11)	312,275	328,879	(5)	109,469	113,666	(4)
Other expenses	1,279,258	1,155,469	11	416,104	356,863	17	1,451,539	1,338,863	8	465,703	421,263	11
<b>Total operating expenses</b>	2,959,636	2,820,595	5	986,075	937,930	5	3,363,303	3,218,290	5	1,117,898	1,074,781	4
<b>Results from operating activities</b>	1,323,175	873,674	51	536,602	355,532	51	1,445,961	1,089,680	33	646,989	419,547	54
Share of profit of equity accounted investees, net of tax	98,333	47,604	107	36,003	7,405	386	-	-	-	-	-	-
<b>Profit before value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services</b>	1,421,508	921,278	54	572,606	362,937	58	1,445,961	1,089,680	33	646,989	419,547	54
Less: VAT, NBT and DRL on financial services	537,689	321,143	67	194,622	116,454	67	588,315	364,466	61	219,535	130,581	68
<b>Profit before tax</b>	883,819	600,135	47	377,983	246,483	53	857,646	725,214	18	427,455	288,966	48
Less: Tax expenses	351,209	210,305	67	142,822	109,730	30	251,697	278,781	(10)	168,369	137,222	23
<b>Profit after tax</b>	532,610	389,830	37	235,161	136,753	72	605,949	446,433	36	259,085	151,744	71
<b>Profit Attributable to:</b>												
Equity holders of the parent	532,610	389,830	37	235,161	136,753	72	568,692	424,722	34	245,636	149,018	65
Non-controlling interest	-	-	-	-	-	-	37,257	21,711	72	13,449	2,726	393
<b>Profit after tax</b>	532,610	389,830	37	235,161	136,753	72	605,949	446,433	36	259,085	151,744	71
<b>Earnings per share</b>												
Earnings per share - Basic	0.49	0.36	37	0.22	0.13	72	0.52	0.39	34	0.23	0.14	65
Earnings per share - Diluted	0.49	0.35	37	0.21	0.12	72	0.52	0.39	34	0.22	0.14	65

The amounts for the period ended 30 September 2019 have been prepared in accordance with Sri Lanka Accounting Standard-SLFRS 9 (Financial Instruments), where prior period amounts have not been restated.

	BANK						GROUP					
	For the nine months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.09.2019 Rs.'000	30.09.2018 Rs.'000	Change %	30.09.2019 Rs.'000	30.09.2018 Rs.'000	Change %	30.09.2019 Rs.'000	30.09.2018 Rs.'000	Change %	30.09.2019 Rs.'000	30.09.2018 Rs.'000	Change %
<b>Profit for the period</b>	532,610	389,830	37	235,161	136,753	72	605,949	446,433	36	259,085	151,744	71
<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	466,891	-		(75,875)	-		464,096	-		(73,345)	-	
Changes in allowance for expected credit loss	-	-		-	-		-	-		-	-	
Reclassification to the income statement	-	-		-	-		-	-		-	-	
Less: Income tax effect on above	(130,729)	-		21,245	-		(130,729)	-		21,245	-	
Net gains/(losses) on financial investments at fair value through other comprehensive income	336,162	-		(54,630)	-		333,367	-		(52,100)	-	
<i>Available for sale financial assets</i>												
Gains/ (losses) on re-measuring available for sale financial assets	-	(327,219)		-	(138,188)		-	(339,513)		-	(143,206)	
Net amount transferred to profit or loss (available for sale financial assets)	-	-		-	-		-	-		-	-	
Less: Income tax effect on gains/ (losses) on re-measuring available for sale financial assets	-	91,621		-	38,693		-	95,064		-	42,135	
Net gains/(losses) on available for sale financial investments	-	(235,598)		-	(99,495)		-	(244,449)		-	(101,071)	
Share of other comprehensive income of equity accounted investees, net of tax	(1,425)	(1,676)		1,290	(804)		-	-		-	-	
<b>Total items that will be reclassified to the statement of profit or loss</b>	<b>334,737</b>	<b>(237,274)</b>	<b>241</b>	<b>(53,340)</b>	<b>(100,299)</b>	<b>47</b>	<b>333,367</b>	<b>(244,449)</b>	<b>236</b>	<b>(52,100)</b>	<b>(101,071)</b>	<b>48</b>
<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	-	-		-	-		-	5,378		-	-	
Revaluation gains/ (losses) on equity instruments at fair value through other comprehensive income	-	-		-	-		-	-		-	-	
Less: Income tax effect on above	-	-		-	-		-	(1,506)		-	-	
Share of other comprehensive income of equity accounted investees, net of tax	-	-		-	-		-	-		-	-	
<b>Total items that will not be reclassified to the statement of profit or loss</b>	<b>-</b>	<b>-</b>	<b></b>	<b>-</b>	<b>-</b>	<b></b>	<b>-</b>	<b>3,872</b>	<b></b>	<b>-</b>	<b>-</b>	<b></b>
<b>Other comprehensive income for the period, net of tax</b>	<b>334,737</b>	<b>(237,274)</b>	<b>241</b>	<b>(53,340)</b>	<b>(100,299)</b>	<b>47</b>	<b>333,367</b>	<b>(240,577)</b>	<b>239</b>	<b>(52,100)</b>	<b>(101,071)</b>	<b>48</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>867,347</b>	<b>152,556</b>	<b>469</b>	<b>181,821</b>	<b>36,454</b>	<b>399</b>	<b>939,316</b>	<b>205,856</b>	<b>356</b>	<b>206,985</b>	<b>50,673</b>	<b>308</b>
<b>Attributable to:</b>												
Equity holders of the parent	867,347	152,556	469	181,821	36,454	399	903,427	187,449	382	192,296	(91,656)	310
Non-controlling interest	-	-		-	-		35,888	18,407	95	14,689	142,329	(90)
<b>Total comprehensive income for the period, net of taxes</b>	<b>867,347</b>	<b>152,556</b>	<b>469</b>	<b>181,821</b>	<b>36,454</b>	<b>399</b>	<b>939,316</b>	<b>205,856</b>	<b>356</b>	<b>206,985</b>	<b>50,673</b>	<b>308</b>

The amounts for the period ended 30 September 2019 have been prepared in accordance with Sri Lanka Accounting Standard-SLFRS 9 (Financial Instruments), where prior period amounts have not been restated.

**INTERIM FINANCIAL STATEMENTS**
**STATEMENT OF FINANCIAL POSITION**

As at 30 September 2019

	BANK			GROUP		
	30.09.2019	31.12.2018	Change	30.09.2019	31.12.2018	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
<b>Assets</b>						
Cash and cash equivalents	2,417,051	2,917,866	(17)	2,800,344	3,306,393	(15)
Balances with Central Bank of Sri Lanka	2,154,367	4,219,932	(49)	2,154,367	4,219,932	(49)
Placements with banks	56,985	3,265,425	(98)	64,086	3,265,425	(98)
Reverse repurchased agreements	584,149	417,146	40	1,155,476	950,998	22
Derivative financial instruments	25,590	34,274	(25)	25,590	34,274	(25)
Financial investments at fair value through profit or loss	2,517,713	2,863,121	(12)	2,517,713	2,863,121	(12)
Financial investments designated at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost - loans and advances to customers	74,997,811	73,749,208	2	82,876,186	82,120,068	1
Financial assets at amortised cost - debt and other instruments	11,107,302	16,567,940	(33)	10,307,277	15,942,404	(35)
Financial investments at fair value through other comprehensive income	17,499,679	17,735,959	(1)	17,566,865	17,787,621	(1)
Current tax assets	64,640	336,167	(81)	64,640	336,167	(81)
Investments in real estate	-	-	-	118,400	118,633	(0)
Investments in subsidiaries	932,280	835,373	12	-	-	-
Goodwill and intangible assets	1,327,360	1,202,532	10	1,674,576	1,550,544	8
Property, plant and equipment	752,438	789,158	(5)	958,593	1,013,541	(5)
Deferred tax assets	-	115,596	(100)	523,626	517,374	1
Other assets	1,136,865	870,457	31	1,252,921	1,005,213	25
<b>Total assets</b>	<b>115,574,230</b>	<b>125,920,154</b>	<b>(8)</b>	<b>124,060,660</b>	<b>135,031,708</b>	<b>(8)</b>
<b>Liabilities</b>						
Due to banks	12,411,746	9,348,209	33	12,534,543	9,515,547	32
Derivative financial instruments	2,013	71,750	(97)	2,013	71,750	(97)
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Repurchased agreements	7,945,154	17,585,912	(55)	7,945,154	17,535,900	(55)
Due to other customers	74,707,078	79,251,073	(6)	81,309,180	86,266,123	(6)
Other borrowed funds	1,277,203	1,234,220	3	2,587,034	2,921,647	(11)
Debt securities issued	-	-	-	-	-	-
Subordinated term debts	-	-	-	-	-	-
Current tax liabilities	-	-	-	208,039	188,001	11
Deferred tax liabilities	24,454	-	100	25,890	1,436	1703
Other Provisions	-	-	-	-	-	-
Other liabilities	1,830,707	1,801,642	2	2,155,277	2,058,270	5
<b>Total liabilities</b>	<b>98,198,355</b>	<b>109,292,806</b>	<b>(10)</b>	<b>106,767,130</b>	<b>118,558,674</b>	<b>(10)</b>

**INTERIM FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION**

As at 30 September 2019

	BANK			GROUP		
	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited	Change %	30.09.2019 Rs.'000	31.12.2018 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	166,514	139,883	19	184,200	157,569	17
ESOP reserve	51,715	52,816	(2)	51,715	52,816	(2)
FVOCI reserve	23,746	(310,991)	108	28,552	(306,184)	109
Retained earnings	733,634	345,374	112	380,608	(43,734)	970
<b>Total equity attributable to equity holders of the bank</b>	<b>17,375,875</b>	<b>16,627,348</b>	<b>5</b>	<b>17,045,341</b>	<b>16,260,733</b>	<b>5</b>
Non-controlling interests	-	-		248,189	212,301	17
<b>Total equity</b>	<b>17,375,875</b>	<b>16,627,348</b>	<b>5</b>	<b>17,293,530</b>	<b>16,473,034</b>	<b>5</b>
<b>Total equity and liabilities</b>	<b>115,574,230</b>	<b>125,920,154</b>	<b>(8)</b>	<b>124,060,660</b>	<b>135,031,708</b>	<b>(8)</b>
<b>Contingent liabilities and commitments</b>	<b>34,561,379</b>	<b>34,337,204</b>	<b>1</b>	<b>34,668,538</b>	<b>34,528,827</b>	<b>0</b>
<b>Net asset value per share (Rs.)</b>	<b>16.04</b>	<b>15.23</b>		<b>15.73</b>	<b>14.90</b>	
<b>Memorandum information</b>						
Number of Employees	1,316	1,266				
Number of Branches	67	67				

**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.

Atul Malik  
Chairman

Date: 01 November 2019

BANK	Statutory Reserve		Available for sale/		Retained Earnings	Total Equity	
	Stated Capital	Share Warrants	Fund	ESOP Reserve			FVOCI Reserve
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
<b>Balance as at 1 January 2018</b>	16,334,782	65,484	116,256	35,848	150,570	1,154,757	17,857,697
<b>Total comprehensive income for the period</b>							
Net profit for the period	-	-	-	-	-	389,830	389,830
Other comprehensive Income	-	-	-	-	(237,274)	-	(237,274)
<b>Total comprehensive Income</b>	-	-	-	-	(237,274)	389,830	152,556
<b>Transactions with equity holders, recognised directly in equity</b>							
Fair value of ESOP	-	-	-	9,309	-	-	9,309
Transfers during the period	-	-	19,491	-	-	(19,491)	-
Dividend Paid	-	-	-	-	-	(109,141)	(109,141)
<b>Balance as at 30 September 2018</b>	16,334,782	65,484	135,747	45,157	(86,704)	1,415,955	17,910,421
<b>Balance as at 1 January 2019</b>	16,334,782	65,484	139,883	52,816	(310,991)	345,374	16,627,348
<b>Total comprehensive income for the period</b>							
Net profit for the period	-	-	-	-	-	532,610	532,610
Other comprehensive Income	-	-	-	-	334,737	-	334,737
<b>Total comprehensive Income</b>	-	-	-	-	334,737	532,610	867,347
<b>Transactions with equity holders, recognised directly in equity</b>							
Fair value of ESOP	-	-	-	(1,101)	-	-	(1,101)
Transfers during the period	-	-	26,631	-	-	(26,631)	-
Repurchase of Shares	-	-	-	-	-	(117,719)	(117,719)
Dividend Paid	-	-	-	-	-	-	-
<b>Balance as at 30 September 2019</b>	16,334,782	65,484	166,514	51,715	23,746	733,634	17,375,875

GROUP	Statutory Reserve		Available for sale/		Retained Earnings	Total	Non-controlling Interest	Total Equity	
	Stated Capital	Share Warrants	Fund	ESOP Reserve					FVOCI Reserve
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
<b>Balance as at 1 January 2018</b>	16,334,782	65,484	131,519	35,848	155,377	714,444	17,437,454	404,262	17,841,716
<b>Total comprehensive income for the period</b>									
Net profit for the period	-	-	-	-	-	424,722	424,722	21,711	446,433
Other comprehensive Income	-	-	-	-	(240,112)	2,839	(237,273)	(3,304)	(240,577)
<b>Total comprehensive Income</b>	-	-	-	-	(240,112)	427,561	187,449	18,407	205,856
<b>Transactions with equity holders, recognised directly in equity</b>									
Fair value of ESOP	-	-	-	9,309	-	-	9,309	-	9,309
Transfers during the period	-	-	19,491	-	-	(19,491)	-	-	-
Dividend Paid	-	-	-	-	-	(109,141)	(109,141)	(49,000)	(158,141)
<b>Balance as at 30 September 2018</b>	16,334,782	65,484	151,010	45,157	(84,735)	1,013,374	17,525,071	373,669	17,898,740
<b>Balance as at 1 January 2019</b>	16,334,782	65,484	157,569	52,816	(306,184)	(43,734)	16,260,733	212,301	16,473,034
<b>Total comprehensive income for the period</b>									
Net profit for the period	-	-	-	-	-	568,692	568,692	37,257	605,949
Other comprehensive Income	-	-	-	-	334,736	-	334,736	(1,369)	333,367
<b>Total comprehensive Income</b>	-	-	-	-	334,736	568,692	903,428	35,888	939,316
<b>Transactions with equity holders, recognised directly in equity</b>									
Fair value of ESOP	-	-	-	(1,101)	-	-	(1,101)	-	(1,101)
Transfers during the period	-	-	26,631	-	-	(26,631)	-	-	-
Repurchase of Shares	-	-	-	-	-	(117,719)	(117,719)	-	(117,719)
Dividend Paid	-	-	-	-	-	-	-	-	-
<b>Balance as at 30 September 2019</b>	16,334,782	65,484	184,200	51,715	28,552	380,608	17,045,341	248,189	17,293,530

**STATEMENT OF CASH FLOWS**

Period ended 30 September 2019

	BANK		GROUP	
	30.09.2019 Rs.'000	30.09.2018 Rs.'000	30.09.2019 Rs.'000	30.09.2018 Rs.'000
<b>Cash flow from operating activities</b>				
Interest received	9,944,812	8,851,943	11,362,421	10,791,900
Fees and commission receipts	623,696	600,245	700,440	697,304
Interest paid	(6,562,950)	(6,002,908)	(7,402,237)	(6,888,683)
Receipts from Other operating activities	593,919	469,197	621,381	491,402
Payments on Other operating activities	(3,165,816)	(2,794,181)	(3,578,611)	(3,213,331)
<b>Operating profit/(loss) before changes in operating assets &amp; liabilities</b>	1,433,661	1,124,295	1,703,394	1,878,593
<b>(Increase)/decrease in operating assets:</b>				
Balance with Central Bank of Sri Lanka	2,065,564	(374,164)	2,065,564	(374,164)
Funds advanced to customers	(1,482,204)	(1,197,184)	(1,135,265)	(1,971,372)
Others	(257,725)	(414,336)	(239,026)	(456,627)
	325,635	(1,985,684)	691,273	(2,802,163)
<b>Increase /(decrease) in operating liabilities:</b>				
Due to other customers	(4,397,070)	5,727,385	(4,823,517)	6,187,657
Repurchased agreements	(9,613,402)	4,287,596	(9,563,391)	4,315,654
Other liabilities	(91,897)	(446,453)	(65,673)	(412,732)
	(14,102,369)	9,568,529	(14,452,581)	10,090,579
<b>Net cash from/(used in) operating activities before income tax</b>	(12,343,073)	8,707,140	(12,057,914)	9,167,008
Retiring gratuity paid	(9,591)	(14,642)	(10,471)	(18,701)
Income tax paid	(70,449)	(9,117)	(71,399)	(77,545)
<b>Net cash from operating activities</b>	(12,423,113)	8,683,381	(12,139,784)	9,070,763
<b>Cash flow from/(used in) investing activities</b>				
Dividends received	-	45,962	-	-
Net financial investment at fair value through profit or loss	296,211	-	296,211	-
Net financial investment in other financial assets - Held for trading	-	1,548,662	-	1,548,662
Net financial assets at amortised cost - Debt and other instruments	5,431,710	-	5,676,872	-
Net financial investments - Held to maturity	-	(4,572,903)	-	(4,572,903)
Net financial investments - Other loans and receivables	-	1,076,697	-	1,021,794
Net financial investment at fair value through other comprehensive income	660,961	-	642,643	-
Net financial investments - Available for sale	-	(1,074,325)	-	(1,016,554)
Net investment in real estates	-	-	231	9,848
Purchase of property & equipment	(119,764)	(110,139)	(136,522)	(142,853)
Purchase of intangible assets	(256,622)	(98,991)	(257,280)	(102,090)
Proceeds from sale of property & equipment	13,049	13,544	17,878	13,544
<b>Net cash used in investing activities</b>	6,025,545	(3,171,494)	6,240,033	(3,240,553)
<b>Cash flow from/(used in) financing activities</b>				
Increase in borrowings	3,239,502	(6,269,373)	2,825,568	(6,978,157)
Repurchase of Shares	(117,719)	-	(117,719)	-
Dividend paid	-	(109,141)	-	(158,141)
<b>Net cash from/ (used in) financing activities</b>	3,121,784	(6,378,513)	2,707,849	(7,136,298)
<b>Net Increase/(decrease) in cash and cash equivalents</b>	(3,275,784)	(866,627)	(3,191,902)	(1,306,088)
<b>Cash and cash equivalents at beginning of the year</b>	6,325,430	5,225,473	7,081,221	6,039,341
<b>Cash and cash equivalents at end of the period</b>	3,049,646	4,358,847	3,889,318	4,733,253
<b>Reconciliation of cash and cash equivalents</b>				
Cash in hand and at banks	2,417,051	2,242,634	2,800,344	2,646,889
Reverse repurchased agreements	584,091	794,469	1,155,418	1,169,214
Placements with banks	56,985	1,371,722	64,835	1,366,896
Due to banks - Unfavorable balances with banks	(8,481)	(49,978)	(131,279)	(449,747)
	3,049,646	4,358,847	3,889,318	4,733,253

The amounts for the period ended 30 September 2019 have been prepared in accordance with Sri Lanka Accounting Standard-SLFRS 9 (Financial Instruments), where prior period amounts have not been restated.

**STATEMENT OF CASH FLOWS**

Period ended 30 September 2019

**Reconciliation of liabilities arising from financing activities**

For the period ended 30 September 2019	Cash change		Non cash change	
	30 Sep 2019 Rs.'000	- Cash flow Rs.'000	- Foreign exchange movement Rs.'000	1 Jan 2019 Rs.'000
<b>BANK</b>				
Due to banks	12,411,746	3,015,508	48,029	9,348,209
Other borrowed funds	1,277,203	42,983	-	1,234,220
Less : Unfavorable balances with banks	(8,481)	266,188	-	(274,669)
Less : Interest payable	(185,313)	(85,176)	-	(100,137)
	<b>13,495,154</b>	<b>3,239,502</b>	<b>48,029</b>	<b>10,207,623</b>
<b>GROUP</b>				
Due to banks	12,534,543	2,970,967	48,029	9,515,547
Other borrowed funds	2,587,034	(334,613)	-	2,921,647
Less : Unfavorable balances with banks	(131,279)	310,728	-	(442,007)
Less : Interest payable	(325,431)	(121,514)	-	(203,917)
	<b>14,664,868</b>	<b>2,825,568</b>	<b>48,029</b>	<b>11,791,270</b>
<b>For the period ended 30 September 2018</b>				
	<b>30 Sep 2018</b>	<b>Cash change</b>	<b>Non cash change</b>	<b>1 Jan 2018</b>
	<b>Rs.'000</b>	<b>- Cash flow</b>	<b>- Foreign exchange</b>	<b>Rs.'000</b>
		<b>Rs.'000</b>	<b>movement</b>	
			<b>Rs.'000</b>	
<b>BANK</b>				
Due to banks	10,780,054	(6,343,236)	(85,351)	17,208,641
Other borrowed funds	1,286,845	62,033	-	1,224,812
Less : Unfavorable balances with banks	(49,978)	140,229	-	(190,207)
Less : Interest payable	(272,861)	(128,399)	-	(144,462)
	<b>11,744,060</b>	<b>(6,269,373)</b>	<b>(85,351)</b>	<b>18,098,784</b>
<b>GROUP</b>				
Due to banks	11,038,905	(6,174,472)	(85,351)	17,298,727
Other borrowed funds	2,573,046	(395,187)	-	2,968,233
Less : Unfavorable balances with banks	(449,747)	(263,679)	-	(186,068)
Less : Interest payable	(329,040)	(144,820)	-	(184,220)
	<b>12,833,164</b>	<b>(6,978,157)</b>	<b>(85,351)</b>	<b>19,896,672</b>

- 1 There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2018.
- 2 There are no material changes during the period in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.
- 3 These Interim financial statements are presented in accordance with LKAS 34 - "Interim Financial Reporting" and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 4 The Group financial statements comprise a consolidation of the financial statements of the Bank and its subsidiaries, National Asset Management Limited & UB Finance Company Limited and the Special Purpose Entity, Serandib Capital (Private) Limited.
- 5 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements other than stated below;
  - 5.1 Sow Lin Chiew (Non-Independent-Non-Executive Director) resigned with effective from 5 April 2019. Hence, her alternate Director Yoke Sun Woon ceased to be an alternate director as well.
  - 5.2 Mr. Drayton Sarath Palitha Wikramanayake appointed as an Independent, Non-Executive Director to the Board with effective from 21 June 2019.
  - 5.3 Mr. Keshav Thakkar, Alternate Director to Mr. Puneet Bhatia resigned with effective from 14 June 2019.
  - 5.4 Mr. Sanjeev Mehra was appointed as Alternate Director to Mr. Puneet Bhatia with effect from 29th July 2019.
  - 5.5 Pursuant to the Share Repurchase Offer made by the Bank to its shareholders in June 2019, the Bank repurchased 7,847,911 ordinary shares at a consideration of Rs.15/- per share and the said shares so repurchased were cancelled with effect from 5th September 2019. Consequently, the number of shares representing the Stated Capital of the Bank was reduced from 1,091,406,249 to 1,083,558,338 with effect from 5th September 2019.
  - 5.6 National Assets Management Limited formed a subsidiary "Rockfort Advisory (Pvt) Limited" on 15th May 2019. The Principal Activity of the company is to provide "Financial and Real Estate Consultancy" Services.

6 Information on Ordinary Shares

<b>Market Value</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Last traded price	13.50	10.80
Highest price for the quarter	14.30	12.90
Lowest price for the quarter	11.30	10.80

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

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

	BANK		GROUP	
	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Term loans	43,541,978	41,034,410	45,633,105	42,729,945
Overdrafts	11,067,692	11,904,826	11,067,692	11,851,545
Trade finance	5,142,055	5,908,911	5,142,055	5,908,911
Lease and hire purchase	815,116	1,192,136	5,853,423	7,199,578
Factoring	507,444	725,547	1,988,497	2,543,911
Pawning	402,225	459,792	402,225	508,288
Credit Cards	915,216	243,428	915,216	243,428
Staff loans	828,907	854,000	828,907	854,000
Others	-	-	-	148,950
<b>By Product - Local Currency</b>	<b>63,220,633</b>	<b>62,323,050</b>	<b>71,831,120</b>	<b>71,988,556</b>
Term loans	5,407,418	5,982,306	5,407,418	5,982,306
Overdrafts	60,785	133,632	60,785	133,632
Trade finance	8,311,471	7,348,048	8,311,471	7,348,048
<b>By Product - Foreign Currency</b>	<b>13,779,674</b>	<b>13,463,985</b>	<b>13,779,674</b>	<b>13,463,985</b>
<b>Total Loans and Receivables</b>	<b>77,000,307</b>	<b>75,787,035</b>	<b>85,610,794</b>	<b>85,452,541</b>

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

	BANK		GROUP	
	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Gross loans and advances (Note 7.1)	77,000,307	75,787,035	85,610,794	85,452,541
Less: Accumulated impairment under stage 1	(561,291)	(605,502)	(632,574)	(666,168)
Accumulated impairment under stage 2	(71,204)	(89,109)	(151,583)	(187,695)
Accumulated impairment under stage 3	(1,370,001)	(1,343,216)	(1,950,451)	(2,478,610)
<b>Net value of loans and advances</b>	<b>74,997,811</b>	<b>73,749,208</b>	<b>82,876,186</b>	<b>82,120,068</b>

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

	Stage 1	Stage 2	Stage 3	Total
<b>BANK</b>				
Opening balance as at 1 January 2019	605,502	89,109	1,343,216	2,037,827
Charge to statement of profit or loss	(44,211)	(17,905)	418,145	356,029
Net write-off during the period	-	-	(391,360)	(391,360)
Closing Balance as at 30 September 2019	561,291	71,204	1,370,001	2,002,496
<b>GROUP</b>				
Opening balance as at 1 January 2019	666,168	187,695	2,478,610	3,332,473
Charge to statement of profit or loss	(33,594)	(36,112)	538,395	468,689
Net write-off during the period	-	-	(1,066,553)	(1,066,553)
Closing Balance as at 30 September 2019	632,574	151,583	1,950,451	2,734,609
<b>BANK</b>				
Opening balance as at 1 January 2018	659,080	40,224	1,082,118	1,781,422
Charge to statement of profit or loss	(53,456)	48,885	309,978	305,407
Net write-off during the year	(122)	-	(48,880)	(49,002)
Closing Balance as at 31 December 2018	605,502	89,109	1,343,216	2,037,827
<b>GROUP</b>				
Opening balance as at 1 January 2018	715,492	122,434	2,000,144	2,838,070
Charge to statement of profit or loss	(49,202)	65,261	527,344	543,403
Net write-off during the year	(122)	-	(48,878)	(49,000)
Closing Balance as at 31 December 2018	666,168	187,695	2,478,610	3,332,473

**8. DUE TO OTHER CUSTOMERS**

	BANK		GROUP	
	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited
<b>Local Currency Deposits</b>				
Demand deposits	3,008,095	3,634,418	3,007,932	3,634,287
Savings deposits	12,180,791	11,784,873	12,058,099	11,723,271
Fixed deposits	42,173,517	49,275,332	48,898,474	56,352,115
Other deposits	2,368,045	2,483,518	2,368,045	2,483,518
<b>Total</b>	<b>59,730,448</b>	<b>67,178,141</b>	<b>66,332,550</b>	<b>74,193,191</b>
<b>Foreign Currency Deposits</b>				
Demand deposits	504,489	408,737	504,489	408,737
Savings deposits	4,015,513	2,891,468	4,015,513	2,891,468
Fixed deposits	10,456,628	8,772,727	10,456,628	8,772,727
<b>Total</b>	<b>14,976,630</b>	<b>12,072,932</b>	<b>14,976,630</b>	<b>12,072,932</b>
<b>Total Deposits</b>	<b>74,707,078</b>	<b>79,251,073</b>	<b>81,309,180</b>	<b>86,266,123</b>

**9. ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT**

**9.1 Product-wise Commitments and Contingencies**

	BANK		GROUP	
	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited	30.09.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Undrawn loan commitments	8,820,424	8,909,109	8,927,582	9,006,300
Guarantees	5,232,055	6,916,823	5,232,055	6,916,823
Letters of credit	31,942	36,516	31,942	36,516
Forward contracts	3,984,718	1,390,760	3,984,718	1,390,760
Cheque pending for realisation	826,337	887,413	826,337	887,413
Forward Bonds	565,928	-	565,928	-
Other contingent items	2,645,739	1,834,905	2,645,739	1,929,337
<b>By Product - Local Currency</b>	<b>22,107,143</b>	<b>19,975,526</b>	<b>22,214,301</b>	<b>20,167,149</b>
Undrawn loan commitments	4,418,482	4,647,081	4,418,482	4,647,081
Guarantees	2,586,026	1,131,188	2,586,026	1,131,188
Letters of credit	2,016,013	1,924,537	2,016,013	1,924,537
Forward contracts	487,458	4,350,969	487,458	4,350,969
Spot contracts	1,300,626	540,168	1,300,626	540,168
Acceptances	601,318	758,373	601,318	758,373
Other contingent items	1,044,313	1,009,362	1,044,313	1,009,362
<b>By Product - Foreign Currency</b>	<b>12,454,236</b>	<b>14,361,678</b>	<b>12,454,236</b>	<b>14,361,678</b>
<b>Commitments and Contingencies</b>	<b>34,561,379</b>	<b>34,337,204</b>	<b>34,668,538</b>	<b>34,528,827</b>

**9.2 Stage-wise impairment on commitment and contingencies**

	BANK		GROUP	
	30.06.2019 Rs.'000	31.12.2018 Rs.'000 Audited	30.06.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Gross Commitments and Contingencies (Note 9.1)	34,561,379	34,337,204	34,668,538	34,528,827
Less: Accumulated impairment under stage 1	(79,785)	(42,049)	(80,177)	(43,089)
Accumulated impairment under stage 2	(516)	(2,874)	(847)	(3,300)
Accumulated impairment under stage 3	(2,457)	(35,359)	(51,828)	(52,818)
<b>Net value of commitments and contingencies</b>	<b>34,478,621</b>	<b>34,256,922</b>	<b>34,535,685</b>	<b>34,429,620</b>

**9.3 Movement of impairment during the period for Commitments & Contingencies**

	Stage 1	Stage 2	Stage 3	Total
<b>BANK</b>				
Opening balance as at 1 January 2019	42,049	2,874	35,359	80,282
Charge to statement of profit or loss	37,736	(2,358)	(32,902)	2,476
Net write-off during the period	-	-	-	-
Closing Balance as at 30 September 2019	79,785	516	2,457	82,758
<b>GROUP</b>				
Opening balance as at 1 January 2019	43,089	3,300	52,818	99,207
Charge to statement of profit or loss	37,088	(2,453)	(990)	33,645
Net write-off during the period	-	-	-	-
Closing Balance as at 30 September 2019	80,177	847	51,828	132,852
<b>BANK</b>				
Opening balance as at 1 January 2018	21,816	344	25,128	47,288
Charge to statement of profit or loss	20,233	2,530	10,231	32,994
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2018	42,049	2,874	35,359	80,282
<b>GROUP</b>				
Opening balance as at 1 January 2018	21,816	344	25,128	47,288
Charge to statement of profit or loss	21,273	2,956	27,690	51,919
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2018	43,089	3,300	52,818	99,207

	Corporate		SME		Retail		Treasury		Other Group Companies		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Period ended 30 September 2019</b>												
Interest Income	3,088,610	2,802,276	2,524,868	2,507,196	1,711,913	1,470,816	2,626,959	1,899,516	1,443,326	1,728,911	11,395,677	10,408,715
Add: Inter-Segment Interest Income	-	-	-	-	2,008,804	2,257,471	910,936	442,274	-	-	2,919,739	2,699,745
<b>Total Interest Income</b>	3,088,610	2,802,276	2,524,868	2,507,196	3,720,717	3,728,287	3,537,895	2,341,790	1,443,326	1,728,911	14,315,416	13,108,460
Less: Interest Expense	808,196	792,001	1,211,103	747,845	3,407,715	3,369,143	1,207,847	1,268,442	728,109	889,349	7,362,969	7,066,780
Less: Inter-Segment Interest Expense	1,997,843	1,515,870	921,897	1,183,875	-	-	-	-	-	-	2,919,739	2,699,745
<b>Net Interest Income</b>	282,572	494,405	391,868	575,476	313,002	359,144	2,330,047	1,073,348	715,218	839,562	4,032,707	3,341,935
Other Income	172,495	149,948	291,013	327,902	336,344	166,986	537,817	579,758	106,224	103,823	1,443,894	1,328,417
<b>Total Net Income</b>	455,067	644,353	682,882	903,378	649,346	526,130	2,867,865	1,653,106	821,442	943,385	5,476,601	4,670,352
Less : Expenses including impairments	374,589	325,241	1,041,439	986,915	1,744,508	1,472,874	295,314	253,474	574,790	542,170	4,030,641	3,580,674
<b>Segmental Results</b>	80,478	319,112	(358,558)	(83,537)	(1,095,162)	(946,744)	2,572,551	1,399,632	246,652	401,215	1,445,961	1,089,678
Less: VAT and NBT on Financial Services											588,315	364,466
Less: Taxation											251,697	278,781
<b>Profit after Taxation</b>											605,949	446,431
<b>As at 30 September</b>												
<b>Other Information</b>												
Segment Assets	35,052,000	34,035,398	26,163,000	22,712,425	15,605,000	13,877,363	28,323,000	32,472,745	14,443,304	23,431,648	119,586,304	126,529,579
Unallocated											4,474,356	4,644,882
<b>Consolidated Total Assets</b>											124,060,660	131,174,461
Segment Liabilities	15,553,000	14,363,992	10,733,000	10,840,887	47,147,000	48,709,869	20,548,000	26,376,926	10,396,925	10,930,998	104,377,925	111,222,672
Unallocated											2,389,206	2,053,049
<b>Consolidated Total Liabilities</b>											106,767,130	113,275,721
Cash flow from operating activities	(4,968,016)	1,501,265	(7,455,097)	2,104,761	(7,088,987)	1,225,819	(31,308,809)	3,851,535	38,681,124	387,382	(12,139,784)	9,070,763
Cash flow from investing activities	237,475	(33,815)	356,360	(47,408)	338,859	(27,611)	6,928,296	(3,062,660)	(1,620,957)	(69,059)	6,240,033	(3,240,553)
Cash flow from financing activities	-	-	-	-	-	-	3,239,502	(6,378,513)	(531,653)	(757,785)	2,707,849	(7,136,298)

## INTERIM FINANCIAL STATEMENTS

### INFORMATION ON ORDINARY SHARES OF THE BANK

As at 30 September 2019

#### TOP 20 SHAREHOLDERS

	Name	No. of shares as at 30.09.2019	% holding
1	Culture Financial Holdings Ltd	764,464,374	70.55%
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	ARRC Capital (Pvt) Ltd	3,071,352	0.28%
17	Ideal Motors (Private) Limited	2,780,607	0.26%
18	Rosewood (Pvt) Ltd	2,774,542	0.26%
19	Mr. T.N. Wijewardane	1,729,162	0.16%
20	Mr. H.P.B. Dayananda	1,610,000	0.15%
		<b>983,715,990</b>	<b>90.81%</b>
	Other shareholders	99,842,348	9.19%
	<b>Total</b>	<b>1,083,558,338</b>	<b>100.00%</b>

#### As at 30th September 2019

Number of shares in public holding	319,434,164
Number of public shareholders	30,952
Percentage of public holding	29.44%
Market capitalisation (Rs.)	14,628,037,563
Float adjusted market capitalisation	4,305,881,197
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 30.09.2019
Mr. Atul Malik	None
Mr. Priyantha Fernando	None
Mr. Sabry Ghouse	None
Mr. Ranvir Dewan	None
Mr. Gaurav Trehan	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 September 2019 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 September 2019**

	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	-	-	2,417,051	2,417,051
Balances with Central Bank of Sri Lanka	-	-	2,154,367	2,154,367
Placements with banks	-	-	56,985	56,985
Reverse repurchased agreements	-	-	584,149	584,149
Derivative financial instruments	25,590	-	-	25,590
Financial investments at fair value through profit or loss	2,517,713	-	-	2,517,713
Financial assets at amortised cost - loans and advances to customers	-	-	74,997,811	74,997,811
Financial assets at amortised cost - debt and other instruments	-	-	11,107,302	11,107,302
Financial investments at fair value through other comprehensive income	-	17,499,679	-	17,499,679
Other financial assets	-	-	119,324	119,324
<b>Total financial assets</b>	<b>2,543,303</b>	<b>17,499,679</b>	<b>91,436,989</b>	<b>111,479,971</b>

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
<b>LIABILITIES</b>			
Due to banks	-	12,411,746	12,411,746
Derivative financial instruments	2,013	-	2,013
Repurchased agreements	-	7,945,154	7,945,154
Due to customers	-	74,707,078	74,707,078
Other borrowed funds	-	1,277,203	1,277,203
Other financial liabilities	-	909,517	909,517
<b>Total financial liabilities</b>	<b>2,013</b>	<b>97,250,698</b>	<b>97,252,711</b>

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

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

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

**INTERIM FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**

As at 30 September 2019

**MEASUREMENT OF FINANCIAL INSTRUMENTS**

**a. Group - As at 30 September 2019**

	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	-	-	2,800,344	2,800,344
Balances with Central Bank of Sri Lanka	-	-	2,154,367	2,154,367
Placements with banks	-	-	64,086	64,086
Reverse repurchased agreements	-	-	1,155,476	1,155,476
Derivative financial instruments	25,590	-	-	25,590
Financial investments at fair value through profit or loss	2,517,713	-	-	2,517,713
Financial assets at amortised cost - loans and advances to customers	-	-	82,876,186	82,876,186
Financial assets at amortised cost - debt and other instruments	-	-	10,307,277	10,307,277
Financial investments at fair value through other comprehensive income	-	17,566,865	-	17,566,865
Other financial assets	-	-	123,269	123,269
<b>Total financial assets</b>	<b>2,543,302</b>	<b>17,566,865</b>	<b>99,481,005</b>	<b>119,591,172</b>

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
<b>LIABILITIES</b>			
Due to banks	-	12,534,543	12,534,543
Derivative financial instruments	2,013	-	2,013
Repurchased agreements	-	7,945,154	7,945,154
Due to customers	-	81,309,180	81,309,180
Other borrowed funds	-	2,587,034	2,587,034
Other financial liabilities	-	1,035,902	1,035,902
<b>Total financial liabilities</b>	<b>2,013</b>	<b>105,411,813</b>	<b>105,413,826</b>

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

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

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

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

Item	BANK		GROUP	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
<b>Regulatory Capital - Rs '000</b>				
Common Equity Tier 1 (Basel III)	14,252,615	15,031,473	14,700,666	15,557,644
Tier 1 Capital / Core Capital (Basel III)	14,252,615	15,031,473	14,700,666	15,557,644
Total Capital / Total Capital Base (Basel III)	14,549,508	15,031,473	15,409,031	15,557,644
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2019 - 7%, 2018 - 6.375%)	16.13%	17.41%	15.52%	16.47%
Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2019 - 8.5%, 2018 - 7.875%)	16.13%	17.41%	15.52%	16.47%
Total Capital Ratio (Minimum Requirement as per Basel III 2019 - 12.5%, 2018- 11.875%)	16.46%	17.41%	16.27%	16.47%
Leverage Ratio (Minimum Requirement - 3%)	10.58%	N/A	10.22%	N/A
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit, Rs. '000	17,885,738	18,006,765		
Foreign Currency Banking Unit, USD '000	14,061	12,791		
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	21.36%	21.77%		
Foreign Currency Banking Unit	23.96%	21.14%		
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement 2019 - 100%, 2018- 90%)	158.20%	335.43%		
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement 2019 - 100%, 2018- 90%)	124.01%	131.50%		
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	115.34%	N/A		
<b>Assets Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio, % (Net of interest in suspense)	5.22%	3.68%		
Net Non-Performing Advances,% (Net of interest in suspense and provision)	3.90%	2.51%		
<b>Profitability</b>				
Interest Margin, %	3.83%	2.98%		
Return on Assets (Before Tax), %	0.98%	0.63%		
Return on Assets (After Tax), %	0.59%	0.39%		
Return on Equity (After Tax), %	4.18%	2.74%		

**Name of Company**

Union Bank of Colombo PLC

**Legal Form**

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

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

**Date of Incorporation**

February 2nd, 1995

**Company Registration Number**

PB 676 PQ

**Accounting Year-end**

December-31

**Subsidiary Companies**

National Asset Management Ltd

UB Finance Company Ltd

**Tax Payer Identity Number (TIN)**

134005610

**VAT Registration Number**

134005610-7000

**Credit Rating**

Fitch : BBB- (lka)

ICRA : (SL) BBB Stable Rating

**Registered Office & Principal Place of Business**

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

**Auditors**

M/s. Ernst & Young

Chartered Accountants,

No. 201, De Saram Place,

Colombo 10.