UNION BANK

Key Regulatory Ratios-Capital and Liquidity

As at	BANK		GROUP	
	31-Mar-20	31-Dec-2019	31-Mar-20	31-Dec-2019
Regulatory Capital (LKR '000)				
Common Equity Tier 1	15,174,914	15,286,211	15,725,245	15,810,228
Tier 1 Capital	15,174,914	15,286,211	15,725,245	15,810,228
Total Capital	15,299,067	15,413,097	16,247,772	16,050,219
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020-6.5% & 2019 -7.0%)	15.69%	16.61%	15.01%	16.12%
Tier 1 Capital Ratio (Minimum Requirement- 2020 - 8.0% & 2019 -8.5%)	15.69%	16.61%	15.01%	16.12%
Total Capital Ratio (Minimum Requirement- 2020 - 12.0% & 2019 - 12.5%)	15.81%	16.75%	15.50%	16.36%
Leverage Ratio (Minimum Requirement - 3%)	10.02%	10.64%	9.99%	10.36%
Regulatory Liquidity				
Statutory liquid Assets				
Domestic Banking Unit (LKR'000)	20,892,693	19,095,889		
Off-Shore Banking Unit (USD'000)	14,008	13,587		
Statutory liquid Assets Ratio % (Minimum Requirement-20%)				
Domestic Banking Unit (%)	24.23%	22.95%		
Off -Shore Banking Unit (%)	21.91%	21.95%		
Liquidity Coverage Ratio (%)				
Rupee (Minimum Requirement - 2020 - 100% & 2019 - 100%)	185.55%	225.57%		
All Currency (Minimum Requirement- 2020-100% & 2019- 100%)	123.47%	154.70%		

Basel III Computation of Capial Ratio

As at	31-Mar-20		31-Dec-2019	
	BANK	GROUP	BANK	GROUP
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Common Equity Tier I (CETI) Capital after Adjustments	**15,174,914**	**15,725,245**	**15,286,211**	**15,810,228**
Total Common Equity Tier I (CET1) Capital	**18,048,177**	**17,850,089**	**18,118,854**	**17,923,453**
Equity capital or stated capital/assigned capital	16,334,782	16,334,782	16,334,782	16,334,782
Reserve fund	175,400	200,020	175,400	200,020
Published retained earnings/(Accumulated retained losses)	1,207,761	855,387	1,278,438	925,538
Published Accumulated other comprehensive income (OCI)	213,324	213,324	213,324	213,324
General and other disclosed reserves	116,910	116,910	116,910	116,910
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	129,666	-	132,879
Total Adjustments to CET1 Capital	**2,873,263**	**2,124,844**	**2,832,644**	**2,113,224**
Goodwill (net)	-	113,031	-	113,031
Other intangible assets (net)	1,371,150	1,606,961	1,329,791	1,565,636
Deferred tax assets (net)	-	404,852	-	434,557
Significant investments in the capital of financial institutions where the bank owns more than 10 per cent of the issued ordinary share capital of the entity	743,638	-	744,378	-
Shortfall of capital in financial subsidiaries	758,475	-	758,475	-
Additional Tier 1 (AT1) Capital after Adjustments	-	-	-	-
Total Additional Tier 1 (ATI) Capital	-	-	-	-
Total Adjustments to AT1 Capital	-	-	-	-
Tier 2 Capital after Adjustments	**124,153**	**522,526**	**126,886**	**239,991**
Total Tier 2 Capital	**424,153**	**522,526**	**426,886**	**239,991**
General provisions	424,153	522,526	426,886	239,991
Total Adjustments to Tier 2 Capital	**300,000**	**-**	**300,000**	**-**
Investments in the capital of financial institutions and where the bank does not own more than 10 per cent of the issued capital carrying voting rights of the issuing entity	300,000	-	300,000	-
CET1 Capital	**15,174,914**	**15,725,245**	**15,286,211**	**15,810,228**
Total Tier 1 Capital	**15,174,914**	**15,725,245**	**15,286,211**	**15,810,228**
Total Capital	**15,299,067**	**16,247,772**	**15,413,097**	**16,050,219**

As at	31-Mar-20		31-Dec-2019	
	BANK	GROUP	BANK	GROUP
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total Risk Weighted Amount (RWA)	**96,744,827**	**104,791,618**	**92,045,633**	**98,097,743**
RWAs for Credit Risk	80,374,855	87,054,455	78,348,894	83,190,868
RWAs for Market Risk	9,895,546	9,979,346	7,672,787	7,751,862
RWAs for Operational Risk	6,474,426	7,757,817	6,023,952	7,155,013
CET1 Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	**15.69%**	**15.01%**	**16.61%**	**16.12%**
of which : Capital Conservation Buffer (%)	2.00%	2.00%	2.50%	2.50%
of which : Countercyclical Buffer (%)	-	-	-	-
Total Tier 1 Capital Ratio (%)	**15.69%**	**15.01%**	**16.61%**	**16.12%**
Total Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	**15.81%**	**15.50%**	**16.75%**	**16.36%**
of which : Capital Conservation Buffer (%)	2.00%	2.00%	2.50%	2.50%
of which : Countercyclical Buffer (%)	-	-	-	-

Computation of Leverage Ratio

As at	31-Mar-20	
	BANK	GROUP
	Rs.'000	Rs.'000
Total Exposure	**148,553,307**	**157,365,637**
On-balance sheet items (excluding Derivatives and Securities Financing Transactions,but including Collateral)	128,138,529	136,897,280
Derivative Exposures	312,375	312,375
Securities Financing Transaction Exposures	13,687,386	13,687,386
Other Off -Balance Sheet Exposures	6,415,017	6,468,596
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**10.02%**	**9.99%**

Basel III Computation of Liquidity Coverage Ratio

As at	31-March-20		31-Dec-2019	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total stock of High -Quality Liquid Assets (HQLA)	**20,049,528**	**19,607,781**	**14,356,196**	**14,276,051**
Total Adjusted Level 1A Assets	**20,049,528**	**20,049,528**	**14,356,196**	**14,276,051**
Level 1 Assets	**19,607,781**	**19,607,781**	**14,276,051**	**14,276,051**
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	**113,134,908**	**20,049,434**	**108,742,620**	**20,220,691**
Deposits	60,836,808	5,495,121	59,714,794	5,722,068
Unsecured Wholesale Funding	25,059,157	13,196,910	21,535,751	13,291,069
Secured funding transaction	-	-	-	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	27,212,245	1,330,706	27,492,075	1,207,554
Additional requirements	26,697	26,697	-	-
Total Cash inflows	**5,974,316**	**4,168,577**	**18,121,070**	**10,992,504**
Maturing secured lending transactions backed by the following collateral	1,268,845	1,268,845	1,858,269	1,858,269
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 days	3,618,885	2,899,731	15,818,467	9,132,521
Operational deposits	1,086,585	-	442,620	-
Other cash inflows	-	-	1,714	1,714
Liquidity Coverage Ratio,(%)(Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calender Days)*100		**123%**		**155%**

Main Features of Regulatory Capital Instruments

As at	31-Mar-20	
	BANK	GROUP
	Rs.'000	Rs.'000
Description of the Capital Instrument	**-**	**-**
Issuer	-	-
Unique Identifier	-	-
Governing Law(s) of the Instrument	-	-
Orginal Date of Issuance	-	-
Par Value of Instrument	-	-
Perpetual or Dated	-	-
Orginal Maturity Date.if Applicable	-	-
Amount Recongnized in Regulatory Capital (in LKR '000 as at the Reporting Date)	15,299,067 *	16,247,772**
Accounting Classification (Equity/Liability)	Equity	Equity
Issuer Call subject to Prior Supervisory Approval	**-**	**-**
Optional Call Date,Contingent Call Dates and Redemption Amount (LKR '000)	-	-
Subsequent Call Dates, if Applicable	-	-
Coupons/Dividends	**-**	**-**
Fixed or Floating Dividend/Coupon	-	-
Coupon Rate and any Related Index	-	-
Non-Cumulative or Cumulative	-	-
Convertible or Non-Convertible	**-**	**-**
If Convertible ,Conversion Trigger (s)	-	-
If Convertible ,Fully or Partially	-	-
If Convertible ,Mandatory or Optional	-	-
If Convertible ,Conversion Rate	-	-

Note :
* Tier 1 & Tier 2 Insruments not yet issued.

Credit Risk under Standardised Approach-Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

31-Mar-20	BANK					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post (CCF) and CRM		RWA and RWA Density	
Asset Classes	Amount	Amount	Amount	Sheet Amount	RWA	RWA Density
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%
Claims on Central Government and Central Bank of Sri Lanka	-	-	16,335,363	-	735,550	5%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	0%
Claims on Public Sector Entities	-	-	-	-	-	0%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	0%
Claims on Banks Exposures	1,914,945	119,886	1,914,945	119,886	960,369	39%
Claims on Financial Institutions	7,192,368	65,691	7,192,368	65,691	5,838,211	81%
Claims on Corporates	27,576,104	4,104,842	27,576,104	1,496,588	27,307,131	94%
Retail Claims	24,867,495	28,955,720	20,354,434	4,410,519	22,442,181	85%
Claims Secured by Residential Property	8,933,558	-	8,933,558	-	7,729,770	87%
Claims Secured by Commercial Real Estate	6,475,585	-	6,475,585	-	6,475,585	100%
Non-Performing Assets (NPAs)	4,812,842	-	4,812,842	-	5,950,359	124%
Higher-risk Categories	166,770	-	166,770	-	416,926	250%
Cash Items and Other Assets	9,398,796	322,333	4,549,708	322,333	2,518,773	55%
Total	**107,673,826**	**33,568,472**	**98,311,676**	**6,415,017**	**80,374,855**	**82%**

31-Mar-20	GROUP					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post (CCF) and CRM		RWA and RWA Density	
Asset Classes	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%
Claims on Central Government and Central Bank of Sri Lanka	16,929,029	-	16,929,029	-	735,550	4%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	1,925,577	44%
Claims on Public Sector Entities	-	-	-	-	-	0%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	0%
Claims on Banks Exposures	2,169,783	119,886	2,169,783	119,886	1,022,838	38%
Claims on Financial Institutions	6,723,055	65,691	6,723,055	65,691	5,603,555	86%
Claims on Corporates	27,576,206	4,104,842	27,629,785	1,496,588	27,307,233	97%
Retail Claims	29,459,205	29,062,878	24,892,565	4,410,519	25,597,394	101%
Claims Secured by Residential Property	10,166,118	-	10,166,118	-	8,652,020	85%
Claims Secured by Commercial Real Estate	6,587,425	-	6,587,425	-	6,587,425	100%
Non-Performing Assets (NPAs)	5,630,639	-	5,630,639	-	6,761,699	120%
Higher-risk Categories	-	-	-	-	-	0%
Cash Items and Other Assets	10,548,126	322,333	4,918,921	322,333	2,861,165	58%
Total	**115,789,585**	**33,675,630**	**105,647,320**	**6,415,017**	**87,054,455**	**78%**

Market Risk under Standardised Measurment Method		
31-Mar-20	**Risk Weighted Assets**	
	BANK	**GROUP**
	Rs.'000	**Rs.'000**
(a)RWA for Interest Rate Risk	**654,287**	**654,287**
General Interest Rate Risk	654,287	654,287
(I) Net Long or Short Position	654,287	654,287
(II) Horizontal Disallowance	-	-
(iii) Vertical Disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	**-**	**-**
(b)RWA for Equity	**505,249**	**515,305**
(i) General Equity Risk	252,624	257,734
(ii) Specific Equity Risk	252,624	257,570
(C)RWA for Foreign Exchange & Gold	**27,930**	**27,930**
Capital Charge for Market Risk [(a)+(b)+(c)] * CAR	**9,895,546**	**9,979,346**

Operational Risk under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach

31-Mar-20	Capital Charge Factor	Fixed Factor	BANK			Capital Charge Factor	GROUP		
			Gross Income				Gross Income		
			1^{st} Year	2nd Year	3^{rd} Year		1^{st} Year	2nd Year	3^{rd} Year
			Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000
The Basic Indicator Approach	**15%**		4,262,297	5,247,856	6,028,469		5,250,252	6,369,687	6,998,821
The Standardised Approach			-	-	-		-	-	-
Corporate Finance	18%		-	-	-		-	-	-
Trading and Sales	18%		-	-	-		-	-	-
Payment and Settlement	18%		-	-	-		-	-	-
Agency Services	15%		-	-	-		-	-	-
Asset Management	12%		-	-	-		-	-	-
Retail Brokerage	12%		-	-	-		-	-	-
Retail Banking	12%		-	-	-		-	-	-
Commercial Banking	15%		-	-	-		-	-	-
The Alternative Standardised Approach									
Corporate Finance	18%		-	-	-		-	-	-
Trading and Sales	18%		-	-	-		-	-	-
Payment and Settlement	18%		-	-	-		-	-	-
Agency Services	15%		-	-	-		-	-	-
Asset Management	12%		-	-	-		-	-	-
Retail Brokerage	12%		-	-	-		-	-	-
Retail Banking	12%	0.035	-	-	-		-	-	-
Commercial Banking	15%	0.035	-	-	-		-	-	-
Capital Charges for Operational Risk (LKR'000)									
The Basic Indicator Approach	776,931						930,938		
The Standardised Approach									
The Alternative Standardised Approach									
Risk-Weighted Amount for Operational Risk (LKR'000)									
The Basic Indicator Approach	6,474,426						7,757,817		
The Standardised Approach									
The Alternative Standardised Approach									

Differnce between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories-Bank Only

31-Mar-20	a	b	c	d	e
	Carrying Valves as Reported in Published Financial Statements	Carrying Valves under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets	**131,195,750**	**130,567,428**	**95,880,455**	**22,647,657**	**11,476,937**
Cash and cash equivalents	3,349,278	3,466,886	3,466,886	-	-
Balances with Central Bank of Sri Lanka	1,748,441	1,748,441	1,748,441	-	-
Placements with Banks	68,638	68,638	68,638	-	-
Reverse repurchased agreements	243,449	243,391	243,391	-	-
Derivative financial instruments	59,432	-	-	-	-
Financial investments at fair value through profit or loss	4,700,483	4,650,729	-	4,650,729	-
Financial assets at amortised cost - loans and advances to customers	-	78,041,005	68,678,866	-	9,362,149
Financial assets at amortised cost - debt and other instruments	78,266,306	19,638,055	19,338,055	-	300,000
Financial investments at fair value through other comprehensive income	19,789,163	17,999,458	2,530	17,996,928	-
Current tax assets	18,353,752	-	-	-	-
Investments in subsidiaries	910,409	1,172,797	166,770	-	443,638
Goodwill and intangible assets	1,371,150	1,371,150	-	-	1,371,150
Property, plant and equipment	1,373,084	679,847	679,847	-	-
Other assets	962,164	1,487,029	1,487,029	-	-
Liabilities	**113,596,206**	**113,014,164**	**-**	**-**	**-**
Due to Banks	12,224,836	11,572,920	-	-	-
Derivative financial instruments	72,519	-	-	-	-
Repurchased agreements	13,537,248	-	-	-	-
Due to other customers	83,924,389	81,853,102	-	-	-
Other borrowings	1,280,556	14,762,334	-	-	-
Current tax liabilities	86,022,707	-	-	-	-
Deferred tax liabilities	83,360	-	-	-	-
Other liabilities	2,387,275	4,825,808	-	-	-
Off -balance sheet liabilities	**33,440,987**	**33,440,987**	**33,440,987**	**-**	**-**
Guarantees	5,584,798	5,584,798	5,584,798	-	-
Performance bonds	3,022,860	3,022,860	3,022,860	-	-
Letter of credits	3,201,422	3,201,422	3,201,422	-	-
Other contingent items	6,783,619	6,783,619	6,783,619	-	-
Undrawn loan commitments	3,839,761	3,839,761	3,839,761	-	-
Other commitments	11,008,527	11,008,527	11,008,527	-	-
Equity					
Stated capital	16,334,782	16,334,782	-	-	-
Share warrants	65,484	65,484	-	-	-
Statutory reserve fund	184,398	95,439	-	-	-
ESOP reserve	52,557	52,557	-	-	-
Fair value reserve	104,249	-	-	-	-
Retained earnings	858,075	1,005,001	-	-	-
Total equity attributable to equity holders of the bank	17,599,545	17,553,264	-	-	-
Total equity	17,599,545	17,553,264	-	-	-
Total equity and liabilities	**131,195,751**	**130,567,428**	**-**	**-**	**-**

Note-

The reasons for more than 1%variances between (a) and (b) are SLFRS related adjustments on the carrying value reported in Published Financial Statements.