



Key Regulatory Ratios-Capital and Liquidity				
	BANK		GROUP	
	30-June-2018	31-Dec-2017	30-June-2018	31-Dec-2017
Regulatory Capital (LKR '000)				
Common Equity Tier 1	15,237,360	15,238,496	16,353,933	16,329,120
Tier 1 Capital	15,237,360	15,238,496	16,353,933	16,329,120
Total Capital	15,237,360	15,238,496	16,353,933	16,329,120
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement-6.375%)	19.36%	18.66%	18.93%	18.08%
Tier 1 Capital Ratio (Minimum Requirement-7.875%)	19.36%	18.66%	18.93%	18.08%
Total Capital Ratio (Minimum Requirement-11.875%)	19.36%	18.66%	18.93%	18.08%
Regulatory Liquidity				
Statutory liquid Assets				
Domestic Banking Unit (LKR'000)	16,523,738	16,953,184		
Off-Shore Banking Unit (USD'000)	13,133	12,168		
Statutory liquid Assets Ratio % (Minimum Requirement-20%)				
Domestic Banking Unit (%)	20.71%	21.27%		
Off -Shore Banking Unit (%)	21.16%	21.13%		
Liquidity Coverage Ratio (%)				
Rupee (Minimum Requirement-90%)	214.68%	160.14%		
All Currency (Minimum Requirement-90%)	115.83%	83.02%		

Basel III Computation of Capital Ratio

	BANK		GROUP	
	30-June-2018	31-Dec-2017	30-June-2018	31-Dec-2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Common Equity Tier I (CET1) Capital after Adjustments	15,237,360	15,238,496	16,353,933	16,329,121
Total Common Equity Tier I (CET1) Capital	17,839,466	17,839,466	18,174,316	18,185,969
Equity capital or stated capital/assigned capital	16,334,782	16,334,782	16,334,782	16,334,782
Reserve fund	116,255	116,255	131,519	131,519
Published retained earnings/(Accumulated retained losses)	1,045,617	1,045,617	714,444	714,444
Published Accumulated other comprehensive income (OCI)	241,479	241,479	241,832	241,832
General and other disclosed reserves	101,332	101,332	101,332	101,332
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	650,407	662,060
Total Adjustments to CET1 Capital	2,602,106	2,600,970	1,820,383	1,856,848
Goodwill (net)	-	-	113,031	113,031
Other intangible assets (net)	1,225,732	1,220,999	1,461,272	1,455,367
Deferred tax assets (net)	-	-	246,080	288,450
Shortfall of the cumulative impairment to specific provisions	69,025	72,632	-	-
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	1,307,350	1,307,338	-	-
Additional Tier 1 (AT1) Capital after Adjustments	-	-	-	-
Total Additional Tier 1 (AT1) Capital	-	-	-	-
Qualifying Additional Tier 1 Capital Instruments	-	-	-	-
Total Adjustments to AT1 Capital	-	-	-	-
Investment in own shares	-	-	-	-
Tier 2 Capital after Adjustments	-	-	-	-
Total Tier 2 Capital	-	-	-	-
Qualifying Tier 2 Capital Instruments	-	-	-	-
Total Adjustments to Tier 2 Capital	-	-	-	-
Investment in own shares	-	-	-	-
CET1 Capital	15,237,360	15,238,496	16,353,933	16,329,121
Total Tier 1 Capital	15,237,360	15,238,496	16,353,933	16,329,121
Total Capital	15,237,360	15,238,496	16,353,933	16,329,121
Total Risk Weighted Amount (RWA)	78,723,298	81,683,671	86,394,068	90,300,332
RWAs for Credit Risk	66,816,997	64,607,581	73,372,815	71,018,733
RWAs for Market Risk	6,920,619	12,398,293	6,964,032	12,632,642
RWAs for Operational Risk	4,985,682	4,677,797	6,057,220	6,648,957
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	19.36%	18.66%	18.93%	18.08%
of which : Capital Conservation Buffer (%)	1.88%	1.25%	1.88%	1.25%
of which : Countercyclical Buffer (%)	-	-	-	-
of which : Capital Conservation Buffer (%)	1.88%	1.25%	1.88%	1.25%
Total Tier 1 Capital Ratio (%)	19.36%	18.66%	18.93%	18.08%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	19.36%	18.66%	18.93%	18.08%
of which : Capital Conservation Buffer (%)	1.88%	1.25%	1.88%	1.25%
of which : Countercyclical Buffer (%)	-	-	-	-
of which : Capital Surcharge on D-SIBs (%)	NA	NA	NA	NA

Basel III Computation of Liquidity Coverage Ratio				
	30-June-2018		31-Dec-2017	
	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)	13,528,831	12,727,096	25,436,389	10,491,612
Total Adjusted Level 1A Assets	13,528,831	13,528,831	24,817,846	10,574,856
Level 1 Assets	12,727,096	12,727,096	9,965,850	9,965,850
Total Adjusted Level 2A Assets	-	-	618,544	525,762
Level 2A Assets	-	-	618,544	525,762
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	119,673,620	22,865,054	113,281,336	24,186,020
Deposits	47,652,349	4,765,235	46,370,678	4,637,068
Unsecured Wholesale Funding	29,506,117	16,407,362	32,304,044	18,400,185
Secured funding transaction	-	-	-	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	42,514,899	1,692,202	34,604,508	1,146,661
Additional requirements	254	254	2,106	2,106
Total Cash inflows	20,845,190	11,876,849	18,751,724	11,548,664
Maturing secured lending transactions backed by the following collateral	203,157	203,149	192,686	192,678
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 days	19,556,263	11,673,699	18,556,193	11,355,986
Operational deposits	1,085,770	-	2,845	-
Other cash inflows	-	-	-	-
Liquidity Coverage Ratio,(%)(Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calender Days)*100		116%		83%

Main Features of Regulatory Capital Instruments		
	30-June-2018	
	BANK	GROUP
	Rs.'000	Rs.'000
Description of the Capital Instrument	-	-
Issuer	-	-
Unique Identifier	-	-
Governing Law(s) of the Instrument	-	-
Original Date of Issuance	-	-
Par Value of Instrument	-	-
Perpetual or Dated	-	-
Original Maturity Date,if Applicable	-	-
Amount Recognized in Regulatory Capital (in LKR '000 as at the Reporting Date)	15,276,607*	16,360,162**
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	-	-
<p>Note :</p> <p>Tier 1 & Tier 2 Instruments not yet issued.</p> <p>Debenture worth of Rs. 300 Mn was issued by UB Finance Company Ltd.,and it was invested by Union Bank of Colombo PLC</p>		

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

30-June-2018	BANK					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post (CCF) and CRM		RWA and RWA Density	
	Amount	Amount	Sheet 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	24,675,570	-	24,675,570	-	-	-
Claims on Banks Exposures	2,461,421	-	2,461,421	-	1,138,734	46%
Claims on Financial Institutions	13,562,221	164,187	13,562,221	164,187	9,216,230	68%
Claims on Corporates	15,544,307	22,308,941	15,544,307	603,516	16,090,442	104%
Retail Claims	32,220,954	22,867,371	27,077,158	3,869,962	26,390,711	97%
Claims Secured by Residential Property	6,435,344	-	6,435,344	-	4,619,078	72%
Claims Secured by Commercial Real Estate	4,268,353	-	4,268,353	-	4,268,353	100%
Non-Performing Assets (NPAs)	1,479,187	-	1,479,187	-	1,882,452	127%
Higher-risk Categories	165,447	-	165,447	-	413,618	250%
Cash Items and Other Assets	7,593,761	168,577	4,841,155	168,577	2,797,379	58%
Total	108,406,565	45,509,076	100,510,164	4,806,242	66,816,997	66%

30-June-2018	GROUP					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post (CCF) and CRM		RWA and RWA Density	
	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	25,177,743	-	25,177,743	-	-	0%
Claims on Banks Exposures	2,495,945	-	2,495,945	-	1,151,490	46%
Claims on Financial Institutions	12,975,533	164,187	13,139,720	164,187	8,922,885	68%
Claims on Corporates	15,560,201	22,308,941	16,163,717	603,516	16,106,336	100%
Retail Claims	40,487,883	22,867,371	39,214,049	3,869,962	32,590,908	83%
Claims Secured by Residential Property	6,436,539	-	6,436,539	-	4,619,675	72%
Claims Secured by Commercial Real Estate	4,433,553	-	4,433,553	-	4,433,553	100%
Non-Performing Assets (NPAs)	2,128,206	-	2,128,206	-	2,442,465	115%
Higher-risk Categories	-	-	-	-	-	0%
Cash Items and Other Assets	8,348,651	168,577	5,764,623	168,577	3,105,502	54%
Total	118,044,254	45,509,076	114,954,095	4,806,242	73,372,815	64%

Market Risk under Standardised Measurement Method		
30-June-2018	Risk Weighted Assets	
	BANK	GROUP
	Rs.'000	Rs.'000
(a) RWA for Interest Rate Risk	487,569	487,569
General Interest Rate Risk	487,569	487,569
(I) Net Long or Short Position	487,569	487,569
(II) Horizontal Disallowance	-	-
(iii) Vertical Disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	303,644	308,800
(i) General Equity Risk	151,822	153,948
(ii) Specific Equity Risk	151,822	154,852
RWA for Foreign Exchange & Gold	30,611	30,611
Capital Charge for Market Risk [(a)+(b)+		
(c)] * CAR	6,920,619	6,964,032

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

30-June-2018	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values 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	114,353,921	113,492,759	100,513,870	2,549,407	10,429,482
Cash and cash equivalents	2,651,280	2,670,453	2,670,453		
Balances with the Central Bank of Sri Lanka	3,812,927	3,812,927	3,812,927		
Placements with banks	749,318	749,080	749,080		
Derivative financial instruments	14,146				
Other Financial Assets Held -For -Trading	2,593,896	17,849,742	15,300,335	2,549,407	
Financial Assets Designated at Fair Value through Profit or Loss					
Loans and receivables to Banks					
Loans and receivables to Other Customers	81,379,681	72,609,887	64,713,486		7,896,401
Financial Investments - Available For Sale	15,738,346				
Financial Investments - Held To Maturity	2,774,791	10,884,725	10,584,725		300,000
Investments in Subsidiaries	1,255,977	1,172,797	165,447		1,007,350
Investments in Associates and Joint Ventures					
Property, Plant and Equipment	844,011	840,511	840,511		
Goodwill and Intangible Assets	1,225,732	1,225,732			1,225,732
Deferred Tax Assets	-				
Other Assets	1,313,817	1,676,905	1,676,905		
Liabilities	96,486,499	96,351,656	-	-	-
Due to banks	15,019,967	14,204,481			
Derivative financial instruments	14,400				
Other Financial Liabilities Held -For -Trading	-				
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	78,243,336	68,551,347			
Other Borrowings	1,249,716	9,686,788			
Current Tax Liabilities					
Deferred Tax Liabilities	172,969				
Other Liabilities	1,786,112	3,909,041			
Due to Subsidiaries					
Off -Balance Sheet Liabilities	45,187,899	45,509,076	45,509,076	-	-
Guarantees	4,767,478	4,767,478	4,767,478		
Performance Bonds	2,060,099	2,060,099	2,060,099		
Letter of Credits	2,559,435	2,559,435	2,559,435		
Other Contingent Items	4,990,209	4,990,209	4,990,209		
Undrawn Loan Commitments	28,092,345	28,092,345	28,092,345		
Other Commitments	2,718,332	3,039,509	3,039,509		
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital	16,334,782	16,334,782			
of which Amount Eligible for CET 1	16,334,782	16,334,782			
of which Amount Eligible for AT1					
Retained Earnings	1,286,039	610,052			
Accumulated Other Comprehensive Income	13,596				
Other Reserves	233,005	196,269			
Total Shareholders' Equity	17,867,421	17,141,103	-	-	-