



INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

	BANK						GROUP					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.06.2019 Rs.000	30.06.2018 Rs.000	Change %	30.06.2019 Rs.000	30.06.2018 Rs.000	Change %	30.06.2019 Rs.000	30.06.2018 Rs.000	Change %	30.06.2019 Rs.000	30.06.2018 Rs.000	Change %
Gross Income	7,486,479	6,720,843	11	3,775,541	3,353,755	13	8,549,141	7,798,959	10	4,296,092	3,899,521	10
Interest income	6,605,618	5,868,862	13	3,296,467	2,949,834	12	7,598,588	6,848,324	11	3,781,324	3,452,560	10
Less: Interest expenses	4,474,952	4,083,841	10	2,179,005	2,015,238	8	5,082,214	4,657,148	9	2,483,738	2,299,307	8
Net interest income	2,130,666	1,785,021	19	1,117,462	934,596	20	2,516,374	2,191,176	15	1,297,586	1,153,253	13
Fee and commission income	524,230	446,893	17	258,359	222,604	16	579,035	532,482	9	283,103	259,589	9
Less: Fee and commission expenses	111,986	61,674	82	65,249	34,235	91	116,985	76,994	52	67,540	41,647	62
Net fee and commission income	412,244	385,219	7	193,110	188,369	3	462,050	455,488	1	215,563	217,942	(1)
Net fair value gains / (losses) from financial instruments at fair value through profit or loss / Net trading income	236,778	194,368	22	118,188	78,093	51	238,631	194,368	23	119,263	78,093	53
Net gains/ (losses) from financial investments	139,278	101,830	37	117,209	40,704	188	139,783	101,830	37	117,575	38,249	207
Net gain/ (loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Other operating income	(19,426)	108,890	(118)	(14,682)	62,519	(123)	(6,897)	121,955	(106)	(5,172)	71,030	(107)
Total operating income	2,899,540	2,575,328	13	1,531,287	1,304,281	17	3,349,941	3,064,817	9	1,744,815	1,558,566	12
Less: Impairment for loans and other losses												
Loans and advances to customers	131,555	158,403	(17)	70,465	49,391	43	278,929	255,698	9	164,277	109,372	50
Other financial assets	(4,091)	-	(100)	3,371	-	100	(3,452)	-	(100)	3,645	-	100
Non financial assets	11,943	-	100	14,231	-	100	30,085	(20,642)	246	30,373	-	100
Net operating income	2,760,133	2,416,925	14	1,443,220	1,254,890	15	3,044,379	2,829,761	8	1,546,520	1,449,195	7
Less: Personnel expenses	925,228	880,694	5	469,080	455,439	3	1,056,763	1,010,694	5	535,034	522,598	2
Depreciation and amortisation	185,178	203,364	(9)	93,008	99,142	(6)	202,806	215,213	(6)	100,364	103,832	(3)
Other expenses	863,153	814,725	6	456,655	406,114	12	985,836	933,719	6	513,497	459,576	12
Total operating expenses	1,973,559	1,898,783	4	1,018,743	960,696	6	2,245,405	2,159,626	4	1,148,895	1,086,006	6
Results from operating activities	786,574	518,142	52	424,477	294,195	44	798,974	670,135	19	397,625	363,189	9
Share of profit of equity accounted investees, net of tax	62,329	40,199	55	58,648	17,985	226	-	-	-	-	-	-
Profit before value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services	848,903	558,341	52	483,125	312,180	55	798,974	670,135	19	397,625	363,189	9
Less: VAT, NBT and DRL on financial services	343,066	204,690	68	177,394	105,056	69	368,780	233,885	58	191,965	118,558	62
Profit before tax	505,837	353,651	43	305,732	207,124	48	430,194	436,250	(1)	205,660	244,631	(16)
Less: Tax expenses	208,387	100,575	107	113,516	84,267	35	83,327	141,560	(41)	(22,057)	103,646	(121)
Profit after tax	297,450	253,076	18	192,215	122,857	56	346,867	294,690	18	227,717	140,985	62
Profit Attributable to:												
Equity holders of the parent	297,450	253,076	18	192,215	122,857	56	323,058	275,702	17	205,412	134,321	53
Non-controlling interest	-	-	-	-	-	-	23,809	18,988	25	22,305	6,554	240
Profit after tax	297,450	253,076	18	192,215	122,857	56	346,867	294,690	18	227,717	140,875	62
Earnings per share												
Earnings per share - Basic	0.27	0.23	18	0.18	0.11	56	0.30	0.25	17	0.19	0.12	53
Earnings per share - Diluted	0.27	0.23	18	0.17	0.11	56	0.29	0.25	17	0.19	0.12	53

The amounts for the period ended 30 June 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 six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.06.2019 Rs.'000	30.06.2018 Rs.'000	Change %	30.06.2019 Rs.'000	30.06.2018 Rs.'000	Change %	30.06.2019 Rs.'000	30.06.2018 Rs.'000	Change %	30.06.2019 Rs.'000	30.06.2018 Rs.'000	Change %
Profit for the period	297,450	253,076	18	192,215	122,857	56	346,867	294,690	18	227,717	140,985	62
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	542,765	-		278,743	-		537,441	-		277,063	-	
Changes in allowance for expected credit loss	-	-		-	-		-	-		-	-	
Reclassification to the income statement	-	-		-	-		-	-		-	-	
Less: Income tax effect on above	(151,974)	-		(78,048)	-		(151,974)	-		(78,048)	-	
Net gains/(losses) on financial investments at fair value through other comprehensive income	390,791	-		200,695	-		385,467	-		199,015	-	
<i>Available for sale financial assets</i>												
Gains/ (losses) on re-measuring available for sale financial assets	-	(189,031)		-	(76,073)		-	(196,307)		-	(80,921)	
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	-	52,929		-	21,300		-	52,929		-	21,300	
Net gains/(losses) on available for sale financial investments	-	(136,102)		-	(54,772)		-	(143,378)		-	(59,620)	
Share of other comprehensive income of equity accounted investees, net of tax	(2,715)	(872)		(857)	366		-	-		-	-	
Total items that will be reclassified to the statement of profit or loss	388,076	(136,974)	383	199,838	(54,406)	467	385,467	(143,378)	369	199,015	(59,620)	434
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:												
Actuarial gains and losses on defined benefit plans	-	-		-	-		-	5,378		-	5,378	
Revaluation gains/ (losses) on equity instruments at fair value through other comprehensive income	-	-		-	-		-	-		-	-	
Less: Income tax effect on above	-	-		-	-		-	(1,506)		-	(1,506)	
Share of other comprehensive income of equity accounted investees, net of tax	-	-		-	-		-	-		-	-	
Total items that will not be reclassified to the statement of profit or loss	-	-	-	-	-	-	-	3,872	-	-	3,872	-
Other comprehensive income for the period, net of tax	388,076	(136,974)	383	199,838	(54,406)	467	385,467	(139,506)	376	199,015	(55,749)	457
Total comprehensive income for the period, net of tax	685,526	116,102	490	392,053	68,451	473	732,334	155,184	372	426,732	85,236	401
Attributable to:												
Equity holders of the parent	685,526	116,102	490	392,053	68,451	473	711,134	279,103	155	405,250	220,289	84
Non-controlling interest	-	-	-	-	-	-	21,200	(123,919)	117	21,482	(135,053)	116
Total comprehensive income for the period, net of taxes	685,526	116,102	490	392,053	68,451	473	732,334	155,184	372	426,732	85,236	401

The amounts for the period ended 30 June 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 June 2019

	BANK			GROUP		
	30.06.2019	31.12.2018	Change	30.06.2019	31.12.2018	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
Assets						
Cash and cash equivalents	2,159,126	2,917,866	(26)	2,568,625	3,306,393	(22)
Balances with Central Bank of Sri Lanka	2,386,264	4,219,932	(43)	2,386,264	4,219,932	(43)
Placements with banks	433,701	3,265,425	(87)	433,702	3,265,425	(87)
Reverse repurchased agreements	1,797,650	417,146	331	2,357,057	950,998	148
Derivative financial instruments	11,978	34,274	(65)	11,978	34,274	(65)
Financial investments at fair value through profit or loss	4,471,068	2,863,121	56	4,471,068	2,863,121	56
Financial investments designated at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost - loans and advances to customers	74,222,440	73,749,208	1	82,210,883	82,120,068	0
Financial assets at amortised cost - debt and other instruments	16,065,188	16,567,940	(3)	15,229,376	15,942,404	(4)
Financial investments at fair value through other comprehensive income	15,798,364	17,735,959	(11)	15,862,118	17,787,621	(11)
Current tax assets	133,450	336,167	(60)	133,453	336,167	(60)
Investments in real estate	-	-	-	119,382	118,633	1
Investments in subsidiaries	894,987	835,373	7	-	-	-
Goodwill and intangible assets	1,136,121	1,202,532	(6)	1,483,171	1,550,544	(4)
Property, plant and equipment	720,643	789,158	(9)	930,104	1,013,541	(8)
Deferred tax assets	-	115,596	(100)	532,983	517,374	3
Other assets	1,516,651	870,457	74	1,638,880	1,005,213	63
Total assets	121,747,631	125,920,154	(3)	130,369,044	135,031,708	(3)
Liabilities						
Due to banks	12,893,345	9,348,209	38	13,143,192	9,515,547	38
Derivative financial instruments	22,469	71,750	(69)	22,469	71,750	(69)
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Repurchased agreements	13,692,501	17,585,912	(22)	13,692,501	17,535,900	(22)
Due to other customers	74,609,275	79,251,073	(6)	81,138,969	86,266,123	(6)
Other borrowed funds	1,261,558	1,234,220	2	2,768,101	2,921,647	(5)
Debt securities issued	-	-	-	-	-	-
Subordinated term debts	-	-	-	-	-	-
Current tax liabilities	-	-	-	192,425	188,001	2
Deferred tax liabilities	6,165	-	100	7,601	1,436	429
Other Provisions	-	-	-	-	-	-
Other liabilities	1,950,101	1,801,642	8	2,199,075	2,058,270	7
Total liabilities	104,435,414	109,292,806	(4)	113,164,333	118,558,674	(5)

INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	BANK			GROUP		
	30.06.2019 Rs.'000	31.12.2018 Rs.'000 Audited	Change %	30.06.2019 Rs.'000	31.12.2018 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	154,756	139,883	11	172,442	157,569	9
ESOP reserve	52,159	52,816	(1)	52,159	52,816	(1)
FVOCI reserve	77,085	(310,991)	125	81,892	(306,184)	127
Retained earnings	627,951	345,374	82	264,451	(43,734)	705
Total equity attributable to equity holders of the bank	17,312,217	16,627,348	4	16,971,210	16,260,733	4
Non-controlling interests	-	-		233,501	212,301	10
Total equity	17,312,217	16,627,348	4	17,204,711	16,473,034	4
Total equity and liabilities	121,747,631	125,920,154	(3)	130,369,044	135,031,708	(3)
Contingent liabilities and commitments	31,920,941	34,337,204	(7)	32,030,416	34,528,827	(7)
Net asset value per share (Rs.)	15.86	15.23		15.55	14.90	
Memorandum information						
Number of Employees	1,308	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:

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- the information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group unless indicated as audited.

.....
Malinda Samaratunga
Chief Financial Officer

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

.....
Atul Malik
Chairman

Date: 23 July 2019

BANK	Stated Capital	Share Warrants	Statutory Reserve Fund	ESOP Reserve	Available for sale/ FVOCI Reserve	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2018	16,334,782	65,484	116,256	35,848	150,570	1,154,757	17,857,697
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	-	253,076	253,076
Other comprehensive Income	-	-	-	-	(136,974)	-	(136,974)
Total comprehensive Income	-	-	-	-	(136,974)	253,076	116,102
Transactions with equity holders, recognised directly in equity							
Fair value of ESOP	-	-	-	2,763	-	-	2,763
Transfers during the period	-	-	12,654	-	-	(12,654)	-
Dividend Paid	-	-	-	-	-	(109,141)	(109,141)
Balance as at 30 June 2018	16,334,782	65,484	128,910	38,611	13,596	1,286,038	17,867,421
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

GROUP	Stated Capital	Share Warrants	Statutory Reserve Fund	ESOP Reserve	Available for sale/ FVOCI Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2018	16,334,782	65,484	131,519	35,848	155,377	714,444	17,437,454	404,262	17,841,716
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	275,702	275,702	18,988	294,690
Other comprehensive Income	-	-	-	-	(139,766)	2,839	(136,926)	(2,579)	(139,506)
Total comprehensive Income	-	-	-	-	(139,766)	278,541	138,776	16,409	155,185
Transactions with equity holders, recognised directly in equity									
Fair value of ESOP	-	-	-	2,763	-	-	2,763	-	2,763
Transfers during the period	-	-	12,654	-	-	(12,654)	-	-	-
Dividend Paid	-	-	-	-	-	(109,141)	(109,141)	(49,000)	(158,141)
Balance as at 30 June 2018	16,334,782	65,484	144,173	38,612	15,611	871,191	17,469,853	371,671	17,841,523
Balance as at 1 January 2019	16,334,782	65,484	157,569	52,816	(306,184)	(43,734)	16,260,733	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

INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS

Period ended 30 June 2019

	BANK		GROUP	
	30.06.2019 Rs.'000	30.06.2018 Rs.'000	30.06.2019 Rs.'000	30.06.2018 Rs.'000
Cash flow from operating activities				
Interest received	6,510,517	5,664,769	7,436,662	7,245,129
Fees and commission receipts	412,243	385,219	462,050	455,487
Interest paid	(4,412,337)	(4,088,802)	(4,940,278)	(4,693,425)
Receipts from Other operating activities	362,847	340,361	377,619	333,298
Payments on Other operating activities	(2,098,193)	(1,861,987)	(2,369,234)	(2,142,177)
Operating profit/(loss) before changes in operating assets & liabilities	775,077	439,560	966,819	1,198,314
(Increase)/decrease in operating assets:				
Balance with Central Bank of Sri Lanka	1,833,668	(27,248)	1,833,668	(27,248)
Funds advanced to customers	(512,801)	(1,733,184)	(257,832)	(2,751,159)
Others	(623,898)	20,834	(611,374)	(26,214)
	696,969	(1,739,598)	964,462	(2,804,622)
Increase/(decrease) in operating liabilities:				
Due to other customers	(4,688,186)	(476,508)	(5,211,991)	(56,144)
Repurchased agreements	(3,872,986)	(1,945,210)	(3,822,974)	(1,972,188)
Other liabilities	60,951	(87,486)	27,216	(108,044)
	(8,500,221)	(2,509,204)	(9,007,749)	(2,136,377)
Net cash from/(used in) operating activities before income tax	(7,028,175)	(3,809,241)	(7,076,468)	(3,742,684)
Retiring gratuity paid	(6,308)	(11,909)	(7,121)	(12,975)
Income tax paid	(35,971)	(39,459)	(36,759)	(55,451)
Net cash from operating activities	(7,070,454)	(3,860,609)	(7,120,348)	(3,811,112)
Cash flow from/(used in) investing activities				
Dividends received	-	45,962	-	-
Net financial investment at fair value through profit or loss	(1,608,229)	-	(1,608,229)	-
Net financial investment in other financial assets - Held for trading	-	3,352,636	-	3,372,764
Net financial assets at amortised cost - Debt and other instruments	472,162	-	729,446	-
Net financial investments - Held to maturity	-	(192,674)	-	(192,674)
Net financial investments - Other loans and receivables	-	1,145,489	-	1,128,147
Net financial investment at fair value through other comprehensive income	2,502,168	-	2,484,751	-
Net financial investments - Available for sale	-	584,797	-	639,491
Net investment in real estates	-	-	(750)	8,348
Purchase of property & equipment	(41,677)	(79,213)	(49,135)	(93,319)
Purchase of intangible assets	(7,295)	(92,161)	(7,295)	(94,254)
Proceeds from sale of property & equipment	624	10,288	4,633	10,288
Net cash used in investing activities	1,317,751	4,775,124	1,553,421	4,778,791
Cash flow from/(used in) financing activities				
Increase in borrowings	3,797,170	(2,049,858)	3,575,912	(2,571,700)
Dividend paid	-	(109,141)	-	(158,141)
Net cash from/ (used in) financing activities	3,797,170	(2,158,999)	3,575,912	(2,729,841)
Net Increase/(decrease) in cash and cash equivalents	(1,955,533)	(1,244,483)	(1,991,015)	(1,762,163)
Cash and cash equivalents at beginning of the year	6,325,430	5,225,473	7,081,221	6,039,342
Cash and cash equivalents at end of the period	4,369,897	3,980,990	5,090,204	4,277,179
Reconciliation of cash and cash equivalents				
Cash in hand and at banks	2,159,126	2,651,280	2,568,625	3,035,497
Reverse repurchased agreements	1,790,456	690,140	2,349,862	1,002,196
Placements with banks	433,701	749,080	434,451	748,765
Due to banks - Unfavorable balances with banks	(13,386)	(109,510)	(262,734)	(509,279)
	4,369,897	3,980,990	5,090,204	4,277,179

The amounts for the period ended 30 June 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 June 2019

Reconciliation of liabilities arising from financing activities

For the period ended 30 June 2019	Cash change		Non cash change	
	30 Jun 2019 Rs.'000	- Cash flow Rs.'000	- Foreign exchange movement Rs.'000	1 Jan 2019 Rs.'000
BANK				
Due to banks	12,893,345	3,545,202	(67)	9,348,209
Other borrowed funds	1,261,558	27,338	-	1,234,220
Less : Unfavorable balances with banks	(13,386)	261,283	-	(274,669)
Less : Interest payable	(136,790)	(36,653)	-	(100,137)
	14,004,727	3,797,170	(67)	10,207,623
GROUP				
Due to banks	13,143,192	3,627,712	(67)	9,515,547
Other borrowed funds	2,768,101	(153,546)	-	2,921,647
Less : Unfavorable balances with banks	(262,734)	179,273	-	(442,007)
Less : Interest payable	(281,444)	(77,527)	-	(203,917)
	15,367,117	3,575,912	(67)	11,791,270
For the period ended 30 June 2018				
	30 Jun 2018 Rs.'000	Cash change - Cash flow Rs.'000	Non cash change - Foreign exchange movement Rs.'000	1 Jan 2018 Rs.'000
BANK				
Due to banks	15,019,967	(2,118,687)	(69,988)	17,208,641
Other borrowed funds	1,249,716	24,904	-	1,224,812
Less : Unfavorable balances with banks	(109,510)	80,697	-	(190,207)
Less : Interest payable	(181,235)	(36,773)	-	(144,462)
	15,978,938	(2,049,858)	(69,988)	18,098,784
GROUP				
Due to banks	15,419,735	(1,809,004)	(69,988)	17,298,727
Other borrowed funds	2,595,382	(372,851)	-	2,968,233
Less : Unfavorable balances with banks	(509,279)	(323,210)	-	(186,068)
Less : Interest payable	(250,855)	(66,635)	-	(184,220)
	17,254,984	(2,571,700)	(69,988)	19,896,672

- 1 There are no changes in 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.

6 Information on Ordinary Shares

Market Value	30.06.2019	30.06.2018
	Rs.	Rs.
Last traded price	11.50	12.70
Highest price for the quarter	11.80	15.80
Lowest price for the quarter	10.80	12.10

7. ANALYSIS OF LOANS & ADVANCES TO CUSTOMERS AND IMPAIRMENT

7.1 Product-wise Gross Loans & Advances

	BANK		GROUP	
	30.06.2019 Rs.'000	31.12.2018 Rs.'000 Audited	30.06.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Term loans	42,558,062	41,034,410	44,658,223	42,729,945
Overdrafts	11,525,561	11,904,826	11,525,561	11,851,545
Trade finance	5,104,994	5,908,911	5,104,994	5,908,911
Lease and hire purchase	918,621	1,192,136	6,177,745	7,199,578
Factoring	592,526	725,547	2,364,046	2,543,911
Pawning	400,328	459,792	400,328	508,288
Credit Cards	718,275	243,428	718,275	243,428
Staff loans	839,861	854,000	839,857	854,000
Others	-	-	150,750	148,950
By Product - Local Currency	62,658,228	62,323,050	71,939,780	71,988,556
Term loans	5,409,386	5,982,306	5,409,386	5,982,306
Overdrafts	132,671	133,632	132,671	133,632
Trade finance	8,135,628	7,348,048	8,135,627	7,348,048
By Product - Foreign Currency	13,677,685	13,463,985	13,677,683	13,463,985
Total Loans and Receivables	76,335,913	75,787,035	85,617,463	85,452,541

7.2 Stage-wise impairment on loans & advances to customers

	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 loans and advances (Note 7.1)	76,335,913	75,787,035	85,617,463	85,452,541
Less: Accumulated impairment under stage 1	(620,163)	(605,502)	(711,954)	(666,168)
Accumulated impairment under stage 2	(81,573)	(89,109)	182,633	(187,695)
Accumulated impairment under stage 3	(1,411,737)	(1,343,216)	(2,877,260)	(2,478,610)
Net value of loans and advances	74,222,440	73,749,208	82,210,883	82,120,068

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

	Stage 1	Stage 2	Stage 3	Total
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	14,661	(7,536)	124,430	131,555
Net write-off during the period	-	-	(55,909)	(55,909)
Closing Balance as at 30 June 2019	620,163	81,573	1,411,737	2,113,473
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	45,786	(370,328)	603,471	278,929
Net write-off during the period	-	-	(204,821)	(204,821)
Closing Balance as at 30 June 2019	711,954	(182,633)	2,877,260	3,406,581
BANK				
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
GROUP				
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	
	30.06.2019 Rs.'000	31.12.2018 Rs.'000 Audited	30.06.2019 Rs.'000	31.12.2018 Rs.'000 Audited
Local Currency Deposits				
Demand deposits	3,085,038	3,634,418	2,924,864	3,634,287
Savings deposits	10,299,204	11,784,873	10,125,663	11,723,271
Fixed deposits	45,481,332	49,275,332	52,344,741	56,352,115
Other deposits	2,622,143	2,483,518	2,622,143	2,483,518
Total	61,487,717	67,178,141	68,017,411	74,193,191
Foreign Currency Deposits				
Demand deposits	190,892	408,737	190,892	408,737
Savings deposits	3,795,475	2,891,468	3,795,475	2,891,468
Fixed deposits	9,135,191	8,772,727	9,135,191	8,772,727
Total	13,121,558	12,072,932	13,121,559	12,072,932
Total Deposits	74,609,275	79,251,073	81,138,969	86,266,123

9. ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

9.1 Product-wise Commitments 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
Undrawn loan commitments	8,388,864	8,909,109	8,498,339	9,006,300
Guarantees	6,087,524	6,916,823	6,087,524	6,916,823
Letters of credit	1,407,676	36,516	1,407,676	36,516
Forward contracts	7,672,192	1,390,760	7,672,192	1,390,760
Cheque pending for realisation	435,327	887,413	435,327	887,413
Spot contracts	870,759	-	870,759	-
Acceptances	546,940	-	546,940	-
Forward Bonds	791,268	-	791,268	-
Other contingent items	2,938,254	1,834,905	2,938,254	1,929,337
By Product - Local Currency	29,138,804	19,975,526	29,248,279	20,167,149
Undrawn loan commitments	947,286	4,647,081	947,286	4,647,081
Guarantees	1,129,576	1,131,188	1,129,576	1,131,188
Letters of credit	578,012	1,924,537	578,012	1,924,537
Forward contracts	-	4,350,969	-	4,350,969
Spot contracts	-	540,168	-	540,168
Acceptances	46,952	758,373	46,952	758,373
Other contingent items	80,311	1,009,362	80,311	1,009,362
By Product - Foreign Currency	2,782,137	14,361,678	2,782,137	14,361,678
Commitments and Contingencies	31,920,941	34,337,204	32,030,416	34,528,827

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)	31,920,941	34,337,204	32,030,416	34,528,827
Less: Accumulated impairment under stage 1	(57,850)	(42,049)	(57,851)	(43,089)
Accumulated impairment under stage 2	(962)	(2,874)	(962)	(3,300)
Accumulated impairment under stage 3	(33,413)	(35,359)	(70,480)	(52,818)
Net value of commitments and contingencies	31,828,716	34,256,922	31,901,123	34,429,620

9.3 Movement of impairment during the period for Commitments & Contingencies

	Stage 1	Stage 2	Stage 3	Total
BANK				
Opening balance as at 1 January 2019	42,049	2,874	35,359	80,282
Charge to statement of profit or loss	15,801	(1,912)	(1,946)	11,943
Net write-off during the period	-	-	-	-
Closing Balance as at 30 June 2019	57,850	962	33,413	92,225
GROUP				
Opening balance as at 1 January 2019	43,089	3,300	52,818	99,207
Charge to statement of profit or loss	14,762	(2,338)	17,662	30,085
Net write-off during the period	-	-	-	-
Closing Balance as at 30 June 2019	57,851	962	70,480	129,292
BANK				
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
GROUP				
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
Period ended 30 June												
Interest Income	2,251,997	1,802,201	1,751,261	1,698,883	1,588,639	979,125	1,735,210	1,319,968	271,481	1,048,146	7,598,588	6,848,323
Add: Inter-Segment Interest Income	-	-	-	-	1,385,431	1,467,404	691,700	361,415	-	-	2,077,131	1,828,819
Total Interest Income	2,251,997	1,802,201	1,751,261	1,698,883	2,974,070	2,446,529	2,426,910	1,681,383	271,481	1,048,146	9,675,719	8,677,142
Less: Interest Expense	569,665	518,901	811,731	481,112	2,346,384	2,202,245	1,686,494	862,194	(332,060)	592,696	5,082,214	4,657,148
Less: Inter-Segment Interest Expense	1,417,656	1,007,025	659,475	821,793	-	-	-	-	-	-	2,077,131	1,828,818
Net Interest Income	264,676	276,275	280,055	395,978	627,686	244,284	740,416	819,189	603,541	455,450	2,516,374	2,191,176
Other Income	111,636	112,177	201,950	223,188	218,351	113,836	425,767	398,036	(7,152)	26,508	950,552	873,745
Total Net Income	376,312	388,452	482,005	619,166	846,037	358,120	1,166,183	1,217,225	596,389	481,958	3,466,926	3,064,921
Less : Expenses including impairments	291,554	155,888	663,338	648,077	1,128,121	929,729	193,562	317,051	391,378	344,040	2,667,953	2,394,785
Segmental Results	84,758	232,564	(181,333)	(28,911)	(282,084)	(571,609)	972,621	900,174	205,011	137,918	798,973	670,136
Less: VAT and NBT on Financial Services											368,780	233,885
Less: Taxation											83,326	141,561
Profit after Taxation											346,867	294,690
As at 30 June												
Other Information												
Segment Assets	34,646,212	33,399,420	25,883,752	23,881,595	15,276,702	12,592,173	34,971,773	24,171,486	14,872,013	24,696,438	125,650,452	130,610,801
Unallocated											4,718,591	4,420,907
Consolidated Total Assets											130,369,044	135,031,708
Segment Liabilities	14,152,027	12,531,391	11,005,896	10,405,270	47,957,688	45,387,792	26,806,710	23,779,554	10,842,911	10,760,297	110,765,232	116,102,480
Unallocated											2,399,101	2,456,194
Consolidated Total Liabilities											113,164,333	118,558,674
Cash flow from operating activities	(3,099,900)	(580,598)	(3,970,554)	(925,432)	(6,969,297)	(535,261)	(9,606,525)	(1,819,318)	16,525,928	49,221	(7,120,348)	(3,811,112)
Cash flow from investing activities	(21,197)	(24,226)	(27,151)	(38,614)	(47,656)	(22,334)	1,300,410	4,860,298	349,014	3,667	1,553,420	4,778,791
Cash flow from financing activities	-	-	-	-	-	-	3,797,170	(2,158,999)	(221,256)	(570,842)	3,575,914	(2,729,841)

INTERIM FINANCIAL STATEMENTS

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 30 June 2019

TOP 20 SHAREHOLDERS

Name	No. of shares as at 30.06.2019	% holding
1 Culture Financial Holdings Ltd	763,984,374	70.00%
2 Vista Knowledge Pte Ltd	64,677,973	5.93%
3 Associated Electrical Corporation Ltd	29,237,387	2.68%
4 Mr. A.I. Lovell	24,371,269	2.23%
5 Mr. D.A.J. Warnakulasuriya	19,842,730	1.82%
6 Mr. C.P.A. Wijeyesekera	18,508,468	1.70%
7 Ashyaki Holdings (Pvt) Ltd	7,792,806	0.71%
8 Mr. M.D. Samarawickrama	7,660,582	0.70%
9 Mr. S.P. Khattar	7,323,365	0.67%
10 Sterling Holdings (Private) Ltd	7,207,557	0.66%
11 Softlogic Life Insurance PLC – A/C 05 (Non Participating Fund)	5,685,430	0.52%
12 Deutsche Bank AG-National Equity Fund	5,609,782	0.51%
13 Dr. T. Senthilvel	5,300,907	0.49%
14 Anverally and Sons (Pvt) Ltd A/C No 01	4,783,702	0.44%
15 Commercial Agencies (Ceylon) Ltd	4,050,833	0.37%
16 Ajita De Zoysa & Company Limited	4,050,832	0.37%
17 J.B. Cocoshell (Pvt) Ltd	4,000,883	0.37%
18 Mr. A.I.T. Hettiarachchi	3,848,735	0.35%
19 Mr. A. de Zoysa	3,515,631	0.32%
20 Ideal Motors (Private) Limited	3,300,000	0.30%
	994,753,246	91.14%
Other shareholders	96,653,003	8.86%
Total	1,091,406,249	100.00%

As at 30 June 2019

Number of shares in public holding	327,282,075
Number of public shareholders	31,019
Percentage of public holding	29.99%
Market capitalisation (Rs.)	12,551,171,864
Float adjusted market capitalisation	3,763,745,009
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 30.06.2019
Mr. Atul Malik	None
Mr. Priyantha Fernando	None
Mr. Sabry Ghouse	None
Mr. Ranvir Dewan	None
Mr. Gaurav Trehan	None
Mr. Puneet Bhatia	None
Mr. Michael J. O'Hanlon	None
Mr. Indrajit Wickramasinghe	None
Mr. Trevine Fernandopulle	None
Ms. Dilshani Wijayawardana	None
Mr. Drayton Sarath Palitha Wikramanayake	None

The Minimum Public Holding of Union Bank of Colombo PLC as at 30th June 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 June 2019

	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	-	-	2,159,126	2,159,126
Balances with Central Bank of Sri Lanka	-	-	2,386,264	2,386,264
Placements with banks	-	-	433,701	433,701
Reverse repurchased agreements	-	-	1,797,650	1,797,650
Derivative financial instruments	11,978	-	-	11,978
Financial investments at fair value through profit or loss	4,471,068	-	-	4,471,068
Financial assets at amortised cost - loans and advances to customers	-	-	74,222,440	74,222,440
Financial assets at amortised cost - debt and other instruments	-	-	16,065,188	16,065,188
Financial investments at fair value through other comprehensive income	-	15,798,364	-	15,798,364
Other financial assets	-	-	343,872	343,872
Total financial assets	4,483,046	15,798,364	97,408,241	117,689,651

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	12,893,345	12,893,345
Derivative financial instruments	22,469	-	22,469
Repurchased agreements	-	13,692,501	13,692,501
Due to customers	-	74,609,275	74,609,275
Other borrowed funds	-	1,261,558	1,261,558
Other financial liabilities	-	1,057,092	1,057,092
Total financial liabilities	22,469	103,513,771	103,536,240

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
ASSETS				
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
Total financial assets	2,897,395	17,735,959	101,291,382	121,924,736

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
LIABILITIES			
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
Total financial liabilities	71,750	108,391,744	108,463,494

INTERIM FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2018

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Group - As at 30 June 2019

	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	-	-	2,568,625	2,568,625
Balances with Central Bank of Sri Lanka	-	-	2,386,264	2,386,264
Placements with banks	-	-	433,702	433,702
Reverse repurchased agreements	-	-	2,357,057	2,357,057
Derivative financial instruments	11,978	-	-	11,978
Financial investments at fair value through profit or loss	4,471,068	-	-	4,471,068
Financial assets at amortised cost - loans and advances to customers	-	-	82,210,883	82,210,883
Financial assets at amortised cost - debt and other instruments	-	-	15,229,376	15,229,376
Financial investments at fair value through other comprehensive income	-	15,862,118	-	15,862,118
Other financial assets	-	-	348,804	348,804
Total financial assets	4,483,046	15,862,118	105,534,711	125,879,875

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	13,143,192	13,143,192
Derivative financial instruments	22,469	-	22,469
Repurchased agreements	-	13,692,501	13,692,501
Due to customers	-	81,138,969	81,138,969
Other borrowed funds	-	2,768,101	2,768,101
Other financial liabilities	-	1,167,778	1,167,778
Total financial liabilities	22,469	111,910,540	111,933,010

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
ASSETS				
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
Total financial assets	2,897,395	17,787,621	110,040,487	130,725,503

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
LIABILITIES			
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
Total financial liabilities	71,750	117,285,384	117,357,134

INTERIM FINANCIAL STATEMENTS
SELECTED PERFORMANCE INDICATORS

Item	BANK		GROUP	
	30 June 2019	31 Dec 2018	30 June 2019	31 Dec 2018
Regulatory Capital - Rs '000				
Common Equity Tier 1 (Basel III)	15,215,302	15,031,473	14,778,588	15,557,644
Tier 1 Capital / Core Capital (Basel III)	15,215,302	15,031,473	14,778,588	15,557,644
Total Capital / Total Capital Base (Basel III)	15,215,302	15,031,473	14,778,588	15,557,644
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2019 - 7%, 2018 - 6.375%)	17.23%	17.41%	15.48%	16.47%
Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2019 - 8.5%, 2018 - 7.875%)	17.23%	17.41%	15.48%	16.47%
Total Capital Ratio (Minimum Requirement as per Basel III 2019 - 12.5%, 2018- 11.875%)	17.23%	17.41%	15.48%	16.47%
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit, Rs. '000	19,488,875	18,006,765		
Foreign Currency Banking Unit, USD '000	13,657	12,791		
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	23.27%	21.77%		
Foreign Currency Banking Unit	22.02%	21.14%		
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement 2019 - 100%, 2018- 90%)	344.29%	335.43%		
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement 2019 - 100%, 2018- 90%)	125.83%	131.50%		
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (Net of interest in suspense)	5.40%	3.68%		
Net Non-Performing Advances, % (Net of interest in suspense and provision)	3.95%	2.51%		
Profitability				
Interest Margin, %	3.44%	2.98%		
Return on Assets (Before Tax), %	0.82%	0.63%		
Return on Assets (After Tax), %	0.48%	0.39%		
Return on Equity (After Tax), %	3.51%	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

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.