



INTERIM FINANCIAL STATEMENTS
For the period ended 30 June 2015



INCOME STATEMENT

Period ended 30 June 2015

	BANK						GROUP					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.06.2015 Rs.000	30.06.2014 Rs.000	Change %	30.06.2015 Rs.000	30.06.2014 Rs.000	Change %	30.06.2015 Rs.000	30.06.2014 Rs.000	Change %	30.06.2015 Rs.000	30.06.2014 Rs.000	Change %
Interest income	1,905,025	1,979,475	(4)	947,016	977,507	(3)	2,292,254	2,194,672	4	1,151,709	1,071,534	7
Less: Interest expenses	865,699	1,250,167	(31)	435,624	578,118	(25)	1,062,456	1,379,391	(23)	536,825	640,323	(16)
Net interest income	<u>1,039,326</u>	<u>729,308</u>	43	<u>511,392</u>	<u>399,388</u>	28	<u>1,229,798</u>	<u>815,281</u>	51	<u>614,884</u>	<u>431,211</u>	43
Fee and commission income	76,500	80,306	(5)	39,938	42,212	(5)	159,328	152,742	4	82,195	80,790	2
Less: Fee and commission expenses	21,716	22,078	(2)	10,276	11,918	(14)	28,827	32,671	(12)	14,096	18,009	(22)
Net fee and commission income	<u>54,784</u>	<u>58,229</u>	(6)	<u>29,662</u>	<u>30,294</u>	(2)	<u>130,501</u>	<u>120,071</u>	9	<u>68,099</u>	<u>62,782</u>	8
Net gain from trading	79,111	46,998	68	52,747	23,954	120	79,111	50,701	56	52,747	27,657	91
Other operating income (net)	177,094	151,114	17	94,017	78,838	19	177,944	277,379	(36)	80,219	176,792	(55)
Total operating income	<u>1,350,315</u>	<u>985,648</u>	37	<u>687,818</u>	<u>532,475</u>	29	<u>1,617,354</u>	<u>1,263,432</u>	28	<u>815,949</u>	<u>698,441</u>	17
Less: Impairment for Loans & Other losses	37%											
Individual Impairment	43,442	14,090	208	30,413	4,961	(513)	81,114	(20,283)	500	41,893	(29,683)	241
Collective Impairment	63,414	172,111	(63)	17,991	106,060	(83)	57,426	204,112	(72)	17,726	133,683	(87)
Net operating income	<u>1,243,459</u>	<u>799,447</u>	56	<u>639,414</u>	<u>421,454</u>	52	<u>1,478,813</u>	<u>1,079,603</u>	37	<u>756,330</u>	<u>594,441</u>	27
Less: Personnel Expenses	467,635	306,653	52	234,842	154,326	52	552,724	373,561	48	279,996	188,089	49
Depreciation & Amortization	158,917	116,750	36	81,574	69,197	18	171,184	135,608	26	87,623	79,635	10
Other expenses	482,257	341,572	41	246,270	183,695	34	574,936	415,564	38	294,687	215,609	37
Operating profit before value added tax (VAT) and national building tax (NBT) on financial services	<u>134,650</u>	<u>34,472</u>	291	<u>76,728</u>	<u>14,237</u>	439	<u>179,969</u>	<u>154,870</u>	16	<u>94,023</u>	<u>111,109</u>	(15)
Less: VAT and NBT on financial services	54,273	20,834	161	30,519	3,970	669	62,422	38,413	63	34,385	18,334	88
Profit before tax	<u>80,378</u>	<u>13,638</u>	489	<u>46,209</u>	<u>10,267</u>	350	<u>117,547</u>	<u>116,457</u>	1	<u>59,638</u>	<u>92,775</u>	(36)
Less: Tax expenses	20,297	(5,670)	458	11,224	(1,390)	(908)	35,147	58,226	(40)	15,116	57,696	(74)
Profit for the period	<u>60,080</u>	<u>19,308</u>	211	<u>34,985</u>	<u>11,656</u>	200	<u>82,400</u>	<u>58,231</u>	42	<u>44,522</u>	<u>35,079</u>	27
Profit Attributable to:												
Owners of the parent	60,080	19,308	211	34,985	11,656	200	68,025	27,657	146	36,212	9,012	302
Non-controlling interest	-	-		-	-		14,375	30,574	(53)	8,310	26,067	(68)
	<u>60,080</u>	<u>19,308</u>	211	<u>34,985</u>	<u>11,656</u>	200	<u>82,400</u>	<u>58,231</u>	42	<u>44,522</u>	<u>35,079</u>	27
Earnings per share on profit	2.11											
Earnings per share - Basic							0.06	0.08	(21)	0.03	0.03	29
Earnings per share - Diluted							0.05	-	100	0.03	-	100

STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2015

	BANK						GROUP					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	30.06.2015 Rs.'000	30.06.2014 Rs.'000	Change %	30.06.2015 Rs.'000	30.06.2014 Rs.'000	Change %	30.06.2015 Rs.'000	30.06.2014 Rs.'000	Change %	30.06.2015 Rs.'000	30.06.2014 Rs.'000	Change %
Profit for the period	60,080	19,308	211	34,985	11,656	200	82,400	58,231	42	44,522	35,079	27
Other comprehensive income/(expenses)												
<i>Other comprehensive income to be reclassified to profit or loss:</i>												
Gains and losses on re-measuring available for sale financial assets	852	(1,136)	(175)	2,478	285	770	(1,821)	347	(625)	1,751	(79)	(2316)
Net other comprehensive income to be reclassified to profit or loss	852	(1,136)		2,478	285		(1,821)	347		1,751	(79)	
<i>Other comprehensive income not to be reclassified to profit or loss:</i>												
Actuarial gains and losses on defined benefit plans							(130)	1,570		(130)	1,570	(108)
Less: Deferred Tax effect on actuarial gains/(losses) on defined benefit plans												
Net other comprehensive income not to be reclassified to profit or loss	-	-		-	-		(130)	1,570		(130)	1,570	
Other comprehensive income for the period, net of taxes	852	(1,136)	(175)	2,478	285	770	(1,950)	1,917	(202)	1,621	1,491	9
Total comprehensive income for the period	<u>60,932</u>	<u>18,172</u>	235	<u>37,463</u>	<u>11,941</u>	214	<u>80,450</u>	<u>60,148</u>	34	<u>46,143</u>	<u>36,570</u>	26
Attributable to:												
Owners of the parent	60,932	18,172	235	37,463	11,941	214	67,122	28,372	137	37,927	10,206	272
Non-controlling interest	-	-		-	-		13,328	31,776	(58)	8,216	26,364	
	<u>60,932</u>	<u>18,172</u>	235	<u>37,463</u>	<u>11,941</u>	214	<u>80,450</u>	<u>60,148</u>	34	<u>46,143</u>	<u>36,570</u>	26

Union Bank of Colombo PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	BANK			GROUP		
	30.06.2015	31.12.2014	Change	30.06.2015	31.12.2014	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
Assets						
Cash and cash equivalents	3,368,287	12,684,927	(73)	3,478,886	13,064,744	(73)
Balances with Central Bank	984,465	949,105	4	984,465	949,105	4
Placements with Banks	421,055	73,995	469	421,151	186,430	126
Derivative Financial Instruments	8	4,150	(100)	8	4,150	(100)
Other financial assets held for trading	4,099,936	1,902,118	116	4,099,936	1,902,118	116
Loans and receivables to banks	-	-	-	15,988	16,004	(0)
Loans and receivables to other customers	33,092,717	25,944,570	28	36,908,803	29,217,857	26
Other loans and receivables	2,518,552	2,470,115	2	1,721,828	1,649,134	4
Financial investments – Available for sale	7,332,878	1,647,686	345	7,730,163	1,800,750	329
Financial investments – Held to maturity	659,172	140,027	371	659,172	140,027	371
Investments in subsidiaries	892,364	892,364	0	-	-	-
Property, plant and equipment	842,566	754,548	12	974,154	875,933	11
Investment in Real Estate	-	-	-	252,065	258,887	(3)
Goodwill and intangible assets	1,016,313	951,750	7	1,368,556	1,304,027	5
Income Tax Recoverable	196,204	149,448	31	196,204	149,448	31
Deferred tax assets	-	-	-	513,040	515,838	(1)
Other assets	400,673	430,318	(7)	480,257	523,918	(8)
Total assets	<u>55,825,191</u>	<u>48,995,121</u>	14	<u>59,804,678</u>	<u>52,558,371</u>	14
Liabilities						
Due to banks	2,657,246	2,090,588	27	2,701,538	2,145,832	26
Derivative Financial Instruments	10,837	-	100	10,837	-	100
Due to other customers	34,952,143	28,925,381	21	37,681,380	31,419,544	20
Other Borrowings	-	-	-	931,040	845,085	10
Current tax liabilities	-	-	-	184,368	181,442	2
Deferred tax liabilities	54,655	25,284	116	55,285	25,915	113
Other liabilities	1,339,093	1,203,584	11	1,677,448	1,443,521	16
Total liabilities	<u>39,013,975</u>	<u>32,244,837</u>	21	<u>43,241,896</u>	<u>36,061,339</u>	20
Equity						
Stated capital/Assigned 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	64,786	61,782	5	72,173	69,169	4
Retained earnings	345,391	288,314	20	(233,919)	(298,854)	(22)
Available for sale reserve	773	(78)	(1086)	13,267	14,085	(6)
Total shareholders' equity	16,811,216	16,750,284	0	16,251,787	16,184,665	0
Non-controlling interests	-	-	-	310,995	312,366	(0)
Total equity	<u>16,811,216</u>	<u>16,750,284</u>	0	<u>16,562,782</u>	<u>16,497,032</u>	0
Total equity and liabilities	<u>55,825,191</u>	<u>48,995,121</u>	14	<u>59,804,678</u>	<u>52,558,371</u>	14
Contingent liabilities and commitments	28,809,200	24,188,914	19	28,809,200	24,188,914	19
Net asset value per ordinary share	15.40	15.35	0	15.18	15.12	0
Memorandum information						
Number of Employees	826	724				
Number of Branches	62	61				

Union Bank of Colombo PLC

STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2015

BANK	Stated Capital	Share Warrants	Statutory Reserve	Investment Fund	Retained Earnings	Available for sale	Total
	Rs.'000	Rs.'000	Fund Rs.'000	Rs.'000	Rs.'000	Reserve Rs.'000	Rs.'000
Balance as at 1 January 2014	4,979,791	-	58,928	213,717	203,208	1,642	5,457,285
Net Profit for the period	-	-	-	-	19,308	-	19,308
Other Comprehensive Income	-	-	-	-	-	(1,136)	(1,136)
Total comprehensive income	-	-	-	-	19,308	(1,136)	18,172
Transfers during the period	-	-	965	-	(965)	-	-
Dividend Paid	-	-	-	-	(87,313)	-	(87,313)
Balance as at 30 June 2014	4,979,791	-	59,893	213,717	134,238	506	5,388,145
Balance as at 1 January 2015	16,334,782	65,484	61,782	-	288,314	(78)	16,750,284
Net Profit for the period	-	-	-	-	60,080	-	60,080
Other Comprehensive Income	-	-	-	-	-	852	852
Total comprehensive income	-	-	-	-	60,080	852	60,932
Transfers during the period	-	-	3,004	-	(3,004)	-	-
Balance as at 30 June 2015	16,334,782	65,484	64,786	-	345,391	773	16,811,216

GROUP	Stated Capital	Share Warrants	Statutory Reserve	Investment Fund	Retained Earnings	Available for sale	Total	Non-controlling	Total Equity
	Rs.'000	Rs.'000	Fund Rs.'000	Rs.'000	Rs.'000	Reserve Rs.'000	Rs.'000	Interest Rs.'000	Rs.'000
Balance as at 1 January 2014	4,979,791	-	63,272	214,889	(351,933)	14,174	4,920,193	273,526	5,193,719
Net Profit for the period	-	-	-	-	27,657	-	27,657	30,574	58,231
Other Comprehensive Income	-	-	-	-	1,039	(324)	715	1,202	1,917
Total comprehensive income	-	-	-	-	28,696	(324)	28,372	31,776	60,148
Transfers during the period	-	-	5,564	7,309	(12,872)	-	-	-	-
Dividend Paid	-	-	-	-	(87,313)	-	(87,313)	(9,800)	(97,113)
Balance as at 30 June 2014	4,979,791	-	68,835	222,198	(423,422)	13,850	4,861,252	295,502	5,156,754
Balance as at 1 January 2014	16,334,782	65,484	69,169	-	(298,854)	14,085	16,184,665	312,366	16,497,032
Net Profit for the period	-	-	-	-	68,025	-	68,025	14,375	82,400
Other Comprehensive Income	-	-	-	-	(86)	(818)	(904)	(1,047)	(1,950)
Total comprehensive income	-	-	-	-	67,940	(818)	67,122	13,328	80,450
Transfers during the period	-	-	3,004	-	(3,004)	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	(14,700)	(14,700)
Balance as at 30 June 2015	16,334,782	65,484	72,173	-	(233,919)	13,267	16,251,787	310,995	16,562,782

Union Bank of Colombo PLC
STATEMENT OF CASH FLOWS
Period ended 30 June 2015

	BANK		GROUP	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Cash Flow from Operating Activities				
Interest Received	1,805,249	1,894,205	2,113,080	2,134,003
Fees and Commission Receipts	54,784	58,229	130,501	120,071
Interest Paid	(1,046,348)	(1,476,871)	(1,281,428)	(1,603,375)
Receipts from Other Operating Activities	168,580	191,665	183,226	330,819
Payments on Other Operating Activities	(995,515)	(688,886)	(1,179,902)	(846,977)
Operating Profit/(Loss) before changes in Operating Assets & Liabilities	(13,251)	(21,658)	(34,523)	134,540
(Increase)/Decrease in Operating Assets:				
Balance with Central Bank of Sri Lanka	(35,360)	(32,429)	(35,360)	(32,429)
Funds Advanced to Customers	(7,234,873)	(588,433)	(7,754,217)	(1,065,980)
Others	33,788	(48,627)	47,802	(251,812)
	(7,236,445)	(669,489)	(7,741,774)	(1,350,221)
Increase /(Decrease) in Operating Liabilities:				
Due to Other customers	6,212,371	457,689	6,501,990	1,312,461
Other Liabilities	137,696	(204,616)	230,434	(29,239)
	6,350,067	253,074	6,732,425	1,283,222
Net Cash from/(used in) Operating Activities before Income Tax				
Retiring Gratuity paid	-	(2,299)	(601)	(2,299)
Income Tax Paid	(37,683)	(14,954)	(34,223)	(14,954)
Net Cash from/(used in) Operating Activities	(937,312)	(455,327)	(1,078,696)	50,288
Cash Flow from/(used in) Investing Activities				
Dividends Received	14,048	10,613	250	1,428
Net investment in Other Financial Assets held for trading	(2,122,296)	247,810	(2,131,432)	247,810
Net increase in investment in Financial Assets held to maturity	(516,122)	(38)	(516,122)	(38)
Net increase in investment in Financial Assets available for sale	(5,652,208)	(843,061)	(5,896,395)	(850,312)
Net investment in Real Estates	-	-	6,822	89,578
Purchase of Property & Equipment	(197,739)	(131,490)	(219,070)	(142,788)
Purchase of Intangible Assets	(117,416)	(4,878)	(118,522)	(7,566)
Net Cash used in Investing Activities	(8,590,895)	(721,044)	(8,873,629)	(661,889)
Cash Flow from/(used in) Financing Activities				
Increase/Decrease in Borrowings	519,836	930,924	590,864	1,145,835
Dividend Paid	-	(87,313)	(14,700)	(97,113)
Net Cash from Financing Activities	519,836	843,612	576,164	1,048,723
Net Increase/(Decrease) in Cash and Cash Equivalents	(9,008,372)	(332,759)	(9,376,162)	437,121
Cash and Cash Equivalents at Beginning of the year	12,612,344	3,308,143	13,049,562	3,419,295
Cash and Cash Equivalents at end of the period	3,603,973	2,975,384	3,673,400	3,856,416
Reconciliation of Cash and Cash Equivalents				
Cash & Cash Equivalents	3,366,544	2,962,140	3,478,870	3,606,278
Placements with Banks	421,046	107,591	421,143	357,591
Due to Banks	(183,618)	(94,348)	(226,613)	(107,453)
	3,603,973	2,975,384	3,673,400	3,856,416

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015

1 LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Bank		Group	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Audited		Audited
Gross loans and receivables (Note 1.1)	33,593,101	26,558,875	38,170,476	30,648,646
(Less): Individual impairment (Note 1.2)	(169,752)	(126,310)	(755,914)	(761,678)
Collective impairment (Note 1.2)	(330,632)	(487,995)	(505,759)	(669,111)
Net loans and receivables	33,092,717	25,944,570	36,908,803	29,217,857

1.1 Loans and Receivables to other customers - by product

Overdrafts	7,639,770	7,489,641	7,639,770	7,489,641
Trade finance	6,859,331	5,803,521	6,859,331	5,803,521
Pawning	481,294	1,354,728	491,339	1,363,721
Staff loans	423,326	321,698	426,328	324,706
Term loans	16,747,161	10,276,602	17,583,258	11,393,744
Lease and Hire Purchase	1,022,368	954,207	3,553,893	2,883,753
Factoring	419,851	358,479	1,292,480	978,606
Others	-	-	324,076	410,954
Gross Loans and Receivables	33,593,101	26,558,875	38,170,476	30,648,646

1.2 Movements in Individual and Collective Impairment during the period

Individual impairment

Opening balance as at 1 January 2015	126,310	165,628	761,678	1,043,342
Charge/(Write back) to income statement	43,442	92,804	81,114	188,472
Net write-off during the period	-	(132,122)	(86,879)	(470,137)
Closing balance as at 30 June 2015	169,752	126,310	755,914	761,678

Collective impairment

Opening balance as at 1 January 2015	487,995	366,872	669,111	667,058
Charge/(Write back) to income statement	63,414	372,580	57,426	253,509
Net write-off during the period	(220,778)	(251,456)	(220,778)	(251,456)
Closing balance as at 30 June 2015	330,632	487,995	505,759	669,111
Total Impairment Balance	500,384	614,305	1,261,673	1,430,789

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015

	Bank		Group	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2 DUE TO OTHER CUSTOMERS		Audited		Audited
Deposit Liability (Note 2.1)	30,397,826	27,808,891	33,270,160	30,323,850
Repurchased agreements	4,554,318	1,116,489	4,411,220	1,095,694
	<u>34,952,143</u>	<u>28,925,381</u>	<u>37,681,380</u>	<u>31,419,544</u>
2.1 Deposit Liability				
Current accounts	2,729,134	2,206,541	2,725,023	2,202,984
Saving accounts	5,473,087	4,707,269	5,474,999	4,702,632
Fixed deposits	19,723,595	18,141,270	22,598,128	20,664,423
Other deposits - CDs	2,472,010	2,753,812	2,472,010	2,753,812
	<u>30,397,826</u>	<u>27,808,891</u>	<u>33,270,160</u>	<u>30,323,850</u>

Union Bank of Colombo PLC

EXPLANATORY NOTES

Period ended 30 June 2015

- 1 The figures are provisional, unless otherwise stated as audited.
- 2 Interim financial statements are presented in accordance with LKAS 34 - Interim Financial Reporting applicable after 1 January 2012 and there are no changes to the accounting policies and methods of computation as against those disclosed in the Annual Report for the year ended 31 December 2014.

The Group financial statements comprise a consolidation of the financial statements of the Bank and its subsidiary National Asset Management Limited & UB Finance Company Limited and the Special Purpose Entity, Serandib Capital (Private) Limited.

- 3 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;
 - 3.1 The Board of Directors of the Bank has decided to establish and implement an Employee Share Option Plan (ESOP). The total number of shares to be issued is 45.6Mn which amounts to 4.17% of total issued shares of the bank
 - 3.2 Mr.Sumedh Jog was appointed as an alternate Director to Mr. Michael J O'Hanlon, a Non Independent Non Executive Director of the Board for a period of two years from the date of approval from the Central Bank of Sri Lanka. This was announced to the CSE on 2 April 2015.

4 Information on Ordinary Shares

Market Value	30.06.2015	30.06.2014
	Rs.	Rs.
Market value	23.70	21.50
Highest price for the quarter	26.40	22.10
Lowest price for the quarter	23.60	18.10

NOTES TO THE FINANCIAL STATEMENTS

Period ended 30 June 2015

SEGMENTAL ANALYSIS - GROUP

For the six months ended 30 June

	Corporate		Treasury		SME		Other Group Companies		Total	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Interest Income	481,972	537,642	410,771	176,446	956,328	1,198,300	443,450	282,284	2,292,521	2,194,672
Add: Inter-Segment Interest Income	-	-	-	-	302,847	242,777	-	-	302,847	242,777
Total Interest Income	481,972	537,642	410,771	176,446	1,259,175	1,441,076	443,450	282,284	2,595,368	2,437,448
Less: Interest Expense	59,709	176,252	65,309	38,151	733,443	1,029,278	203,995	135,711	1,062,456	1,379,391
Less: Inter-Segment Interest Expense	162,608	168,390	140,239	74,387	-	-	-	-	302,847	242,777
Net Interest Income	259,655	193,001	205,223	63,908	525,732	411,798	239,455	146,574	1,230,065	815,281
Other Income	40,710	55,859	140,845	80,269	112,677	86,472	93,056	258,224	387,288	480,823
Total Net Income	300,366	248,859	346,068	144,177	638,408	498,270	332,512	404,797	1,617,354	1,296,103
Less: Expenses including impairments	280,250	217,229	303,770	194,829	631,644	539,119	221,720	190,057	1,437,385	1,141,233
Segmental Results	20,116	31,631	42,298	(50,652)	6,764	(40,849)	110,792	214,740	179,969	154,870
Less: VAT and NBT on Financial Services									62,422	38,413
Less: Taxation									35,147	58,226
Profit after Taxation									82,400	58,231
Cash flow from operating activities	(240,708)	(128,009)	(225,940)	(42,011)	(470,665)	(285,307)	(141,384)	505,615	(1,078,696)	50,288
Cash flow from investing activities	(80,719)	(38,338)	(8,352,345)	(597,257)	(157,832)	(85,448)	(282,734)	59,155	(8,873,629)	(661,889)
Cash flow from financing activities	133,497	237,170	125,307	77,835	261,032	528,606	56,328	205,111	576,164	1,048,723
As at 30 June										
Other Information										
Segment Assets	17,176,094	9,892,675	15,445,781	5,188,082	17,771,194	16,825,772	7,613,821	6,267,705	58,006,890	38,174,234
Unallocated									1,797,787	1,553,881
Consolidated Total Assets									59,804,678	39,728,115
Segment Liabilities	3,010,153	4,178,618	695,664,821	1,033,681	278,456,391	24,895,606	4,651,855	3,510,320	42,464,296	33,618,225
Unallocated									777,601	953,136
Consolidated Total Liabilities									43,241,896	34,571,361

Union Bank of Colombo PLC

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 30 June 2015

TOP 20 SHAREHOLDERS

Name	No. of shares As at 30.06.2015	% holding
1 Culture Financial Holdings Ltd	763,984,374	70.0%
2 Vista Knowledge Pte Ltd	64,677,973	5.9%
3 Associated Electrical Corporation Ltd	29,237,387	2.7%
4 Mr. A.I. Lovell	22,743,780	2.1%
5 Mr.C.P.A Wijeyesekera	18,508,468	1.7%
6 Mr.D.A.J Warunakulasuriya	14,842,730	1.4%
7 EXSAB International Holding Co. for Trading Development	8,902,139	0.8%
8 Ashyaki Holdings (Pvt) Ltd.	7,792,506	0.7%
9 Rosewood (Pvt) Ltd - Account No. 1	7,700,698	0.7%
10 Mr. M.D. Samarawickrama	7,660,582	0.7%
11 Mr. S.P. Khattar	7,343,365	0.7%
12 Asian Alliance Insurance PLC - A/C 02 (Life Fund)	6,067,256	0.6%
13 Commercial Agencies (Ceylon) Ltd.	4,050,833	0.4%
14 Ajita De Zoysa & Company Limited.	4,050,832	0.4%
15 Standard Chartered Bank Singapore S/A HL Bank Singapore Branch	2,875,149	0.3%
16 Dr. T. Senthilverl	2,694,709	0.2%
17 Anverally and Sons (Pvt) Ltd A/C No 01	2,432,600	0.2%
18 Rubber Investment Trust Limited A/C No 01	2,078,975	0.2%
19 Ceylon Biscuits Limited	2,000,000	0.2%
20 The Ceylon Chamber of Commerce Account No 02	1,948,500	0.2%
	981,592,856	89.9%
Other share holders	109,813,393	10.1%
Total	1,091,406,249	100.0%

As at 30 June 2015

Number of shares in public holding	239,337,200
Number of public shareholders	33,868
Percentage of public holding	21.9%

DIRECTORS' HOLDING IN SHARES

Name	No. of shares held As at 30.06.2015
Mr. Alexis Indrajit Lovell	22,743,780
Mr. Bodahandi Asoka Keerthi de Silva	8,900
Ms. Sow Lin Chiew	None
Mr. Priyantha Damian Joseph Fernando	None
Mr. Hussain Imtiaz Muhseen	None
Mr. Mohamed Hisham Sabry Ghouse	None
Ms. Ayomi Aluwihare Gunawardene	None
Mr. Ranvir Dewan	None
Mr. Gaurav Trehan	None
Mr. P.Jayendra Nayak	None
Mr. Puneet Bhatia	None
Mr. Michael J. O'Hanlon	None
Mr. Indrajit Wickramasinghe	None

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Bank - 2015

	HFT	HTM	L & R	AFS	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Cash and cash equivalents	2,261,758	-	1,106,529	-	-	3,368,287
Balances with Central Bank	-	-	984,465	-	-	984,465
Placements with banks	-	-	421,055	-	-	421,055
Derivative Financial Instruments	8	-	-	-	-	8
Financial assets - held for trading	4,099,936	-	-	-	-	4,099,936
Loans and receivables to other customers	-	-	33,092,717	-	-	33,092,717
Other loans and receivables	-	-	2,518,552	-	-	2,518,552
Financial investments - Available for sale	-	-	-	7,332,878	-	7,332,878
Financial investments - Held to maturity	-	659,172	-	-	-	659,172
Other assets	-	-	40,885	-	-	40,885
Total financial assets	6,361,702	659,172	38,164,203	7,332,878	-	52,517,955
LIABILITIES						
Due to banks	-	2,657,246	-	2,657,246	-	2,657,246
Derivative Financial Instruments	10,837	-	-	10,837	-	10,837
Due to other customers	-	34,952,143	-	34,952,143	-	34,952,143
Other liabilities	-	956,382	-	956,382	-	956,382
Total financial liabilities	10,837	38,565,771	-	38,576,608	-	38,576,608

b. Bank - 2014 (Audited)

	HFT	HTM	L & R	AFS	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Cash and cash equivalents	682,354	-	12,002,573	-	-	12,684,927
Balances with Central Bank	-	-	949,105	-	-	949,105
Placements with banks	-	-	73,995	-	-	73,995
Derivative Financial Instruments	4,150	-	-	-	-	4,150
Financial assets - held for trading	1,902,118	-	-	-	-	1,902,118
Loans and receivables to other customers	-	-	25,944,570	-	-	25,944,570
Other loans and receivables	-	-	2,470,115	-	-	2,470,115
Financial investments - Available for sale	-	-	-	1,647,686	-	1,647,686
Financial investments - Held to maturity	-	140,027	-	-	-	140,027
Other assets	-	-	16,462	-	-	16,462
Total financial assets	2,588,622	140,027	41,456,820	1,647,686	-	45,833,155
LIABILITIES						
Due to banks	-	2,090,588	-	2,090,588	-	2,090,588
Due to other customers	-	28,925,381	-	28,925,381	-	28,925,381
Other liabilities	-	855,678	-	855,678	-	855,678
Total financial liabilities	-	31,871,646	-	31,871,646	-	31,871,646

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Group - 2015

	HFT Rs.	HTM Rs.	L & R Rs.	AFS Rs.	Others Rs.	Total Rs.
ASSETS						
Cash and cash equivalents	2,261,758	-	1,217,129	-	-	3,478,886
Balances with Central Bank	-	-	984,465	-	-	984,465
Derivative Financial Instruments	8	-	-	-	-	8
Placements with banks	-	-	421,151	-	-	421,151
Financial assets - held for trading	4,099,936	-	-	-	-	4,099,936
Loans and receivables to banks	-	-	15,988	-	-	15,988
Loans and receivables to other customers	-	-	36,908,803	-	-	36,908,803
Other loans and receivables	-	-	1,721,828	-	-	1,721,828
Financial investments - Available for sale	-	-	-	7,730,163	-	7,730,163
Financial investments - Held to maturity	-	659,172	-	-	-	659,172
Other assets	-	-	40,885	-	-	40,885
Total financial assets	6,361,702	659,172	41,310,249	7,730,163	-	56,061,287
LIABILITIES						
	HFT Rs.	Amortised cost Rs.	Others Rs.	Total Rs.		
Due to banks	-	2,701,538	-	2,701,538		
Derivative Financial Instruments	10,837	-	-	10,837		
Due to other customers	-	37,681,380	-	37,681,380		
Other borrowed funds	-	931,040	-	931,040		
Other liabilities	-	956,382	-	956,382		
Total financial liabilities	10,837	42,270,340	-	42,281,177		

b. Group - 2014 (Audited)

	HFT Rs.	HTM Rs.	L & R Rs.	AFS Rs.	Others Rs.	Total Rs.
ASSETS						
Cash and cash equivalents	682,354	-	12,382,390	-	-	13,064,744
Balances with Central Bank	-	-	949,105	-	-	949,105
Derivative Financial Instruments	4,150	-	-	-	-	4,150
Placements with banks	-	-	186,430	-	-	186,430
Financial assets - held for trading	1,902,118	-	-	-	-	1,902,118
Loans and receivables to banks	-	-	16,004	-	-	16,004
Loans and receivables to other customers	-	-	29,217,857	-	-	29,217,857
Financial assets - held for trading	-	-	1,649,134	-	-	1,649,134
Financial investments - Available for sale	-	-	-	1,800,750	-	1,800,750
Financial investments - Held to maturity	-	140,027	-	-	-	140,027
Other assets	-	-	28,812	-	-	28,812
Total financial assets	2,588,622	140,027	44,429,733	1,800,750	-	48,959,132
LIABILITIES						
	HFT Rs.	Amortised cost Rs.	Others Rs.	Total Rs.		
Due to banks	-	2,145,832	-	2,145,832		
Due to other customers	-	31,419,544	-	31,419,544		
Other borrowed funds	-	845,085	-	845,085		
Other liabilities	-	855,678	-	855,678		
Total financial liabilities	-	35,266,139	-	35,266,139		

Union Bank of Colombo PLC

SELECTED PERFORMANCE INDICATORS

As at 30 June 2015

Item	Bank	
	30-Jun-15	31-Dec-14
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. '000	15,388,133	15,485,556
Total Capital Base, Rs. '000	15,107,701	15,199,541
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	33.20%	41.70%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	32.59%	40.93%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	4.87%	8.25%
Net-Non Performing Advances, % (net of interest in suspense and provision)	3.99%	7.44%
Profitability		
Interest Margin, %	3.97%	4.20%
Return on Assets (before Tax), %	0.31%	0.14%
Return on Equity, %	0.72%	0.70%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. '000		
Domestic Banking Unit	8,736,753	15,298,157
Off-Shore Banking Unit	496,038	364,972
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
Domestic Banking Unit	26.97%	51.12%
Foreign Currency Banking Unit	22.92%	22.51%

CERTIFICATION:

We, the undersigned, being the Chairman, 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 Samaratinga
Chief Financial Officer

Indrajit Wikramasinghe
Chief Executive Officer

P. Jayendra Nayak
Chairman

Date: 22 July 2015

UNION BANK HIGHLIGHTS VERY IMPRESSIVE HALF YEAR PERFORMANCE.

Results at a Glance

Banks Performance

- Operating income for 1H15 grows 37% YoY to Rs.1,350Mn.
- Net Profit grows 211% YoY to Rs.60Mn
- CASA grows 19% YTD to Rs.8,202Mn
- Customer Deposits grows 9% YTD to Rs.30,398Mn
- Gross Loans and Advances grows 26% YTD to Rs.33,593mn
- Significant improvement in asset quality with Net NPA at 3.9%

Group Performance

- Operating Income for 1H15 grows 28% YoY to Rs.1,617Mn
- Net Profit grows 42% YoY to Rs.82Mn

Gathering a strong growth momentum

Union Bank's 2Q15 results have highlighted an impressive growth reflecting on the rapid development initiatives the Bank embarked post the land mark investment from TPG the global private investment firm. The rapid transition to a fully-fledged Commercial Bank with wider focus on retail, corporate and SME sectors is evident with the many changes that have impacted to significantly strengthen the Bank's rapidly progressive position .

Noteworthy upward momentum was highlighted in the Bank's expansion initiatives with the branch network reaching to 62 branches and the Bank's fast growing ATM network adding 20 new offsite ATMs increasing its ATM network to 83 Union Bank owned ATMs across the country. In line with the Bank's mandate to deliver greater banking convenience to customers during the 6 months ended

30th June 2015, 13 existing branches were remodeled and a new look was unveiled, providing a redefined banking experience to customers.

Widening its focus on the personal banking segment, the Bank opened 'Elite Circle' a dedicated center for Elite banking Services with an elegant ambience, spacious meeting facilities and dedicated Relationship Managers providing a redefined experience in personalised banking.

Enhancing and adding value to the Bank's product portfolio is an integral part of its development strategy. The Bank launched Union Bank Salary Power and Salary Select a competitive savings proposition for professionals. Several savings products were revamped offering increased benefits to customers. The relaunch of Personal Loans and Home loans are key initiatives during the period, which provides customers an opportunity to avail themselves to a wider portfolio of products and services.

An integrated communication campaign was launched as part of the strategy to build stronger corporate brand equity under the concept "Make the rest of your life the best of your life with Union Bank". The campaign has delivered greater brand awareness for the Bank and has supported tremendously in its efforts to position it as a fully-fledged Commercial Bank.

Indrajit Wickramasinghe, Director/CEO of Union Bank stated that "the first half of 2015 was a crucial period with the Bank restructuring itself, and I am pleased to see the results of the many strategic development initiatives and investments gathering a strong growth momentum and its results evident with the performance the bank as highlighted as at June 2015". The growth trajectory that is envisioned will deliver continuous value propositions and benefits to our customers for greater banking convenience. We have ensured greater process efficiencies and aligned our teams to deliver the best value and service. We will continue to deliver on our premise of banking convenience and will also debut several new products shortly.

1H15 Performance

The Bank recorded a significant increase in revenue for 1H15, in comparison to the corresponding period in 2014. Total operating income for 1H15 grew by 37% YoY to Rs 1,350Mn. The primary reason being the strong growth in loans and advances, along with better management of yields and the quality of the loan book.

Net Interest Income of the Bank grew by 43% YoY, to Rs.1,039Mn for 1H15. Fees and Other operating income grew by 21% in comparison to the corresponding reporting period.

The Group recorded a significant increase in revenue for 1H15 in comparison to the corresponding period. Total operating income for 1H15 grew by 28% YoY to Rs 1,617Mn. This is mainly due to the strong Net Interest Income growth of 51%..

Reflecting a significant improvement in the quality of the portfolio, impairment charges of the Bank reported a reduction of 43% in comparison to the corresponding period. Correspondingly Group reported a 25% reduction in impairment charges for the period.

In 1H15 Operating expenses increased to Rs.1,109Mn. This is a 45% increase in comparison to the previous period. This is mainly due to investments made with regard to customer reach expansion, technology and investments in staff, in keeping with the strategic changes taking place in the Bank. Operating expenses of the group showed a 40% increase due to similar reasons.

The Bank reported a profit before tax and financial services VAT of Rs.135Mn for the period. This is a 291% increase in comparison to the previous period. Furthermore the Bank reported a Net profit after tax of Rs.60Mn for the 6 months period. This is despite the significant investments that have been made, which are in line with the new strategic initiatives.

The Group reported a profit after tax of Rs.82Mn in comparison to Rs.58mn in 2014.

Loans and advances of the bank showed a strong growth to report a 28% year to date growth. Loan book stood at Rs.33,093Mn in comparison to Rs.25,945Mn in December 2014. As a result of this Total Assets of the Bank grew by 14% to Rs.55,825Mn.

The strong focus on portfolio quality and improved credit underwriting have resulted in significant improvement in its asset quality, the Banks Net NPA ratio as at June 2015 stood at 3.9% in comparison to 11.8% a year ago.

The customer deposits of the Bank increased by 9% YTD to Rs.30,398Mn, whilst . CASA reported a stronger growth of 19% YTD.

Total assets of the group reported a 14% YTD increase to Rs.59,805Mn.

The shareholders' funds of the Bank stood at Rs 16,811Mn as at quarter end. The Bank is well capitalised as indicated by its regulatory capital adequacy ratio. In 1H15 the bank reported a Core capital adequacy ratio of 33.2% and Total capital adequacy ratio of 32.6%.

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