



INTERIM FINANCIAL STATEMENTS

For the period ended 30 September 2017



	BANK						GROUP					
	For the nine months ended			For the quarter ended			For the nine months ended			For the quarter ended		
	30.09.2017 Rs.000	30.09.2016 Rs.000	Change %	30.09.2017 Rs.000	30.09.2016 Rs.000	Change %	30.09.2017 Rs.000	30.09.2016 Rs.000	Change %	30.09.2017 Rs.000	30.09.2016 Rs.000	Change %
Interest income	7,645,627	4,951,393	54	2,738,048	1,979,405	38	8,864,023	5,854,509	51	3,166,511	2,307,768	37
Less: Interest expenses	5,326,964	3,300,569	61	1,980,209	1,307,079	51	6,074,633	3,819,041	59	2,244,693	1,501,544	49
Net interest income	2,318,663	1,650,824	40	757,839	672,326	13	2,789,390	2,035,468	37	921,818	806,224	14
Fee and commission income	571,704	474,791	20	202,893	183,075	11	710,010	616,801	15	252,173	229,453	10
Less: Fee and commission expenses	76,474	66,578	15	26,534	25,446	4	102,567	85,039	21	36,432	32,568	12
Net fee and commission income	495,230	408,213	21	176,359	157,629	12	607,443	531,762	14	215,741	196,885	10
Net trading income	300,690	355,474	(15)	180,194	77,721	132	300,690	355,474	(15)	180,194	77,721	132
Net gain/ (loss) from financial instruments designated at fair value through profit or loss	-	-		-	-		-	-		-	-	
Other operating income	182,026	238,798	(24)	67,613	116,126	(42)	245,802	407,953	(40)	87,895	139,471	(37)
Total operating income	3,296,609	2,653,308	24	1,182,005	1,023,802	15	3,943,325	3,330,658	18	1,405,648	1,220,301	15
Less: Impairment charge												
Individual Impairment	181,413	30,972	486	70,129	13,238	430	209,085	84,189	148	82,754	45,750	81
Collective Impairment	30,302	7,563	301	9,904	6,868	44	82,222	25,614	221	28,247	4,896	477
Write Off	-	-		-	-		-	-		-	-	
Net operating income	3,084,894	2,614,774	18	1,101,972	1,003,696	10	3,652,018	3,220,855	13	1,294,646	1,169,655	11
Less: Personnel Expenses	1,182,647	1,015,640	16	416,418	359,447	16	1,362,945	1,183,957	15	481,459	416,947	15
Depreciation & Amortisation	293,862	292,294	1	103,059	102,140	1	316,646	310,005	2	110,348	109,991	0
Other expenses	977,766	902,868	8	315,596	326,050	(3)	1,142,350	1,076,761	6	368,372	380,361	(3)
Results from operating activities	630,619	403,972	56	266,899	216,059	24	830,077	650,131	28	334,467	262,356	27
Share of profit of equity accounted investees, net of tax	39,469	76,699	(49)	9,943	10,718	(7)	-	-		-	-	
Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services	670,087	480,671	39	276,842	226,777	22	830,077	650,131	28	334,467	262,356	27
Less: VAT and NBT on financial services	233,227	176,427	32	88,080	76,702	15	270,102	205,253	32	102,674	82,604	24
Profit before tax	436,861	304,244	44	188,761	150,075	26	559,975	444,878	26	231,794	179,752	29
Less: Tax expenses	95,417	(18,292)	622	54,644	31,349	74	149,809	30,124	397	74,264	39,590	88
Profit after tax	341,444	322,536	6	134,118	118,726	13	410,166	414,754	(1)	157,530	140,162	12
Profit Attributable to:												
Owners of the parent	341,444	322,536	6	134,118	118,726	13	384,340	367,830	4	150,977	133,178	13
Non-controlling interest	-	-		-	-		25,826	46,924	(45)	6,553	6,984	(6)
Profit after tax	341,444	322,536	6	134,118	118,726	13	410,166	414,754	(1)	157,530	140,162	12
Earnings per share												
Earnings per share - Basic	0.31	0.30	6	0.12	0.11	13	0.35	0.34	4	0.14	0.12	13
Earnings per share - Diluted	0.31	0.29	6	0.12	0.11	13	0.35	0.33	4	0.14	0.12	13

	BANK						GROUP					
	For the nine months ended			For the quarter ended			For the nine months ended			For the quarter ended		
	30.09.2017 Rs.'000	30.09.2016 Rs.'000	Change %	30.09.2017 Rs.'000	30.09.2016 Rs.'000	Change %	30.09.2017 Rs.'000	30.09.2016 Rs.'000	Change %	30.09.2017 Rs.'000	30.09.2016 Rs.'000	Change %
Profit for the period	341,444	322,536	6	134,118	118,726	13	410,166	414,754	(1)	157,530	140,162	12
Other comprehensive income												
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>												
Gains and losses on re-measuring available for sale financial assets	567,927	(83,423)	781	323,289	180,824	79	572,078	(90,199)	734	324,577	185,613	75
Gains and losses (arising from translating the financial statements of a foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Gains and losses on cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-
Less: Income tax effect on losses on re-measuring available for sale financial assets	(159,020)	-	(100)	(90,521)	-	(100)	(159,020)	3,033	(5,342)	(90,521)	365	(24,928)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	408,907	(83,423)	590	232,768	180,824	29	413,058	(87,166)	574	234,056	185,978	26
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>												
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-	-	1,330	(100)	-	-	-
Less: Income tax effect on actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	(372)	100	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-	-	-	958	(100)	-	-	-
Share of other comprehensive income of equity accounted investees, net of tax	2,117	(1,093)	294	669	(1,093)	161	-	-	-	-	-	-
Other comprehensive income for the period, net of taxes	411,024	(84,516)	586	233,437	179,731	30	413,058	(86,208)	579	234,056	185,978	26
Total comprehensive income for the period	752,468	238,020	216	367,555	298,458	23	823,224	328,546	151	391,586	326,140	20
Attributable to:												
Owners of the parent	752,468	238,020	216	367,555	298,458	23	795,365	283,313	181	384,414	316,686	21
Non-controlling interest	-	-	-	-	-	-	27,859	45,233	(38)	7,172	9,454	(24)
	752,468	238,020	216	367,555	298,458	23	823,224	328,546	151	391,586	326,140	20

INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	BANK			GROUP		
	30.09.2017	31.12.2016	Change	30.09.2017	31.12.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
Assets						
Cash and cash equivalents	2,955,358	2,506,685	18	3,509,264	2,717,650	29
Balances with Central Bank of Sri Lanka	3,928,065	2,487,805	58	3,928,065	2,487,805	58
Placements with banks	3,480,385	2,819,629	23	3,480,385	2,826,710	23
Reverse repurchased agreements	108,647	2,137	4983	108,647	275,498	(61)
Derivative financial instruments	9,086	15,412	(41)	9,086	15,412	(41)
Financial investments – held for trading	6,771,209	1,346,932	403	6,771,209	1,346,932	403
Financial investments designated at fair value through profit or loss	-	-		-	-	
Loans and receivables to other customers	67,391,069	55,438,415	22	75,759,975	62,931,936	20
Other loans and receivables	9,014,000	7,747,231	16	8,037,448	6,739,578	19
Financial investments – available for sale	15,720,726	16,520,365	(5)	15,899,476	16,694,470	(5)
Financial investments – held to maturity	2,600,654	140,231	1755	2,600,654	140,231	1755
Current tax asset	397,516	268,454	48	397,516	268,454	48
Investment in real estate	-	-		146,745	189,449	(23)
Investments in subsidiaries	970,092	940,027	3	-	-	
Goodwill and intangible assets	1,192,839	1,151,033	4	1,540,900	1,501,682	3
Property, plant and equipment	886,875	897,371	(1)	1,045,147	1,073,818	(3)
Deferred tax assets	-	82,534	(100)	439,770	541,807	(19)
Other assets	872,525	644,247	35	974,107	781,229	25
Total assets	116,299,046	93,008,509	25	124,648,395	100,532,661	24
Liabilities						
Due to banks	17,704,392	12,160,244	46	18,832,935	12,770,197	47
Derivative financial instruments	11,003	3,976	177	11,003	3,976	177
Financial liabilities designated at fair value through profit or loss	-	-		-	-	
Repurchased agreements	11,100,498	10,256,670	8	10,900,367	10,113,570	8
Due to other customers	67,397,892	51,841,372	30	72,734,544	57,525,156	26
Other borrowed funds	-	-		1,584,387	833,095	90
Current tax liabilities	-	-	100	183,133	162,396	13
Deferred tax liabilities	154,663	-	100	154,952	289	53496
Debt securities issued	-	-		-	-	
Subordinated term debts	-	-		-	-	
Other Provisions	-	-		-	-	
Other liabilities	2,191,398	1,663,033	32	2,567,192	2,158,591	19
Total liabilities	98,559,846	75,925,295	30	106,968,513	83,567,270	28

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	BANK			GROUP		
	30.09.2017	31.12.2016	Change	30.09.2017	31.12.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
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	112,511	95,439	18	124,674	107,602	16
ESOP reserve	30,495	17,836	71	30,495	17,836	71
Available for sale reserve	159,130	(251,894)	163	163,937	(247,088)	166
Retained earnings	1,036,798	821,568	26	588,322	330,196	78
Total shareholders' equity	17,739,200	17,083,214	4	17,307,694	16,608,812	4
Non-controlling interests	-	-		372,189	356,579	4
Total equity	17,739,200	17,083,214	4	17,679,883	16,965,391	4
Total equity and liabilities	116,299,046	93,008,509	25	124,648,395	100,532,661	24
Contingent liabilities and commitments	42,873,374	44,404,415	(3)	42,873,374	44,404,415	(3)
Net asset value per ordinary share (Rs.)	16.25	15.65	4	15.86	15.22	4
Memorandum information						
Number of Employees	1,249	1,194				
Number of Branches	66	65				

CERTIFICATION:

We, the undersigned, being the Chairman, Director/ Chief Executive Officer and Chief Financial Officer of Union Bank of Colombo PLC certify jointly that:

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

Sgd.
Malinda Samaratunga
Chief Financial Officer

Sgd.
Indrajit Wickramasinghe
Director/ Chief Executive Officer

Sgd.
Atul Malik
Chairman

Date: 25 October 2017

BANK	Statutory Reserve		ESOP Reserve	Available for sale		Retained Earnings	Total Equity
	Stated Capital	Share Warrants		Fund	Reserve		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2016	16,334,782	65,484	72,880	1,030	(10,449)	449,463	16,913,190
Net profit for the period	-	-	-	-	-	322,536	322,536
Other comprehensive Income	-	-	-	-	(84,516)	-	(84,516)
Total comprehensive Income	-	-	-	-	(84,516)	322,536	238,020
Dividend Paid	-	-	-	-	-	(43,656)	(43,656)
Fair value of ESOP	-	-	-	12,547	-	-	12,547
Transfers during the period	-	-	16,127	-	-	(16,127)	-
Balance as at 30 September 2016	16,334,782	65,484	89,007	13,577	(94,965)	712,216	17,120,101
Balance as at 1 January 2017	16,334,782	65,484	95,439	17,836	(251,894)	821,568	17,083,214
Net profit for the period	-	-	-	-	-	341,443	341,443
Other comprehensive Income	-	-	-	-	411,024	-	411,024
Total comprehensive Income	-	-	-	-	411,024	341,443	752,467
Dividend Paid	-	-	-	-	-	(109,141)	(109,141)
Fair value of ESOP	-	-	-	12,659	-	-	12,659
Transfers during the period	-	-	17,072	-	-	(17,072)	-
Balance as at 30 September 2017	16,334,782	65,484	112,511	30,495	159,130	1,036,798	17,739,200

GROUP	Statutory Reserve		ESOP Reserve	Available for sale		Retained Earnings	Total	Non-controlling Interest	Total Equity
	Stated Capital	Share Warrants		Fund	Reserve				
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2016	16,334,782	65,484	80,624	1,030	(4,576)	(91,502)	16,385,842	329,227	16,715,069
Net profit for the period	-	-	-	-	-	367,830	367,830	46,924	414,754
Other comprehensive Income	-	-	-	-	(85,150)	634	(84,516)	(1,691)	(86,207)
Total comprehensive Income	-	-	-	-	(85,150)	368,464	283,314	45,233	328,548
Fair value of ESOP	-	-	-	12,547	-	-	12,547	-	12,547
Transfers during the period	-	-	13,096	-	-	(13,096)	-	-	-
Dividend Paid	-	-	-	-	-	(43,656)	(43,656)	(17,150)	(60,806)
Balance as at 30 September 2016	16,334,782	65,484	93,721	13,577	(89,726)	220,210	16,638,048	357,310	16,995,358
Balance as at 1 January 2017	16,334,782	65,484	107,602	17,836	(247,088)	330,196	16,608,812	356,579	16,965,391
Net profit for the period	-	-	-	-	-	384,339	384,339	25,826	410,165
Other comprehensive Income	-	-	-	-	411,024	-	411,024	2,034	413,058
Total comprehensive Income	-	-	-	-	411,024	384,339	795,363	27,860	823,223
Fair value of ESOP	-	-	-	12,659	-	-	12,659	-	12,659
Transfers during the period	-	-	17,072	-	-	(17,072)	-	-	-
Dividend Paid	-	-	-	-	-	(109,141)	(109,141)	(12,250)	(121,391)
Balance as at 30 September 2017	16,334,782	65,484	124,674	30,495	163,936	588,322	17,307,694	372,189	17,679,883

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

Period ended 30 September 2017

	BANK		GROUP	
	30.06.2017 Rs.'000	30.09.2016 Rs.'000	30.06.2017 Rs.'000	30.09.2016 Rs.'000
Cash Flow from Operating Activities				
Interest received	7,533,008	4,546,898	8,310,906	5,620,741
Fees and commission receipts	495,230	187,721	607,443	311,270
Interest paid	(4,792,200)	(3,003,579)	(5,547,900)	(3,517,761)
Receipts from Other operating activities	486,966	478,387	554,976	659,548
Payments on Other operating activities	(2,341,081)	(2,082,845)	(2,720,941)	(2,463,838)
Operating Profit/(Loss) before changes in Operating Assets & Liabilities	1,381,924	126,582	1,204,484	609,960
(Increase)/Decrease in Operating Assets:				
Balance with Central Bank of Sri Lanka	(1,440,260)	(1,048,627)	(1,440,260)	(1,048,627)
Funds advanced to customers	(12,037,140)	(12,200,298)	(12,473,483)	(13,869,860)
Others	(221,950)	(273,843)	(186,552)	(304,738)
	(13,699,349)	(13,522,768)	(14,100,294)	(15,223,225)
Increase /(Decrease) in Operating Liabilities:				
Due to other customers	15,123,335	11,730,386	14,725,405	12,655,535
Repurchased agreements	809,769	1,127,760	752,737	1,147,729
Other liabilities	503,490	879,755	397,798	936,387
	16,436,594	13,737,901	15,875,940	14,739,651
Net Cash from/(used in) Operating Activities before Income Tax	4,119,169	341,715	2,980,130	126,386
Retiring gratuity paid	(8,346)	(20,488)	(8,956)	(20,503)
Income tax paid	(145,955)	(54,787)	(175,465)	(64,687)
Net Cash from/(used in) Operating Activities	3,964,868	266,440	2,795,709	41,196
Cash Flow from/(used in) Investing Activities				
Dividends received	11,521	16,205	-	659
Net investment in other financial assets - Held for trading	(5,408,012)	5,750,305	(5,408,012)	5,750,305
Net increase in investment in financial assets - Held to maturity	(2,409,228)	7,138	(2,409,228)	7,138
Net increase in investment in financial assets - Available for sale	1,212,491	(4,325,020)	1,211,997	(4,466,950)
Net increase in debt securities	(1,253,130)	(1,275,455)	(1,243,986)	(956,566)
Net investment in real estates	-	-	42,704	5,630
Purchase of property & equipment	(174,954)	(161,879)	(182,509)	(207,517)
Purchase of intangible assets	(161,901)	(126,503)	(160,608)	(127,280)
Proceeds from sale of property, plant & equipment	12,255	586	12,255	586
Net Cash used in Investing Activities	(8,170,958)	(114,623)	(8,137,387)	6,005
Cash Flow from/(used in) Financing Activities				
Increase in borrowings	5,605,903	1,649,154	6,450,282	1,231,600
Dividend paid	(109,141)	(43,656)	(121,391)	(60,806)
Net Cash from Financing Activities	5,496,762	1,605,498	6,328,891	1,170,794
Net Increase/(decrease) in cash and cash equivalents	1,290,672	1,757,315	987,212	1,217,995
Cash and cash equivalents at beginning of the year	5,190,479	3,243,723	5,470,816	3,563,864
Cash and Cash Equivalents at end of the period	6,481,151	5,001,038	6,458,028	4,781,859
Reconciliation of Cash and Cash Equivalents				
Cash in hand and at banks	2,955,358	2,457,887	3,509,264	2,761,670
Reverse repurchased agreements	51,545	572,080	111,090	572,080
Placements with banks	3,480,385	1,974,840	3,480,385	1,981,730
Due to banks	(6,137)	(3,769)	(642,712)	(533,621)
	6,481,151	5,001,038	6,458,028	4,781,859

1 LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	BANK		GROUP	
	30.09.2017 Rs.'000	31.12.2016 Rs.'000 Audited	30.09.2017 Rs.'000	31.12.2016 Rs.'000 Audited
Gross loans and receivables (Note 1.1)	68,270,563	56,109,622	77,221,101	64,105,185
(Less): Individual impairment (Note 1.2)	(484,882)	(303,469)	(781,416)	(572,332)
Collective impairment (Note 1.2)	(394,610)	(367,737)	(679,711)	(600,918)
Net loans and receivables	67,391,070	55,438,416	75,759,975	62,931,935

1.1 Loans and Receivables to other customers - by product

Overdrafts	11,288,416	9,816,879	11,263,873	9,691,941
Trade finance	6,114,536	5,283,571	6,114,536	5,283,571
Pawning	500,156	196,948	500,156	196,948
Staff loans	763,536	700,800	763,611	700,875
Term loans	36,355,831	30,503,671	37,691,728	31,926,650
Lease and Hire purchase	1,519,244	1,339,952	6,936,356	6,240,628
Factoring	448,727	411,200	2,428,678	1,967,785
Others	-	-	242,048	240,186
By Product - Local Currency	56,990,446	48,253,021	65,940,986	56,248,584
Overdrafts	43,550	14,075	43,550	14,075
Trade finance	7,024,941	6,256,932	7,024,941	6,256,932
Term loans	4,211,626	1,585,594	4,211,624	1,585,594
By Product - Foreign Currency	11,280,117	7,856,601	11,280,115	7,856,601
Total Loans and Receivables	68,270,563	56,109,622	77,221,101	64,105,185

1.2 Movements in Individual and Collective Impairment for the period

Individual impairment				
Opening balance as at 1 January	303,469	204,579	572,331	430,908
Charge/(Write back) to Statement of Profit or loss	181,413	98,890	209,085	141,424
Net write-off during the period	-	-	-	-
Closing balance as at 30 September	484,882	303,469	781,416	572,332
Collective impairment				
Opening balance as at 1 January	367,737	363,804	600,918	539,560
Charge/(Write back) to Statement of Profit or loss	30,302	53,424	82,222	110,849
Net write-off during the period	(3,429)	(49,491)	(3,429)	(49,491)
Closing balance as at 30 September	394,610	367,737	679,711	600,918
Total Impairment Balance	879,493	671,206	1,461,127	1,173,250

2 DUE TO OTHER CUSTOMERS

	BANK		GROUP	
	30.09.2017 Rs.'000	31.12.2016 Rs.'000 Audited	30.09.2017 Rs.'000	31.12.2016 Rs.'000 Audited
Local Currency Deposits				
Current accounts	3,254,221	3,294,303	3,252,828	3,292,382
Saving accounts	10,329,359	7,282,592	10,043,406	7,293,188
Fixed deposits	42,272,875	33,197,397	48,413,385	38,872,506
Certificate of Deposits	2,560,645	2,379,775	2,560,645	2,379,775
Total	58,417,100	46,154,067	64,270,264	51,837,851
Foreign Currency Deposits				
Current accounts	202,382	250,884	202,382	250,884
Saving accounts	1,442,760	1,530,120	1,442,760	1,530,120
Fixed deposits	7,335,650	3,906,301	7,335,650	3,906,301
Total	8,980,792	5,687,305	8,980,792	5,687,305
Total Deposits	67,397,892	51,841,372	73,251,056	57,525,156

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

Period ended 30 September 2017

- 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 2016.
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.
- 3 The Bank has decided to measure the investment in subsidiaries using equity method in accordance with the amendments made to para 10 of LKAS 27 - "Seperate Financial Statements". Accordingly, the Bank has restated the comparative information as required by LKAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors".
- 4 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements other than mentioned below;
 - 4.1 Mr. Atul Malik who was appointed as a Non-Executive Non-Independent Director of the Bank on 2 October 2017, was appointed as the Chairman of the Bank with effect from 25 October 2017.
 - 4.2 Mr. Trevine Sylvester Anthony Fernandopulle and Ms. Dilshani Gayathri Wijayawardana have been appointed to the Board of Union Bank as independent non executive directors with effect from 1 April 2017.
 - 4.3 Mrs. Ayomi Aluwihare, an Independent non executive director of Union Bank did not stand for re-election on her retirement by rotation at the Annual General Meeting held on 31 March 2017. She ceased to be a Director of the Board immediately after the Annual General Meeting.
 - 4.4 Mr. Atul Malik was appointed as a Non-Executive Non-Independent Director of the Bank with effect from 2 October 2017.
 - 4.5 Mrs. Inoka Jayawardhana was appointed as the Company Secretary with effect from 4 September 2017.

5 Information on Ordinary Shares

Market Value	30.09.2017	30.09.2016
	Rs.	Rs.
Last traded price	13.30	17.00
Highest price for the quarter	15.40	17.60
Lowest price for the quarter	13.30	15.70

	Corporate		Treasury		SME		Retail		Other Group Companies		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	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 September 2017												
Interest Income	2,462,696	1,481,971	1,785,088	1,340,854	2,118,363	1,750,074	1,088,345	295,592	1,409,531	986,149	8,864,023	5,854,640
Add: Inter-Segment Interest Income	-	-	-	567,834	-	-	2,731,686	1,949,398	-	-	2,731,686	2,517,231
Total Interest Income	2,462,696	1,481,971	1,785,088	1,908,688	2,118,363	1,750,074	3,820,032	2,244,990	1,409,531	986,149	11,595,710	8,371,871
Less: Interest Expense	659,252	307,170	779,892	1,056,753	817,680	1,830	3,067,607	1,925,195	750,201	528,226	6,074,633	3,819,173
Less: Inter-Segment Interest Expense	1,317,746	1,048,353	499,888	-	914,053	1,468,878	-	-	-	-	2,731,686	2,517,231
Net Interest Income	485,698	126,448	505,308	851,935	386,630	279,366	752,424	319,795	659,330	457,923	2,789,390	2,035,467
Other Income	126,054	109,396	447,620	542,801	256,660	243,743	132,211	119,609	293,958	294,862	1,256,502	1,310,410
Total Net Income	611,752	235,844	952,928	1,394,736	643,290	523,109	884,635	439,404	953,288	752,785	4,045,892	3,345,877
Less: Expenses including impairments	402,294	152,528	407,786	418,157	966,324	659,220	890,815	724,956	548,597	457,256	3,215,816	2,695,746
Segmental Results	209,457	83,316	545,141	976,579	(323,034)	(136,111)	(6,180)	(285,552)	404,691	295,529	830,076	650,131
Less: VAT and NBT on Financial Services											270,102	205,253
Less: Taxation											149,809	30,123
Profit after Taxation											410,165	414,755
Cash flow from operating activities	784,295	24,404	1,221,699	143,456	824,729	53,686	1,134,145	45,095	(1,169,159)	(159,151)	2,795,709	41,199
Cash flow from investing activities	(64,209)	(26,144)	(7,946,378)	18,219	(67,520)	(57,989)	(92,851)	(48,710)	33,571	(188,337)	(8,137,387)	(294,128)
Cash flow from financing activities	-	-	5,496,762	1,605,497	-	-	-	-	832,128	(134,572)	6,328,891	1,470,925
As at 30 September												
Other Information												
Segment Assets	32,345,779	24,508,273	35,473,120	23,249,384	26,505,139	21,798,674	17,630,870	8,046,804	8,296,048	12,069,926	120,250,955	89,372,929
Unallocated											4,397,440	4,203,775
Consolidated Total Assets											124,648,395	93,576,704
Segment Liabilities	13,881,206	7,429,457	33,211,480	15,784,014	9,897,469	-	42,091,436	40,672,624	4,981,646	10,283,898	104,063,237	73,869,861
Unallocated											2,905,276	2,711,485
Consolidated Total Liabilities											106,968,513	76,581,346

INTERIM FINANCIAL STATEMENTS

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 30 September 2017

TOP 20 SHAREHOLDERS

Name	No. of shares as at 30.09.2017	% 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	24,119,255	2.21%
5 Dr. T. Senthilvel	19,521,558	1.79%
6 Mr. C.P.A. Wijeyesekera	18,508,468	1.70%
7 Mr. D.A.J. Warnakulasuriya	14,842,730	1.36%
8 Ashyaki Holdings (Pvt) Ltd	7,792,806	0.71%
9 Mr. M.D. Samarawickrama	7,660,582	0.70%
10 Mr. S.P. Khattar	7,343,365	0.67%
11 Sterling Holdings (Private) Ltd	7,207,557	0.66%
12 Soflogica Life Insurance PLC – A/C 02 (Life Fund)	6,023,317	0.55%
13 Anverally and Sons (Pvt) Ltd A/C No 01	5,203,602	0.48%
14 Commercial Agencies (Ceylon) Ltd	4,050,833	0.37%
15 Ajita De Zoysa & Company Limited	4,050,832	0.37%
16 Rosewood (Pvt) Limited - A/C No 01	2,876,063	0.26%
17 Mr. A.I.T. Hettiarachchi	2,082,000	0.19%
18 Ceylon Biscuits Limited	2,000,000	0.18%
19 Standard Chartered Bank Singapore S/A HI Bank Singapore Branch	1,990,789	0.18%
20 Ceylon Investment Plc A/C # 01	1,940,775	0.18%
	995,114,266	91.17%
Other shareholders	96,291,983	8.83%
Total	1,091,406,249	100.00%

As at 30 September 2017

Number of shares in public holding	238,467,047
Number of public shareholders	31,857
Percentage of public holding	21.85%

DIRECTORS' INDIVIDUAL HOLDING IN SHARES

Name	No. of shares held as at 30.09.2017
Mr. Priyantha Fernando	None
Ms. Sow Lin Chiew (Alternate Director Ms. Yoke Sun Woon)	None
Mr. Sabry Ghouse	None
Mr. Ranvir Dewan	None
Mr. Gaurav Trehan	None
Mr. Puneet Bhatia	None
Mr. Michael J. O'Hanlon (Alternate Director Mr. Sumedh Jog)	None
Mr. Indrajit Wickramasinghe	None
Mr. Yudhishtan Kanagasabai	None
Mr. Trevine Fernandopulle	None
Ms. Dilshani Wijayawardana	None

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Bank - 30 September 2017

	Fair Value through P & L Rs.000	Held to Maturity Rs.000	Loans & Receivables Rs.000	Avaiable for Sale Rs.000	Designated at fair value Rs.000	Hedging Rs.000	Total Rs.000
ASSETS							
Cash and cash equivalents	-	-	2,955,358	-	-	-	2,955,358
Balances with Central Bank of Sri Lanka	-	-	3,928,065	-	-	-	3,928,065
Placements with banks	-	-	3,480,385	-	-	-	3,480,385
Reverse repurchased agreements	-	-	108,647	-	-	-	108,647
Derivative financial instruments	9,086	-	-	-	-	-	9,086
Other financial assets - Held for trading	6,771,209	-	-	-	-	-	6,771,209
Loans and receivables to other customers	-	-	67,391,069	-	-	-	67,391,069
Other loans and receivables	-	-	9,014,000	-	-	-	9,014,000
Financial investments - Available for sale	-	-	-	15,720,726	-	-	15,720,726
Financial investments - Held to maturity	-	2,600,654	-	-	-	-	2,600,654
Other assets	-	-	-	136,499	-	-	136,499
Total financial assets	6,780,295	2,600,654	86,877,524	15,857,225	-	-	112,115,698

	Fair Value through P & L Rs.000	Amortised cost Rs.000	Designated at fair value Rs.000	Hedging Rs.000	Total Rs.000
LIABILITIES					
Due to banks	-	-	17,704,392	-	17,704,392
Derivative financial instruments	11,003	-	-	-	11,003
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Repurchased agreements	-	-	11,100,498	-	11,100,498
Due to other customers	-	-	67,397,892	-	67,397,892
Other borrowed funds	-	-	-	-	-
Debt securities issued	-	-	-	-	-
Other liabilities	-	-	1,718,524	-	1,718,524
Total financial liabilities	11,003	-	97,921,306	-	97,932,310

b. Bank - 31 December 2016 (Audited)

	Fair Value through P & L Rs.000	Held to Maturity Rs.000	Loans & Receivables Rs.000	Avaiable for Sale Rs.000	Designated at fair value Rs.000	Hedging Rs.000	Total Rs.
ASSETS							
Cash and cash equivalents	-	-	2,506,685	-	-	-	2,506,685
Balances with Central Bank of Sri Lanka	-	-	2,487,805	-	-	-	2,487,805
Placements with banks	-	-	2,819,629	-	-	-	2,819,629
Reverse repurchased agreements	-	-	2,137	-	-	-	2,137
Derivative financial instruments	15,412	-	-	-	-	-	15,412
Other financial assets - Held for trading	1,346,932	-	-	-	-	-	1,346,932
Loans and receivables to other customers	-	-	55,438,415	-	-	-	55,438,415
Other loans and receivables	-	-	7,747,231	-	-	-	7,747,231
Financial investments - Available for sale	-	-	-	16,520,365	-	-	16,520,365
Financial investments - Held to maturity	-	140,231	-	-	-	-	140,231
Other assets	-	-	105,667	-	-	-	105,667
Total financial assets	1,362,344	140,231	71,107,569	16,520,365	-	-	89,130,509

	Fair Value through P & L Rs.000	Amortised cost Rs.000	Designated at fair value Rs.000	Hedging Rs.000	Total Rs.000
LIABILITIES					
Due to banks	-	-	12,160,244	-	12,160,244
Derivative financial instruments	3,976	-	-	-	3,976
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Repurchased agreements	-	-	10,256,670	-	10,256,670
Due to other customers	-	-	51,841,372	-	51,841,372
Other borrowings	-	-	-	-	-
Debt securities issued	-	-	-	-	-
Other liabilities	-	-	1,279,019	-	1,279,019
Total financial liabilities	3,976	-	75,537,305	-	75,541,280

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Group - 30 September 2017

	Fair Value through P & L Rs.000	Held to Maturity Rs.000	Loans & Receivables Rs.000	Available for Sale Rs.000	Designated at fair value Rs.000	Hedging Rs.000	Total Rs.000
ASSETS							
Cash and cash equivalents	-	-	3,509,264	-	-	-	3,509,264
Balances with Central Bank of Sri Lanka	-	-	3,928,065	-	-	-	3,928,065
Placements with banks	-	-	3,480,385	-	-	-	3,480,385
Reverse repurchased agreements	-	-	108,647	-	-	-	108,647
Derivative financial instruments	9,086	-	-	-	-	-	9,086
Other financial assets - Held for trading	6,771,209	-	-	-	-	-	6,771,209
Loans and receivables to banks	-	-	-	-	-	-	-
Loans and receivables to other customers	-	-	75,759,975	-	-	-	75,759,975
Other loans and receivables	-	-	8,037,448	-	-	-	8,037,448
Financial investments - Available for sale	-	-	-	15,899,476	-	-	15,899,476
Financial investments - Held to maturity	-	2,600,654	-	-	-	-	2,600,654
Other assets	-	-	136,499	-	-	-	136,499
Total financial assets	6,780,295	2,600,654	94,960,283	15,899,476	-	-	120,240,708

	Fair Value through P & L Rs.000	Amortised cost Rs.000	Designated at fair value Rs.000	Hedging Rs.000	Total Rs.
LIABILITIES					
Due to banks	-	-	18,832,935	-	18,832,935
Derivative Financial Instruments	-	11,003	-	-	11,003
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Repurchased agreements	-	10,900,367	-	-	10,900,367
Due to other customers	-	72,734,544	-	-	72,734,544
Other borrowed funds	-	1,584,387	-	-	1,584,387
Debt securities issued	-	-	-	-	-
Other liabilities	-	1,718,524	-	-	1,718,524
Total financial liabilities	-	11,003	105,770,757	-	105,781,761

b. Group - 31 December 2016 (Audited)

	Fair Value through P & L Rs.000	Held to Maturity Rs.000	Loans & Receivables Rs.000	Available for Sale Rs.000	Designated at fair value Rs.000	Hedging Rs.000	Total Rs.000
ASSETS							
Cash and cash equivalents	-	-	2,717,650	-	-	-	2,717,650
Balances with Central Bank of Sri Lanka	-	-	2,487,805	-	-	-	2,487,805
Placements with banks	-	-	2,826,710	-	-	-	2,826,710
Reverse repurchased agreements	-	-	275,498	-	-	-	275,498
Derivative financial instruments	15,412	-	-	-	-	-	15,412
Other financial assets - Held for trading	1,346,932	-	-	-	-	-	1,346,932
Loans and receivables to other customers	-	-	62,931,936	-	-	-	62,931,936
Other loans and receivables	-	-	6,739,578	-	-	-	6,739,578
Financial investments - Available for sale	-	-	-	16,694,470	-	-	16,694,470
Financial investments - Held to maturity	-	140,231	-	-	-	-	140,231
Other assets	-	-	123,349	-	-	-	123,349
Total financial assets	1,362,344	140,231	78,102,525	16,694,470	-	-	96,299,570

	Fair Value through P & L Rs.000	Amortised cost Rs.000	Designated at fair value Rs.000	Hedging Rs.000	Total Rs.000
LIABILITIES					
Due to banks	-	12,770,197	-	-	12,770,197
Derivative financial instruments	-	3,976	-	-	3,976
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Repurchased agreements	-	10,113,570	-	-	10,113,570
Due to other customers	-	57,525,156	-	-	57,525,156
Other borrowed funds	-	833,095	-	-	833,095
Debt securities issued	-	-	-	-	-
Other liabilities	-	1,643,926	-	-	1,643,926
Total financial liabilities	-	3,976	82,885,943	-	82,889,919

INTERIM FINANCIAL STATEMENTS
SELECTED PERFORMANCE INDICATORS

Item	BANK	
	30 Sep 2017	31 Dec 2016
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (Net of interest in suspense)	2.53%	2.40%
Net-Non Performing Advances,% (Net of interest in suspense and provision)	1.66%	1.60%
Profitability		
Interest Margin, %	2.95%	3.06%
Return on Assets (Before Tax), %	0.56%	0.53%
Return on Assets (After Tax), %	0.44%	0.55%
Return on Equity (After Tax), %	2.61%	2.65%
Regulatory Liquidity		
Statutory Liquid Assets		
Domestic Banking Unit, Rs. '000	15,788,459	13,246,635
Foreign Currency Banking Unit, USD '000	10,876	6,007
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
Domestic Banking Unit	21.85%	22.02%
Foreign Currency Banking Unit	21.57%	21.79%

Item	BANK	GROUP
	30 Sep 2017	30 Sep 2017
Regulatory Capital (LKR '000)		
Common Equity Tier 1	14,672,396	14,795,605
Tier 1 Capital	14,672,396	14,795,605
Total Capital	14,672,396	14,795,605
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 5.75%)	18.95%	17.67%
Tier 1 Capital Ratio (Minimum Requirement - 7.25%)	18.95%	17.67%
Total Capital Ratio (Minimum Requirement - 11.25%)	18.95%	17.67%
Regulatory Liquidity		
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement - 80%)	260.46%	
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement - 80%)	191.67%	

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 : BB+ (lka) Positive Rating

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.