

UNION BANK INTERIM FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2015

STATEMENT OF FINANCIAL POSITION	BANK			GROUP		
	30.09.2015 Rs.'000	31.12.2014 Rs.'000 Audited	Change %	30.09.2015 Rs.'000	31.12.2014 Rs.'000 Audited	Change %
As at						
Assets						
Cash and cash equivalents	2,894,830	12,684,927	(77)	3,040,937	13,064,744	(77)
Balances with Central Bank	1,135,293	949,105	20	1,135,293	949,105	20
Placements with banks	371,917	73,995	403	373,977	186,430	101
Derivative Financial Instruments	-	4,150	(100)	-	4,150	(100)
Other financial assets held for trading	5,865,673	1,902,118	208	5,865,673	1,902,118	208
Loans and receivables to banks	38,065,311	25,944,570	47	42,652,803	29,217,857	46
Other loans and receivables	5,238,242	2,470,115	112	4,457,860	1,649,134	170
Financial investments - Available for sale	7,681,473	1,647,686	366	7,959,500	1,800,750	342
Financial investments - Held to maturity	138,262	140,027	(1)	138,262	140,027	(1)
Investments in subsidiaries	892,364	892,364	0	-	-	-
Property, plant and equipment	873,291	754,548	16	1,012,164	875,933	16
Investment in Real Estate	-	-	-	241,299	258,887	(7)
Goodwill and intangible assets	1,076,680	951,750	13	1,428,468	1,304,027	10
Income Tax Recoverable	226,888	149,448	52	226,888	149,448	52
Deferred tax assets	-	-	-	511,598	515,838	(1)
Other assets	487,922	430,318	13	589,949	523,918	13
Total assets	64,948,146	48,995,121	33	69,650,183	52,558,370	33
Liabilities						
Due to banks	5,422,274	2,090,588	159	5,530,721	2,145,832	158
Derivative Financial Instruments	3,698	-	100	3,698	-	100
Due to other customers	41,269,240	28,925,381	43	44,643,641	31,419,544	5
Other borrowed funds	-	-	-	886,389	845,085	5
Current tax liabilities	-	-	-	188,180	181,442	4
Deferred tax liabilities	81,452	25,284	222	82,083	25,915	217
Other liabilities	1,306,250	1,203,584	9	1,672,650	1,443,521	16
Total liabilities	48,029,314	32,244,837	49	53,007,362	36,061,339	47
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	67,616	61,782	9	75,002	69,169	8
Retained earnings	399,151	288,314	38	(160,061)	(298,854)	(46)
Available for sale reserve	(1,801)	(78)	(2195)	9,472	14,085	(33)
Total shareholders' equity	16,865,232	16,750,284	1	16,324,679	16,184,665	2
Non-controlling interests	16,865,232	16,750,284	1	16,642,821	16,497,032	1
Total equity	64,948,146	48,995,121	33	69,650,183	52,558,370	33
Total equity and liabilities	64,948,146	48,995,121	33	69,650,183	52,558,370	33
Contingent liabilities and commitments	35,119,622	24,188,914	45	35,119,622	24,188,914	45
Net asset value per ordinary share	15.45	15.35	1	14.96	14.83	1
Memorandum information						
Number of Employees	911	724				
Number of Branches	63	61				

SELECTED PERFORMANCE INDICATORS		
Item	BANK	
	30-Sep-15	31-Dec-14
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs.'000	15,327,766	15,485,556
Total Capital Base, Rs.'000	15,047,334	15,199,541
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	28.29%	41.70%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	27.77%	40.93%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	4.01%	8.25%
Net-Non Performing Advances Ratio, % (net of interest in suspense and provision)	3.16%	7.44%
Profitability		
Interest Margin, %	3.60%	4.20%
Return on Assets (before Tax), %	0.34%	0.14%
Return on Equity, %	0.93%	0.70%
Regulatory Liquidity		
Statutory Liquid Assets, Rs.'000	7,685,790	15,298,157
Domestic Banking Unit	608,419	364,972
Froing currency banking unit	-	-
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)	21.97%	51.12%
Domestic Banking Unit	22.91%	22.51%
Foreign Currency Banking Unit	-	-

1	LOANS AND RECEIVABLES TO OTHER CUSTOMERS			
	BANK		GROUP	
As at	30.09.2015 Rs.'000	31.12.2014 Rs.'000 (Audited)	30.09.2015 Rs.'000	31.12.2014 Rs.'000 (Audited)
Gross loans and receivables (Note 1.1)	38,593,826	26,558,875	43,961,050	30,648,646
(Less:) Individual impairment (Note 1.2)	(189,896)	(126,310)	(785,699)	(761,677)
Collective impairment (Note 1.2)	(338,619)	(487,995)	(522,548)	(669,111)
Net loans and receivables	38,065,311	25,944,570	42,652,803	29,217,857

1.1	Loans and Receivables to other customers - by product			
	Bank		Group	
As at	30.09.2015 Rs.'000	31.12.2014 Rs.'000 (Audited)	30.09.2015 Rs.'000	31.12.2014 Rs.'000 (Audited)
Overdrafts	7,954,299	7,489,641	7,922,035	7,489,641
Trade finance	8,220,578	5,803,521	8,220,578	5,803,521
Financing	437,711	1,354,728	447,757	1,363,721
Staff loans	488,458	321,608	491,458	324,706
Term loans	19,951,587	10,276,602	20,976,809	11,393,744
Lease and Hire Purchase	1,088,636	954,207	4,102,643	2,883,753
Factoring	452,557	358,478	1,475,695	978,606
Others	-	-	324,075	410,954
Gross loans and receivables	38,593,826	26,558,875	43,961,050	30,648,646

1.2	Movements in Individual and Collective Impairment for the period			
	Bank		Group	
As at	30.09.2015 Rs.'000	31.12.2014 Rs.'000 (Audited)	30.09.2015 Rs.'000	31.12.2014 Rs.'000 (Audited)
Individual impairment	126,310	165,628	761,678	1,043,342
Opening balance as at 1 January 2015	63,586	92,804	110,900	188,472
Charge/(Write back) to income statement	-	(132,122)	(86,879)	(470,137)
Net write-off during the period	-	-	-	-
Closing balance as at 30 September 2015	189,896	126,310	785,699	761,677
Collective impairment	487,995	366,872	669,111	667,058
Opening balance as at 1 January 2015	73,264	372,580	76,077	253,509
Charge/(Write back) to income statement	(222,640)	(251,457)	(222,640)	(251,456)
Net write-off during the period	338,619	487,995	522,548	669,111
Closing balance as at 30 September 2015	528,515	614,305	1,308,247	1,430,789

2	DUE TO OTHER CUSTOMERS			
	Bank		Group	
As at	30.09.2015 Rs.'000	31.12.2014 Rs.'000 (Audited)	30.09.2015 Rs.'000	31.12.2014 Rs.'000 (Audited)
Customer Deposits (Note 2.1)	33,470,516	27,808,892	37,116,242	30,323,850
Repurchased agreements	7,798,724	1,116,489	7,527,399	1,095,694
	41,269,240	28,925,381	44,643,641	31,419,544

Fitch BB+ (Ika), RAM BBB/P3 Union Bank of Colombo PLC is a licensed Commercial Bank supervised by the Central Bank of Sri Lanka.

MEASUREMENT OF FINANCIAL INSTRUMENTS					
a. Bank - 30 September 2015					
	HFT	HTM	L & R	AFS	Total
ASSETS					
Cash and cash equivalents	1,378,528	-	1,516,302	-	2,894,830
Balances with Central Bank	-	-	1,135,293	-	1,135,293
Placements with banks	-	-	371,917	-	371,917
Derivative Financial Instruments	-	-	-	-	-
Other financial assets - Held for trading	5,865,673	-	15,512	-	5,881,185
Loans and receivables to other customers	-	-	38,655,311	-	38,655,311
Other loans and receivables	-	-	5,238,242	-	5,238,242
Financial investments - Available for sale	-	-	7,681,473	-	7,681,473
Financial investments - Held to maturity	-	138,262	-	-	138,262
Other assets	-	-	33,993	-	33,993
Total financial assets	7,244,201	138,262	46,361,058	7,681,473	61,424,994
LIABILITIES					
Due to banks	-	-	5,422,274	-	5,422,274
Derivative Financial Instruments	-	-	3,698	-	3,698
Due to other customers	-	-	41,269,240	-	41,269,240
Other liabilities	-	-	854,695	-	854,695
Total financial liabilities	3,698	3,698	47,546,209	47,546,209	47,546,209

b. Bank - 31 December 2014 (Audited)					
	HFT	HTM	L & R	AFS	Total
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
Other financial assets - Held for trading	1,902,118	-	15,512	-	1,917,630
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	45,832,155
LIABILITIES					
Due to banks	-	-	2,090,588	-	2,090,588
Due to other customers	-	-	28,925,381	-	28,925,381
Other liabilities	-	-	855,678	-	855,678
Total financial liabilities	3,698	3,698	31,871,647	31,871,647	31,871,647

MEASUREMENT OF FINANCIAL INSTRUMENTS					
a. Group - 30 September 2015					
	HFT	HTM	L & R	AFS	Total
ASSETS					
Cash and cash equivalents	1,378,528	-	1,662,409	-	3,040,937
Balances with Central Bank	-	-	1,135,293	-	1,135,293
Placements with banks	-	-	373,977	-	373,977
Derivative Financial Instruments	-	-	-	-	-
Other financial assets - Held for trading	5,865,673	-	15,512	-	5,881,185
Loans and receivables to other customers	-	-	42,652,803	-	42,652,803
Other loans and receivables	-	-	4,457,860	-	4,457,860
Financial investments - Available for sale	-	-	7,959,500	-	7,959,500
Financial investments - Held to maturity	-	138,262	-	-	138,262
Other assets	-	-	33,993	-	33,993
Total financial assets	7,244,201	138,262	50,331,847	7,959,500	65,673,810
LIABILITIES					
Due to banks	-	-	5,530,721	-	5,530,721
Derivative Financial Instruments	-	-	3,698	-	3,698
Due to other customers	-	-	44,643,641	-	44,643,641
Other borrowed funds	-	-	886,389	-	886,389
Other liabilities	-	-	854,695	-	854,695
Total financial liabilities	3,698	3,698	51,915,446	51,915,446	51,915,446

b. Group - 31 December 2014 (Audited)					
	HFT	HTM	L & R	AFS	Total
ASSETS					
Cash and cash equivalents	682,354	-	12,382,390	-	13,064,744
Balances with Central Bank	-	-	949,105	-	949,105
Placements with banks	-	-	4,150	-	4,150
Derivative Financial Instruments	-	-	186,430	-	186,430
Other financial assets - Held for trading	1,902,118				