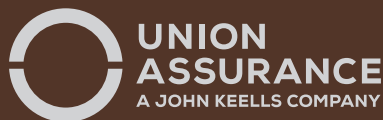


Thinking
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Condensed Interim Financial Statements For The Six Months Ended 30 June 2020

INCOME STATEMENT

For the period ended 30 June	Note	2020	2019	Change
		Rs. '000	Rs. '000	%
Gross written premium	6	5,077,538	5,123,694	(1)
Premium ceded to reinsurers		(265,172)	(159,846)	66
Net written premium		4,812,366	4,963,848	(3)
Other revenue				
Net investment income		2,486,351	2,232,582	11
Net realised gains / (losses)		(378,121)	1,890	(20,106)
Net fair value losses		(330,732)	(776,236)	(57)
Other income		19,403	19,044	2
Total other revenue		1,796,901	1,477,280	22
Total net revenue		6,609,267	6,441,128	3
Benefits, claims and expenses				
Net insurance benefits and claims paid		(1,451,357)	(1,754,533)	(17)
Net change in insurance claims outstanding		(170,836)	(2,360)	7,139
Change in contract liabilities - Life Fund		(2,233,142)	(1,917,523)	16
Underwriting and net acquisition costs (net of reinsurance)		(910,475)	(911,227)	(0)
Other operating, administrative and selling expenses		(1,281,200)	(1,330,173)	(4)
Depreciation and amortisation		(173,813)	(131,939)	32
Total benefits, claims and expenses		(6,220,823)	(6,047,755)	3
Profit from operations		388,444	393,373	(1)
Share of results of equity accounted investee, net of tax		76,356	59,919	27
Profit before tax		464,800	453,292	3
Income tax expenses	7	(128,011)	(129,629)	(1)
Profit for the period		336,789	323,663	4
Earnings per share				
Basic (Rs.)		5.72	5.49	4
Diluted (Rs.)		5.72	5.49	4

The notes form an integral part of these interim financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June	2020	2019	Change
	Rs. '000	Rs. '000	%
Profit for the period	336,789	323,663	4
Items that are or may be reclassified to profit or loss			
Fair value reserve (available for sale financial assets)			
Net change in fair value of available for sale financial assets	447,991	251,153	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	36,166	21,917	
Net change in fair value of available for sale financial assets transferred to the income statement	-	(6,207)	
Related tax	-	-	
	484,157	266,863	81
Other comprehensive income, net of tax			
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	366,013	244,450	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	12,689	20,999	
Related tax	-	-	
	378,702	265,449	43
Other comprehensive income, net of tax	862,859	532,312	62
Total comprehensive income for the period, net of tax	1,199,648	855,975	40

The notes form an integral part of these interim financial statements.

INCOME STATEMENT

For the quarter ended 30 June	Note	2020	2019	Change
		Rs. '000	Rs. '000	%
Gross written premium		2,429,856	2,595,437	(6)
Premium ceded to reinsurers		(146,310)	(161,456)	(9)
Net written premium		2,283,546	2,433,981	(6)
Other revenue				
Net investment income		1,212,429	1,149,024	6
Net realised losses		(299,240)	(4,551)	6,475
Net fair value losses		(342,578)	(278,953)	23
Other income		9,015	9,863	(9)
Total other revenue		579,626	875,383	(34)
Total net revenue		2,863,172	3,309,364	(13)
Benefits, claims and expenses				
Net insurance benefits and claims paid		(768,613)	(729,118)	5
Net change in insurance claims outstanding		(46,459)	(101,962)	(54)
Change in contract liabilities - Life Fund		(767,229)	(1,085,768)	(29)
Underwriting and net acquisition costs (net of reinsurance)		(370,977)	(419,195)	(12)
Other operating, administrative and selling expenses		(643,038)	(727,378)	(12)
Depreciation and amortisation		(86,298)	(67,885)	27
Total benefits, claims and expenses		(2,682,614)	(3,131,306)	(14)
Profit from operations		180,558	178,058	1
Share of results of equity accounted investee, net of tax		49,194	29,401	67
Profit before tax		229,752	207,459	11
Income tax expenses		(60,127)	(61,902)	(3)
Profit for the quarter		169,625	145,557	17
Earnings per share				
Basic (Rs.)		2.88	2.47	17
Diluted (Rs.)		2.88	2.47	17

The notes form an integral part of these interim financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 30 June	2020	2019	Change
	Rs. '000	Rs. '000	%
Profit for the quarter	169,625	145,557	17
Items that are or may be reclassified to profit or loss			
Fair value reserve (available for sale financial assets)			
Net change in fair value of available for sale financial assets	390,282	156,473	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	30,065	11,739	
Related tax	-	-	
	420,347	168,212	150
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	333,072	143,457	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	9,470	10,389	
Related tax	-	-	
	342,542	153,846	123
Other comprehensive income, net of tax	762,889	322,058	137
Total comprehensive income for the period, net of tax	932,514	467,615	99


The notes form an integral part of these interim financial statements.

STATEMENT OF FINANCIAL POSITION

As at		30.06.2020	31.12.2019
	Note	Rs. '000	Rs. '000
Assets			
Intangible assets		1,228,812	1,306,922
Property, plant and equipment		2,486,482	2,500,305
Right of use assets		259,108	296,799
Deferred tax assets		400,603	528,614
Investment in equity accounted investee		1,358,474	1,245,951
Financial investments	9	46,274,857	44,881,195
Loans to life policyholders		1,681,765	1,555,759
Reinsurance receivable		431,921	502,975
Premiums receivable		249,021	344,785
Receivables and other assets		2,154,879	1,452,885
Cash in hand and at bank		664,234	632,962
Total assets		57,190,156	55,249,152
Equity and liabilities			
Equity			
Stated capital		1,000,000	1,000,000
Available for sale reserve		1,392,327	529,468
Revaluation reserve		2,089,404	2,089,404
Restricted regulatory reserve	10	3,381,934	3,381,934
Other reserves		56,688	52,228
Retained earnings		6,768,086	7,609,868
Total equity		14,688,439	14,662,902
Liabilities			
Insurance contract liabilities	11	38,002,845	35,489,751
Insurance contract liabilities - Unit Linked		992,611	1,246,075
Employee benefit liabilities		178,875	162,957
Reinsurance payables		595,882	812,930
Other liabilities		2,563,345	2,706,109
Bank overdraft		168,159	168,428
Total liabilities		42,501,717	40,586,250
Total equity and liabilities		57,190,156	55,249,152

The notes form an integral part of these interim financial statements.

I certify that the above financial statements comply with the requirements of the Companies Act No. 07 of 2007.



Asha Perera
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed on behalf of the Board:



K. N. J. Balendra
Chairman



H. A. J. De Silva Wijeyeratne
Director

Colombo
11 August 2020

STATEMENT OF CHANGES IN EQUITY

Rs. '000	Stated capital	Restricted regulatory reserve	Revaluation reserve	Reserves			Retained earnings	Total
				Reserve on merger	Other reserves Available for sale reserve	Other capital reserves		
Balance as at 1 January 2019	1,000,000	3,381,934	1,690,736	16,752	(85,386)	41,858	7,625,794	13,671,688
Profit for the period	-	-	-	-	-	-	323,663	323,663
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	244,946	-	-	244,946
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	265,449	-	-	265,449
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	21,917	-	-	21,917
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	532,312	-	-	532,312
Total comprehensive income for the period	-	-	-	-	532,312	-	323,663	855,975
Transactions with owners, transfers, recorded directly in equity								
Contributions and distributions								
First and final dividend 2018	-	-	-	-	-	-	(1,178,571)	(1,178,571)
Share based payments	-	-	-	-	-	7,236	-	7,236
Total contributions and distributions	-	-	-	-	-	7,236	(1,178,571)	(1,171,335)
Balance as at 30 June 2019	1,000,000	3,381,934	1,690,736	16,752	446,926	49,094	6,770,886	13,356,328
Balance as at 1 January 2020	1,000,000	3,381,934	2,089,404	16,752	529,468	35,476	7,609,868	14,662,902
Profit for the period	-	-	-	-	-	-	336,789	336,789
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	447,991	-	-	447,991
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	378,702	-	-	378,702
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	36,166	-	-	36,166
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	862,859	-	-	862,859
Total comprehensive income for the period	-	-	-	-	862,859	-	336,789	1,199,648
Transactions with owners, transfers, recorded directly in equity								
Contributions and distributions								
First and final dividend 2019	-	-	-	-	-	-	(1,178,571)	(1,178,571)
Share based payments	-	-	-	-	-	4,460	-	4,460
Total contributions and distributions	-	-	-	-	-	4,460	(1,178,571)	(1,174,111)
Balance as at 30 June 2020	1,000,000	3,381,934	2,089,404	16,752	1,392,327	39,936	6,768,086	14,688,439

STATEMENT OF CASH FLOWS

For the period ended 30 June		2020	2019
	Note	Rs. '000	Rs. '000
Cash flows from operations			
Insurance premiums received		5,173,302	5,154,443
Reinsurance premiums paid		(482,220)	(152,954)
Insurance benefits and claims paid		(1,451,357)	(1,754,533)
Payments to intermediaries to acquire insurance contracts		(909,052)	(984,480)
Cash paid to and on behalf of employees		(622,176)	(605,088)
Interest received		2,221,082	2,251,608
Dividends received		67,237	61,865
Other operating cash flows		(1,598,105)	(1,312,370)
Cash generated from operating activities	A	2,398,711	2,658,491
Interest paid on obligation to repurchase securities		(646)	(5,174)
Employee benefits paid		(12,594)	(18,369)
Net cash flow from operating activities		2,385,471	2,634,948
Cash flows used in investing activities			
Acquisition of investments		(6,801,668)	(5,785,258)
Maturity proceeds of investments		4,188,246	3,365,001
Proceeds from sale of investments		1,536,518	916,924
Acquisition of property, plant and equipment		(27,930)	(43,909)
Acquisition of intangible assets		(7,284)	(10,890)
Proceeds on sale of property, plant and equipment		416	-
Net cash used in investing activities		(1,111,702)	(1,558,132)
Net cash inflow before financing activities		1,273,769	1,076,816
Cash flows used in financing activities			
Dividends paid to equity holders of the company		(1,178,609)	(1,028,205)
Dividend tax paid		-	(150,672)
Settlement of lease liabilities		(63,619)	(44,477)
Obligation to repurchase securities		456,311	1,286,080
Settlement of obligation to repurchase securities		(456,311)	(1,286,080)
Net cash used in financing activities		(1,242,228)	(1,223,354)
Net increase in cash and cash equivalents		31,541	(146,538)
Cash and cash equivalents at the beginning of the year		464,534	452,660
Cash and cash equivalents at the end of the period	B	496,075	306,122

The notes form an integral part of these interim financial statements.

For the period ended 30 June	2020	2019
	Rs. '000	Rs. '000
NOTE A.		
Reconciliation of profit before taxation with cash from operating activities		
Profit before tax	464,800	453,292
Non - cash items included in profit before tax		
Depreciation and amortisation	127,069	108,541
Amortisation of right of use assets	46,744	23,398
Provision for employee benefits	12,692	11,729
Net realised (gains)/losses	378,121	(1,890)
Net fair value losses	330,732	776,236
Gain on sale of property, plant and equipment	(311)	-
Amortisation of financial investments	(54,660)	(77,889)
Amortisation of lease liabilities	14,912	15,666
Scrip dividend income	(21,984)	(60,301)
Share of results of equity accounted investee	(76,356)	(59,919)
Share based payment expenses	4,460	7,236
Interest expense on obligation to repurchase securities	646	5,174
Profit before working capital changes	1,226,865	1,201,273
Net change in operational assets		
Net change in reinsurance assets	71,054	(86,014)
Net change in premiums receivable	95,764	30,750
Net change in receivables and other assets	(957,902)	(165,506)
Net change in operational liabilities		
Net change in life insurance contract liabilities	2,259,630	1,839,924
Net change in reinsurance liabilities	(217,048)	(65,140)
Net change in other liabilities	(79,652)	(96,796)
Cash generated from operating activities	2,398,711	2,658,491
NOTE B.		
Cash and cash equivalents at the end of the period		
Cash in hand and at bank	664,234	458,964
Bank overdraft	(168,159)	(152,842)
Cash and cash equivalents at the end of the period	496,075	306,122

For the purpose of the cash flow statement, cash and cash equivalent consist of cash in hand & at bank, net of outstanding bank overdraft as shown above. The notes form an integral part of these interim financial statements.

LIFE INSURANCE FUND

STATEMENT OF FINANCIAL POSITION

As at		30.06.2020	31.12.2019
	Note	Rs. '000	Rs. '000
Assets			
Intangible assets		544,650	581,438
Property, plant and equipment		2,486,482	2,500,305
Right of use assets		259,108	296,799
Financial investments, including derivatives		37,937,554	36,142,412
Loans to life policyholders		1,681,765	1,555,759
Reinsurance receivable		431,921	502,975
Premiums receivable		249,021	344,785
Receivables and other assets		1,365,170	768,128
Cash in hand and at bank		653,572	624,552
Total assets		45,609,243	43,317,153
Reserves and liabilities			
Reserves			
Available for sale reserve		645,918	267,219
Revaluation reserve		1,613,547	1,613,544
Other reserves		(6,411)	(6,411)
Total reserves		2,253,054	1,874,352
Liabilities			
Insurance contract liabilities	11	38,002,845	35,489,751
Insurance contract liabilities - Unit Linked		992,611	1,246,075
Employee benefit liabilities		178,875	162,957
Reinsurance payables		595,882	812,930
Other liabilities		3,426,874	3,562,660
Bank overdraft		159,102	168,428
Total liabilities		43,356,189	41,442,801
Total reserves and liabilities		45,609,243	43,317,153

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Union Assurance PLC ('the Company') is a public limited liability company incorporated and domiciled in Sri Lanka and the ordinary shares of the Company are listed on the Colombo Stock Exchange. The registered office and principal place of business of the Company is located at Union Assurance Centre, No. 20, St. Michael's Road, Colombo 03.

The Company's controlling entity and ultimate parent undertaking is John Keells Holdings PLC which is incorporated in Sri Lanka.

2 APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements for the six months ended 30 June 2020 were authorised for issue by the Board of Directors on 11 August 2020.

3 PRESENTATION OF FINANCIAL STATEMENTS

The results of equity accounted investee of the Company, Fairfirst Insurance Limited has been presented in the financial statements in accordance with LKAS 27 - Consolidated and Separate Financial Statements.

4 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

4.1 Basis of Preparation

The interim financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 – Interim Financial Reporting. These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019. Further, provisions of the Companies Act No.7 of 2007 have been considered in preparing the interim financial statements of the Company. The same accounting policies have been followed in preparation of these interim financial statements as stated in the Audited Financial Statements for the year ended 31 December 2019.

The interim condensed financial statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated.

4.2 Financial assets at fair value through Profit and loss

As of 31 March 2020, all listed equity instruments amounting to Rs. 2,870 Mn were transferred from level 1 to level 3 since as at 31 March 2020 it showed factors which were indicative of an inactive market due to COVID-19 pandemic. The Company determined the fair value of equity portfolio as of 31 March 2020, based on closing traded prices that existed as of 31 December 2019.

However, by 30 June 2020, investor sentiment has improved slightly, providing tailwind to the market's recovery and Sri Lanka eases out of lockdown recommencing trading activities. Therefore, all listed equity instruments were measured based on the market prices as at 30 June 2020 and Rs. 2,260 Mn were transferred back from Level 3 to Level 1 since there was an active market.

4.3 Fair value measurement and related fair value disclosures

The fair values of all the financial assets and financial liabilities recognised during the period were not materially different from the transaction prices at the date of initial recognition. There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy during the period other than disclosed in Note 4.2.

5 SLFRS 9 - FINANCIAL INSTRUMENTS AND SLFRS 17 - INSURANCE CONTRACTS

SLFRS 9 is effective for annual periods beginning on or after 1 January 2018. It replaces LKAS 39 - Financial Instruments: Recognition and Measurement.

Based on the proposed amendments to SLFRS 4 - Insurance contracts (to be replaced by SLFRS 17), the entities whose predominant activity is issuing insurance contracts are permitted to defer the full application of SLFRS 9 until the adoption of SLFRS 17, which is in 2023.

The Company has used the above temporary exemption.

NOTES TO THE FINANCIAL STATEMENTS

6 GROSS WRITTEN PREMIUM

For the period ended 30 June	2020	2019
	Rs. '000	Rs. '000
Conventional	5,069,754	5,105,291
Unit linked	7,784	18,403
Total gross written premium	5,077,538	5,123,694

7 INCOME TAX EXPENSE

Current tax

Gains and profits from the Life Insurance Business are ascertained in terms of Section 67 of the Inland Revenue Act No. 24 of 2017. As per this section, gains and profits on which tax is payable is the aggregate of;

Surplus distributed to shareholders from the Life insurance policyholders fund as certified by the actuary at a rate of 28%.

Investment income of the shareholder fund less any expenses incurred in the production of such income at a rate of 28%.

Surplus distributed to a Life insurance policyholder who shares profits of an entity engaged in the business of life insurance at a rate of 14% Up to 3 years from 2018 and thereafter at 28%.

The company has computed deferred tax and current tax at the rates based on the Substantively enacted rate, which is the rate legislated as of the reporting date, specified in the Inland Revenue Act, No. 24 of 2017, since the Inland Revenue Department Circular No. PN/IT/2020-03 (Revised) has not been enacted as of the reporting date.

Deferred tax asset

The company recognizes a deferred tax asset on unused tax losses which is expected to reduce the future tax expense.

	Amount Rs.000'		
	Tax Expense / (Reversal)	DT Assets	DT Liabilities
Balance as at 1 January 2019	-	1,079,046	-
Reversal during the period due to utilisation of tax losses	550,432	(550,432)	-
Balance as at 31 December 2019	550,432	528,614	-
Balance as at 1 January 2020	-	528,614	-
Reversal during the period due to utilisation of tax losses	128,011	(128,011)	-
Balance as at 30 June 2020	128,011	400,603	-

8 PROFITS FROM LIFE INSURANCE

No transfer has been made from the life insurance fund to the Income Statement during the period under review.

9 FINANCIAL INVESTMENTS

As at	30.06.2020	31.12.2019
	Rs. '000	Rs. '000
Held to maturity financial assets (HTM)	23,095,673	20,376,303
Loans and receivables (L&R)	12,268,680	13,199,658
Available for sale financial assets (AFS)	8,246,117	7,848,043
Financial assets at fair value through profit or loss (FVTPL)	2,664,387	3,457,191
Total financial investments	46,274,857	44,881,195

10 RESTRICTED REGULATORY RESERVE

Based on the direction issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) dated 20 March 2018 and subsequent approval, the Company has transferred Rs. 3,382 million attributable to non-participating fund and non-unit fund of unit linked business from life policyholder fund to life shareholder fund (SHF). The distribution of one-off surplus to shareholders, held as part of the Restricted Regulatory Reserve under equity in the statement of financial position is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from the IRCSL. The one-off surplus in the SHF is represented by government debt securities as per the direction of the IRCSL.

As at	30.06.2020	31.12.2019
	Rs. '000	Rs. '000
Transfer of one-off surplus from non participating fund	3,393,900	3,393,900
Transfer from shareholder fund for the one-off deficit created in the non-unit fund of unit linked life insurance contracts	(11,966)	(11,966)
	3,381,934	3,381,934

11 INSURANCE CONTRACT LIABILITIES

As at	30.06.2020	31.12.2019
	Rs. '000	Rs. '000
Life insurance fund	37,232,781	34,819,468
One-off surplus arising from changing policy liability valuation relating to participating fund	435,046	435,046
Tax payable	(51,059)	(51,059)
Unclaimed benefits	386,077	286,296
Total insurance contract liabilities	38,002,845	35,489,751

The one-off surplus retained in Insurance Contract Liabilities comprises of Rs. 432.5 million attributable to participating business and Rs. 2.5 million attributable to unit linked fund.

11.1 Movement in insurance contract liabilities

As at	30.06.2020	31.12.2019
	Rs. '000	Rs. '000
Conventional life insurance fund		
Balance as at 1 January	35,448,033	30,557,320
Increase in life insurance fund before surplus transfer to shareholders	2,404,176	5,940,278
Transfer to shareholders	-	(1,000,000)
Effect of taxation on surplus / bonus transferred to - policyholders	-	(24,631)
Net change in unclaimed benefits	104,636	(24,934)
Balance as at period end - Conventional Life insurance	37,956,845	35,448,033
Non Unit Fund of Linked Life Insurance Contracts		
Balance as at 1 January	41,718	42,561
Increase in non unit fund of linked life insurance before surplus transfer to shareholders	9,137	6,841
Transfer to shareholders	-	-
Net change in unclaimed benefits	(4,855)	(7,684)
Balance as at period end - Non unit fund of linked Life insurance	46,000	41,718
	38,002,845	35,489,751

12 AUDIT OF THE INTERIM FINANCIAL STATEMENTS

Figures for the six months are provisional and unaudited

13 COMPARATIVE INFORMATION

The presentation and classification in the financial statements are amended where appropriate to ensure comparability with the current period.

NOTES TO THE FINANCIAL STATEMENTS

14 RELATED PARTY TRANSACTIONS

The nature of the related parties in the current period is similar to those reported in the audited financial statements for the year ended 31 December 2019.

For the period ended 30 June	2020	2019
	Rs. '000	Rs. '000
Transactions with the Ultimate Parent		
Sales / (Purchases) of goods	-	-
Rendering / (Receiving) of services	(45,036)	(50,131)
Sales / (Purchases) of property, plant and equipment	-	-
Loans received / (Given)	-	-
Rent received / (Paid)	59	-
Dividends paid	(1,060,714)	(925,109)
Financial investment	330,419	49,720
Amount receivable / (payable) as at 30 June	(58,024)	(18,483)
Transactions with companies under common control		
Sales / (Purchases) of goods	(4,337)	(4,626)
Rendering / (Receiving) of services	(51,142)	(70,064)
Sales / (Purchases) of property, plant and equipment	(5,832)	(5,627)
Loans received / (Given)	-	-
Interest received / (Paid)	64,033	75,785
Dividend received / (Paid)	655	-
Rent received / (Paid)	-	-
Financial investment	1,052,343	636,316
Cash at Bank	29,312	94,031
Amount payable as at 30 June	(32,847)	(26,573)
Transactions with Subsidiary		
Equity investment	-	-
Transfer of assets and liabilities	-	-
Transactions with Associate		
Sales / (Purchases) of goods	-	-
Sales / (Purchases) of property, plant and equipment	-	-
Rendering / (Receiving) of services	(23,286)	(21,810)
Loans received / (Given)	-	-
Interest received / (Paid)	-	-
Rent received / (Paid)	-	-
Financial investment	-	-
Amount receivable / (payable) as at 30 June	-	-
Transactions with Key Management Personnel (KMP)		
Rendering / (Receiving) of services	-	-
Transactions with Close Family Members of KMP		
Rendering / (Receiving) of services	-	-
Companies controlled / jointly controlled / significantly influenced by KMP and their close family members		
Sales / (Purchases) of goods	-	-
Rendering / (Receiving) of services	-	-

15 CAPITAL AND OTHER COMMITMENTS

There were no significant capital commitments as at the reporting date other than the following.

As at 30 June	2020	2019
	Rs. Mn	Rs. Mn
Capital commitment contracted	851	907

16 CONTINGENCIES

There has been no significant change in the contingencies and other commitments, which were disclosed in the audited financial statements for the year ended 31 December 2019 other than the following;

Income tax relating to years of assessment 2015/16 and 2017/18

The Department of Inland Revenue has issued its determination on Union Assurance PLC for the year of assessment 2015/16 assessing the Life insurance business to pay income tax liability of Rs. 1,034 million and company is in the process of appealing to the Tax Appeals Commission against the said assessment.

The Department of Inland Revenue has raised an assessment on Union Assurance PLC for the year of assessment 2017/18, assessing the Life insurance business to pay an income tax liability of Rs. 749 million together with Rs. 368 million penalty totaling to Rs. 1,117 million. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

VAT assessment relating to year of assessment 2017

The Department of Inland Revenue has raised an assessment on Union Assurance PLC for the year of assessment 2017, assessing the Life insurance business to pay a VAT liability of Rs. 1.7 million for the second quarter. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

17 SHARE INFORMATION

Market Price Per Share

For the quarter ended 30 June	2020	2019
	Rs.	Rs.
Last traded	307.30	328.00
Highest price per share for the period	319.90	329.00
Lowest price per share for the period	274.90	260.00

NOTES TO THE FINANCIAL STATEMENTS

18 NET ASSETS PER SHARE

As at	30.06.2020	31.12.2019
	Rs.	Rs.
Net assets per share	249.26	248.83

Net assets per share has been calculated based on the number of shares in issue as at each reporting date.

19 STATED CAPITAL

No. of shares as at	30.06.2020	31.12.2019
Ordinary shares	58,928,572	58,928,572

20 TWENTY LARGEST SHAREHOLDERS

	As at 30 June 2020		As at 31 March 2020	
	No. of Shares	%	No. of Shares	%
1 John Keells Holdings Plc	53,035,715	90.0	53,035,715	90.0
2 Mr. S.N.P. Palihena	1,400,000	2.4	1,400,000	2.4
3 Suktam Holdings (Pvt) Ltd	609,000	1.0	609,000	1.0
4 Citibank Newyork S/A Norges Bank Account 2	580,294	1.0	580,294	1.0
5 Rubber Investment Trust Limited A/C No.01	199,000	0.3	199,000	0.3
6 Corporate Holdings (Private) Limited A/C No.01	149,373	0.3	149,373	0.3
7 Captain D.V.H. Palihena	138,495	0.2	138,495	0.2
8 People'S Leasing & Finance PLC / L.P. Hapangama	102,882	0.2	102,882	0.2
9 Mrs. A. Selliah	100,000	0.2	100,000	0.2
10 People's Leasing & Finance PLC / L.H.L.M.P. Haradasa	78,494	0.1	78,494	0.1
11 People's Leasing & Finance PLC / Dr. H.S. D.Soyso & Mrs. G. Soysa	73,135	0.1	73,135	0.1
12 Mr. J.D. Bandaranayake & Miss. N. Bandaranayake & Dr. (Mrs.) V. Bandaranayake	59,019	0.1	59,019	0.1
13 Mr. J.D. Bandaranayake & Dr. (Mrs.) V. Bandaranayake & Miss. I. Bandaranayake	59,019	0.1	59,019	0.1
14 Mr. H.A.D. Ratnapala	56,250	0.1	56,250	0.1
15 Mr. J.W. Nanayakkara	56,250	0.1	56,250	0.1
16 Mr. N.I. Wikramanayake	53,059	0.1	53,059	0.1
17 Mr. H.A. Rehmanjee	50,001	0.1	50,001	0.1
18 Dr. S. Selliah	50,000	0.1	50,000	0.1
19 Mr. V. Sharda	44,200	0.1	44,200	0.1
20 Mr. N.D. Kurukulasuriya	39,000	0.1	39,000	0.1
Other	1,995,386	3.3	1,995,386	3.3
	58,928,572	100	58,928,572	100

21 DIVIDENDS PAID

For the Period ended 30 June	2020	2019
	Rs. '000	Rs. '000
Final dividend for 2019 - Rs.20.00 (2018 - Rs. 20.00)	1,178,571	1,178,571

22 DIRECTORS' SHAREHOLDINGS

No. of shares as at	30.06.2020	31.12.2019
Mr. K.N. J. Balendra (Chairman)	Nil	Nil
Mr. S. Rajendra	Nil	Nil
Mr. D.P. Gamlath [Appointed w.e.f 10.06.2020]	Nil	N/A
Mr. H.A. J. De S. Wijeyeratne	Nil	Nil
Mr. D.H. Fernando	Nil	Nil
Mr. S.A. Appleyard	Nil	Nil
Mrs. D.C. Alagaratnam [Resigned w.e.f. 31.12.2019]	N/A	Nil

23 CHIEF EXECUTIVE OFFICER'S SHAREHOLDING

No. of shares as at	30.06.2020	31.12.2019
Mr. Jude Gomes	Nil	Nil

24 PUBLIC SHAREHOLDING

Company is listed on the Colombo Stock Exchange and the percentage of shares held by the public, the number of public shareholders and the float adjusted market capitalization is as given below:

As at	30.06.2020	31.12.2019
Public shareholding (%)	10.00	10.00
Public shareholders	1,420	1,406
Compliant under option 1 - float adjusted market capitalization (LKR Bn)	1.81	1.94

25 EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to the reporting date, which require disclosure in the interim financial statements other than the following.

Mr. Warnage Malinga De Fonseka Arakularatne has been appointed to the Board of Directors of the Company as a Non Executive Independent Director with effect from 14 July 2020.

CORPORATE INFORMATION

Name of Company

Union Assurance PLC

Legal Form

A public limited liability company incorporated in Sri Lanka on 8 January 1987 and registered under the Companies Act No. 07 of 2007 and quoted on the Colombo Stock Exchange since 1988.

Company Registration Number

PQ 12

Tax Payer Identification Number (TIN)

134001372

VAT Registration Number

134001372 7000

Directors

K. N. J. Balendra - Chairman
 S. Rajendra
 H. A. J. De Silva Wijeyeratne
 D. H. Fernando
 S. A. Appleyard
 D. C. Alagaratnam [Resigned w.e.f. 31.12.2019]
 D. P. Gamlath [Appointed w.e.f. 10.06.2020]
 W. M. D. F. Arsakularatne [Appointed w.e.f. 14.07.2020]

Board Human Resource and Compensation Committee

The Board Human Resource and Compensation Committee (BHRCC) of John Keells Holdings PLC (the Parent) represents the BHRCC of the Company.

Nominations Committee

The Nominations Committee (NC) of John Keells Holdings PLC (the Parent) represents the NC of the Company.

Related Party Transaction Review Committee

The Related Party Transaction Review Committee (RPTRC) of John Keells Holdings PLC (the Parent) represents the RPTRC of the Company.

Project Risk Assessment Committee

The Project Risk Assessment Committee (PRAC) of John Keells Holdings PLC (the Parent) represents the PRAC of the Company.

Board Audit and Compliance Committee

H. A. J. De Silva Wijeyeratne - Chairman
 S. Rajendra
 D. H. Fernando
 W. M. D. F. Arsakularatne [Appointed w.e.f. 14.07.2020]

Investment Committee

J. G. A. Cooray - Chairman
 Jude Gomes
 Asha Perera
 Nimesha Liyanage
 Angelo Keil

Secretaries and Registrars

Keells Consultants (Private) Limited
 117, Sir Chittampalam A. Gardiner Mawatha,
 Colombo 2.

Auditors

Messrs. KPMG (Chartered Accountants)
 PO Box 186,
 32A, Sir Mohamed Macan Markar Mawatha,
 Colombo 3.

Appointed Actuaries

Willis Towers Watson India Private Limited
 Unitech Business Park, 2nd Floor
 Tower-B, South City, Sector 41
 Gurgaon-122002
 India.

Lawyers

The Legal Department
 John Keells Holdings PLC
 117, Sir Chittampalam A Gardiner Mawatha,
 Colombo 2.

Bankers

Bank of Ceylon
 Commercial Bank of Ceylon PLC
 Deutsche Bank AG
 DFCC Bank PLC
 Hatton National Bank PLC
 Housing Development Finance Corporation
 National Development Bank PLC
 National Savings Bank
 Nations Trust Bank PLC
 People's Bank
 Sampath Bank PLC
 Seylan Bank PLC
 Standard Chartered Bank
 Union Bank Colombo PLC

Reinsurance Panel

RGA
 Hannover Re
 Munich Re
 Partner Re

Registered Office of the Company

20, St Michael's Road,
 Colombo 3.

Investor Relations

All investor queries should be directed to;
 Investor relations hotline 011-2990314
 e-mail: investorrelations@unionassurance.com

