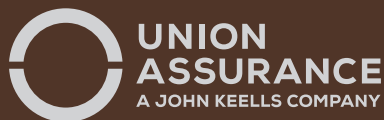


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Condensed Interim Financial Statements For The Nine Months Ended 30 September 2020

INCOME STATEMENT

For the period ended 30 September	Note	2020	2019	Change
		Rs. '000	Rs. '000	%
Gross written premium	6	8,924,649	8,081,990	10
Premium ceded to reinsurers		(427,418)	(333,563)	28
Net written premium		8,497,231	7,748,427	10
Other revenue				
Net investment income		3,752,604	3,379,082	11
Net realised losses		(463,291)	(688)	67,239
Net fair value gains / (losses)		2,151	(522,774)	100
Other income		27,757	32,799	(15)
Total other revenue		3,319,221	2,888,419	15
Total net revenue		11,816,452	10,636,846	11
Benefits, claims and expenses				
Net insurance benefits and claims paid		(2,578,854)	(2,743,245)	(6)
Net change in insurance claims outstanding		(114,185)	120,819	(195)
Change in contract liabilities - Life Fund		(4,729,732)	(3,775,017)	25
Underwriting and net acquisition costs (net of reinsurance)		(1,486,717)	(1,411,507)	5
Other operating, administrative and selling expenses		(2,071,705)	(2,025,127)	2
Depreciation and amortisation		(259,700)	(220,132)	18
Total benefits, claims and expenses		(11,240,893)	(10,054,209)	12
Profit from operations		575,559	582,637	(1)
Share of results of equity accounted investee, net of tax		100,500	86,795	16
Profit before tax		676,059	669,432	1
Income tax expenses	7	(189,836)	(192,762)	(2)
Profit for the period		486,223	476,670	2
Earnings per share				
Basic (Rs.)		8.25	8.09	2
Diluted (Rs.)		8.25	8.09	2

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 September	2020	2019	Change
	Rs. '000	Rs. '000	%
Profit for the period	486,223	476,670	2
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	400,648	219,716	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	37,824	22,045	
Net change in fair value of available for sale financial assets transferred to the income statement	-	(6,207)	
Related tax	-	-	
	438,472	235,554	86
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	339,047	221,426	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	(23,522)	32,095	
Related tax	-	-	
	315,525	253,521	24
Other comprehensive income, net of tax	753,997	489,075	54
Total comprehensive income for the period, net of tax	1,240,220	965,745	28

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

INCOME STATEMENT

For the quarter ended 30 September	Note	2020	2019	Change
		Rs. '000	Rs. '000	%
Gross written premium		3,847,111	2,958,296	30
Premium ceded to reinsurers		(162,246)	(173,717)	(7)
Net written premium		3,684,865	2,784,579	32
Other revenue				
Net investment income		1,266,253	1,146,500	10
Net realised losses		(85,170)	(2,578)	3,204
Net fair value gains		332,883	253,462	31
Other income		8,354	13,755	(39)
Total other revenue		1,522,320	1,411,139	8
Total net revenue		5,207,185	4,195,718	24
Benefits, claims and expenses				
Net insurance benefits and claims paid		(1,127,497)	(988,712)	14
Net change in insurance claims outstanding		56,651	123,179	(54)
Change in contract liabilities - Life Fund		(2,496,590)	(1,857,494)	34
Underwriting and net acquisition costs (net of reinsurance)		(576,242)	(500,280)	15
Other operating, administrative and selling expenses		(790,506)	(694,954)	14
Depreciation and amortisation		(85,887)	(88,193)	(3)
Total benefits, claims and expenses		(5,020,071)	(4,006,454)	25
Profit from operations		187,114	189,264	(1)
Share of results of equity accounted investee, net of tax		24,144	26,876	(10)
Profit before tax		211,258	216,140	(2)
Income tax reversal / (expenses)		(61,825)	(63,134)	(2)
Profit for the quarter		149,433	153,006	(2)
Earnings per share				
Basic (Rs.)		2.54	2.60	(2)
Diluted (Rs.)		2.54	2.60	(2)

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 September	2020	2019	Change
	Rs. '000	Rs. '000	%
Profit for the quarter	149,433	153,006	(2)
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	(47,343)	(31,437)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	1,658	128	
Related tax	-	-	
	(45,685)	(31,309)	46
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	(26,966)	(23,024)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	(36,211)	11,096	
Related tax	-	-	
	(63,177)	(11,928)	430
Other comprehensive income, net of tax	(108,862)	(43,237)	152
Total comprehensive income for the period, net of tax	40,571	109,769	(63)

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

STATEMENT OF FINANCIAL POSITION

As at		30.09.2020	31.12.2019
	Note	Rs. '000	Rs. '000
Assets			
Intangible assets		1,188,546	1,306,922
Property, plant and equipment		2,472,131	2,500,305
Right of use assets		268,955	296,799
Deferred tax assets		338,778	528,614
Investment in equity accounted investee		1,384,276	1,245,951
Financial investments	9	49,864,902	44,881,195
Loans to life policyholders		1,747,207	1,555,759
Reinsurance receivable		540,774	502,975
Premiums receivable		292,022	344,785
Receivables and other assets		1,350,626	1,452,885
Cash in hand and at bank		587,653	632,962
Total assets		60,035,870	55,249,152
Equity and liabilities			
Equity			
Stated capital		1,000,000	1,000,000
Available for sale reserve		1,283,465	529,468
Revaluation reserve		2,089,404	2,089,404
Restricted regulatory reserve	10	3,381,934	3,381,934
Other reserves		58,771	52,228
Retained earnings		6,917,520	7,609,868
Total equity		14,731,094	14,662,902
Liabilities			
Insurance contract liabilities	11	40,481,321	35,489,751
Insurance contract liabilities - Unit Linked		1,039,094	1,246,075
Employee benefit liabilities		190,528	162,957
Reinsurance payables		753,210	812,930
Other liabilities		2,698,483	2,706,109
Bank overdraft		142,140	168,428
Total liabilities		45,304,776	40,586,250
Total equity and liabilities		60,035,870	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



S. Rajendra
Director

Colombo
12 November 2020

STATEMENT OF CHANGES IN EQUITY

Rs. '000	Stated capital	Restricted regulatory reserve	Reserves				Retained earnings	Total
			Revaluation reserve	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	-	-	-	-	-	-	476,670	476,670
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	213,509	-	-	213,509
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	253,521	-	-	253,521
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	22,045	-	-	22,045
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	489,075	-	-	489,075
Total comprehensive income for the period	-	-	-	-	489,075	-	476,670	965,745
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	-	-	-	-	-	9,611	-	9,611
Total contributions and distributions	-	-	-	-	-	9,611	(1,178,571)	(1,168,960)
Balance as at 30 September 2019	1,000,000	3,381,934	1,690,736	16,752	403,689	51,469	6,923,893	13,468,473
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	-	-	-	-	-	-	486,223	486,223
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	400,648	-	-	400,648
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	315,525	-	-	315,525
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	37,824	-	-	37,824
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	753,997	-	-	753,997
Total comprehensive income for the period	-	-	-	-	753,997	-	486,223	1,240,220
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	-	-	-	-	-	6,543	-	6,543
Total contributions and distributions	-	-	-	-	-	6,543	(1,178,571)	(1,172,028)
Balance as at 30 September 2020	1,000,000	3,381,934	2,089,404	16,752	1,283,465	42,019	6,917,520	14,731,094

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

STATEMENT OF CASH FLOWS

For the period ended 30 September		2020	2019
	Note	Rs. '000	Rs. '000
Cash flows from operations			
Insurance premiums received		8,977,412	8,060,863
Reinsurance premiums paid		(487,137)	(166,616)
Insurance benefits and claims paid		(2,578,854)	(2,743,245)
Payments to intermediaries to acquire insurance contracts		(1,476,458)	(1,482,220)
Cash paid to and on behalf of employees		(915,934)	(886,523)
Interest received		3,307,729	3,161,271
Dividends received		81,645	81,981
Other operating cash flows		(1,202,761)	(1,709,740)
Cash generated from operating activities	A	5,705,642	4,315,771
Interest paid on obligation to repurchase securities		(646)	(5,574)
Employee benefits paid		(15,444)	(15,718)
Net cash flow from operating activities		5,689,552	4,294,479
Cash flows used in investing activities			
Acquisition of investments		(11,050,244)	(8,768,431)
Maturity proceeds of investments		4,658,986	4,514,451
Proceeds from sale of investments		1,994,542	1,175,771
Acquisition of property, plant and equipment		(36,600)	(72,207)
Acquisition of intangible assets		(7,284)	(22,242)
Proceeds on sale of property, plant and equipment		609	-
Net cash used in investing activities		(4,439,991)	(3,172,658)
Net cash inflow before financing activities		1,249,561	1,121,821
Cash flows used in financing activities			
Dividends paid to equity holders of the company		(1,178,571)	(1,020,762)
Dividend tax paid		-	(150,672)
Settlement of lease liabilities		(90,011)	(69,288)
Obligation to repurchase securities		456,311	1,386,080
Settlement of obligation to repurchase securities		(456,311)	(1,386,080)
Net cash used in financing activities		(1,268,582)	(1,240,722)
Net increase in cash and cash equivalents		(19,021)	(118,901)
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	445,513	333,759

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

For the period ended 30 September	2020	2019
	Rs. '000	Rs. '000
NOTE A.		
Reconciliation of profit before taxation with cash from operating activities		
Profit before tax	676,059	669,432
Non - cash items included in profit before tax		
Depreciation and amortisation	128,368	125,481
Amortisation of right of use assets	131,332	94,651
Provision for employee benefits	19,284	17,726
Net realised losses	463,291	688
Net fair value (gains) / losses	(2,151)	522,774
Gain on sale of property, plant and equipment	(497)	(34)
Amortisation of financial investments	(77,076)	(122,744)
Amortisation of lease liabilities	54,953	53,591
Scrip dividend income	(34,162)	(62,705)
Share of results of equity accounted investee	(100,500)	(86,795)
Share based payment expenses	6,543	9,611
Interest expense on obligation to repurchase securities	646	5,574
Profit before working capital changes	1,266,090	1,227,250
Net change in operational assets		
Net change in reinsurance assets	(37,799)	(143,007)
Net change in premiums receivable	52,763	(21,127)
Net change in receivables and other assets	(350,307)	(397,176)
Net change in operational liabilities		
Net change in life insurance contract liabilities	4,784,589	3,590,752
Net change in reinsurance liabilities	(59,720)	85,702
Net change in other liabilities	50,026	(26,623)
Cash generated from operating activities	5,705,642	4,315,771
NOTE B.		
Cash and cash equivalents at the end of the period		
Cash in hand and at bank	587,653	525,024
Bank overdraft	(142,140)	(191,265)
Cash and cash equivalents at the end of the period	445,513	333,759

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		30.09.2020	31.12.2019
	Note	Rs. '000	Rs. '000
Assets			
Intangible assets		525,045	581,438
Property, plant and equipment		2,472,131	2,500,305
Right of use assets		268,955	296,799
Financial investments, including derivatives		40,059,934	36,142,412
Loans to life policyholders		1,747,207	1,555,759
Reinsurance receivable		540,774	502,975
Premiums receivable		292,022	344,785
Receivables and other assets		646,796	768,128
Cash in hand and at bank		578,443	624,552
Total assets		47,131,307	43,317,153
Reserves and liabilities			
Reserves			
Available for sale reserve		582,741	267,219
Revaluation reserve		1,613,547	1,613,544
Other reserves		(6,411)	(6,411)
Total reserves		2,189,877	1,874,352
Liabilities			
Insurance contract liabilities	11	40,481,321	35,489,751
Insurance contract liabilities - Unit Linked		1,039,094	1,246,075
Employee benefit liabilities		190,528	162,957
Reinsurance payables		753,210	812,930
Other liabilities		2,335,137	3,562,660
Bank overdraft		142,140	168,428
Total liabilities		44,941,430	41,442,801
Total reserves and liabilities		47,131,307	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 nine months ended 30 September 2020 were authorised for issue by the Board of Directors on 12 November 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 amendments to LKAS 27 - 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 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. All listed equity instruments were measured based on the market prices as at 30 September 2020 and classified as level 1 as per the fair value hierarchy. 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 reporting quarter.

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 September	2020	2019
	Rs. '000	Rs. '000
Conventional	8,912,801	8,055,716
Unit linked	11,848	26,274
Total gross written premium	8,924,649	8,081,990

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	189,836	(189,836)	-
Balance as at 30 September 2020	189,836	338,778	-

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	30.09.2020	31.12.2019
	Rs. '000	Rs. '000
Held to maturity financial assets (HTM)	22,742,985	20,376,303
Loans and receivables (L&R)	15,033,840	13,199,658
Available for sale financial assets (AFS)	8,420,990	7,848,043
Financial assets at fair value through profit or loss (FVTPL)	3,667,087	3,457,191
Total financial investments	49,864,902	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	30.09.2020	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	30.09.2020	31.12.2019
	Rs. '000	Rs. '000
Life insurance fund	39,659,054	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	438,280	286,296
Total insurance contract liabilities	40,481,321	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	30.09.2020	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	4,827,089	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	155,969	(24,934)
Balance as at period end - Conventional Life insurance	40,431,091	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	12,497	6,841
Transfer to shareholders	-	-
Net change in unclaimed benefits	(3,985)	(7,684)
Balance as at period end - Non unit fund of linked Life insurance	50,230	41,718
	40,481,321	35,489,751

12 AUDIT OF THE INTERIM FINANCIAL STATEMENTS

Figures for the nine 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 September	2020	2019
	Rs. '000	Rs. '000
Transactions with the Ultimate Parent		
Sales / (Purchases) of goods	-	-
Rendering / (Receiving) of services	(76,722)	(76,777)
Sales / (Purchases) of property, plant and equipment	-	-
Loans received / (Given)	-	-
Rent received / (Paid)	59	-
Dividends Received / (Paid)	(1,057,981)	-
Financial investment	474,115	61,016
Amount receivable / (payable) as at 30 September	(57,480)	(16,242)
Transactions with companies under common control		
Sales / (Purchases) of goods	(3,955)	(6,892)
Rendering / (Receiving) of services	(49,548)	(102,208)
Sales / (Purchases) of property, plant and equipment	(1,627)	(11,305)
Loans received / (Given)	-	-
Interest received / (Paid)	96,761	57,137
Dividend received / (Paid)	193	-
Rent received / (Paid)	-	-
Financial investment	1,153,788	637,043
Cash at Bank	34,593	70,132
Amount receivable / (payable) as at 30 September	(24,804)	(13,609)
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	(27,555)	(43,667)
Loans received / (Given)	-	-
Interest received / (Paid)	-	-
Rent received / (Paid)	-	-
Financial investment	-	-
Amount receivable / (payable) as at 30 September	-	-
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.

16 CONTINGENCIES

There has been no 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. 832 million along with a 50% penalty of Rs. 416 million totaling to Rs. 1,248 million and company lodged valid appeal against the said assessment with the Tax Appeals Commission.

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 assessments relating to year of assessment 2017

The Department of Inland Revenue has raised assessments on Union Assurance PLC for the year of assessment 2017, assessing the Life insurance business to pay a VAT liability of Rs. 4.1 million together with Rs. 3.4 million penalty totaling to 7.5 million for the period from April to December. The Company has lodged valid appeals with the Commissioner General of Inland Revenue against the said assessments.

17 SHARE INFORMATION

Market Price Per Share

For the quarter ended 30 September	2020	2019
	Rs.	Rs.
Last traded	295.00	325.70
Highest price per share for the period	320.00	375.00
Lowest price per share for the period	275.00	310.00

18 NET ASSETS PER SHARE

As at	30.09.2020	31.12.2019
	Rs.	Rs.
Net assets per share	249.98	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	30.09.2020	31.12.2019
Ordinary shares	58,928,572	58,928,572

NOTES TO THE FINANCIAL STATEMENTS

20 TWENTY LARGEST SHAREHOLDERS

	As at 30 September 2020		As at 30 June 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.Soyasa & Mrs. G. Soyasa	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 People's Merchant Finance PLC / P.T.S De Silva	55,012	0.1	35,114	0.1
17 Mr. N.I. Wikramanayake	53,059	0.1	53,059	0.1
18 Mr. H.A. Rehmanjee	50,001	0.1	50,001	0.1
19 Dr. S. Selliah	50,000	0.1	50,000	0.1
20 Mr. V. Sharda	44,200	0.1	44,200	0.1
Other	1,979,374	3.3	1,999,272	3.3
	58,928,572	100	58,928,572	100

21 DIVIDENDS PAID

For the Period ended 30 September	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	30.09.2020	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 [Resigned w.e.f. 06.09.2020]	N/A	Nil
Mr. D. H. Fernando	Nil	Nil
Mr. S. A. Appleyard	Nil	Nil
Mr. W.M.D.F. Arsakularatne [Appointed w.e.f 14.07.2020]	Nil	N/A
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	30.09.2020	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	30.09.2020	31.12.2019
Public shareholding (%)	10.00	10.00
Public shareholders	1,428	1,406
Compliant under option 1 - float adjusted market capitalization (LKR Bn)	1.74	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.

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 [Resigned w.e.f 06.09.2020]
 D. H. Fernando
 S. A. Appleyard
 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

W. M. D. F Arsakularatne - Chairman [Appointed w.e.f 14.07.2020]
 D. H. Fernando
 S. Rajendra

Investment Committee

J. G. A. Cooray - Chairman
 Jude Gomes
 Asha Perera
 Nalin Subasinghe [Appointed w.e.f 15.08.2020]
 Angelo Keil
 Aruni Fernando

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

