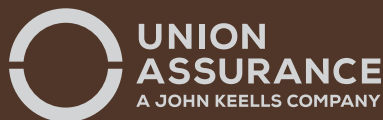


Thinking
about you



Condensed Interim Financial Statements For The Three Months Ended 31 March 2020

INCOME STATEMENT

For the period ended 31 March	Note	2020	2019	Change
		Rs. '000	Rs. '000	%
Gross written premium	6	2,647,682	2,528,257	5
Premium ceded to reinsurers		(118,862)	1,610	(7,483)
Net written premium		2,528,820	2,529,867	(0)
Other revenue				
Net investment income		1,273,922	1,083,558	18
Net realised gains / (losses)		(78,881)	6,441	(1,325)
Net fair value gains / (losses)		11,846	(497,283)	102
Other income		10,388	9,181	13
Total other revenue		1,217,275	601,897	102
Total net revenue		3,746,095	3,131,764	20
Benefits, claims and expenses				
Net insurance benefits and claims paid		(682,744)	(1,025,415)	(33)
Net change in insurance claims outstanding		(124,377)	99,602	(225)
Change in contract liabilities - Life Fund		(1,465,913)	(831,755)	76
Underwriting and net acquisition costs (net of reinsurance)		(539,498)	(492,032)	10
Other operating, administrative and selling expenses		(638,162)	(602,795)	6
Depreciation and amortisation		(87,515)	(64,054)	37
Total benefits, claims and expenses		(3,538,209)	(2,916,449)	21
Profit from operations		207,886	215,315	(3)
Share of results of equity accounted investee, net of tax		27,162	30,518	(11)
Profit before tax		235,048	245,833	(4)
Income tax reversal / (expenses)	7	(67,884)	(67,727)	0
Profit for the period		167,164	178,106	(6)
Earnings per share				
Basic (Rs.)		2.84	3.02	(6)
Diluted (Rs.)		2.84	3.02	(6)

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 March	2020	2019	Change
	Rs. '000	Rs. '000	%
Profit for the period	167,164	178,106	(6)
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	57,709	94,680	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	6,101	10,178	
Net change in fair value of available for sale financial assets transferred to the income statement	-	(6,207)	
Related tax	-	-	
	63,810	98,651	(35)
Other comprehensive income, net of tax			
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	32,941	100,993	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	3,219	10,610	
Related tax	-	-	
	36,160	111,603	(68)
Other comprehensive income, net of tax	99,970	210,254	(52)
Total comprehensive income for the period, net of tax	267,134	388,360	(31)

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

STATEMENT OF FINANCIAL POSITION

As at		31.03.2020	31.12.2019
	Note	Rs. '000	Rs. '000
Assets			
Intangible assets		1,266,647	1,306,922
Property, plant and equipment		2,488,765	2,500,305
Right of use assets		278,669	296,799
Deferred tax assets		460,730	528,614
Investment in equity accounted investee		1,279,215	1,245,951
Financial investments	9	44,712,829	44,881,195
Loans to life policyholders		1,627,555	1,555,759
Reinsurance receivable		421,297	502,975
Premiums receivable		380,513	344,785
Receivables and other assets		1,445,215	1,452,885
Cash in hand and at bank		1,016,940	632,962
Total assets		55,378,375	55,249,152
Equity and liabilities			
Equity			
Stated capital		1,000,000	1,000,000
Available for sale reserve		629,438	529,468
Revaluation reserve		2,089,404	2,089,404
Restricted regulatory reserve	10	3,381,934	3,381,934
Other reserves		54,605	52,228
Retained earnings		6,598,461	7,609,868
Total equity		13,753,842	14,662,902
Liabilities			
Insurance contract liabilities	11	36,992,717	35,489,751
Insurance contract liabilities - Unit Linked		1,193,123	1,246,075
Employee benefit liabilities		171,444	162,957
Reinsurance payables		453,443	812,930
Other liabilities		2,482,395	2,706,109
Bank overdraft		331,411	168,428
Total liabilities		41,624,533	40,586,250
Total equity and liabilities		55,378,375	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.



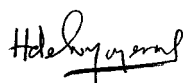
Asha Perera
Chief Financial Officer

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
14 May 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	-	-	-	-	-	-	178,106	178,106
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	88,473	-	-	88,473
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	111,603	-	-	111,603
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	10,178	-	-	10,178
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	210,254	-	-	210,254
Total comprehensive income for the period	-	-	-	-	210,254	-	178,106	388,360
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	-	-	-	-	-	3,618	-	3,618
Total contributions and distributions	-	-	-	-	-	3,618	(1,178,571)	(1,174,953)
Balance as at 31 March 2019	1,000,000	3,381,934	1,690,736	16,752	124,868	45,476	6,625,329	12,885,095
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	-	-	-	-	-	-	167,164	167,164
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	57,709	-	-	57,709
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	36,160	-	-	36,160
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	6,101	-	-	6,101
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	99,970	-	-	99,970
Total comprehensive income for the period	-	-	-	-	99,970	-	167,164	267,134
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	-	-	-	-	-	2,377	-	2,377
Total contributions and distributions	-	-	-	-	-	2,377	(1,178,571)	(1,176,194)
Balance as at 31 March 2020	1,000,000	3,381,934	2,089,404	16,752	629,438	37,853	6,598,461	13,753,842

STATEMENT OF CASH FLOWS

For the period ended 31 March		2020	2019
	Note	Rs. '000	Rs. '000
Cash flows from operations			
Insurance premiums received		2,611,954	2,564,975
Reinsurance premiums paid		(478,350)	(5,792)
Insurance benefits and claims paid		(682,744)	(1,025,415)
Payments to intermediaries to acquire insurance contracts		(515,151)	(556,200)
Cash paid to and on behalf of employees		(276,697)	(231,479)
Interest received		1,096,727	1,176,919
Dividends received		36,854	26,087
Other operating cash flows		(626,952)	(767,008)
Cash generated from operating activities		1,165,641	1,182,087
Employee benefits paid		(3,464)	(11,684)
Net cash flow from operating activities	A	1,162,177	1,170,403
Cash flows used in investing activities			
Acquisition of investments		(3,094,457)	(3,406,398)
Maturity proceeds of investments		2,439,689	2,287,654
Proceeds from sale of investments		941,349	800,139
Acquisition of property, plant and equipment		(9,634)	(5,062)
Acquisition of intangible assets		(2,361)	(21,069)
Proceeds on sale of property, plant and equipment		417	-
Net cash used in investing activities		275,003	(344,736)
Net cash inflow before financing activities		1,437,180	825,667
Cash flows used in financing activities			
Dividends paid to equity holders of the company		(1,178,609)	(1,028,070)
Settlement of lease liabilities		(37,576)	-
Net cash used in financing activities		(1,216,185)	(1,028,070)
Net increase in cash and cash equivalents		220,995	(202,403)
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	685,529	250,257

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

For the period ended 31 March	2020	2019
	Rs. '000	Rs. '000
NOTE A.		
Reconciliation of profit before taxation with cash from operating activities		
Profit before tax	235,048	245,833
Non - cash items included in profit before tax		
Depreciation and amortisation	87,515	64,054
Provision for employee benefits	6,677	5,669
Net realised (gains) / losses	78,881	(6,441)
Net fair value (gains) / losses	(11,846)	497,283
Gain on sale of property, plant and equipment	(374)	-
Amortisation of financial investments	(31,389)	(38,794)
Amortisation of lease liabilities	18,561	-
Scrip dividend income	(7,322)	(14,987)
Share of results of equity accounted investee	(27,162)	(30,518)
Share based payment expenses	2,376	3,618
Profit before working capital changes	350,965	725,717
Net change in operational assets		
Net change in reinsurance assets	81,678	(84,082)
Net change in premiums receivable	(35,728)	36,718
Net change in receivables and other assets	(77,256)	(138,188)
Net change in operational liabilities		
Net change in life insurance contract liabilities	1,450,014	727,424
Net change in reinsurance liabilities	(359,487)	(7,403)
Net change in other liabilities	(244,545)	(78,099)
Cash generated from operating activities	1,165,641	1,182,087
NOTE B.		
Cash and cash equivalents at the end of the period		
Cash in hand and at bank	1,016,940	566,432
Bank overdraft	(331,411)	(316,175)
Cash and cash equivalents	685,529	250,257

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	Note	31.03.2020	31.12.2019
		Rs. '000	Rs. '000
Assets			
Intangible assets		561,825	581,438
Property, plant and equipment		2,488,765	2,500,305
Right of use assets		278,669	296,799
Financial investments, including derivatives		36,795,015	36,142,412
Loans to life policyholders		1,627,555	1,555,759
Reinsurance receivable		421,297	502,975
Premiums receivable		380,513	344,785
Receivables and other assets		807,214	768,128
Cash in hand and at bank		890,343	624,552
Total assets		44,251,196	43,317,153
Reserves and liabilities			
Reserves			
Available for sale reserve		303,377	267,219
Revaluation reserve		1,613,544	1,613,544
Other reserves		(6,411)	(6,411)
Total reserves		1,910,510	1,874,352
Liabilities			
Insurance contract liabilities	11	36,992,717	35,489,751
Insurance contract liabilities - Unit Linked		1,193,123	1,246,075
Employee benefit liabilities		171,444	162,957
Reinsurance payables		453,444	812,930
Other liabilities		3,316,404	3,562,660
Bank overdraft		213,554	168,428
Total liabilities		42,340,686	41,442,801
Total reserves and liabilities		44,251,196	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 three months ended 31 March 2020 were authorised for issue by the Board of Directors on 14 May 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 Going Concern

In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Company and the appropriateness of the use of the going concern basis. In March 2020, the Company evaluated the resilience of its business considering a wide range of factors such as current and expected profitability, the ability to defer non-essential capital expenditure, cash reserves and potential sources of financing facilities, if required, and the ability to continue providing life insurance services.

Having presented the outlook to the Board, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these financial statements.

4.3 Risk Management

Liquidity risk management

Company has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The Company attempts to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through investment cashflows.

The Company considered that Cash flow scrutiny is paramount in the days and months ahead and has adopted a disciplined approach across the Company including setting up of Spend Control Steering Committee for preserving and increasing liquidity, particularly on account of the impact of COVID-19.

Interest rate risk

The global outbreak of the novel COVID-19 pandemic has resulted in a consecutive reduction in policy rates and monetary easing policies by CBSL. Further there is a reduction in yield of Treasury bill and bond Market. As a result, we expect to witness a reduction in the Investment Income of the Company.

NOTES TO THE FINANCIAL STATEMENTS

4.4 Financial assets at fair value through Profit and loss

The extent of information about the impact of COVID-19 that was available as at the reporting date shows factors which are indicative of an inactive market such as a significant drop in trade volumes, significant decline or absence of a market for new issuances, dramatic decrease in correlations between asset/liability values and related indexes and subsequent closure of the exchange for trading.

There may be an increase in the amount of subjectivity involved in fair value measurements, and as such, a greater use of unobservable inputs will be required because relevant observable inputs are no longer available. This will have a direct impact to the profit or loss where diversification of the portfolio with the unaffected and growing industries will mitigate the risk.

4.5 Property plant and equipment

4.5 (a) Impairment

The Company does not foresee any indications of Impairment as at the reporting date due to the COVID-19 pandemic, and functions under the business continuity plan as per the Company risk management strategy, allowing operations to function through alternate working arrangements, whilst strictly adhering to and supporting government directives.

4.5 (b) Revaluation of land and buildings

The Company uses the revaluation model of measurement of land and buildings. The Company engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location, or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The date of the most recent revaluation was carried out on 31 December 2019.

As a result of the COVID-19 outbreak in Sri Lanka during the last part of the quarter ending 31 March 2020, a reassessment of the valuation was obtained by the same independent professional valuer who determined no significant change to the revalued carrying amount provided as at 31 December 2019.

The following items were indicated in the reassessment reports to the Company;

- The outbreak of COVID 19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted both local and global markets.
- As of 31 March 2020, being the reporting date, the pandemic condition continues to evolve and hence is considered too premature to reasonably assess and estimate its impacts on the valuation.
- Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in their considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

4.6 Right of use assets

The Company does not foresee any indications of impairment of right of use assets due to the COVID-19 pandemic since as Company is operating under the business continuity plan as per the Company risk management strategy, to the extent possible, whilst strictly adhering to and supporting government directives. The Company does not anticipate discontinuation of any right of use assets as at the reporting date.

4.7 Investment in equity accounted investee

Each year the Company carries out an extensive analysis of impairment testing based on cash flow forecast of each cash-generating unit. While short term performance and cash flows will be affected due to the ongoing situation, the impact to long term cash flows may not indicate a significant impact and hence impairment is not warranted at this juncture.

4.8 Insurance Contract Liabilities

The valuation of the insurance contract liabilities in relation to life business was performed by Mr. Vivek Jalan FIA, FIAI of Willis Towers Watson India Private Limited as at 31 December 2019. There is no material impact on the assumptions used for the valuation of insurance contract liabilities due to COVID-19 outbreak as at 31 March 2020.

Liabilities are likely to be increased due to probable low interest rates but it is premature to change operating assumptions since insurance contract liability valuations use long term assumptions whereas it is too soon to ascertain if the effects of COVID-19 would have a sustained impact on the long-term assumptions.

4.9 Employee Benefit Liabilities

Given the sudden fall in markets and the decline in high-quality corporate bond rates that has occurred as a result of COVID-19, the Company has considered the impact on the defined benefit obligations with the independent actuarial specialists. Since the complexity of the valuation and the underlying assumptions are based on long-term nature including the application of risk discount rate which is formulated on the market yield of long-term government and corporate bonds, there is no significant impact on Employee Benefit Liabilities from COVID19 pandemic.

4.10 Fair value measurement and related fair value disclosures

The fair values of all the financial assets and financial liabilities recognized during the period were not materially different from the transaction prices at the date of initial recognition. There were transfers between Level 1 and Level 3 categories as per the fair value hierarchy, during the period. Equity portfolio of the Company was transferred from level 1 to level 3 category since there is no active market as of 31 March 2020. The fair value changes on financial instruments in Level 3 category was properly recorded in the income statement and there were purchases and disposals during the period.

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

SLFRS 9 was 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 earlier of 2022 or adoption of SLFRS 17, which is currently expected to commence in 2023.

The Company has used the above temporary exemption.

6 GROSS WRITTEN PREMIUM

For the period ended 31 March	2020	2019
	Rs. '000	Rs. '000
Conventional	2,642,768	2,517,852
Unit linked	4,914	10,405
Total gross written premium	2,647,682	2,528,257

NOTES TO THE FINANCIAL STATEMENTS

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. The company's risk management strategy involved implementation of the business continuity plan as a response to COVID-19 pandemic, which in turn is expected to continue to earn future tax profits to utilize the deferred tax asset.

	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	67,884	(67,884)	-
Balance as at 31 March 2020	67,884	460,730	-

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	31.03.2020	31.12.2019
	Rs. '000	Rs. '000
Held to maturity financial assets (HTM)	21,247,105	20,376,303
Loans and receivables (L&R)	12,118,991	13,199,658
Available for sale financial assets (AFS)	8,023,684	7,848,043
Financial assets at fair value through profit or loss (FVTPL)	3,323,049	3,457,191
Total financial investments	44,712,829	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	31.03.2020	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	31.03.2020	31.12.2019
	Rs. '000	Rs. '000
Life insurance fund	36,279,735	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	328,995	286,296
Total insurance contract liabilities	36,992,717	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	31.03.2020	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	1,452,832	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	48,307	(24,934)
Balance as at period end - Conventional Life insurance	36,949,172	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	7,435	6,841
Net change in unclaimed benefits	(5,608)	(7,684)
Balance as at period end - Non unit fund of linked Life insurance	43,545	41,718
	36,992,717	35,489,751

12 AUDIT OF THE INTERIM FINANCIAL STATEMENTS

Figures for the three 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 31 March	2020	2019
	Rs. '000	Rs. '000
Transactions with the Ultimate Parent		
Sales / (Purchases) of goods	-	-
Rendering / (Receiving) of services	(24,482)	(21,232)
Sales / (Purchases) of property, plant and equipment	-	-
Loans received / (Given)	-	-
Rent received / (Paid)	59	-
Dividends paid	(1,060,714)	(925,109)
Amount receivable / (payable) as at 31 March	(38,569)	(5,180)
Transactions with companies under common control		
Sales / (Purchases) of goods	(1,442)	(1,784)
Rendering / (Receiving) of services	(29,784)	(10,293)
Sales / (Purchases) of property, plant and equipment	(5,832)	(3,840)
Loans received / (Given)	-	-
Interest received / (Paid)	32,179	18,885
Dividend received / (Paid)	655	-
Rent received / (Paid)	-	-
Financial investment	1,077,164	-
Amount payable as at 31 March	(27,006)	-
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	(11,446)	(4,972)
Loans received / (Given)	-	-
Interest received / (Paid)	-	-
Rent received / (Paid)	-	-
Financial investment	-	-
Amount receivable / (payable) as at 31 March	-	-
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 31 March	2020	2019
	Rs. Mn	Rs. Mn
Capital commitment contracted	872	1,364

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.

17 SHARE INFORMATION

Market Price Per Share

For the quarter ended 31 March	2020	2019
	Rs.	Rs.
Last traded	300.00	299.60
Highest price per share for the period	355.00	350.00
Lowest price per share for the period	291.00	286.00

18 NET ASSETS PER SHARE

As at	31.03.2020	31.12.2019
	Rs.	Rs.
Net assets per share	233.40	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	31.03.2020	31.12.2019
Ordinary shares	58,928,572	58,928,572

NOTES TO THE FINANCIAL STATEMENTS

20 TWENTY LARGEST SHAREHOLDERS

	As at 31 March 2020		As at 31 December 2019	
	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	1,350,000	2.3
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	116,881	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	88,392	0.1
11 People'S Leasing & Finance PLC / Dr.H.S.D.Soyso & Mrs.G.Soyso	73,135	0.1	83,135	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 Mrs. R.Z. Wikramanayake (Deceased)	53,585	0.1	53,585	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	1,980,801	3.3	1,996,904	3.4
	58,928,572	100	58,928,572	100

21 DIVIDENDS PAID

For the Period ended 31 March	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	31.03.2020	31.12.2019
Mr. K. N. J. Balendra (Chairman) [Appointed w.e.f 01.01.2019]	Nil	Nil
Mr. S. Rajendra	Nil	Nil
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	31.03.2020	31.12.2019
Mr. Jude Gomes [Appointed w.e.f 01.12.2019]	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	31.03.2020	31.12.2019
Public shareholding (%)	10.00	10.00
Public shareholders	1,406	1,406
Compliant under option 1 - float adjusted market capitalization (LKR Bn)	1.77	1.94

25 EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the Statement of Financial Position date that require adjustments to or disclosure in the interim financial statements.

The Company has been closely monitoring the impact of the development of COVID 19 on the Company's business operations. Despite the many challenges, Company has recommenced all branch operations which were temporarily suspended on 20 March 2020 and have been operational at a reduced scale based on curfew timelines in certain zones.

Company has taken numerous measures for the safety of staff employed, adhering to all Government and Health Authority rules and guidelines. Sales has commenced in the areas where curfew has been lifted and continues to leverage on online platforms available with the Company. The Company is also closely monitoring the liquidity positions while managing the working capital requirements.

As the situation evolves, the company will keep its risk management measures as per the Enterprise Risk Management under continual review, and pro-actively take measures to ensure that business operations continue as seamlessly as possible.

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
(Appointed w.e.f 01.01.2019)

S. Rajendra

H. A. J. De Silva Wijeyeratne

D. H. Fernando

S. A. Appleyard

D. C. Alagaratnam [Resigned w.e.f. 31.12.2019]

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

Investment Committee

J. G. A. Cooray - Chairman

Jude Gomes [Appointed w.e.f. 01. 12. 2019]

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

