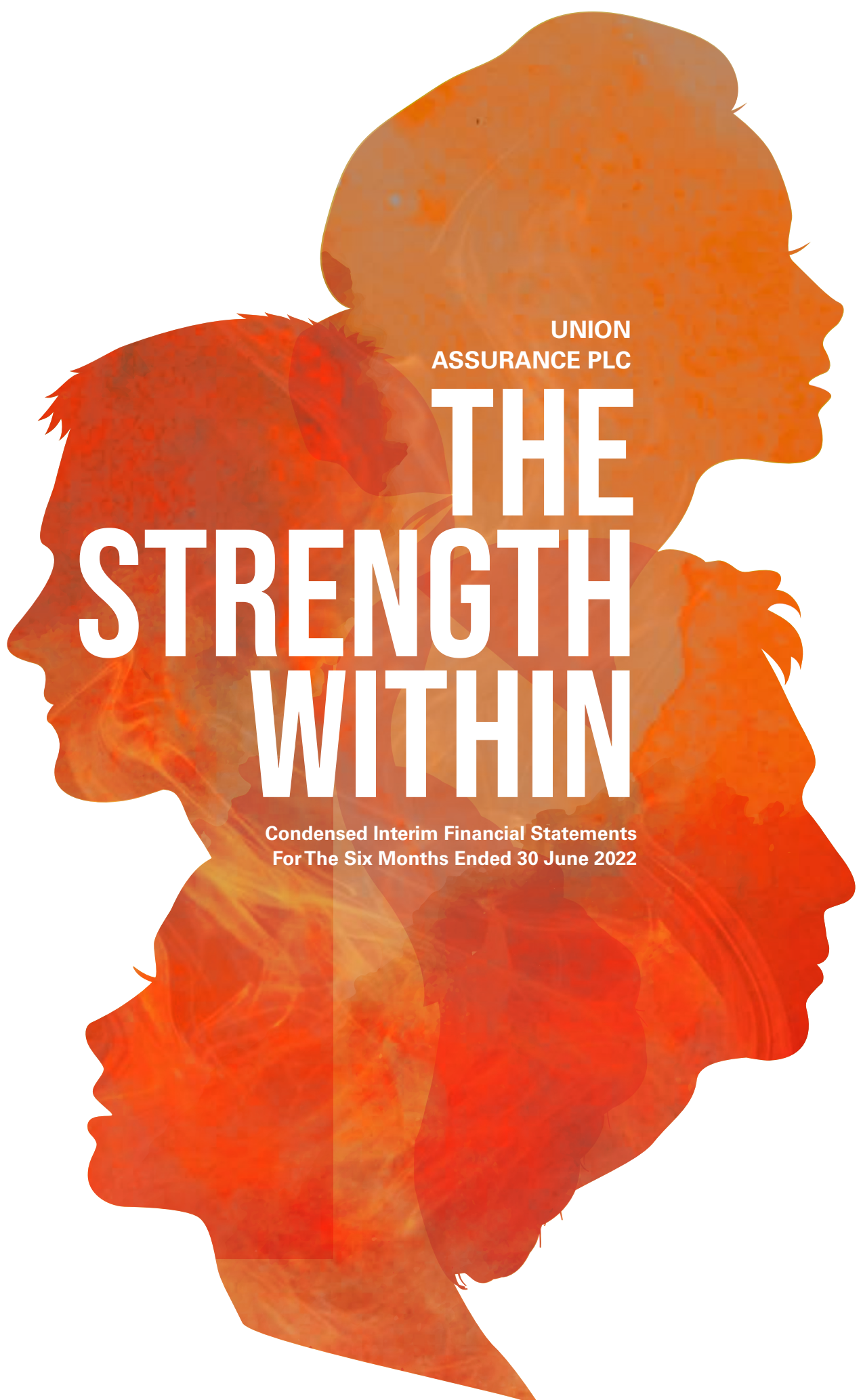




UNION
ASSURANCE PLC

THE STRENGTH WITHIN

Condensed Interim Financial Statements
For The Six Months Ended 30 June 2022

INCOME STATEMENT

For the period ended 30 June

	Note	2022 Rs. '000	2021 Rs. '000	Change %
Gross written premium	6	7,524,130	6,543,950	15
Premium ceded to reinsurers		(427,030)	(350,755)	22
Net written premium		7,097,100	6,193,195	15
Other revenue				
Net investment income		3,130,941	2,639,548	19
Net realised gains/ (losses)		(222,617)	159,925	(239)
Net fair value gains/ (losses)		(548,033)	95,918	(671)
Other income		12,251	13,905	(12)
Total other revenue		2,372,542	2,909,296	(18)
Total net revenue		9,469,642	9,102,491	4
Benefits, claims and expenses				
Net insurance benefits and claims paid		(1,724,193)	(1,731,691)	(0)
Net change in insurance claims outstanding		(499,285)	79,334	729
Change in contract liabilities - Life Fund		(3,320,061)	(4,261,696)	(22)
Underwriting and net acquisition costs (net of reinsurance)		(1,456,110)	(1,280,272)	14
Other operating, administrative and selling expenses		(1,681,303)	(1,322,758)	27
Depreciation and amortisation		(267,599)	(198,635)	35
Total benefits, claims and expenses		(8,948,551)	(8,715,718)	3
Profit from operations		521,091	386,773	35
Share of results of equity accounted investee, net of tax		93,264	75,330	24
Profit before tax		614,355	462,103	33
Income tax expenses	7	(134,806)	(60,071)	124
Profit for the period		479,549	402,032	19
Earnings per share				
Basic (Rs.)		0.81	0.68	19
Diluted (Rs.)		0.81	0.68	19

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

	2022 Rs. '000	2021 Rs. '000	Change %
Profit for the period	479,549	402,032	19
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	(928,342)	(131,050)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	(64,571)	(13,098)	
Related tax	-	-	
	(992,913)	(144,148)	589
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	(613,729)	(109,149)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	42,561	(81,206)	
Related tax	-	-	
	(571,168)	(190,355)	200
Other comprehensive income, net of tax	(1,564,081)	(334,503)	368
Total comprehensive income for the period, net of tax	(1,084,532)	67,529	(1,706)

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

INCOME STATEMENT

For the Quarter ended 30 June

	2022 Rs. '000	2021 Rs. '000	Change %
Gross written premium	3,546,506	3,142,820	13
Premium ceded to reinsurers	(225,885)	(180,884)	25
Net written premium	3,320,621	2,961,936	12
Other revenue			
Net investment income	1,691,595	1,315,222	29
Net realised gains/ (losses)	(202,311)	110,578	(283)
Net fair value gains/ (losses)	(74,533)	10,239	(828)
Other income	6,385	6,732	(5)
Total other revenue	1,421,136	1,442,771	(1)
Total net revenue	4,741,757	4,404,707	8
Benefits, claims and expenses			
Net insurance benefits and claims paid	(332,712)	(709,370)	(53)
Net change in insurance claims outstanding	(721,111)	(29,467)	2,347
Change in contract liabilities - Life Fund	(1,689,891)	(1,971,344)	(14)
Underwriting and net acquisition costs (net of reinsurance)	(673,154)	(617,081)	9
Other operating, administrative and selling expenses	(910,402)	(791,195)	15
Depreciation and amortisation	(133,735)	(100,195)	33
Total benefits, claims and expenses	(4,461,005)	(4,218,652)	6
Profit from operations	280,752	186,055	51
Share of results of equity accounted investee, net of tax	54,700	38,463	42
Profit before tax	335,452	224,518	49
Income tax expenses	(73,218)	(55,821)	31
Profit for the quarter	262,234	168,697	55
Earnings per share			
Basic (Rs.)	0.45	0.29	55
Diluted (Rs.)	0.45	0.29	55

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

	2022 Rs. '000	2021 Rs. '000	Change %
Profit for the quarter	262,234	168,697	55
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	(492,014)	(44,001)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	(31,124)	(6,560)	
Related tax	-	-	
	(523,138)	(50,561)	935
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	(315,651)	(42,113)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	42,964	(80,681)	
Related tax	-	-	
	(272,687)	(122,794)	122
Other comprehensive income, net of tax	(795,825)	(173,355)	359
Total comprehensive income for the quarter, net of tax	(533,591)	(4,658)	11,355

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

STATEMENT OF FINANCIAL POSITION

As at	Note	30.06.2022 Rs. '000	31.12.2021 Rs. '000
Assets			
Intangible assets		1,395,527	1,545,529
Property, plant and equipment		2,728,022	2,746,114
Right of use assets		439,325	421,885
Investment in equity accounted investee		1,541,724	1,513,031
Financial investments	9	59,265,148	59,329,071
Loans to life policyholders		2,040,567	1,932,079
Reinsurance receivable		452,989	969,446
Premiums receivable		632,163	532,975
Receivables and other assets		836,592	801,758
Cash in hand and at bank		948,823	969,748
Total assets		70,280,880	70,761,636
Equity and liabilities			
Equity			
Stated capital		1,000,000	1,000,000
Available for sale reserve		(1,426,305)	137,776
Revaluation reserve		2,272,226	2,272,226
Restricted regulatory reserve	10	3,381,934	3,381,934
Other reserves		78,529	75,247
Retained earnings		7,771,030	8,587,910
Total equity		13,077,414	15,455,093
Liabilities			
Insurance contract liabilities	11	52,290,142	48,918,147
Insurance contract liabilities - Unit Linked		710,535	916,192
Lease liabilities		428,249	421,300
Employee benefit liabilities		264,501	239,915
Reinsurance payables		546,293	1,038,267
Other liabilities		2,816,727	3,523,390
Bank overdraft		147,019	249,332
Total liabilities		57,203,466	55,306,543
Total equity and liabilities		70,280,880	70,761,636

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



Asha Perera

Chief Financial Officer

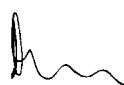
The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed on behalf of the Board:



K. N. J. Balendra

Chairman



S. Rajendra

Director

Colombo
12 August 2022

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Restricted regulatory reserve	Revaluation reserve	Reserves Reserve on merger	Other reserves Available for sale reserve	Other capital reserves	Retained earnings	Total
Rs. '000								
Balance as at 1 January 2021	1,000,000	3,381,934	2,085,688	16,752	1,219,852	48,654	7,355,609	15,108,489
Profit for the period	-	-	-	-	-	-	402,032	402,032
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	(131,050)	-	-	(131,050)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(190,355)	-	-	(190,355)
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	(13,098)	-	-	(13,098)
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	(334,503)	-	-	(334,503)
Total comprehensive income for the period	-	-	-	-	(334,503)	-	402,032	67,529
Transactions with owners, transfers, recorded directly in equity								
Contributions and distributions								
First and final dividend 2020	-	-	-	-	-	-	(825,000)	(825,000)
Share based payments	-	-	-	-	-	3,009	-	3,009
Total contributions and distributions	-	-	-	-	-	3,009	(825,000)	(821,991)
Balance as at 30 June 2021	1,000,000	3,381,934	2,085,688	16,752	885,349	51,663	6,932,641	14,354,027
Balance as at 1 January 2022	1,000,000	3,381,934	2,272,226	16,752	137,776	58,495	8,587,910	15,455,093
Profit for the period	-	-	-	-	-	-	479,549	479,549
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	(928,342)	-	-	(928,342)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(571,168)	-	-	(571,168)
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	(64,571)	-	-	(64,571)
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	(1,564,081)	-	-	(1,564,081)
Total comprehensive income for the period	-	-	-	-	(1,564,081)	-	479,549	(1,084,532)
Transactions with owners, transfers, recorded directly in equity								
Contributions and distributions								
First and final dividend 2021	-	-	-	-	-	-	(1,296,429)	(1,296,429)
Share based payments	-	-	-	-	-	3,282	-	3,282
Total contributions and distributions	-	-	-	-	-	3,282	(1,296,429)	(1,293,147)
Balance as at 30 June 2022	1,000,000	3,381,934	2,272,226	16,752	(1,426,305)	61,777	7,771,030	13,077,414

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

STATEMENT OF CASH FLOWS

For the period ended 30 June

	Note	2022 Rs. '000	2021 Rs. '000
Cash flows from operations			
Insurance premiums received		7,424,943	6,524,010
Reinsurance premiums paid		(67,155)	(27,829)
Insurance benefits and claims paid		(1,724,193)	(1,731,691)
Payments to intermediaries to acquire insurance contracts		(1,462,704)	(1,342,978)
Cash paid to and on behalf of employees		(972,845)	(815,525)
Interest received		2,472,994	2,552,983
Dividends received		91,045	120,721
Other operating cash flows		(2,122,386)	(965,196)
Cash generated from operating activities	A	3,639,699	4,314,495
Income tax paid		(378,260)	-
Employee benefits paid		(9,488)	(13,568)
Net cash flow from operating activities		3,251,951	4,300,927
Cash flows used in investing activities			
Acquisition of investments		(16,424,222)	(8,937,160)
Maturity proceeds of investments		9,713,425	2,780,330
Proceeds from sale of investments		4,970,297	3,692,522
Acquisition of property, plant and equipment		(36,650)	(100,378)
Acquisition of intangible assets		(3,587)	(813,042)
Proceeds on sale of property, plant and equipment		104	356
Net cash used in investing activities		(1,780,633)	(3,377,372)
Net cash inflow before financing activities		1,471,318	923,555
Cash flows used in financing activities			
Dividends paid to equity holders of the company		(1,296,406)	(824,945)
Settlement of lease liabilities		(93,524)	(68,406)
Net cash used in financing activities		(1,389,930)	(893,351)
Net increase in cash and cash equivalents		81,388	30,204
Cash and cash equivalents at the beginning of the year		720,416	799,465
Cash and cash equivalents at the end of the period	B	801,804	829,669

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

For the period ended 30 June

2022
Rs. '000

2021
Rs. '000

NOTE A.

Reconciliation of profit before taxation with cash from operating activities

Profit before tax	614,355	462,103
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Non - cash items included in profit before tax

Depreciation and amortisation	208,310	155,630
Amortisation of right of use assets	59,289	43,005
Provision for employee benefits	16,725	14,166
Net realised (gains)/losses	222,617	(159,925)
Net fair value (gains)/losses	548,033	(95,918)
Gain on sale of property, plant and equipment	(83)	(299)
Amortisation of financial investments	(169,535)	4,075
Amortisation of lease liabilities	16,216	27,590
Scrip dividend income	(9,722)	(33,439)
Share of results of equity accounted investee	(93,264)	(75,330)
Share based payment expenses	3,282	3,009
Profit before working capital changes	1,416,223	344,667

Net change in operational assets

Net change in reinsurance assets	516,457	(196,216)
Net change in premiums receivable	(99,188)	(19,940)
Net change in receivables and other assets	(498,441)	234,873

Net change in operational liabilities

Net change in life insurance contract liabilities	3,166,338	4,279,184
Net change in reinsurance liabilities	(491,974)	310,017
Net change in other liabilities	(369,716)	(638,090)
Cash generated from operating activities	3,639,699	4,314,495

NOTE B.

Cash and cash equivalents at the end of the period

Cash in hand and at bank	948,823	927,658
Bank overdraft	(147,019)	(97,989)
Cash and cash equivalents	801,804	829,669

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	30.06.2022 Rs. '000	31.12.2021 Rs. '000
Assets			
Intangible assets		583,099	631,315
Property, plant and equipment		2,728,022	2,746,114
Right of use assets		439,325	421,885
Financial investments		49,753,858	49,704,931
Loans to life policyholders		2,040,567	1,932,079
Reinsurance receivable		452,989	969,446
Premiums receivable		632,163	532,975
Receivables and other assets		647,030	398,750
Cash in hand and at bank		939,122	954,827
Total assets		58,216,175	58,292,322
Reserves and liabilities			
Reserves			
Available for sale reserve		(495,617)	75,554
Revaluation reserve		1,796,366	1,796,366
Other reserves		(2,270)	(2,270)
Total reserves		1,298,479	1,869,650
Liabilities			
Insurance contract liabilities	11	52,290,142	48,918,147
Insurance contract liabilities - Unit Linked		710,535	916,192
Lease liabilities		428,249	421,300
Employee benefit liabilities		264,501	239,915
Reinsurance payables		546,293	1,038,267
Other liabilities		2,540,171	4,639,519
Bank overdraft		137,805	249,332
Total liabilities		56,917,696	56,422,672
Total reserves and liabilities		58,216,175	58,292,322

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 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 2022 were authorised for issue by the Board of Directors on 12 August 2022.

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 Sri Lanka Accounting Standard, LKAS 28 - Investments in Associates and Joint Ventures.

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 2021. 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 2021.

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 June 2022 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 period.

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 financial period beginning on or after 1 January 2025.

The Company has used the above temporary exemption.

6 Gross Written Premium

For the period ended 30 June

	2022 Rs. '000	2021 Rs. '000
Conventional	7,520,679	6,538,233
Unit linked	3,451	5,717
Total gross written premium	7,524,130	6,543,950

NOTES TO THE FINANCIAL STATEMENTS

7 Income Tax Expense

7.1 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 24%.

Investment income of the shareholder fund less any expenses incurred in the production of such income at a rate of 24%.

Surplus distributed to a Life insurance policyholder who shares profits of an entity engaged in the business of life insurance at a rate of 24%.

Amount Recognised in the Profit or Loss

For the period ended 30 June

	2022 Rs. '000	2021 Rs. '000
Current tax expense for the period	134,806	60,071
	134,806	60,071

7.2 Surcharge Tax

Surcharge Tax Act No. 14 of 2022 was enacted on 8 April 2022 and is applicable to the John Keells Group (Parent) as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 million, for the year of assessment 2020/2021. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from subsidiaries.

Total Surcharge Tax liability of Rs. 39.2 million has been recognised as an opening adjustment to the 1 January 2022 Life fund balance in accordance with company policy and substance of the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 January 2020.

On 20 April 2022, the Company paid Rs. 19.6 million on account of the first installment of the Surcharge Tax liability. The final installment of Surcharge Tax payable reported under income tax liability as of 30 June 2022 has been paid on 20 July 2022.

8 Profits From Life Insurance

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

9 Financial Investments

As at

	30.06.2022 Rs. '000	31.12.2021 Rs. '000
Held to maturity financial assets (HTM)	30,827,987	28,941,570
Loans and receivables (L&R)	14,031,837	17,078,442
Available for sale financial assets (AFS)	11,515,684	7,055,752
Financial assets at fair value through profit or loss (FVTPL)	2,889,640	6,253,307
Total financial investments	59,265,148	59,329,071

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	30.06.2022 Rs. '000	31.12.2021 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	30.06.2022 Rs. '000	31.12.2021 Rs. '000
Life insurance fund	51,473,178	48,044,816
Charge relating to Surcharge Tax	(39,195)	-
One - off surplus arising from changing policy liability valuation relating to participating fund	435,046	435,046
Tax Payable	(27,162)	(27,162)
Claim payables	448,275	465,447
Total insurance contract liabilities	52,290,142	48,918,147

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	30.06.2022 Rs. '000	31.12.2021 Rs. '000
Movement In Insurance Contract Liabilities		
Balance as at 1 January	48,748,971	41,826,947
Charge relating to Surcharge Tax	(39,195)	-
Balance as at 1 January (Adjusted)	48,709,776	41,826,947
Increase in life insurance fund before surplus transfer to shareholders	3,409,839	8,525,435
Transfer to shareholders	-	(1,600,000)
Effect of Taxation on Surplus / Bonus transferred to - Policyholders	-	(27,162)
Net change in unclaimed benefits	(39,381)	23,751
Balance as at period end - Conventional Life insurance	52,080,234	48,748,971
Non Unit Fund of Linked Life Insurance Contracts		
Balance as at 1 January	169,176	54,710
Increase in non unit fund of linked life insurance before surplus transfer to shareholders	18,523	53,173
Net change in unclaimed benefits	22,209	61,293
Balance as at period end - Non unit fund of linked Life insurance	209,908	169,176
	52,290,142	48,918,147

12 Audit of the Interim Financial Statements

Figures for the six months are provisional and unaudited.

NOTES TO THE FINANCIAL STATEMENTS

13 Comparative Information

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

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 2021.

Transactions with the Ultimate Parent

As at 30 June	2022 Rs. '000	2021 Rs. '000
Investment in shares	624,514	615,033
payable for shared services	(18,167)	(110,178)

	Transaction amount during the Period	
For the period ended 30 June	2022 Rs. '000	2021 Rs. '000
Receiving of services	(56,610)	(51,125)
Dividends received / (paid)	(1,161,819)	(737,967)
Net Purchase / (Sale) of share Investments	(21,341)	-

Transactions with companies under common control

As at 30 June	2022 Rs. '000	2021 Rs. '000
Debenture, share Investments and distribution rights	1,461,368	2,020,857
payable for shared services	(21,187)	(11,723)

	Transaction amount during the Period	
For the period ended 30 June	2022 Rs. '000	2021 Rs. '000
Purchase of goods	(2,899)	(11,919)
Receiving of services	(185,964)	(48,560)
Purchase of property, plant and equipment & intangible assets	(23,521)	(807,631)
Interest received	44,371	63,873
Dividend received	504	1,513
Net Purchase / (Sale) of share Investments	14,068	25,621

Transactions with Associates

As at 30 June	2022 Rs. '000	2021 Rs. '000
Amount receivable / (payable)	-	-

	Transaction amount during the Period	
For the period ended 30 June	2022 Rs. '000	2021 Rs. '000
Receiving of services	(24,660)	(18,886)

Companies controlled / jointly controlled / significantly influenced by KMP and their close family members

As at 30 June	2022 Rs. '000	2021 Rs. '000
Investment in Unit Trusts	60,821	-

	Transaction amount during the Period	
For the period ended 30 June	2022 Rs. '000	2021 Rs. '000
Receiving of services	(6,352)	(143)

Transactions with Key Management Personnel (KMP)

Rendering / (Receiving) of services	-	-
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Transactions with Close Family Members of KMP

Rendering / (Receiving) of services	-	-
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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 2021 other than the following.

Income tax relating to year of assessment 2018/19

The Department of Inland Revenue has raised an assessment on Union Assurance PLC for the year of assessment 2018/19, assessing the company to pay an income tax liability of Rs. 701 million together with Rs. 140 million penalty totaling to Rs. 841 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 2019

The Department of Inland Revenue has raised an assessment on Union Assurance PLC for the year of assessment 2019, assessing the company to pay a VAT liability of Rs. 0.06 million together with Rs. 0.04 million penalty totaling to 0.1 million for the period from July to September. The Company has lodged valid appeals with the Commissioner General of Inland Revenue against the said assessments.

NOTES TO THE FINANCIAL STATEMENTS

VAT & NBT on FS assessments relating to year of assessment 2018

The Department of Inland Revenue has raised an assessment on Union Assurance PLC for the year of assessment 2018, assessing the company to pay a VAT on FS liability of Rs. 115 million. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

The Department of Inland Revenue has raised an assessment on Union Assurance PLC for the year of assessment 2018, assessing the company to pay a NBT on FS liability of Rs. 15.3 million together Rs. 7.7 million penalty totaling to Rs. 23 million. 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

	2022 Rs.	2021 Rs.
Last traded	26.60	282.00
Highest price per share for the period	40.20	319.00
Lowest price per share for the period	17.30	251.00

18 Net Assets Per Share

As at

	30.06.2022 Rs.	31.12.2021 Rs.
Net assets per share	22.19	26.23

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

19 Stated Capital

Number of shares as at

	30.06.2022	31.12.2021
Ordinary shares	589,285,720	58,928,572

Shareholders of the Company at its Extraordinary General Meeting held on 31 March 2022 approved that the number of ordinary shares of the Company in issue be increased by way of a sub-division of shares with effect from April 05, 2022; whereby one (01) ordinary share was subdivided into ten (10) ordinary shares. The resulting number of shares after the sub-division were 589,285,720. There was no change to the stated capital of the Company subsequent to the said sub-division of shares. The shares resulting from sub-division of shares carry the same voting and distribution rights of the holders of such shares.

20 Twenty Largest Shareholders

	As at 30 June 2022		As at 31 March 2022	
	No. of Shares	%	No. of Shares	%
1 John Keells Holdings PLC	530,357,150	90.0	53,035,715	90.0
2 Mr. S.N.P. Palihena	14,000,000	2.4	1,400,000	2.4
3 Citibank Newyork S/A Norges Bank Account 2	5,802,940	1.0	580,294	1.0
4 Hatton National Bank PLC / Suktam Holdings (Pvt) Ltd	5,168,750	0.9	516,875	0.9
5 Rubber Investment Trust Limited A/C No.01	1,977,630	0.3	197,763	0.3
6 Corporate Holdings (Private) Limited A/C No.01	1,493,730	0.3	149,373	0.3
7 Captain D.V.H. Palihena	1,384,950	0.2	138,495	0.2
8 People's Merchant Finance PLC / P.T.S. De Silva	1,113,000	0.2	110,000	0.2
9 People'S Leasing & Finance PLC / L.P. Hapangama	1,028,820	0.2	102,882	0.2
10 Mrs. A. Selliah	1,000,000	0.2	100,000	0.2
11 People's Leasing & Finance PLC / L.H.L.M.P.Haradasa	784,940	0.1	78,494	0.1
12 People's Leasing Finance PLC / Dr. H.S.D. Soysa & Mrs. G. Soysa	731,350	0.1	73,135	0.1
13 Mr. J.D. Bandaranayake & Miss. N. Bandaranayake & Dr. (Mrs.) V. Bandaranayake	590,190	0.1	59,019	0.1
14 Mr. J.D. Bandaranayake & Dr. (Mrs.) V. Bandaranayake & Miss. I. Bandaranayake	590,190	0.1	59,019	0.1
15 Mr. H.A.D. Ratnapala	562,500	0.1	56,250	0.1
16 Mr. J.W. Nanayakkara	562,500	0.1	56,250	0.1
17 Dr. S. Selliah	500,000	0.1	50,000	0.1
18 Mr. V. Sharda	442,000	0.1	44,200	0.1
19 Mr. N.D. Kurukulasuriya	390,000	0.1	39,000	0.1
20 Mrs. L. Amaradasa	337,500	0.1	33,750	0.1
Other	20,467,580	3.3	2,048,058	3.3
	589,285,720	100	58,928,572	100

21 Dividends Paid

For the Period ended 30 June

	2022 Rs. '000	2021 Rs. '000
Final dividend for 2021 - Rs.22.00 (2020 - Rs. 14.00)	1,296,429	825,000

22 Directors' Shareholdings

No. of shares as at

	30.06.2022	31.12.2021
Mr. K. N. J. Balendra (Chairman)	Nil	Nil
Mr. S. Rajendra	Nil	Nil
Mr. D. H. Fernando	Nil	Nil
Mr. S. A. Appleyard	Nil	Nil
Mr. D. P. Gamlath	Nil	Nil
Mr. W. M. De F. Arsakularatne	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

23 Chief Executive Officer's Shareholding

No. of shares as at	30.06.2022	31.12.2021
Mr. Jude Gomes	5,000	500

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	30.06.2022	31.12.2021
Public shareholding (%)	10.00	10.00
Public shareholders	1,586	1,491
Compliant under option 1 - float adjusted market capitalization (LKR Bn)	1.6	1.7

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

Directors

K. N. J. Balendra - Chairman
S. Rajendra
D. H. Fernando
S. A. Appleyard
D. P. Gamlath
W. M. De F. Arsakularatne

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. De F. Arsakularatne - Chairman
D. H. Fernando
S. Rajendra

Investment Committee

J. G. A. Cooray - Chairman
W. M. De F. Arsakularatne
Jude Gomes
Asha Perera
Shubham Jain
Angelo Keil

SLFRS-17 Steering Committee

S. A. Appleyard - Chairman
S. Rajendra
Sherin Cader

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 1, 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

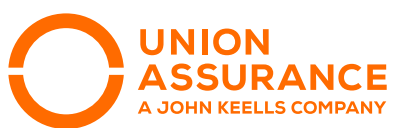
RGA
Hannover Re
Munich Re
Partner Re

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



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