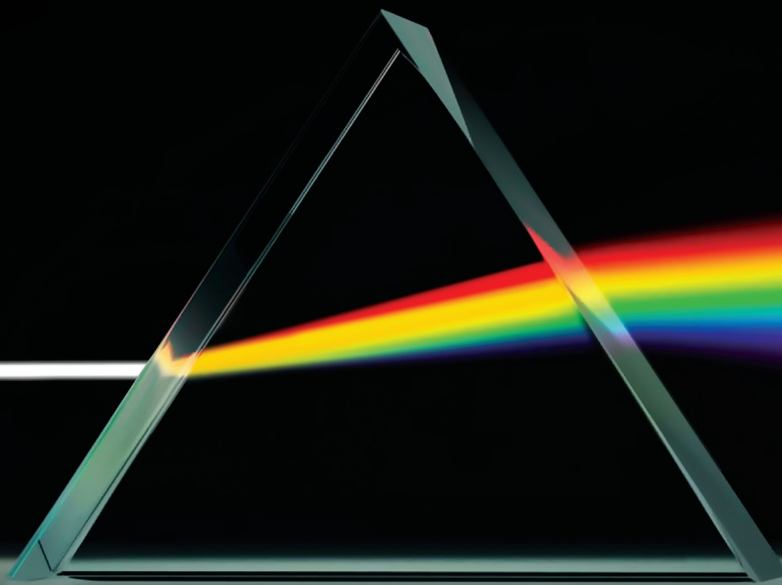


# PARTNERSHIPS THAT LIGHT UP LIVES

UNION ASSURANCE PLC

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2018



# INCOME STATEMENT

For the period ended 30 June	Note	2018 Rs. '000	2017 Rs. '000	Change %
Gross written premium	6	5,169,849	4,598,786	12
Premium ceded to reinsurers		(269,195)	(239,609)	12
<b>Net written premium</b>		<b>4,900,654</b>	<b>4,359,177</b>	<b>12</b>
<b>Other revenue</b>				
Net investment income		2,062,671	1,781,339	16
Net realised gains		100,328	35,852	180
Net fair value gains / (losses)		(374,488)	460,209	(181)
Other income		25,923	28,685	(10)
<b>Total other revenue</b>		<b>1,814,434</b>	<b>2,306,085</b>	<b>(21)</b>
<b>Total net revenue</b>		<b>6,715,088</b>	<b>6,665,262</b>	<b>1</b>
<b>Benefits, claims and expenses</b>				
Net insurance benefits and claims paid		(1,577,929)	(933,116)	69
Net change in insurance claims outstanding		246,914	47,395	421
Change in contract liabilities - Life Fund		(2,380,691)	(3,808,749)	(37)
Underwriting and net acquisition costs (net of reinsurance)		(1,030,048)	(806,459)	28
Other operating, administrative and selling expenses		(1,359,617)	(1,009,066)	35
Depreciation and amortisation		(54,724)	(54,109)	1
<b>Total benefits, claims and expenses</b>		<b>(6,156,095)</b>	<b>(6,564,104)</b>	<b>(6)</b>
<b>Profit from operations</b>		<b>558,993</b>	<b>101,158</b>	<b>453</b>
Share of results of equity accounted investee, net of tax		45,049	74,009	(39)
<b>Profit before tax</b>		<b>604,042</b>	<b>175,167</b>	<b>245</b>
Income tax expense	7	-	-	-
<b>Profit for the period</b>		<b>604,042</b>	<b>175,167</b>	<b>245</b>
<b>Earnings per share</b>				
Basic (Rs.)		10.25	2.97	245
Diluted (Rs.)		10.25	2.97	245

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	2018 Rs. '000	2017 Rs. '000	Change %
Profit for the period	604,042	175,167	245
<b>Items that are or may be reclassified to profit or loss</b>			
<b>Fair value reserve (available for sale financial assets)</b>			
Net change in fair value of available for sale financial assets	118,361	31,101	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	(4,392)	(2,174)	
Net change in fair value of available for sale financial assets transferred to the income statement	(11,703)	-	
Related tax	-	-	
	102,266	28,927	254
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	(254,610)	265,817	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	12,230	23	
Related tax	-	-	
	(242,380)	265,840	(191)
<b>Other comprehensive income, net of tax</b>	(140,114)	294,767	(148)
<b>Total comprehensive income for the period, net of tax</b>	463,928	469,934	(1)

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

# INCOME STATEMENT

For the quarter ended 30 June	2018 Rs. '000	2017 Rs. '000	Change %
Gross written premium	2,618,684	2,312,753	13
Premium ceded to reinsurers	(137,917)	(121,648)	13
<b>Net written premium</b>	<b>2,480,767</b>	<b>2,191,105</b>	<b>13</b>
<b>Other revenue</b>			
Net investment income	1,079,438	893,176	21
Net realised gains	23,951	32,965	(27)
Net fair value gains / (losses)	(246,231)	510,802	(148)
Other income	10,405	14,784	(30)
<b>Total other revenue</b>	<b>867,563</b>	<b>1,451,727</b>	<b>(40)</b>
<b>Total net revenue</b>	<b>3,348,330</b>	<b>3,642,832</b>	<b>(8)</b>
<b>Benefits, claims and expenses</b>			
Net insurance benefits and claims paid	(792,177)	(420,926)	88
Net change in insurance claims outstanding	158,089	(13,528)	(1,269)
Change in contract liabilities - Life Fund	(1,056,212)	(2,223,989)	(53)
Underwriting and net acquisition costs (net of reinsurance)	(542,338)	(395,520)	37
Other operating, administrative and selling expenses	(809,029)	(515,415)	57
Depreciation and amortisation	(27,832)	(26,566)	5
<b>Total benefits, claims and expenses</b>	<b>(3,069,499)</b>	<b>(3,595,944)</b>	<b>(15)</b>
<b>Profit from operations</b>	<b>278,831</b>	<b>46,888</b>	<b>495</b>
Share of results of equity accounted investee, net of tax	21,355	20,006	7
<b>Profit before tax</b>	<b>300,186</b>	<b>66,894</b>	<b>349</b>
Income tax expense	-	-	-
<b>Profit for the period</b>	<b>300,186</b>	<b>66,894</b>	<b>349</b>
<b>Earnings per share</b>			
Basic (Rs.)	5.09	1.14	349
Diluted (Rs.)	5.09	1.14	349

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	2018 Rs. '000	2017 Rs. '000	Change %
Profit for the period	300,186	66,894	349
<b>Items that are or may be reclassified to profit or loss</b>			
<b>Fair value reserve (available for sale financial assets)</b>			
Net change in fair value of available for sale financial assets	139,099	42,205	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	(4,392)	-	
Net change in fair value of available for sale financial assets transferred to the income statement	-	-	
Related tax	-	-	
	134,707	42,205	219
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	(173,312)	315,266	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	5,787	-	
Related tax	-	-	
	(167,525)	315,266	(153)
<b>Other comprehensive income, net of tax</b>	(32,818)	357,471	(109)
<b>Total comprehensive income for the period, net of tax</b>	267,368	424,365	(37)

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

# STATEMENT OF FINANCIAL POSITION

As at	Note	30.06.2018 Rs. '000	31.12.2017 Rs. '000
<b>Assets</b>			
Intangible assets		197,411	212,817
Property, plant and equipment		2,011,216	2,000,716
Investment in equity accounted investee		1,036,379	995,722
Financial investments, including derivatives	9	37,335,422	36,792,921
Loans to life policyholders		1,102,527	1,001,538
Reinsurance receivable		393,258	267,417
Premiums receivable		260,079	268,511
Receivables and other assets		1,646,258	947,239
Cash in hand and at bank		574,649	580,126
<b>Total assets</b>		<b>44,557,199</b>	<b>43,067,007</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital		1,000,000	1,000,000
Restricted regulatory reserve	10	3,381,934	3,381,934
Reserves		2,008,622	2,144,728
Retained earnings		4,981,379	5,438,052
<b>Total equity</b>		<b>11,371,935</b>	<b>11,964,714</b>
<b>Liabilities</b>			
Insurance contract liabilities	11	29,251,996	26,949,613
Insurance contract liabilities - Unit Linked		1,806,744	2,121,609
Employee benefit liabilities		118,237	122,588
Reinsurance payables		488,961	345,146
Other liabilities		1,219,293	1,368,031
Bank overdraft		300,033	195,306
<b>Total liabilities</b>		<b>33,185,264</b>	<b>31,102,293</b>
<b>Total equity and liabilities</b>		<b>44,557,199</b>	<b>43,067,007</b>

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

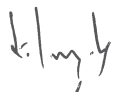
I certify that the above financial statements comply with the requirements of the Companies Act No. 07 of 2007.



S. Cader  
Chief Financial Officer

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

Signed on behalf of the Board:



S. C. Ratnayake  
Chairman



H. A. J. De Silva Wijeyeratne  
Director

Colombo  
13 August 2018

# STATEMENT OF CHANGES IN EQUITY

Rs. '000	Reserves							Retained earnings	Total
	Stated capital	Restricted regulatory reserve	Revaluation reserve	Reserve on merger	Other reserves				
					Available for sale reserve	Other capital reserves			
<b>Balance as at 1 January 2017</b>	1,000,000	-	1,154,363	16,752	(376,875)	22,763	2,049,189	3,866,192	
Profit for the period							175,167	175,167	
<b>Other comprehensive income for the period, net of tax</b>									
Net change in fair value of available for sale financial assets	-	-	-	-	31,101	-	-	31,101	
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	265,840	-	-	265,840	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	(2,174)	-	-	(2,174)	
<b>Total other comprehensive income</b>	-	-	-	-	294,767	-	-	294,767	
<b>Total comprehensive income for the period</b>	-	-	-	-	294,767	-	175,167	469,934	
<b>Transactions with owners, transfers, recorded directly in equity</b>									
<b>Contributions and distributions</b>									
First and final dividend 2016	-	-	-	-	-	-	(618,750)	(618,750)	
Share based payments	-	-	-	-	-	5,213	-	5,213	
<b>Total contributions and distributions</b>	-	-	-	-	-	5,213	(618,750)	(613,537)	
<b>Balance as at 30 June 2017</b>	1,000,000	-	1,154,363	16,752	(82,108)	27,976	1,605,606	3,722,589	
<b>Balance as at 1 January 2018</b>	1,000,000	3,381,934	1,688,309	16,752	413,443	26,224	5,438,052	11,964,714	
Profit for the period	-	-	-	-	-	-	604,042	604,042	
<b>Other comprehensive income for the period, net of tax</b>									
Net change in fair value of available for sale financial assets	-	-	-	-	106,658	-	-	106,658	
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(242,380)	-	-	(242,380)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	(4,392)	-	-	(4,392)	
<b>Total other comprehensive income</b>	-	-	-	-	(140,114)	-	-	(140,114)	
<b>Total comprehensive income for the period</b>	-	-	-	-	(140,114)	-	604,042	463,928	
<b>Transactions with owners, transfers, recorded directly in equity</b>									
<b>Contributions and distributions</b>									
First and final dividend 2017	-	-	-	-	-	-	(1,060,715)	(1,060,715)	
Share based payments	-	-	-	-	-	4,008	-	4,008	
<b>Total contributions and distributions</b>	-	-	-	-	-	4,008	(1,060,715)	(1,056,707)	
<b>Balance as at 30 June 2018</b>	1,000,000	3,381,934	1,688,309	16,752	273,329	30,232	4,981,379	11,371,935	

# STATEMENT OF CASH FLOWS

For the quarter ended 30 June	Note	2018 Rs. '000	2017 Rs. '000
<b>Cash flows from operations</b>			
Insurance premiums received		5,178,281	4,595,811
Net reinsurance premiums paid		(108,050)	(132,879)
Insurance benefits and claims paid		(1,595,259)	(970,517)
Payments to intermediaries to acquire insurance contracts		(1,222,875)	(813,901)
Cash paid to and on behalf of employees		(600,094)	(490,505)
Interest received		1,889,003	1,426,329
Dividends received		51,995	70,378
Other operating cash flows		(1,745,812)	(1,034,309)
<b>Cash generated from operating activities</b>	A	1,847,189	2,650,407
Retiring gratuity paid		(15,380)	(6,174)
Interest paid on obligation to repurchase securities		(3,056)	-
<b>Net cash flow from operating activities</b>		1,828,753	2,644,233
<b>Cash flows used in investing activities</b>			
Acquisition of investments		(12,217,742)	(15,305,816)
Maturity proceeds of investments		9,298,335	12,423,827
Proceeds from sale of investments		1,992,499	949,196
Acquisition of property, plant and equipment		(45,162)	(28,433)
Acquisition of intangible assets		(4,732)	(11,762)
<b>Net cash used in investing activities</b>		(976,802)	(1,972,988)
<b>Net cash inflow before financing activities</b>		851,951	671,245
<b>Cash flows used in financing activities</b>			
Dividends paid to equity holders of the company		(962,155)	(562,973)
Dividend tax paid		-	(23,699)
Obligation to repurchase securities		1,998,230	-
Settlement of obligation to repurchase securities		(1,998,230)	-
<b>Net cash used in financing activities</b>		(962,155)	(586,672)
<b>Net increase / (decrease) in cash and cash equivalents</b>		(110,204)	84,573
Cash and cash equivalents at the beginning of the year		384,820	239,059
<b>Cash and cash equivalents at the end of the period</b>	B	274,616	323,632



<b>For the quarter ended 30 June</b>	<b>2018 Rs. '000</b>	<b>2017 Rs. '000</b>
<b>NOTE A.</b>		
<b>Reconciliation of profit before taxation with cash from operating activities</b>		
Profit before tax	604,042	175,167
<b>Non - cash items included in profit before tax</b>		
Depreciation and amortisation	54,724	54,109
Provision for employee benefits	11,030	10,358
Net realised (gains)	(100,328)	(35,852)
Net fair value (gains) / losses	374,488	(460,209)
losses on sale of property, plant and equipment	-	41
Amortisation of financial investments	(90,835)	(183,690)
Scrip dividend income	(57,250)	(24,499)
Share of results of equity accounted investee	(45,049)	(74,009)
Share based payment expenses	4,008	5,213
Interest expense on obligation to repurchase securities	3,056	-
<b>Profit before working capital changes</b>	<b>757,886</b>	<b>(533,371)</b>
<b>Net change in operational assets</b>		
Net change in reinsurance assets / liabilities	17,974	543
Net change in premiums receivable	8,432	(2,976)
Net change in receivables and other assets	(764,894)	(206,253)
<b>Net change in operational liabilities</b>		
Net change in life insurance contract liabilities	1,987,518	3,554,411
Net change in other liabilities	(159,727)	(161,947)
<b>Cash generated from operating activities</b>	<b>1,847,189</b>	<b>2,650,407</b>
<b>NOTE B.</b>		
<b>Cash and cash equivalents at the end of the period</b>		
Cash in hand and at bank	574,649	484,677
Bank overdraft	(300,033)	(161,045)
<b>Cash and cash equivalents</b>	<b>274,616</b>	<b>323,632</b>

# LIFE INSURANCE FUND

## STATEMENT OF FINANCIAL POSITION

As at	Note	30.06.2018 Rs. '000	31.12.2017 Rs. '000
<b>Assets</b>			
Intangible assets		197,411	212,817
Property, plant and equipment		2,011,216	2,000,716
Financial investments including derivatives		29,631,257	34,596,558
Loans to life policyholders		1,102,527	1,001,538
Reinsurance receivable		393,258	267,417
Premiums receivable		260,079	268,511
Receivables and other assets		1,273,862	616,905
Cash in hand and at bank		574,643	580,120
<b>Total assets</b>		<b>35,444,253</b>	<b>39,544,582</b>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
Other reserves		1,342,843	1,585,223
<b>Total reserves</b>		<b>1,342,843</b>	<b>1,585,223</b>
<b>Liabilities</b>			
Insurance contract liabilities	11	29,251,996	26,949,613
Insurance contract liabilities - Unit Linked		1,806,744	2,121,609
Employee benefit liabilities		118,237	122,588
Reinsurance payables		488,961	345,146
Other liabilities		2,142,050	8,225,097
Bank overdraft		293,422	195,306
<b>Total liabilities</b>		<b>34,101,410</b>	<b>37,959,359</b>
<b>Total reserves and liabilities</b>		<b>35,444,253</b>	<b>39,544,582</b>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1 Reporting Entity

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

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

## 2 Approval of Financial Statements

The interim financial statements for the six months ended 30 June 2018 were authorised for issue by the Board of Directors on 13 August 2018.

## 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

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 2017. 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 2017.

## 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 earlier of 2021 or adoption of SLFRS 17, which is currently expected to commence in 2021.

The Company has used the above temporary exemption.

## 6 Gross Written Premium

For the period ended 30 June	2018 Rs. '000	2017 Rs. '000
Conventional	5,119,976	4,504,689
Unit linked	49,873	94,097
<b>Total gross written premium</b>	<b>5,169,849</b>	<b>4,598,786</b>

## 7 Income Tax Expense

The Company is liable to income tax at 28% in 2018 (2017 - 28%) in terms of the Inland Revenue Act No. 10 of 2006 and amendments thereto, and the Inland Revenue Act No.24 of 2017 which is effective from 1 April 2018. The Company has not provided for current tax expenses as it has brought forward tax losses.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 8 Profits From Life Insurance

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

### 9 Financial Investments

As at	30.06.2018 Rs. '000	31.12.2017 Rs. '000
Held to maturity financial assets (HTM)	18,435,333	18,319,379
Loans and receivables (L&R)	7,316,114	5,883,031
Available for sale financial assets (AFS)	7,503,751	8,065,997
Financial assets at fair value through profit or loss (FVTPL)	4,080,224	4,524,514
<b>Total financial investments</b>	<b>37,335,422</b>	<b>36,792,921</b>

### 10 Restricted Regulatory Reserve

Based on the direction issued by the Insurance Regulatory Commission of Sri Lanka (IRC SL) 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 IRC SL and can only be released upon receiving approval from the IRC SL. The one - off surplus in the SHF is represented by government debt securities as per the direction of the IRC SL.

As at	30.06.2018 Rs. '000	31.12.2017 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)
	<b>3,381,934</b>	<b>3,381,934</b>

## 11 Insurance Contract Liabilities

As at	30.06.2018 Rs. '000	31.12.2017 Rs. '000
Insurance contract liabilities	28,280,057	25,856,601
Adjusted surplus created due to changes in valuation method from NPV to GPV	3,816,980	3,816,980
'Transfer of one - off surplus attributable to non - participating and non unit fund of unit linked business from policyholder fund to shareholder fund'	(3,381,934)	(3,381,934)
	435,046	435,046
Unclaimed benefits	536,893	657,966
<b>Total insurance contract liabilities</b>	<b>29,251,996</b>	<b>26,949,613</b>

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	30.06.2018 Rs. '000	31.12.2017 Rs. '000
<b>Conventional life insurance fund</b>		
Balance as at 1 January	26,912,057	27,703,410
Increase in life insurance fund before surplus transfer to shareholders	2,419,703	5,950,069
Transfer to shareholders	-	(3,438,283)
Transfer of one - off surplus from non participating fund	-	(3,393,900)
Net change in unclaimed benefits	(127,170)	90,761
<b>Balance as at 30 June - Conventional Life insurance</b>	<b>29,204,590</b>	<b>26,912,057</b>
<b>Non Unit Fund of Linked Life Insurance Contracts</b>		
Balance as at 1 January	37,556	186,272
Increase in non unit fund of linked life insurance before surplus transfer to shareholders	3,754	39,259
Transfer from shareholders fund for the one - off deficit created in the non unit fund	-	11,966
Transfer to shareholders	-	(203,717)
Net change in unclaimed benefits	6,096	3,776
<b>Balance as at 30 June - Non unit fund of linked Life insurance</b>	<b>47,406</b>	<b>37,556</b>
	<b>29,251,996</b>	<b>26,949,613</b>

## 12 Audit of the Interim Financial Statements

Figures for the six months are provisional and unaudited.

## 13 Comparative Information

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

# NOTES TO THE INTERIM 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 2017.

14.1 For the period ended 30 June	2018 Rs. '000	2017 Rs. '000
<b>Transactions with the Ultimate Parent</b>		
Sales / (Purchases) of goods	-	-
Rendering / (Receiving) of services	(34,469)	(39,230)
Sales / (Purchases) of property, plant and equipment	-	-
Loans received / (Given)	-	-
Rent received / (Paid)	-	-
<b>Transactions with companies under common control</b>		
Sales / (Purchases) of goods	(7,258)	(2,273)
Rendering / (Receiving) of services	(382,072)	(54,119)
Sales / (Purchases) of property, plant and equipment	(4,822)	(9,082)
Loans received / (Given)	-	-
Interest received / (Paid)	45,716	38,359
Rent received / (Paid)	-	-
Financial investment	287,500	-
<b>Transactions with Subsidiary</b>		
Equity investment	-	-
Transfer of assets and liabilities	-	-
<b>Transactions with Associate</b>		
Sales / (Purchases) of goods	-	-
Sales / (Purchases) of property, plant and equipment	-	-
Rendering / (Receiving) of services	(21,345)	(13,383)
Loans received / (Given)	-	-
Interest received / (Paid)	-	-
Rent received / (Paid)	-	6,752
<b>Transactions with Key Management Personnel (KMP)</b>		
Rendering / (Receiving) of services	-	-
<b>Transactions with Close Family Members of KMP</b>		
Rendering / (Receiving) of services	-	-
<b>Companies controlled / jointly controlled / significantly influenced by KMP and their close family members</b>		
Sales / (Purchases) of goods	-	-
Rendering / (Receiving) of services	-	-

## 15 Contingencies, Capital and Other Commitments

### Contingencies and other commitments

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 2017 other than the following;

The Tax Appeals Commission issued its determination on the appeal filed by the Company relating to the assessment raised for Y/A 2010/11, in favour of the Inland Revenue Department and the Company is in the process of filing an appeal to the Court of Appeal.

The Department of Inland Revenue has raised an assessment on Union Assurance PLC for the year of assessment 2015 / 2016, assessing the life insurance business to pay an income tax liability of Rs. 832 million along with a 50% penalty totalling to Rs.1,248 million and the Company has lodged a valid appeal against the said assessment.

Directors are of the view that it has followed due process and acted in accordance with the prevailing laws in its tax submission and therefore, the above assessments have no rationale or basis in law.

### Capital commitments

The capital commitments approved and contracted as at the reporting date were Rs. 201 million.

## 16 Share Information

Market Price Per Share

<b>For the quarter ended 30 June</b>	<b>2018 Rs.</b>	<b>2017 Rs.</b>
Last traded	222.90	150.00
Highest price per share for the period	244.50	160.50
Lowest price per share for the period	149.10	142.00

## 17 Net Assets Per Share

<b>As at</b>	<b>30.06.2018 Rs.</b>	<b>31.12.2017 Rs.</b>
Net assets per share	192.98	203.04

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

## 18 Stated Capital

<b>Number of shares as at</b>	<b>30.06.2018</b>	<b>31.12.2017</b>
Ordinary shares	58,928,572	58,928,572

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 19 Twenty Largest Shareholders

	As at 30 June 2018		As at 31 March 2018	
	No. of Shares	%	No. of Shares	%
1 John Keells Holdings PLC	53,035,715	90.00	54,429,042	92.36
2 Mrs. A.S. Paliheha	1,200,000	2.04	600,000	1.02
3 Suktam Holdings (Pvt) Ltd	609,000	1.03	-	-
4 People'S Leasing & Finance PLC / Hi Line Trading (Pvt) Ltd	246,360	0.42	246,360	0.42
5 Mr. M.A. Omar	200,000	0.34	200,000	0.34
6 Captain D.V.H. Paliheha	150,524	0.26	150,524	0.26
7 Corporate Holdings (Private) Limited A/C No.01	149,373	0.25	-	-
8 Mr. R.S. Captain	133,562	0.23	-	-
9 People'S Leasing & Finance PLC / L.P.Hapangama	132,719	0.23	137,210	0.23
10 Dr. (Mrs.) V. Bandaranayake	120,038	0.20	120,038	0.20
11 Mrs. A. Selliah	100,000	0.17	100,000	0.17
12 Munasco Holdings Pvt Ltd	99,968	0.17	99,968	0.17
13 J.B. Cocoshell (Pvt) Ltd	94,966	0.16	-	-
14 People'S Leasing & Finance PLC / L.H.L.M.P.Haradasa	88,392	0.15	88,392	0.15
15 People'S Leasing & Finance PLC / Dr.H.S.D.Soyasa & Mrs.G.Soyasa	82,701	0.14	82,701	0.14
16 Mr. H.A.D. Ratnapala	56,250	0.10	56,250	0.10
17 Mr. J.W. Nanayakkara	56,250	0.10	56,250	0.10
18 Mrs. R.Z. Wikramanayake (Deceased)	53,585	0.09	53,585	0.09
19 Mr. N.I. Wikramanayake	53,059	0.09	53,059	0.09
20 Dr. S. Selliah	50,000	0.08	50,000	0.08
Other	2,255,820	3.83	2,405,193	4.08
	58,928,572	100	58,928,572	100

### 20 Dividends Paid

For the period ended 30 June	2018 Rs. '000	2017 Rs. '000
Final dividend for 2017 - Rs.18.00 (2016 - Rs. 10.50)	1,060,715	618,750

### 21 Directors' Shareholdings

No. of shares as at	30.06.2018	31.12.2017
Mr. S. C. Ratnayake (Chairman)	Nil	-
Mr. Ajit D. Gunewardene (Chairman) [Resigned w.e.f. 31.12.2017]	-	8,562
Mrs. D. C. Alagaratnam	Nil	Nil
Mr. S. Rajendra	Nil	Nil
Mr. A. S. De Zoysa	Nil	Nil
Mr. G. F. C. De Saram	Nil	Nil
Mr. H. A. J. De S. Wijeyeratne	Nil	Nil
Mr. A. D. Pereira	Nil	Nil



**22 Chief Executive Officer's Shareholding**

No. of shares as at	30.06.2018	31.12.2017
Mr. A. D. Pereira	Nil	Nil

**23 Public Shareholding**

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

As at	30.06.2018
Public shareholding (%)	10.00
Public shareholders	1,385
Compliant under option 1 - float adjusted market capitalization (LKR Bn)	1.31

**24 Events After The Reporting Period**

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

Mr. Ashan Suresh De Zoysa an Independent Non-Executive Director resigned from the Board of Directors of the Company with effect from 3 August 2018.

Mr. Dumith Hemantha Fernando has been appointed to the Board of Directors of the Company with effect from 3 August 2018 as an Independent Non-Executive Director.



# 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

S. C. Ratnayake - Chairman  
D. C. Alagaratnam  
A. S. De Zoysa (Resigned w.e.f. 03.08.2018)  
G. F. C. De Saram  
S. Rajendra  
H. A. J. De Silva Wijeyeratne  
A. D. Pereira  
D. H. Fernando (Appointed w.e.f 03.08.2018)

## Board Remuneration Committee

S. C. Ratnayake - Chairman  
G. F. C. De Saram  
H. A. J. De Silva Wijeyeratne

## 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 (RPTC) of John Keells Holdings PLC (the Parent) represents the RPTC of the Company

## Board Audit and Compliance Committee

H. A. J. De Silva Wijeyeratne - Chairman  
S. Rajendra  
A. S. De Zoysa (Resigned w.e.f. 03.08.2018)  
D. H. Fernando (Appointed w.e.f 06.08.2018)

## Investment Committee

J. G. A. Cooray - Chairman  
A. S. De Zoysa (Resigned w.e.f. 03.08.2018)  
D. H. Fernando (Appointed w.e.f 06.08.2018)

## 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  
Bank of Sri Lanka  
National Development Bank PLC  
National Savings Bank  
Nations Trust Bank PLC  
Pan Asia Banking Corporation PLC  
People's Bank  
Sampath Bank PLC  
Seylan Bank PLC  
Standard Chartered Bank  
Union Bank of Colombo PLC  
Cargills Bank

## Reinsurance Panel

RGA  
Hannover Re  
Munich Re  
Partner Re

## Registered Office of the Company

Union Assurance Centre  
20, St Michaels' Road,  
Colombo 3

## Investor Relations

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

