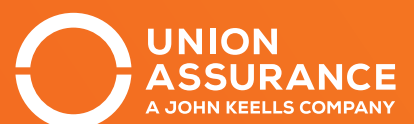




# LOOKING BEYOND

Union Assurance PLC

Condensed Interim Financial Statements  
For The Period Ended 30 September 2023



# INCOME STATEMENT

For the period ended 30 September	Note	2023 Rs. '000	2022 Rs. '000	Change %
Gross written premium	6	13,200,746	11,620,182	14
Premium ceded to reinsurers		(761,232)	(648,664)	17
<b>Net written premium</b>		<b>12,439,514</b>	<b>10,971,518</b>	<b>13</b>
<b>Other revenue</b>				
Net investment income		7,957,107	5,180,453	54
Net realised gains		371,557	208,400	78
Net fair value gains/ (losses)		852,569	(19,774)	4,412
Other income		17,557	78,444	(78)
<b>Total other revenue</b>		<b>9,198,790</b>	<b>5,447,523</b>	<b>69</b>
<b>Total net revenue</b>		<b>21,638,304</b>	<b>16,419,041</b>	<b>32</b>
<b>Benefits, claims and expenses</b>				
Net insurance benefits and claims paid		(4,884,107)	(3,175,352)	54
Net change in insurance claims outstanding		(86,467)	(504,631)	(83)
Change in contract liabilities - Life Fund		(9,256,267)	(6,669,973)	39
Underwriting and net acquisition costs (net of reinsurance)		(2,501,737)	(2,215,155)	13
Other operating, administrative and selling expenses		(2,896,778)	(2,609,130)	11
Depreciation and amortisation		(405,812)	(404,855)	-
<b>Total benefits, claims and expenses</b>		<b>(20,031,168)</b>	<b>(15,579,096)</b>	<b>29</b>
<b>Profit from operations</b>		<b>1,607,136</b>	<b>839,945</b>	<b>91</b>
Share of results of equity accounted investee, net of tax		235,622	153,320	54
<b>Profit before tax</b>		<b>1,842,758</b>	<b>993,265</b>	<b>86</b>
Income tax expenses	7	(494,612)	(216,586)	128
<b>Profit for the period</b>		<b>1,348,146</b>	<b>776,679</b>	<b>74</b>
<b>Earnings per share</b>				
Basic (Rs.)		2.29	1.32	73
Diluted (Rs.)		2.29	1.32	73

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

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 September	2023 Rs. '000	2022 Rs. '000	Change %
<b>Profit for the period</b>	<b>1,348,146</b>	776,679	74
<b>Other comprehensive income</b>			
<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	1,773,225	(1,247,860)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	48,241	(61,555)	
Net change in fair value of available for sale financial assets transferred to the income statement	(15,477)	-	
Related tax	-	-	
	<b>1,805,989</b>	(1,309,415)	238
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	4,324,088	(1,344,297)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	(150,789)	42,100	
Related tax	-	-	
	<b>4,173,299</b>	(1,302,197)	420
	<b>5,979,288</b>	(2,611,612)	
<b>Other comprehensive income, net of tax</b>	<b>5,979,288</b>	(2,611,612)	329
<b>Total comprehensive income for the period, net of tax</b>	<b>7,327,434</b>	(1,834,933)	499

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

# INCOME STATEMENT

For the Quarter ended 30 September	2023 Rs. '000	2022 Rs. '000	Change %
Gross written premium	4,727,316	4,096,052	15
Premium ceded to reinsurers	(271,577)	(221,634)	23
<b>Net written premium</b>	<b>4,455,739</b>	<b>3,874,418</b>	<b>15</b>
<b>Other revenue</b>			
Net investment income	2,823,006	2,049,512	38
Net realised gains	202,928	431,017	(53)
Net fair value gains	646,235	528,259	22
Other income	6,559	66,193	(90)
<b>Total other revenue</b>	<b>3,678,728</b>	<b>3,074,981</b>	<b>20</b>
<b>Total net revenue</b>	<b>8,134,467</b>	<b>6,949,399</b>	<b>17</b>
<b>Benefits, claims and expenses</b>			
Net insurance benefits and claims paid	(2,086,971)	(1,451,159)	44
Net change in insurance claims outstanding	(9,685)	(5,346)	81
Change in contract liabilities - Life Fund	(3,315,648)	(3,349,912)	(1)
Underwriting and net acquisition costs (net of reinsurance)	(951,665)	(759,045)	25
Other operating, administrative and selling expenses	(1,117,055)	(927,827)	20
Depreciation and amortisation	(138,106)	(137,256)	1
<b>Total benefits, claims and expenses</b>	<b>(7,619,130)</b>	<b>(6,630,545)</b>	<b>15</b>
<b>Profit from operations</b>	<b>515,337</b>	<b>318,854</b>	<b>62</b>
Share of results of equity accounted investee, net of tax	89,414	60,056	49
<b>Profit before tax</b>	<b>604,751</b>	<b>378,910</b>	<b>60</b>
Income tax expenses	(169,868)	(81,780)	108
<b>Profit for the quarter</b>	<b>434,883</b>	<b>297,130</b>	<b>46</b>
<b>Earnings per share</b>			
Basic (Rs.)	0.74	0.50	46
Diluted (Rs.)	0.74	0.50	46

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

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Quarter ended 30 September	2023 Rs. '000	2022 Rs. '000	Change %
<b>Profit for the period</b>	<b>434,883</b>	297,130	46
<b>Other comprehensive income</b>			
<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	1,240,439	(319,518)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	12,066	3,016	
Net change in fair value of available for sale financial assets transferred to the income statement	(15,477)	-	
Related tax	-	-	
	<b>1,237,028</b>	(316,502)	491
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	2,941,230	(730,568)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	1,117	(461)	
Related tax	-	-	
	<b>2,942,347</b>	(731,029)	502
	<b>4,179,375</b>	(1,047,531)	499
<b>Other comprehensive income, net of tax</b>	<b>4,179,375</b>	(1,047,531)	499
<b>Total comprehensive income for the quarter, net of tax</b>	<b>4,614,258</b>	(750,401)	715

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

# STATEMENT OF FINANCIAL POSITION

As at	Note	30.09.2023 Rs. '000	31.12.2022 Rs. '000
<b>Assets</b>			
Intangible assets		1,193,095	1,311,217
Property, plant and equipment		2,699,789	2,759,687
Right of use assets		417,099	455,615
Investment in equity accounted investee		1,987,022	1,703,160
Financial investments	9	79,890,029	64,455,930
Loans to life policyholders		2,319,361	2,118,116
Reinsurance receivable		431,136	556,985
Premiums receivable		850,272	878,441
Receivables and other assets		884,065	777,524
Cash in hand and at bank		634,479	952,332
<b>Total assets</b>		<b>91,306,347</b>	<b>75,969,007</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital		1,000,000	1,000,000
Available for sale reserve		3,414,666	(2,564,622)
Revaluation reserve		2,267,979	2,267,979
Restricted regulatory reserve	10	3,381,934	3,381,934
Other reserves		96,850	85,665
Retained earnings		11,390,979	10,042,833
<b>Total equity</b>		<b>21,552,408</b>	<b>14,213,789</b>
<b>Liabilities</b>			
Insurance contract liabilities	11	64,446,322	55,430,893
Insurance contract liabilities - Unit Linked		785,567	746,484
Lease liabilities		410,553	448,719
Employee benefit liabilities		221,990	286,691
Reinsurance payables		545,404	636,154
Other liabilities		3,241,478	3,977,798
Bank overdraft		102,625	228,479
<b>Total liabilities</b>		<b>69,753,939</b>	<b>61,755,218</b>
<b>Total equity and liabilities</b>		<b>91,306,347</b>	<b>75,969,007</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.



**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**  
Chairperson



**S. Rajendra**  
Director

# STATEMENT OF CHANGES IN EQUITY

Rs. '000	Stated capital	Reserves					Retained earnings	Total
		Restricted regulatory reserve	Revaluation reserve	Reserve on merger	Other reserves			
					Available for sale reserve	Other capital reserves		
<b>Balance as at 1 January 2022</b>	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	-	-	-	-	-	-	776,679	776,679
<b>Other comprehensive income for the period, net of tax</b>								
Net change in fair value of available for sale financial assets	-	-	-	-	(1,247,860)	-	-	(1,247,860)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(1,302,197)	-	-	(1,302,197)
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	(61,555)	-	-	(61,555)
Tax on other comprehensive income	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	(2,611,612)	-	-	(2,611,612)
<b>Total comprehensive income for the period</b>	-	-	-	-	(2,611,612)	-	776,679	(1,834,933)
<b>Transactions with owners, transfers, recorded directly in equity</b>								
<b>Contributions and distributions</b>								
First and final dividend 2021	-	-	-	-	-	-	(1,296,429)	(1,296,429)
Share based payments	-	-	-	-	-	6,460	-	6,460
Total contributions and distributions	-	-	-	-	-	6,460	(1,296,429)	(1,289,969)
<b>Balance as at 30 September 2022</b>	1,000,000	3,381,934	2,272,226	16,752	(2,473,836)	64,955	8,068,160	12,330,191
<b>Balance as at 1 January 2023</b>	1,000,000	3,381,934	2,267,979	16,752	(2,564,622)	68,913	10,042,833	14,213,789
Profit for the period	-	-	-	-	-	-	1,348,146	1,348,146
<b>Other comprehensive income for the period, net of tax</b>								
Net change in fair value of available for sale financial assets	-	-	-	-	1,757,748	-	-	1,757,748
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	4,173,299	-	-	4,173,299
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	48,241	-	-	48,241
Tax on other comprehensive income	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	5,979,288	-	-	5,979,288
<b>Total comprehensive income for the period</b>	-	-	-	-	5,979,288	-	1,348,146	7,327,434
<b>Transactions with owners, transfers, recorded directly in equity</b>								
<b>Contributions and distributions</b>								
First and final dividend 2022	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	11,185	-	11,185
<b>Total contributions and distributions</b>	-	-	-	-	-	11,185	-	11,185
<b>Balance as at 30 September 2023</b>	1,000,000	3,381,934	2,267,979	16,752	3,414,666	80,098	11,390,979	21,552,408

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

# STATEMENT OF CASH FLOWS

For the period ended 30 September	Note	2023 Rs. '000	2022 Rs. '000
<b>Cash flows from operations</b>			
Insurance premiums received		13,228,915	11,612,711
Reinsurance premiums paid		(76,167)	(115,727)
Insurance benefits and claims paid		(5,627,842)	(3,175,352)
Reinsurance claim received		743,735	-
Payments to intermediaries to acquire insurance contracts		(2,522,645)	(2,214,835)
Cash paid to and on behalf of employees		(1,489,664)	(1,405,075)
Interest received		6,711,456	4,163,456
Dividends received		88,326	124,655
Other operating cash flows		(2,837,547)	(2,633,501)
<b>Cash generated from operating activities</b>	A	<b>8,218,567</b>	<b>6,356,332</b>
Income tax paid		(985,364)	(554,009)
Employee benefits paid		(15,737)	(15,580)
Interest paid on obligation to repurchase securities		(12,666)	-
<b>Net cash flow from operating activities</b>		<b>7,204,800</b>	<b>5,786,743</b>
<b>Cash flows used in investing activities</b>			
Acquisition of investments		(26,322,900)	(23,848,633)
Maturity proceeds of investments		10,833,254	12,920,640
Proceeds from sale of investments		8,346,670	6,590,935
Acquisition of property, plant and equipment		(31,368)	(87,686)
Acquisition of intangible assets		(97,979)	(29,552)
Proceeds on sale of property, plant and equipment		147	215
<b>Net cash used in investing activities</b>		<b>(7,272,176)</b>	<b>(4,454,081)</b>
<b>Net cash inflow before financing activities</b>		<b>(67,376)</b>	<b>1,332,662</b>
<b>Cash flows used in financing activities</b>			
Dividends paid to equity holders of the company		-	(1,296,406)
Settlement of lease liabilities		(124,623)	(138,516)
<b>Net cash used in financing activities</b>		<b>(124,623)</b>	<b>(1,434,922)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(191,999)</b>	<b>(102,260)</b>
Cash and cash equivalents at the beginning of the year		723,853	720,416
<b>Cash and cash equivalents at the end of the period</b>	B	<b>531,854</b>	<b>618,156</b>

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



For the period ended 30 September	2023 Rs. '000	2022 Rs. '000
<b>NOTE A.</b>		
<b>Reconciliation of profit before taxation with cash from operating activities</b>		
Profit before tax	1,842,758	993,265
<b>Non - cash items included in profit before tax</b>		
Depreciation and amortisation	405,812	404,855
Provision for employee benefits	28,733	25,998
Net realised gains	(371,557)	(208,400)
Net fair value (gains)/losses	(852,569)	19,774
Gain on sale of property, plant and equipment	(124)	(194)
Amortisation of financial investments	(707,517)	(226,888)
Amortisation of lease liabilities	28,043	24,696
Scrip dividend income	(25,803)	(9,722)
Share of results of equity accounted investee	(235,622)	(153,320)
Share based payment expenses	11,186	6,460
Interest expense on obligation to repurchase securities	12,708	-
<b>Profit before working capital changes</b>	<b>136,048</b>	<b>876,524</b>
<b>Net change in operational assets</b>		
Net change in reinsurance assets	125,849	485,304
Net change in premiums receivable	28,169	(7,470)
Net change in receivables and other assets	(676,089)	(791,450)
<b>Net change in operational liabilities</b>		
Net change in life insurance contract liabilities	9,054,512	6,522,892
Net change in reinsurance liabilities	(90,750)	(489,634)
Net change in other liabilities	(359,172)	(239,834)
<b>Cash generated from operating activities</b>	<b>8,218,567</b>	<b>6,356,332</b>
<b>NOTE B.</b>		
<b>Cash and cash equivalents at the end of the period</b>		
Cash in hand and at bank	634,479	728,264
Bank overdraft	(102,625)	(110,108)
<b>Cash and cash equivalents at the end of the period</b>	<b>531,854</b>	<b>618,156</b>

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	30.09.2023 Rs. '000	31.12.2022 Rs. '000
<b>Assets</b>			
Intangible assets		610,064	600,575
Property, plant and equipment		2,699,789	2,759,687
Right of use assets		417,099	455,615
Financial investments		65,616,530	55,059,143
Loans to life policyholders		2,319,361	2,118,116
Reinsurance receivable		431,136	556,985
Premiums receivable		850,272	878,441
Receivables and other assets		509,904	389,856
Cash in hand and at bank		626,072	943,134
<b>Total assets</b>		<b>74,080,227</b>	<b>63,761,552</b>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
Available for sale reserve		2,883,925	(1,289,374)
Revaluation reserve		1,792,119	1,792,119
Other reserves		(7,562)	(7,562)
<b>Total reserves</b>		<b>4,668,482</b>	<b>495,183</b>
<b>Liabilities</b>			
Insurance contract liabilities	11	64,446,322	55,430,893
Insurance contract liabilities - Unit Linked		785,567	746,484
Lease liabilities		410,553	448,719
Employee benefit liabilities		221,990	286,691
Reinsurance payables		545,404	636,154
Other liabilities		2,899,284	5,488,949
Bank overdraft		102,625	228,479
<b>Total liabilities</b>		<b>69,411,745</b>	<b>63,266,369</b>
<b>Total reserves and liabilities</b>		<b>74,080,227</b>	<b>63,761,552</b>

# 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 nine months ended 30 September 2023 were authorised for issue by the Board of Directors on 06 November 2023.

## 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 2022. 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 2022.

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

### 4.2 Fair value measurement and related fair value disclosures

The fair values of all the financial assets and financial liabilities recognised during the period were not materially different from the transaction prices at the date of initial recognition. All listed equity instruments were measured based on the market prices as at 30 September 2023 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 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 September	2023 Rs. '000	2022 Rs. '000
Conventional	13,197,395	11,615,385
Unit linked	3,351	4,797
<b>Total gross written premium</b>	<b>13,200,746</b>	<b>11,620,182</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 7 INCOMETAX 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 and other amendments in line with Inland Revenue (Amendment) Act No. 45 of 2022. As per this section, an income tax rate of 30% is applicable on gains and profits which is the aggregate of;

Surplus distributed to shareholders from the Life insurance policyholders fund as certified by the actuary.

Investment income of the shareholder fund less any expenses incurred in the production of such income.

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

### Amount Recognised in the Profit or Loss

For the period ended 30 September	2023 Rs. '000	2022 Rs. '000
Current tax expense for the period	(494,612)	(216,586)
	(494,612)	(216,586)

## 8 PROFITS FROM LIFE INSURANCE

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

## 9 FINANCIAL INVESTMENTS

As at	30.09.2023 Rs. '000	31.12.2022 Rs. '000
Held to maturity financial assets (HTM)	39,235,410	36,044,803
Loans and receivables (L&R)	10,672,630	13,008,194
Available for sale financial assets (AFS)	24,236,996	11,704,394
Financial assets at fair value through profit or loss (FVTPL)	5,744,993	3,698,539
<b>Total financial investments</b>	<b>79,890,029</b>	<b>64,455,930</b>

## 10 RESTRICTED REGULATORY RESERVE

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

As at	30.09.2023 Rs. '000	31.12.2022 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	30.09.2023 Rs. '000	31.12.2022 Rs. '000
Life insurance fund	63,532,203	54,516,588
Charge relating to Surcharge Tax	-	(39,195)
One - off surplus arising from changing policy liability valuation relating to participating and unit linked funds	435,046	435,046
Effect of Taxation on Surplus / Bonus transferred to - Policyholders	(33,923)	(33,923)
Claim payables	512,996	552,377
<b>Total insurance contract liabilities</b>	<b>64,446,322</b>	<b>55,430,893</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	30.09.2023 Rs. '000	31.12.2022 Rs. '000
<b>Movement In Insurance Contract Liabilities</b>		
Balance as at 1 January	55,179,789	48,748,971
Charge relating to Surcharge Tax	-	(39,195)
<b>Balance as at 1 January</b>	<b>55,179,789</b>	<b>48,709,776</b>
Increase in life insurance fund before surplus transfer to shareholders	8,985,808	8,722,945
Transfer to shareholders	-	(2,300,000)
Effect of Taxation on Surplus / Bonus transferred to - Policyholders	-	(6,761)
Net change in unclaimed benefits	(66,488)	53,829
<b>Balance as at period end - Conventional Life insurance</b>	<b>64,099,109</b>	<b>55,179,789</b>
<b>Non Unit Fund of Linked Life Insurance Contracts</b>		
Balance as at 1 January	251,104	169,176
Increase in non unit fund of linked life insurance before surplus transfer to shareholders	69,003	48,827
Net change in unclaimed benefits	27,106	33,101
<b>Balance as at period end - Non unit fund of linked Life insurance</b>	<b>347,213</b>	<b>251,104</b>
	<b>64,446,322</b>	<b>55,430,893</b>

**12 AUDIT OF THE INTERIM FINANCIAL STATEMENTS**

Figures for the nine months are provisional and unaudited

**13 COMPARATIVE INFORMATION**

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

# NOTES TO THE FINANCIAL STATEMENTS

## 14 RELATED PARTY TRANSACTIONS

The nature of the related parties in the current period is similar to those reported in the audited financial statements for the year ended 31 December 2022.

### Transactions with the Ultimate Parent

As at 30 September	2023	2022
	Rs. '000	Rs. '000
Investment in shares	559,114	517,418
payable for shared services	(31,153)	(28,898)

For the period ended 30 September	Transaction amount during the period	
	2023	2022
	Rs. '000	Rs. '000
Receiving of services	(128,348)	(97,038)
Dividends received/(paid)	1,709	(1,161,819)
Net Purchase / (Sale) of share Investments	15,221	(202,577)

### Transactions with companies under common control

As at 30 September	2023	2022
	Rs. '000	Rs. '000
Debenture, share Investments and distribution rights	1,025,634	1,487,135
Payable for shared services	(3,694)	(22,627)

For the period ended 30 September	Transaction amount during the period	
	2023	2022
	Rs. '000	Rs. '000
Purchase of goods	(6,249)	(4,107)
Receiving of services	(261,088)	(260,895)
Purchase of property, plant and equipment	(7,721)	(29,935)
Interest received	51,230	67,250
Dividend received	837	504
Net Purchase / (Sale) of share Investments	(64,098)	25,584

**Transactions with Associates**

As at 30 September	2023 Rs. '000	2022 Rs. '000
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Amount receivable / (payable)	-	-
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For the period ended 30 September	Transaction amount during the period	
	2023 Rs. '000	2022 Rs. '000

Receiving of services	(60,574)	(44,564)
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**Companies controlled / jointly controlled / significantly influenced by KMP and their close family members**

As at 30 September	2023 Rs. '000	2022 Rs. '000
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Investment in Unit Trusts	-	60,821
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For the period ended 30 September	Transaction amount during the period	
	2023 Rs. '000	2022 Rs. '000

Receiving of services	(29,587)	(17,194)
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**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 2022 other than the following

**Income tax relating to year of assessment 2019/20**

The Department of Inland Revenue has raised an assessment of Rs. 856 million on the Company for the year of assessment 2019/20, assessing the Life insurance business to pay an income tax. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

**VAT on FS assessment relating to year of assessment 2019**

The Department of Inland Revenue has raised an assessment of Rs. 108 million on the Company for the year of assessment 2019, assessing the Life insurance business to pay a VAT on Financial Services. The Company has lodged a valid appeal with the Commissioner General of Inland Revenue against the said assessment.

# NOTES TO THE FINANCIAL STATEMENTS

## 17 SHARE INFORMATION

### Market Price Per Share

For the quarter ended 30 September	2023 Rs.	2022 Rs.
Last traded	40.70	28.30
Highest price per share for the period	45.00	34.00
Lowest price per share for the period	30.80	25.20

## 18 NET ASSETS PER SHARE

As at	30.09.2023 Rs.	31.12.2022 Rs.
Net assets per share	36.57	24.12

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	30.09.2023	31.12.2022
Ordinary shares	589,285,720	589,285,720

## 20 TWENTY LARGEST SHAREHOLDERS

	As at 30 September 2023		As at 30 June 2023	
	No. of Shares	%	No. of Shares	%
1 John Keells Holdings PLC	530,357,150	90.0	530,357,150	90.0
2 Mr. S.N.P. Palihena	14,000,000	2.4	14,000,000	2.4
3 Citibank Newyork S/A Norges Bank Account 2	5,802,940	1.0	5,802,940	1.0
4 Hatton National Bank PLC / Suktam Holdings (Pvt) Ltd	3,432,209	0.6	5,168,750	0.9
5 People's Leasing & Finance PLC / L. P. Hapangama	3,036,244	0.5	2,978,587	0.5
6 J.B. Cocoshell (PVT) LTD	1,505,525	0.3	328,294	0.1
7 Corporate Holdings (Private) Limited A/C No.01	1,493,730	0.3	1,493,730	0.3
8 Captain D.V.H. Palihena	1,041,625	0.2	1,384,950	0.2
9 Mrs. A. Selliah	1,000,000	0.2	1,000,000	0.2
10 People's Leasing & Finance PLC / L. H. L. M. P. Haradasa	805,325	0.1	805,325	0.1
11 Mr. J.D. Bandaranayake & Miss. N. Bandaranayake & Dr. (Mrs.) V. Bandaranayake	590,190	0.1	590,190	0.1
12 Mr. J.D. Bandaranayake & Dr. (Mrs.) V. Bandaranayake & Miss. I. Bandaranayake	590,190	0.1	590,190	0.1
13 Mr. J.W. Nanayakkara	562,500	0.1	562,500	0.1
14 Mr. H.A.D. Ratnapala	562,500	0.1	562,500	0.1
15 Standard Chartered Bank DIFC Branch S/A EFG Hermes UAE L.L.C	541,200	0.1	-	-
16 People's Merchant Finance PLC / P.T.S. De Silva	527,750	0.1	512,250	0.1
17 Dr. S. Selliah	500,000	0.1	500,000	0.1
18 Mr. V. Sharda	442,000	0.1	442,000	0.1
19 Mr. N.D. Kurukulasuriya	390,000	0.1	390,000	0.1
20 Mrs. L. Amaradasa	337,500	0.1	337,500	0.1
Other	21,767,142	3.4	21,478,864	3.4
	589,285,720	100	589,285,720	100



**21 DIVIDENDS PAID**

For the Period ended 30 September	2023 Rs. '000	2022 Rs. '000
Final dividend for 2022 - Nil (2021 - Rs. 22.00)	-	1,296,429

**22 DIRECTORS' SHAREHOLDINGS**

No. of shares as at	30.09.2023	31.12.2022
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. P.T. Wanigasekara (Appointed w.e.f. 01.04.2023)	Nil	N/A
Mr. W. M. De F. Arsakularatne (Resigned w.e.f 06 March 2023)	N/A	Nil

**23 CHIEF EXECUTIVE OFFICER'S SHAREHOLDING**

No. of shares as at	30.09.2023	31.12.2022
Mr. Jude Gomes	5,000	5,000

**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 are as given below:

As at	30.09.2023	31.12.2022
Public shareholding (%)	10.00	10.00
Public shareholders	1,707	1,803
Compliant under option 1 - float adjusted market capitalization (LKR Bn)	2.4	1.6

**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 - Chairperson  
S. Rajendra  
D. H. Fernando  
S. A. Appleyard  
D. P. Gamlath  
P.T. Wanigasekara - Appointed w.e.f 01 April 2023  
W. M. De F. Arakularatne - Resigned w.e.f 06 March 2023

## 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

P.T. Wanigasekara - Chairperson - Appointed w.e.f 01 April 2023  
D. H. Fernando  
S. Rajendra

## Investment Committee

J. G. A. Cooray - Chairperson  
P.T. Wanigasekara - Appointed w.e.f 01 April 2023  
Jude Gomes  
Senath Jayathilake  
Asha Perera  
Shubham Jain  
Angelo Keil

## SLFRS-17 Steering Committee

S. A. Appleyard - Chairperson  
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  
Pan Asia Banking Corporation PLC

## Reinsurance Panel

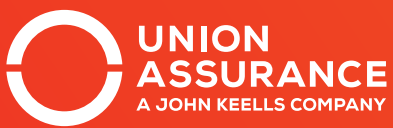
RGA  
Hannover Re  
Munich Re  
Partner Re

## 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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