



UNION
ASSURANCE PLC

THE STRENGTH WITHIN

Condensed Interim Financial Statements
For The Nine Months Ended 30 September 2022

INCOME STATEMENT

For the nine months ended 30 September

	Note	2022 Rs. '000	2021 Rs. '000	Change %
Gross written premium	6	11,620,182	10,504,240	11
Premium ceded to reinsurers		(648,664)	(535,489)	21
Net written premium		10,971,518	9,968,751	10
Other revenue				
Net investment income		5,180,453	3,940,929	31
Net realised gains		208,400	188,003	11
Net fair value gains/ (losses)		(19,774)	201,803	(110)
Other income		78,444	20,698	279
Total other revenue		5,447,523	4,351,433	25
Total net revenue		16,419,041	14,320,184	15
Benefits, claims and expenses				
Net insurance benefits and claims paid		(3,175,352)	(3,008,406)	6
Net change in insurance claims outstanding		(504,631)	334,687	251
Change in contract liabilities - Life Fund		(6,669,973)	(6,535,218)	2
Underwriting and net acquisition costs (net of reinsurance)		(2,215,155)	(2,018,604)	10
Other operating, administrative and selling expenses		(2,609,130)	(2,108,703)	24
Depreciation and amortisation		(404,855)	(303,245)	34
Total benefits, claims and expenses		(15,579,096)	(13,639,489)	14
Profit from operations		839,945	680,695	23
Share of results of equity accounted investee, net of tax		153,320	114,342	34
Profit before tax		993,265	795,037	25
Income tax expenses	7	(216,586)	(111,238)	95
Profit for the period		776,679	683,799	14
Earnings per share				
Basic (Rs.)		1.32	1.16	14
Diluted (Rs.)		1.32	1.16	14

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September

	2022 Rs. '000	2021 Rs. '000	Change %
Profit for the period	776,679	683,799	14
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	(1,247,860)	(409,781)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	(61,555)	(30,229)	
Related tax	-	-	
	(1,309,415)	(440,010)	198
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	(1,344,297)	(296,013)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	42,100	(81,748)	
Related tax	-	-	
	(1,302,197)	(377,761)	245
Other comprehensive income, net of tax	(2,611,612)	(817,771)	219
Total comprehensive income for the period, net of tax	(1,834,933)	(133,972)	1,270

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

INCOME STATEMENT

For the Quarter ended 30 September

	2022 Rs. '000	2021 Rs. '000	Change %
Gross written premium	4,096,052	3,960,290	3
Premium ceded to reinsurers	(221,634)	(184,734)	20
Net written premium	3,874,418	3,775,556	3
Other revenue			
Net investment income	2,049,512	1,301,381	57
Net realised gains	431,017	28,078	1,435
Net fair value gains	528,259	105,885	399
Other income	66,193	6,793	874
Total other revenue	3,074,981	1,442,137	113
Total net revenue	6,949,399	5,217,693	33
Benefits, claims and expenses			
Net insurance benefits and claims paid	(1,451,159)	(1,276,715)	14
Net change in insurance claims outstanding	(5,346)	255,353	102
Change in contract liabilities - Life Fund	(3,349,912)	(2,273,522)	47
Underwriting and net acquisition costs (net of reinsurance)	(759,045)	(738,332)	3
Other operating, administrative and selling expenses	(927,827)	(785,945)	18
Depreciation and amortisation	(137,256)	(104,610)	31
Total benefits, claims and expenses	(6,630,545)	(4,923,771)	35
Profit from operations	318,854	293,922	8
Share of results of equity accounted investee, net of tax	60,056	39,012	54
Profit before tax	378,910	332,934	14
Income tax expenses	(81,780)	(51,167)	60
Profit for the quarter	297,130	281,767	5
Earnings per share			
Basic (Rs.)	0.50	0.48	5
Diluted (Rs.)	0.50	0.48	5

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

	2022 Rs. '000	2021 Rs. '000	Change %
Profit for the quarter	297,130	281,767	5
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	(319,518)	(278,731)	
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	3,016	(17,131)	
Related tax	-	-	
	(316,502)	(295,862)	7
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	(730,568)	(186,864)	
Net change in fair value of available for sale financial assets of insurance liabilities transferred to the income statement	(461)	(542)	
Related tax	-	-	
	(731,029)	(187,406)	290
Other comprehensive income, net of tax	(1,047,531)	(483,268)	117
Total comprehensive income for the quarter, net of tax	(750,401)	(201,501)	272

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

STATEMENT OF FINANCIAL POSITION

As at	Note	30.09.2022 Rs. '000	31.12.2021 Rs. '000
Assets			
Intangible assets		1,345,180	1,545,529
Property, plant and equipment		2,750,612	2,746,114
Right of use assets		468,790	421,885
Investment in equity accounted investee		1,604,797	1,513,031
Financial investments	9	62,154,899	59,329,071
Loans to life policyholders		2,081,417	1,932,079
Reinsurance receivable		484,142	969,446
Premiums receivable		540,445	532,975
Receivables and other assets		847,768	801,758
Cash in hand and at bank		728,264	969,748
Total assets		73,006,314	70,761,636
Equity and liabilities			
Equity			
Stated capital		1,000,000	1,000,000
Available for sale reserve		(2,473,836)	137,776
Revaluation reserve		2,272,226	2,272,226
Restricted regulatory reserve	10	3,381,934	3,381,934
Other reserves		81,707	75,247
Retained earnings		8,068,160	8,587,910
Total equity		12,330,191	15,455,093
Liabilities			
Insurance contract liabilities	11	55,555,628	48,918,147
Insurance contract liabilities - Unit Linked		801,603	916,192
Lease liabilities		453,511	421,300
Employee benefit liabilities		276,356	239,915
Reinsurance payables		548,633	1,038,267
Other liabilities		2,930,284	3,523,390
Bank overdraft		110,108	249,332
Total liabilities		60,676,123	55,306,543
Total equity and liabilities		73,006,314	70,761,636

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

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



Asha Perera

Chief Financial Officer

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

Signed on behalf of the Board:



K. N. J. Balendra

Chairman



S. Rajendra

Director

Colombo
14 November 2022

STATEMENT OF CHANGES IN EQUITY

Rs. '000	Stated capital	Restricted regulatory reserve	Revaluation reserve	Reserves			Retained earnings	Total
				Reserve on merger	Other reserves Available for sale reserve	Other capital reserves		
Balance as at 1 January 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	-	-	-	-	-	-	683,799	683,799
Other comprehensive income for the period, net of tax								
Net change in fair value of available for sale financial assets	-	-	-	-	(409,781)	-	-	(409,781)
Net change in liabilities of insurance contracts arising from fair value changes in available for sale financial assets	-	-	-	-	(377,761)	-	-	(377,761)
Share of net change in fair value of available for sale financial assets of equity accounted investee, net of tax	-	-	-	-	(30,229)	-	-	(30,229)
Tax on other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	(817,771)	-	-	(817,771)
Total comprehensive income for the period	-	-	-	-	(817,771)	-	683,799	(133,972)
Transactions with owners, transfers, recorded directly in equity								
Contributions and distributions								
First and final dividend 2020	-	-	-	-	-	-	(825,000)	(825,000)
Share based payments	-	-	-	-	-	4,650	-	4,650
Total contributions and distributions	-	-	-	-	-	4,650	(825,000)	(820,350)
Balance as at 30 September 2021	1,000,000	3,381,934	2,085,688	16,752	402,081	53,304	7,214,408	14,154,167
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	-	-	-	-	-	-	776,679	776,679
Other comprehensive income for the period, net of tax								
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	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	(2,611,612)	-	-	(2,611,612)
Total comprehensive income for the period	-	-	-	-	(2,611,612)	-	776,679	(1,834,933)
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	-	-	-	-	-	6,460	-	6,460
Total contributions and distributions	-	-	-	-	-	6,460	(1,296,429)	(1,289,969)
Balance as at 30 September 2022	1,000,000	3,381,934	2,272,226	16,752	(2,473,836)	64,955	8,068,160	12,330,191

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

STATEMENT OF CASH FLOWS

For the nine months ended 30 September

	Note	2022 Rs. '000	2021 Rs. '000
Cash flows from operations			
Insurance premiums received		11,612,711	10,384,007
Reinsurance premiums paid		(115,727)	(27,829)
Insurance benefits and claims paid		(3,175,352)	(3,008,406)
Payments to intermediaries to acquire insurance contracts		(2,214,835)	(2,053,507)
Cash paid to and on behalf of employees		(1,405,075)	(1,129,968)
Interest received		4,163,456	3,837,499
Dividends received		124,655	140,421
Other operating cash flows		(2,633,501)	(1,287,195)
Cash generated from operating activities	A	6,356,332	6,855,022
Income tax paid		(554,009)	(237,310)
Employee benefits paid		(15,580)	(13,059)
Net cash flow from operating activities		5,786,743	6,604,653
Cash flows used in investing activities			
Acquisition of investments		(23,848,633)	(12,550,009)
Maturity proceeds of investments		12,920,640	3,401,771
Proceeds from sale of investments		6,590,935	4,038,961
Acquisition of property, plant and equipment		(87,686)	(137,965)
Acquisition of intangible assets		(29,552)	(813,042)
Proceeds on sale of property, plant and equipment		215	395
Net cash used in investing activities		(4,454,081)	(6,059,889)
Net cash inflow before financing activities		1,332,662	544,764
Cash flows used in financing activities			
Dividends paid to equity holders of the company		(1,296,406)	(824,945)
Settlement of lease liabilities		(138,516)	(107,802)
Net cash used in financing activities		(1,434,922)	(932,747)
Net increase in cash and cash equivalents		(102,260)	(387,983)
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	618,156	411,482

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

For the nine months ended 30 September

2022	2021
Rs. '000	Rs. '000

NOTE A.

Reconciliation of profit before taxation with cash from operating activities

Profit before tax	993,265	795,037
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Non - cash items included in profit before tax

Depreciation and amortisation	313,069	234,766
Amortisation of right of use assets	91,786	68,479
Provision for employee benefits	25,998	21,652
Net realised gains	(208,400)	(188,003)
Net fair value (gains)/losses	19,774	(201,803)
Gain on sale of property, plant and equipment	(194)	(339)
Amortisation of financial investments	(226,888)	(397)
Amortisation of lease liabilities	24,696	42,740
Scrip dividend income	(9,722)	(33,439)
Share of results of equity accounted investee	(153,320)	(114,342)
Share based payment expenses	6,460	4,650
Profit before working capital changes	876,524	629,001

Net change in operational assets

Net change in reinsurance assets	485,304	(324,969)
Net change in premiums receivable	(7,470)	(120,233)
Net change in receivables and other assets	(791,450)	238,911

Net change in operational liabilities

Net change in life insurance contract liabilities	6,522,892	6,363,776
Net change in reinsurance liabilities	(489,634)	476,991
Net change in other liabilities	(239,834)	(408,455)
Cash generated from operating activities	6,356,332	6,855,022

NOTE B.

Cash and cash equivalents at the end of the period

Cash in hand and at bank	728,264	628,569
Bank overdraft	(110,108)	(217,087)
Cash and cash equivalents	618,156	411,482

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	30.09.2022 Rs. '000	31.12.2021 Rs. '000
Assets			
Intangible assets		583,645	631,315
Property, plant and equipment		2,750,612	2,746,114
Right of use assets		468,790	421,885
Financial investments		52,845,310	49,704,931
Loans to life policyholders		2,081,417	1,932,079
Reinsurance receivable		484,142	969,446
Premiums receivable		540,445	532,975
Receivables and other assets		553,646	398,750
Cash in hand and at bank		719,008	954,827
Total assets		61,027,015	58,292,322
Reserves and liabilities			
Reserves			
Available for sale reserve		(1,226,646)	75,554
Revaluation reserve		1,796,368	1,796,366
Other reserves		(2,270)	(2,270)
Total reserves		567,452	1,869,650
Liabilities			
Insurance contract liabilities	11	55,555,628	48,918,147
Insurance contract liabilities - Unit Linked		801,603	916,192
Lease liabilities		453,511	421,300
Employee benefit liabilities		276,356	239,915
Reinsurance payables		548,633	1,038,267
Other liabilities		2,713,724	4,639,519
Bank overdraft		110,108	249,332
Total liabilities		60,459,563	56,422,672
Total reserves and liabilities		61,027,015	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 nine months ended 30 September 2022 were authorised for issue by the Board of Directors on 14 November 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 September 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 nine months ended 30 September

	2022 Rs. '000	2021 Rs. '000
Conventional	11,615,385	10,496,134
Unit linked	4,797	8,106
Total gross written premium	11,620,182	10,504,240

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 nine months ended 30 September

	2022 Rs. '000	2021 Rs. '000
Current tax expense for the period	216,586	111,238
	216,586	111,238

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.

The company paid Rs. 39.2 million surcharge tax liability in two instalments on 20 April 2022 and 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	30.09.2022 Rs. '000	31.12.2021 Rs. '000
Held to maturity financial assets (HTM)	34,078,392	28,941,570
Loans and receivables (L&R)	13,605,926	17,078,442
Available for sale financial assets (AFS)	11,233,076	7,055,752
Financial assets at fair value through profit or loss (FVTPL)	3,237,505	6,253,307
Total financial investments	62,154,899	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	30.09.2022 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	30.09.2022 Rs. '000	31.12.2021 Rs. '000
Life insurance fund	54,702,164	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
Effect of Taxation on Surplus / Bonus transferred to - Policyholders	(27,162)	(27,162)
Claim payables	484,775	465,447
Total insurance contract liabilities	55,555,628	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	30.09.2022 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	6,623,888	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	(6,593)	23,751
Balance as at period end - Conventional Life insurance	55,327,071	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	33,460	53,173
Net change in unclaimed benefits	25,921	61,293
Balance as at period end - Non unit fund of linked Life insurance	228,557	169,176
	55,555,628	48,918,147

12 Audit of the Interim Financial Statements

Figures for the nine 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 September	2022 Rs. '000	2021 Rs. '000
Investment in shares	517,418	727,869
payable for shared services	(28,898)	(102,372)

For the nine months ended 30 September	Transaction amount during the Period	
	2022 Rs. '000	2021 Rs. '000
Receiving of services	(97,038)	(76,259)
Dividends received / (paid)	(1,161,819)	(737,967)
Net Purchase / (Sale) of share Investments	(202,577)	41,581

Transactions with companies under common control

As at 30 September	2022 Rs. '000	2021 Rs. '000
Debenture, share Investments and distribution rights	1,487,135	1,951,417
payable for shared services	(22,627)	(12,188)

For the nine months ended 30 September	Transaction amount during the Period	
	2022 Rs. '000	2021 Rs. '000
Purchase of goods	(4,107)	(14,351)
Receiving of services	(260,895)	(75,275)
Purchase of property, plant and equipment and intangible assets	(29,935)	(809,225)
Interest received	67,250	96,648
Dividend received	504	1,513
Net Purchase / (Sale) of share Investments	25,584	(56,275)

Transactions with Associates

As at 30 September	2022 Rs. '000	2021 Rs. '000
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Amount receivable / (payable)	-	-
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For the nine months ended 30 September	Transaction amount during the Period	
	2022 Rs. '000	2021 Rs. '000

Receiving of services	(44,564)	(28,562)
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Companies controlled / jointly controlled / significantly influenced by KMP and their close family members

As at 30 September	2022 Rs. '000	2021 Rs. '000
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Investment in Unit Trusts	-	82,823
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For the nine months ended 30 September	Transaction amount during the Period	
	2022 Rs. '000	2021 Rs. '000

Receiving of services	(17,194)	(3,140)
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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 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 Life insurance business 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 Life insurance business 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 assessment.

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 Life insurance business 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 Life insurance business 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 September

	2022 Rs.	2021 Rs.
Last traded	28.30	270.00
Highest price per share for the period	34.00	290.00
Lowest price per share for the period	25.20	265.00

18 Net Assets Per Share

As at

	30.09.2022 Rs.	31.12.2021 Rs.
Net assets per share	20.92	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

	30.09.2022	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; where by one (01) ordinary share was subdivided in to 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 September 2022		As at 30 June 2022	
	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	5,168,750	0.9	5,168,750	0.9
5 Corporate Holdings (Private) Limited A/C No.01	1,493,730	0.3	1,493,730	0.3
6 People'S Leasing & Finance PLC / L.P.Hapangama	1,412,092	0.2	1,028,820	0.2
7 Captain D.V.H. Palihena	1,384,950	0.2	1,384,950	0.2
8 Mrs. A. Selliah	1,000,000	0.2	1,000,000	0.2
9 Rubber Investment Trust Limited A/C No.01	1,000,000	0.2	1,977,630	0.3
10 People's Merchant Finance PLC / P.T.S. De Silva	963,909	0.2	1,113,000	0.2
11 People's Leasing & Finance PLC / L.H.L.M.PHaradasa	784,940	0.1	784,940	0.1
12 People's Leasing Finance PLC / Dr. H.S.D. Soysa & Mrs. G. Soysa	623,000	0.1	731,350	0.1
13 Mr. J.D. Bandaranayake & Miss. N. Bandaranayake & Dr. (Mrs.) V. Bandaranayake	590,190	0.1	590,190	0.1
14 Mr. J.D. Bandaranayake & Dr. (Mrs.) V. Bandaranayake & Miss. I. Bandaranayake	590,190	0.1	590,190	0.1
15 Mr. H.A.D. Ratnapala	562,500	0.1	562,500	0.1
16 Mr. J.W. Nanayakkara	562,500	0.1	562,500	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	21,319,379	3.4	20,467,580	3.3
	589,285,720	100	589,285,720	100

21 Dividends Paid

For the nine months ended 30 September	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	30.09.2022	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	30.09.2022	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	30.09.2022	31.12.2021
Public shareholding (%)	10.00	10.00
Public shareholders	1,776	1,491
Compliant under option 1 - float adjusted market capitalization (LKR Bn)	1.7	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
Pan Asia Banking Corporation PLC

Reinsurance Panel

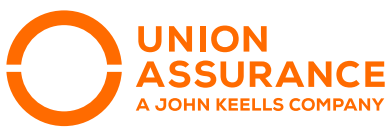
RGA
Hannover Re
Munich Re
Partner Re

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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