



A DEPENDABLE FORCE

Statement of Financial Position

As at,	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31st Mar 2024	31st Dec 2023	31st Mar 2024	31st Dec 2023
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets					
Property, Plant and Equipment		708,524	689,549	506,795	480,796
Right of Use Assets		577,836	428,871	521,391	368,716
Intangible Assets		62,875	63,924	56,990	57,566
Deferred Tax Assets		2,926	1,528	-	-
Financial Investments	3	46,216,084	43,855,383	40,731,704	38,530,656
Investment in Subsidiary		-	-	1,150,000	1,150,000
Loans to Life Policyholders		424,901	441,923	424,901	441,923
Reinsurance Receivables		1,524,492	1,329,157	455,332	325,283
Premium Receivables		3,129,728	1,858,407	108,640	45,940
Other Assets		1,438,335	1,262,852	1,116,051	983,945
Insurance Contract - Deferred Expenses		173,557	208,471	-	-
Cash and Cash Equivalents		1,268,894	1,123,004	809,903	666,222
Total Assets		55,528,152	51,263,069	45,881,707	43,051,047
Equity and Liabilities					
Equity Attributable to the Equity Holders					
Stated Capital		1,171,875	1,171,875	1,171,875	1,171,875
Retained Earnings		9,274,868	9,039,864	7,795,182	7,618,252
Available for Sale Reserve		210,849	174,358	139,656	106,834
Other Reserve		(21,290)	(21,290)	(21,175)	(21,175)
Life Policyholders' Available for Sale Reserve Fund	5	(272,025)	(469,286)	(272,025)	(469,286)
Restricted Regulatory Reserve	6	381,156	381,156	381,156	381,156
Equity Attributable to the Equity Holders		10,745,433	10,276,677	9,194,669	8,787,656
Non - Controlling Interest		-	-	-	-
Total Equity		10,745,433	10,276,677	9,194,669	8,787,656
Liabilities					
Insurance Contract Liabilities - Life Insurance	7	33,360,729	30,945,715	33,360,729	30,945,715
Insurance Contract Liabilities - General Insurance	8	4,832,146	4,694,303	-	-
Employee Defined Benefit Liabilities		357,154	333,860	208,146	192,127
Current Tax Liabilities		556,486	530,009	419,650	453,230
Reinsurance Creditors		1,706,874	696,915	472,791	302,211
Lease Creditors		614,165	450,304	560,405	395,383
Other Liabilities		3,062,065	2,864,015	1,514,658	1,814,178
Bank Overdrafts		293,100	471,271	150,659	160,547
Total Liabilities		44,782,719	40,986,392	36,687,038	34,263,391
Total Equity and Liabilities		55,528,152	51,263,069	45,881,707	43,051,047

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

These Condensed Consolidated Interim Financial Statements are in compliance with the requirements of the Companies Act, No. 07 of 2007.



Punsirini Perera
Chief Financial Officer

The Board of Directors is responsible for these Condensed Consolidated Interim Financial Statements.

Signed on behalf of the Board;



Rose Cooray
Chairperson

Colombo, Sri Lanka
30th April 2024



Ashoka Goonesekere
Director

Statement of Profit or Loss and Other Comprehensive Income

Group		Group		Company		Change		
(Audited)		Unaudited	Unaudited	Unaudited	Unaudited	Group	Company	
Year Ended		2024	2023	2024	2023	%	%	
31 st Dec 2023	For the Three Months Ended 31st March,	Rs. '000	Rs. '000	Rs. '000	Rs. '000			
Rs. '000		Note						
18,760,347	Gross Written Premium	9	6,205,818	5,493,350	3,336,506	2,914,607	13	14
(2,922,404)	Premium Ceded to Reinsurers		(1,497,849)	(999,201)	(177,396)	(136,017)	50	30
15,837,943	Net Written Premium		4,707,969	4,494,149	3,159,110	2,778,590	5	14
(138,553)	Net Change in Reserves for Unearned Premium		(161,004)	(473,557)	-	-	(66)	-
15,699,390	Net Earned Premium		4,546,965	4,020,592	3,159,110	2,778,590	13	14
	Other Revenue							
7,227,168	Interest and Dividend Income	10	1,898,453	1,771,337	1,681,991	1,544,022	7	9
(57,224)	Net Realised Gains		35,571	1,999	5,071	876	1,679	479
65,944	Net Fair Value (Losses)/Gains		(32,268)	(68,192)	9,344	(889)	(53)	1,151
317,623	Fee and Commission Income		132,853	112,321	56,260	69,747	18	(19)
12,046	Other Income		1,699	1,416	1,460	137	20	966
7,565,557	Total Other Revenue		2,036,308	1,818,881	1,754,126	1,613,893	12	9
23,264,947	Net Income		6,583,273	5,839,473	4,913,236	4,392,483	13	12
	Net Benefits, Claims and Expenses							
(6,666,084)	Net Insurance Benefits and Claims		(1,715,937)	(1,651,793)	(784,359)	(720,073)	4	9
(6,332,739)	Change in Contract Liabilities - Life Fund		(2,417,398)	(2,266,253)	(2,417,398)	(2,266,253)	7	7
(5,370,694)	Other Operating and Administration Expenses		(1,425,338)	(1,108,184)	(893,835)	(723,389)	29	24
(2,200,123)	Underwriting and Net Acquisition Costs		(590,112)	(478,445)	(503,891)	(384,051)	23	31
(183,812)	Finance and Other Insurance Related Costs		(62,471)	(15,410)	(62,451)	(25,315)	305	147
(20,753,452)	Total Benefits, Claims and Other Expenses		(6,211,256)	(5,520,085)	(4,661,934)	(4,119,081)	13	13
2,511,495	Profit Before Taxation		372,017	319,388	251,302	273,402	16	(8)
(746,846)	Income Tax Expense	11	(137,013)	(117,231)	(74,372)	(80,551)	17	(8)
1,764,649	Profit for the Period	12	235,004	202,157	176,930	192,851	16	(8)
	Other Comprehensive Income, Net of Related Tax							
	Items that are or may be reclassified to profit or loss							
1,401,847	- Net Change in fair value of Available For Sale Financial Assets		257,511	157,144	221,576	116,300	64	91
(38,955)	- Realised Gains transferred to Income Statement		(35,764)	-	(5,071)	-	(100)	(100)
49,549	- Amortisation of AFS reserve on reclassification		13,578	11,732	13,578	11,732	16	16
	- Net Change in fair value of Available For Sale Financial Assets							
(808,128)	transferred to Life Policyholders' Available For Sale Reserve Fund		(197,261)	(103,478)	(197,261)	(103,478)	91	91
(107,659)	- Tax related on items that are or may be reclassified to profit or loss	11	(1,573)	(12,253)	-	-	(87)	-
	Items that will never be reclassified to profit or loss							
(63,303)	- Actuarial Losses on Defined Benefit Plans		-	-	-	-	-	-
19,655	- Tax related on items that will never be reclassified to profit or loss	11	-	-	-	-	-	-
453,006	Total Other Comprehensive Income for the Period, Net of Related Tax		36,491	53,145	32,822	24,554	(31)	34
2,217,655	Total Comprehensive Income for the Period		271,495	255,302	209,752	217,405	6	(4)
	Profit Attributable to:							
1,764,649	Equity Holders of the Company		235,004	202,157	176,930	192,851	16	(8)
-	- Non-Controlling Interest		-	-	-	-	-	-
	Total Comprehensive Income Attributable to:							
2,217,655	Equity Holders of the Company		271,495	255,302	209,752	217,405	6	(4)
-	- Non-Controlling Interest		-	-	-	-	-	-
11.76	Basic and Diluted Earnings Per Share (Rs.)	13	1.57	1.35	1.18	1.29	16	(8)

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

Statement of Changes in Equity - Group

	Note	Statad Capital Rs. '000	Retained Earnings Rs. '000	Available for Sale Reserve Rs. '000	Other Reserve Rs. '000	Life Policyholders AFS Reserve Fund Rs. '000	Restricted Regulatory Reserve Rs. '000	Total Equity Rs. '000
Balance as at 01st January 2023		1,171,875	7,822,715	(322,296)	22,358	(1,277,414)	381,156	7,798,394
Comprehensive Income for the period		-	-	-	-	-	-	-
Profit for the period - Unaudited		-	202,157	-	-	-	-	202,157
Other Comprehensive Income for the period, Net of Related Tax		-	-	156,623	-	-	-	156,623
Net Change in fair value of Available For Sale Financial Assets		-	-	156,623	-	-	-	156,623
Net Change in fair value of Available For Sale Financial Assets - transferred to Life Policyholders Available For Sale Reserve Fund		-	-	(103,478)	-	-	-	(103,478)
Total Other Comprehensive Income for the period		-	-	53,145	-	-	-	53,145
Total Comprehensive Income for the period		-	202,157	53,145	-	-	-	255,302
Net Change in fair value of Available For Sale Financial Assets		-	-	-	-	103,478	-	103,478
- transferred from Available For Sale Reserve		-	-	-	-	-	-	-
Transactions with owners recorded directly in equity		-	-	-	-	-	-	-
Distributions to owners of the Parent		-	(547,500)	-	-	-	-	(547,500)
Final dividend to equity holders for 2022		-	7,477,372	(269,151)	-	-	-	7,609,674
Unaudited balance as at 31st March 2023		1,171,875	7,477,372	(269,151)	22,358	(1,173,936)	381,156	7,609,674
Comprehensive Income for the period		-	1,562,492	-	-	-	-	1,562,492
Profit for the period-Unaudited		-	1,562,492	-	-	-	-	1,562,492
Other Comprehensive Income for the period, Net of Related Tax		-	-	1,148,159	-	-	-	1,148,159
Net Change in fair value of Available For Sale Financial Assets		-	-	1,148,159	-	-	-	1,148,159
Net Change in fair value of Available For Sale Financial Assets - transferred to Life Policyholders Available For Sale Reserve Fund		-	-	(704,650)	-	-	-	(704,650)
Actual Losses on Defined Benefit Plans		-	-	-	(43,648)	-	-	(43,648)
Total Other Comprehensive Income for the period		-	-	443,509	(43,648)	-	-	399,861
Total Comprehensive Income for the period		-	1,562,492	443,509	(43,648)	-	-	1,962,353
Net Change in fair value of Available For Sale Financial Assets		-	-	-	-	704,650	-	704,650
- transferred from Available For Sale Reserve		-	-	174,358	(21,290)	(469,286)	381,156	10,276,677
Audited balance as at 31st December 2023		1,171,875	9,039,864	174,358	(21,290)	(469,286)	381,156	10,276,677
Balance as at 01st January 2024		1,171,875	9,039,864	174,358	(21,290)	(469,286)	381,156	10,276,677
Comprehensive Income for the period		-	235,004	-	-	-	-	235,004
Profit for the period-Unaudited		-	235,004	-	-	-	-	235,004
Other Comprehensive Income for the period, Net of Related Tax		-	-	233,752	-	-	-	233,752
Net Change in fair value of Available For Sale Financial Assets		-	-	233,752	-	-	-	233,752
Net Change in fair value of Available For Sale Financial Assets - transferred to Life Policyholders Available For Sale Reserve Fund		-	-	(197,261)	-	-	-	(197,261)
Total Other Comprehensive Income for the period		-	-	36,491	-	-	-	36,491
Total Comprehensive Income for the period		-	235,004	36,491	-	-	-	271,495
Net Change in fair value of Available For Sale Financial Assets		-	-	-	-	197,261	-	197,261
- transferred from Available For Sale Reserve		-	-	-	-	(272,025)	381,156	10,745,433
Unaudited balance as at 31st March 2024		1,171,875	9,274,868	210,849	(21,290)	(272,025)	381,156	10,745,433

Stated Capital represents 150 Million Ordinary Shares as at 31st March 2024 (2023 - 150 Million).

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

Statement of Changes in Equity - Company

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Available for Sale Reserve Rs. '000	Other Reserve Rs. '000	Life Policyholders A/P's Reserve Rs. '000	Restricted Regulatory Reserve Rs. '000	Total Equity Rs. '000
Balance as at 01st January 2023	1,177,875	6,552,433	(138,616)	3,972	(1,277,414)	381,156	6,693,406
Comprehensive Income for the period	-	-	-	-	-	-	-
Profit for the period - Unaudited	-	192,851	-	-	-	-	192,851
Other Comprehensive Income for the period, Net of Related Tax	-	-	128,032	-	-	-	128,032
Net Change in fair value of Available For Sale Financial Assets	-	-	128,032	-	-	-	128,032
Net Change in fair value of Available For Sale Financial Assets	-	-	(103,478)	-	-	-	(103,478)
- transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	24,554	-	-	-	24,554
Total Other Comprehensive Income for the period	-	-	24,554	-	-	-	24,554
Total Comprehensive Income for the period	-	192,851	24,554	-	-	-	217,405
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred from Available For Sale Reserve	-	-	-	103,478	-	-	103,478
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-
Distributions to owners of the Parent	-	(547,500)	-	-	-	-	(547,500)
Final dividend to equity holders for 2022	-	(547,500)	-	-	-	-	(547,500)
Unaudited balance as at 31st March 2023	1,177,875	6,197,784	(114,082)	3,972	(1,173,936)	381,156	6,466,769
Comprehensive Income for the period	-	1,420,468	-	-	-	-	1,420,468
Profit for the period-Unaudited	-	1,420,468	-	-	-	-	1,420,468
Other Comprehensive Income for the period, Net of Related Tax	-	-	925,546	-	-	-	925,546
Net Change in fair value of Available For Sale Financial Assets	-	-	925,546	-	-	-	925,546
Net Change in fair value of Available For Sale Financial Assets	-	-	(704,650)	-	-	-	(704,650)
- transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	(704,650)	-	-	-	(704,650)
Actuarial Losses on Defined Benefit Plans	-	-	-	(25,147)	-	-	(25,147)
Total Other Comprehensive Income for the period	-	-	220,896	(25,147)	-	-	195,749
Total Comprehensive Income for the period	-	1,420,468	220,896	(25,147)	-	-	1,616,217
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	704,650	-	704,650
- transferred from Available For Sale Reserve	-	-	106,834	(21,175)	(468,286)	381,156	8,787,656
Audited balance as at 31st December 2023	1,177,875	7,618,252	106,834	(21,175)	(468,286)	381,156	8,787,656
Comprehensive Income for the period	-	176,930	-	-	-	-	176,930
Profit for the period-Unaudited	-	176,930	-	-	-	-	176,930
Other Comprehensive Income for the period, Net of Related Tax	-	-	230,083	-	-	-	230,083
Net Change in fair value of Available For Sale Financial Assets	-	-	230,083	-	-	-	230,083
Net Change in fair value of Available For Sale Financial Assets	-	-	(197,261)	-	-	-	(197,261)
- transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	32,822	-	-	-	32,822
Total Other Comprehensive Income for the period	-	-	32,822	-	-	-	32,822
Total Comprehensive Income for the period	-	176,930	32,822	-	-	-	209,752
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	197,261	-	197,261
- transferred from Available For Sale Reserve	-	-	139,656	(21,175)	(272,025)	381,156	9,194,669
Unaudited balance as at 31st March 2024	1,177,875	7,795,182	139,656	(21,175)	(272,025)	381,156	9,194,669

Stated Capital represents 150 Million Ordinary Shares as at 31st March 2024 (2023 - 150 Million).
The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

Statement of Cash Flows

<i>For the period Ended 31st March,</i>	Group		Company	
	Unaudited 2024	Unaudited 2023	Unaudited 2024	Unaudited 2023
	Note	Rs. '000	Rs. '000	Rs. '000
Cash Flows From Operating Activities				
Profit Before Taxation	372,017	319,388	251,302	273,402
<i>Adjustments for:</i>				
Interest Income	10 (1,894,952)	(1,767,624)	(1,678,522)	(1,540,406)
Dividend Income	10 (3,501)	(3,713)	(3,469)	(3,616)
Amortisation of Intangible Assets	5,217	5,187	4,744	4,872
Depreciation of Property, Plant and Equipment	40,568	24,854	30,989	17,842
Net Depreciation of Right of Use Assets	55,170	40,950	51,397	38,450
Interest Expense of Lease Creditors	33,586	13,466	31,306	12,224
Provision for Employee Benefits	31,689	22,631	20,639	16,382
Net Realised Gains	(35,571)	(1,999)	(5,071)	(876)
Net Fair Value Losses/(Gains)	32,268	68,192	(9,344)	889
Gains on Disposal of Property, Plant and Equipment	(875)	(200)	(875)	(85)
	(1,364,384)	(1,278,868)	(1,306,904)	(1,180,922)
Net Change in Operating Assets	A (1,598,721)	(1,148,385)	(316,351)	(262,219)
Net Change in Operating Liabilities	B 3,760,867	3,200,794	2,286,074	2,159,698
Cash Flows from Operating Activities	797,762	773,541	662,819	716,557
Gratuity Paid	(8,395)	(7,367)	(4,620)	(1,470)
Income Tax Paid	(113,508)	(115,028)	(107,953)	(94,255)
Net Cash Generated from Operating Activities	675,859	651,146	550,246	620,832
Cash Flows from Investing Activities				
Acquisition of Financial Investments	(21,112,905)	(31,225,424)	(14,900,276)	(23,677,931)
Proceeds from Maturity of Financial Investments	18,143,580	28,920,498	12,468,273	21,630,111
Proceeds from Sale of Financial Investments	1,049,397	628,929	745,891	290,856
Interest Received	1,693,393	1,012,988	1,408,670	917,504
Dividend Received	2,916	2,780	2,884	2,683
Acquisition of Intangible Assets	(4,168)	(3,512)	(4,168)	(3,512)
Acquisition of Property, Plant and Equipment	(59,593)	(85,169)	(57,038)	(63,692)
Proceeds from the Disposal of Property, Plant and Equipment	925	1,535	925	85
Advance Paid to Right of Use asset	(4,800)	(6,060)	(4,800)	(2,648)
Net Cash Used in Investing Activities	(291,255)	(753,435)	(339,639)	(906,544)
Cash Flows from Financing Activities				
Payment of Lease Liabilities	(60,543)	(29,673)	(57,038)	(27,363)
Net Cash Used in Financing Activities	(60,543)	(29,673)	(57,038)	(27,363)
Net Decrease in Cash and Cash Equivalents (Net of Book OD)	324,061	(131,962)	153,569	(313,075)
Cash and Cash Equivalents at the beginning of the period (Net of Book OD)	651,733	767,766	505,675	623,725
Cash and Cash Equivalents at the end of the period (Net of Book OD)	C 975,794	635,804	659,244	310,650

Notes to the Statement of Cash Flows

<i>For the period Ended 31st March,</i>	Group		Company	
	Unaudited 2024	Unaudited 2023	Unaudited 2024	Unaudited 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Notes to the Cash Flow Statement				
A. Change in Operating Assets				
Decrease/(Increase) in Deferred Expenses	34,914	(1,154)	-	-
Decrease/(Increase) in Loans to Life Policyholders	17,022	(1,292)	17,022	(1,292)
Increase in Reinsurance Receivables	(195,335)	(166,444)	(130,049)	(74,048)
Increase in Premium Receivables	(1,271,321)	(930,966)	(62,700)	(67,439)
Increase in Other Assets	(184,001)	(48,529)	(140,624)	(119,440)
Net Change in Operating Assets	(1,598,721)	(1,148,385)	(316,351)	(262,219)
B. Change in Operating Liabilities				
Increase/(Decrease) in Other Liabilities	198,051	72,961	(299,520)	(150,185)
Increase in Insurance Contract Liabilities (before tax) - Life Insurance	2,415,014	2,287,220	2,415,014	2,287,220
Increase in Insurance Contract Liabilities - General Insurance	137,843	516,633	-	-
Increase in Reinsurance Creditors	1,009,959	323,980	170,580	22,663
Net Change in Operating Liabilities	3,760,867	3,200,794	2,286,074	2,159,698
C. Cash and Cash Equivalents at the end of the period				
Cash in Hand and at Bank	1,268,894	899,062	809,903	430,400
Bank Overdrafts	(293,100)	(263,258)	(150,659)	(119,750)
Cash and Cash Equivalents (Net of Book OD)	975,794	635,804	659,244	310,650

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and at bank, net of outstanding bank overdraft as shown above.

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

Operating Segment Information - Assets and Liabilities

As at,	Unaudited		Audited	
	31st March 2024		31st December 2023	
	Life Insurance Rs. '000	General Insurance Rs. '000	Life Insurance Rs. '000	General Insurance Rs. '000
Assets				
Property, Plant and Equipment	506,795	201,729	480,796	208,753
Right of Use Assets	521,391	56,445	368,716	60,155
Intangible Assets	56,990	5,885	57,566	6,358
Deferred Tax Assets	-	2,926	-	1,528
Financial Investments	40,731,704	5,484,380	38,530,656	5,324,727
Investment in Subsidiary	1,150,000	-	1,150,000	-
Loans to Life Policyholders	424,901	-	441,923	-
Reinsurance Receivables	455,332	1,069,160	325,283	1,003,874
Premium Receivables	108,640	3,022,867	45,940	1,923,779
Other Assets	1,116,051	426,575	983,945	378,257
Insurance Contract - Deferred Expenses	-	173,557	-	208,471
Cash and Cash Equivalents	809,903	458,991	666,222	456,782
Total Assets	45,881,707	10,902,515	43,051,047	9,572,684
Liabilities				
Insurance Contract Liabilities - Life Insurance	33,360,729	-	30,945,715	-
Insurance Contract Liabilities - General Insurance	-	4,832,146	-	4,694,303
Employee Defined Benefit Liabilities	208,146	149,008	192,127	141,733
Current Tax Liabilities	419,650	136,836	453,230	76,779
Reinsurance Creditors	472,791	1,234,083	302,211	394,704
Lease Creditors	560,405	53,760	395,383	54,921
Other Liabilities	1,514,658	1,653,478	1,814,178	1,260,499
Bank Overdrafts	150,659	142,441	160,547	310,724
Total Liabilities	36,687,038	8,201,752	34,263,391	6,933,663

Operating Segment Information - Profitability

For the period Ended,	Unaudited		Unaudited	
	31st March 2024		31st March 2023	
	Life Insurance Rs. '000	General Insurance Rs. '000	Life Insurance Rs. '000	General Insurance Rs. '000
Gross Written Premium	3,336,506	2,886,410	2,914,607	2,645,208
Premium Ceded to Reinsurers	(177,396)	(1,320,453)	(136,017)	(863,184)
Net Written Premium	3,159,110	1,565,957	2,778,590	1,782,024
Net Change in Reserves for Unearned Premium	-	(161,004)	-	(473,557)
Net Earned Premium	3,159,110	1,404,953	2,778,590	1,308,467
Other Revenue				
Interest and Dividend Income	1,681,991	216,462	1,544,022	227,315
Net Realised Gains	5,071	30,500	876	1,123
Net Fair Value Gains/(Losses)	9,344	(41,612)	(889)	(67,303)
Fee and Commission Income	56,260	84,981	69,747	49,375
Other Income	1,460	239	137	1,279
Total Other Revenue	1,754,126	290,570	1,613,893	211,789
Net Income	4,913,236	1,695,523	4,392,483	1,520,256
Net Benefits, Claims and Expenses				
Net Insurance Benefits and Claims	(784,359)	(931,623)	(720,073)	(931,763)
Change in Contract Liabilities - Life Fund	(2,417,398)	-	(2,266,253)	-
Other Operating and Administration Expenses	(893,835)	(552,728)	(723,389)	(454,736)
Underwriting and Net Acquisition Cost	(503,891)	(90,437)	(384,051)	(97,676)
Finance and Other Insurance Related Costs	(62,451)	(20)	(25,315)	9,905
Total Benefits, Claims and other Expenses	(4,661,934)	(1,574,808)	(4,119,081)	(1,474,270)
Profit Before Taxation	251,302	120,715	273,402	45,986
Income Tax Expense	(74,372)	(62,641)	(80,551)	(36,680)
Profit for the Period	176,930	58,074	192,851	9,306

Notes to the Condensed Consolidated Interim Financial Statements

1 CORPORATE INFORMATION

1.1 Reporting Entity

HNB Assurance PLC (“the Company”) is a public limited liability Company incorporated on 23rd August 2001 and domiciled in Sri Lanka. The registered office of the Company is situated at No. 479, T B Jayah Mawatha, Colombo 10 and the principal place of business is situated at No. 30, Iceland Business Centre, Sri Uttararanda Mawatha, Colombo 03. The Ordinary Shares of the Company are listed on the Colombo Stock Exchange (CSE).

The Group’s controlling entity and ultimate parent undertaking is Hatton National Bank PLC which is a licensed Commercial Bank incorporated in Sri Lanka.

1.2 Approval of Financial Statements

The Condensed Consolidated Interim Financial Statements were authorised for issue by the Board of Directors on 30th April 2024.

Figures in these Condensed Consolidated Interim Financial Statements for the period ended 31st March 2024 are provisional and unaudited.

2 BASIS OF PREPARATION

These Condensed Consolidated Interim Financial Statements of the Group and Company have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting and comply with the requirements of the Companies Act, No. 7 of 2007 and the Regulation of Insurance Industry Act, No. 43 of 2000 and subsequent amendments thereto.

These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2023. 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 31st December 2023.

Comparative information has been re-valued/re-classified where necessary, to conform to the current period recognition, measurement and presentations.

2.1 Temporary Exemption for Application of SLFRS 09

SLFRS 9 addresses the accounting for financial instruments and is effective for annual periods beginning on or after 01st January 2018. However, for an insurer that meets the criteria in paragraph 20B of SLFRS 4 (Amended) which provides a temporary exemption that permits, but does not require, the insurer to apply LKAS 39 Financial Instruments: Recognition and Measurement rather than SLFRS 9 for annual periods beginning before 01st January 2026.

Having considered the above, since HNB Assurance PLC and HNB General Insurance Limited are predominantly carrying out Insurance activities, both Companies continue to apply LKAS 39 Financial Instruments: Recognition and Measurement rather than SLFRS 9 for the annual periods beginning before 01st January 2026.

Group has not early adopted the new SLFRSs and interpretations issued but not yet effective.

3 FINANCIAL INVESTMENTS

As at,	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31st Mar 2024	31st Dec 2023	31st Mar 2024	31st Dec 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Held to Maturity Financial Assets	12,415,780	11,841,560	12,415,780	11,841,560
Loans and Receivables	18,855,801	18,034,314	16,127,475	15,621,404
Available for Sale Financial Assets	14,300,227	13,393,030	11,707,084	10,611,510
Financial Assets at Fair Value Through Profit or Loss	644,276	586,479	481,365	456,182
Total Financial Investments	46,216,084	43,855,383	40,731,704	38,530,656

Notes to the Condensed Consolidated Interim Financial Statements

4 THE ACCOUNTING POLICY FOR CONSOLIDATION OF SUBSIDIARY

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies and unrealised losses are eliminated. Amounts reported by subsidiary companies are adjusted to conform with the Group's accounting policies where necessary.

5 LIFE POLICYHOLDERS' AVAILABLE FOR SALE RESERVE FUND

Life Policyholders' Available For Sale Reserve Fund includes the fair value changes recorded in Other Comprehensive Income in respect of Life Insurance related assets.

Unrealised gains and losses of Available For Sale Financial Assets of Life Insurance are included under Life Policyholders' Available For Sale Reserve Fund in Equity.

6 RESTRICTED REGULATORY RESERVE

As at,	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31st Mar 2024 Rs. '000	31st Dec 2023 Rs. '000	31st Mar 2024 Rs. '000	31st Dec 2023 Rs. '000
Balance at the end of the period	6.2	381,156	381,156	381,156	381,156

6.1 Nature and Purpose of Reserve

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has issued Direction No. 16 on 20th March 2018 on "Identification and Treatment of One-off Surplus" and has instructed all Life Insurance Companies to comply with the Direction. Based on the Direction, Life Insurance Companies are allowed to transfer One-off surplus attributable to Policyholders' Non-Participating Fund to Shareholders' Fund. The transfer has been presented as a separate reserve in the Statement of Financial Position as "Restricted Regulatory Reserve" under Equity in accordance with the Direction above. The distribution of One-off Surplus to Shareholders as dividend shall remain restricted until the requirements disclosed in Note (6.4) are met. As required by the said Direction, the Company received the approval for this transfer on 11th May 2018.

6.2 As required by the IRCSL, every registered insurer was required to apply Solvency Margin (Risk Based Capital) Rules with effect from 01st January 2016. According to the Risk Based Capital rules, all Insurers are required to value Life Insurance Policy Liabilities as per the Gross Premium Valuation (GPV) method and valuation rules and methodologies stipulated by the IRCSL. The change in the valuation method from NPV to GPV resulted in a release in Life Policyholder Liabilities of the Company as of 01st January 2016.

The IRCSL had directed insurance Companies to maintain this One-off Surplus arising from change in the policy liability valuation within the Long-Term Insurance Fund/Insurance Contract Liabilities separately in the name of "Surplus created due to change in valuation method from NPV to GPV" and not to transfer/distribute any part of the surplus until specific instructions are issued in this regard.

Surplus created due to Change in Valuation Method

Description		Participating Fund Rs. '000	Non Participating Fund Rs. '000	Total Rs. '000
Value of Insurance contract liability based on NPV as at 31st December 2015	A	2,988,500	3,856,964	6,845,464
Value of Insurance contract liability based on GPV as at 31st December 2015	B	3,015,001	3,475,808	6,490,809
Zerorisation of Negative Surplus as per Direction No. 16	C	26,501	-	26,501
Surplus created due to Change in Valuation Method				
- One-off Surplus as at 01st January 2016	A-B+C	-	381,156	381,156

Notes to the Condensed Consolidated Interim Financial Statements

The One-off surplus in the Shareholder's Fund will remain invested in Term Deposits as disclosed in Note No. 6.3 as per the Direction of IRCSL.

The financial ratios presented in these Condensed Consolidated Interim Financial Statements have been determined in accordance with Sri Lanka Accounting Standards. Additionally, the Company has voluntarily presented financial ratios without One-off Surplus impact. As per the Direction One-off Surplus in respect of Participating business is to be held within the Participating Fund as part of the unallocated valuation surplus and may only be transferred to the Shareholder Fund by means of bonuses to Policyholders in line with Section 38 of the "Regulation of Insurance Industry Act, No. 43 of 2000"

6.3 Composition of Investments Supporting the Restricted Regulatory Reserve as at 31st March 2024

Based on the Direction issued by IRCSL following Instruments have been marked to support the Restricted Regulatory Reserve of the Company.

Asset Category	Fair Value / Carrying Value 31st Mar 2024 (Rs. '000)
As at,	
Term Deposits	384,392

6.4 Distribution of One-off Surplus

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.

7 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE

As at,	Note	Group		Company	
		Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
Life Insurance Fund	7.1	33,093,438	30,676,040	33,093,438	30,676,040
Claims Outstanding		267,291	269,675	267,291	269,675
Total Insurance Contract Liabilities		33,360,729	30,945,715	33,360,729	30,945,715

7.1 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE FUND

As at,	Note	Group		Company	
		Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
The Movement in the Life Insurance Fund is as follows:					
Balance as at the beginning of the period		30,676,040	24,363,630	30,676,040	24,363,630
Change in Contract Liabilities Life Fund					
Increase in Life Insurance Fund Before Surplus Distribution to Shareholders		2,417,398	7,647,739	2,417,398	7,647,739
Surplus Distributed to Shareholders		-	(1,315,000)	-	(1,315,000)
Increase in Life Insurance Fund		2,417,398	6,332,739	2,417,398	6,332,739
Effect of Taxation on surplus/Bonus transferred to Policyholders		-	(20,329)	-	(20,329)
Balance as at the end of the period		33,093,438	30,676,040	33,093,438	30,676,040

7.2 A Liability Adequacy Test ("LAT") for Life Insurance contract Liability was carried out by Mr. Abhishek Chadha, FIA, FIAI on behalf of Willis Towers Watson India Private Limited, as at 31st December 2023 as required by SLFRS 4 - Insurance Contracts. When performing the LAT, the Company discounts all contractual cash flows and compares this amount with the carrying value of the liability. The valuation is based on internationally accepted actuarial methods and is performed semi-annually. According to the Appointed Actuary's report, assets are sufficiently adequate as compared to the discounted cash flow reserves and in contrast to the reserves as at 31st December 2023.

Notes to the Condensed Consolidated Interim Financial Statements

8 INSURANCE CONTRACT LIABILITIES - GENERAL INSURANCE

As at,	Group		Company	
	Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
Reserves for Net Unearned Premium	3,113,921	2,960,146	-	-
Reserves for Title Insurance	56,209	48,980	-	-
Reserves for Gross Outstanding Claims	1,662,016	1,685,177	-	-
Total Insurance Contract Liabilities	4,832,146	4,694,303	-	-

8.1 Company's Chief Actuarial Officer has carried out the IBNR/IBNER valuation as at 31st March 2024 and ensured that adequate provisions have been made in these Condensed Consolidated Interim Financial Statements.

8.2 Liability Adequacy Test

A Liability Adequacy Test ("LAT") for the General Insurance Contract Liability is performed semi-annually. As at 31st December 2023, LAT was performed by the Appointed Actuary, Ms. Sipika Tandon Mathur, FIAI, for and on behalf of Willis Towers Watson India Private Limited as required by SLFRS 4 - Insurance Contracts. According to the Appointed Actuary's report, HNB General Insurance Ltd adequately satisfies the LAT requirement as at 31st December 2023.

9 GROSS WRITTEN PREMIUM

Group		Group		Company	
Audited For the Year Ended 31st Dec 2023 Rs. '000	For the Three Months Ended,	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000
Life Insurance					
10,489,484	Individual Policies	3,210,316	2,760,439	3,210,316	2,760,439
433,810	Corporate Policies	126,190	154,168	126,190	154,168
(46,396)	Adjustment for Inter Company Premiums	(11,218)	(13,871)	-	-
10,876,898	Gross Written Premium - Life Insurance	3,325,288	2,900,736	3,336,506	2,914,607
General Insurance					
1,488,609	Fire	809,811	561,408	-	-
4,519,986	Motor	1,272,073	1,235,432	-	-
123,154	Marine	88,051	36,624	-	-
1,904,521	Miscellaneous	716,475	811,744	-	-
(152,821)	Adjustment for Inter Company Premiums	(5,880)	(52,594)	-	-
7,883,449	Gross Written Premium - General Insurance	2,880,530	2,592,614	-	-
18,760,347	Total Gross Written Premium	6,205,818	5,493,350	3,336,506	2,914,607

10 INTEREST AND DIVIDEND INCOME

Group		Group		Company	
Audited For the Year Ended 31st Dec 2023 Rs. '000	For the Three Months Ended,	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000
7,217,300	Interest Income	1,894,952	1,767,624	1,678,522	1,540,406
9,868	Dividend Income	3,501	3,713	3,469	3,616
7,227,168	Total	1,898,453	1,771,337	1,681,991	1,544,022

Notes to the Condensed Consolidated Interim Financial Statements

11 INCOME TAX EXPENSE

Group		Group		Company	
Audited For the Year Ended 31st Dec 2023 Rs. '000	For the Three Months Ended,	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000
(763,993)	Income Tax Charge	(139,984)	(116,556)	(74,372)	(80,551)
27,045	Over Provision of Income Taxes in respect of prior Period	-	-	-	-
(9,898)	Deferred Tax - Recognised through Profit or Loss	2,971	(675)	-	-
(746,846)	Total Tax charge in Profit or Loss	(137,013)	(117,231)	(74,372)	(80,551)
	Deferred tax on net change in debt instruments				
(107,659)	categorised under Available for Sale	(1,573)	(12,253)	-	-
19,655	Deferred tax on actuarial losses on defined benefit plans	-	-	-	-
(88,004)	Total Tax charge in Other Comprehensive Income	(1,573)	(12,253)	-	-

Income Tax

As per the Inland Revenue (Amendment) Act, No 45 of 2022 income tax rates applicable to Company and Subsidiary is 30%.

Deferred Tax Assets

The Company's deferred tax asset of Rs. 1,454.5 Million which was recognized in 2018, on account of brought forward tax losses, was fully utilized against taxable income by 31st December 2022. Accordingly, the Company has charged an income tax expense of Rs. 74 Million for the period ended 31st March 2024.

12 PROFIT FOR THE PERIOD

Audited For the Year Ended 31st Dec 2023 Rs. '000	For the Three Months Ended,	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000
Company - HNB Assurance PLC			
1,315,000	Surplus Transferred from Life Policyholders' Fund to Shareholders' Fund	-	-
954,042	Profit from Life Shareholders' Fund	251,302	273,402
(655,723)	Income Tax Expense	(74,372)	(80,551)
1,613,319	Profit for the Period	176,930	192,851
Subsidiary - HNB General Insurance Ltd			
242,453	Profit Before Tax	120,715	45,986
(91,123)	Income Tax and Deferred Tax Expense	(62,641)	(36,680)
151,330	Profit for the Period	58,074	9,306
1,764,649	Profit for the Period - Group	235,004	202,157

Notes to the Condensed Consolidated Interim Financial Statements

13 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic Earnings Per Share is calculated by dividing the profit after tax for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. There were no potential dilutive ordinary shares outstanding at any time during the period. Therefore, Diluted Earnings Per Share is same as Basic Earnings Per Share.

<i>For the Three Months Ended,</i>	Group		Company	
	Unaudited 31st Mar 2024	Unaudited 31st Mar 2023	Unaudited 31st Mar 2024	Unaudited 31st Mar 2023
Profit for the Period (Rs. '000)	235,004	202,157	176,930	192,851
Weighted average number of shares ('000)	150,000	150,000	150,000	150,000
Basic and Diluted Earnings Per Share (Rs.)	1.57	1.35	1.18	1.29

14 RELATED PARTY DISCLOSURES

14.1 Transactions and Outstanding Balances with the Parent and Ultimate Controlling Party - Hatton National Bank PLC

<i>Transactions</i>	Group		Company	
	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000
<i>For the Three Months Ended,</i>				
Insurance Premium	127,039	118,464	-	-
Claims Incurred	32,885	25,592	26,613	14,850
Investment Income	138,086	131,542	125,793	104,151
Administration Expenses	161,118	126,127	123,119	93,108
Rent and Other Operational Expenses	5,420	5,587	3,357	3,832

<i>Outstanding Balances</i>	Group		Company	
	Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
<i>As at,</i>				
Investment Balance (Include Deposits & Debentures)	3,103,026	3,017,870	2,738,453	2,636,221
Cash at Bank Balances	943,841	625,665	638,073	503,848
Premium Receivable	178,619	175	-	-
Administration Expenses Payable	68,001	92,914	46,103	72,467
Rent and Other Operational Expenses Payable	1,917	157	1,153	100

14.2 Transactions and Outstanding Balances with the Subsidiary Company - HNB General Insurance Ltd.

<i>Transactions</i>	Unaudited	Unaudited
	31st Mar 2024 Rs. '000	31st Mar 2023 Rs. '000
<i>For the Three Months Ended,</i>		
Insurance Premium	11,218	13,871
Insurance Expenses	5,880	52,594
Claims Received	45	43
Claims Paid	2,400	4,000
Reimbursement Expenses Relating to Employees	22,843	33,875
Other Reimbursement Expenses	77,580	66,689
Fund Management Fee	4,172	3,519
Profit Commission Expense	4,216	3,282
<i>Outstanding Balances</i>		
<i>As at,</i>		
Premium Payable to HNB General Insurance Limited	1,779	111,312
Receivable from HNB General Insurance Limited	104,291	99,350

Notes to the Condensed Consolidated Interim Financial Statements

14.3 Transactions and Outstanding Balances with/between Subsidiary Companies of the Ultimate Controlling Party

Transactions For the Three Months Ended,	Group		Company	
	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000
	Insurance Premium	118,219	130,812	51,692
Claims Incurred	17,295	1,966	16,167	-
Investment Income	18,770	52,156	16,207	42,262
Administration Expenses	8,602	10,245	2,540	4,273

Outstanding Balances As at,	Group		Company	
	Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
	Investments Balance (Includes Deposits, Debentures and Repo)	894,235	158,180	616,090
Cash at Bank Balances	49	14	49	14
Premium Receivable	25,534	27,525	6,671	8,028
Administration Expenses Payable	4,179	5,822	500	465

14.4 Transactions with Key Management Personnel/Directors of the Group or its Parent Hatton National Bank PLC

Transactions For the Three Months Ended,	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2023 Rs. '000
Director Fee	7,940	6,879
Short-term and Post Employment Benefits	43,605	34,780
Insurance Premium	1,381	1,298
Claims Paid including Maturities	901	54

Appointment of the Board of Directors

Mr. Lokugan Hewage Ananda Lakshman Silva was appointed as a Independent Non-Executive Director of HNB Assurance PLC w.e.f. 01st January 2024.

Dr. Prasanna Sankalpa Gamwarige was appointed as a Independent Non-Executive Director of HNB Assurance PLC w.e.f. 01st January 2024.

Mr. Prawira Rimoe Saldin was appointed as a Non-Independent Non-Executive Director of HNB Assurance PLC w.e.f. 19th February 2024.

Resignation/Retirement of the Board of Directors

Ms. Chiranthi Cooray resigned as a Non-Independent Non-Executive Director of HNB General Insurance Limited w.e.f. 24th January 2024.

Mrs. Marina Anneliese Tharmarathnam has retired from the Board of HNB General Insurance Limited w.e.f. 31st March 2024.

The nature of the related party transactions in the current period was similar to those reported in the Audited Financial Statements for the year ended 31st December 2023, except for the above changes.

Notes to the Condensed Consolidated Interim Financial Statements

15 RELATED IMPLICATIONS OF FOREIGN EXCHANGE RATES

Sri Lanka has been facing foreign exchange crisis with the economic situation in the country. The direct exposure to foreign exchange rates of the Group is minimum due to the limited transactions carried out with foreign counter parties and the Group continues to monitor its effects on financial statements under various stressed scenarios.

Further, Group does not hold any investments in Sri Lanka Development Bonds (SLDBs) and International Sovereign Bonds (ISBs).

However, the Board continue to monitor the potential implications of these factors on the groups business activities, profitability, solvency and liquidity position and will take proactive action to meet future obligations and ensure business continuity.

16 EVENTS OCCURRING AFTER THE REPORTING DATE

Dividend payment for the year 2023

The first and final dividend declared by the Company for the year ended 31st December 2023, of Rs. 3.90 per share totaling to Rs. 585 Million was approved by the shareholders at the Annual General Meeting held on 2nd April 2024 and was paid by 26th April 2024.

Appointment of the Board of Directors

Ms. Dayalanie Abeygunawardena was appointed as a Independent Non-Executive Director of HNB General Insurance Limited w.e.f. 01st April 2024.

Other than mentioned above there have been no material events that occurred after the reporting date that require adjustments or disclosure in these Condensed Consolidated Interim Financial Statements.

17 CAPITAL COMMITMENTS

The Group has committed an expense of Rs. 400 Million as at 31st March 2024 for purchase of computer hardware, software and other equipment (As at 31st December 2023 – Rs. 407.16 Million for the purchase of computer hardware, software and Other equipment).

As at end of the financial period, other than the disclosed above no material capital expenditure approved by the Board of Directors and contracted for which no provision has been made in the Condensed Consolidated Interim Financial Statements.

18 CONTINGENCIES

18.1 Income Tax

The Company has received Income Tax Assessments for Life Insurance Taxation for the years of assessment 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17, 2017/18, 2018/19 and 2019/20.

The Commissioner General of the Inland Revenue (CGIR) has issued assessments for years of assessment 2011/12 and 2012/13 challenging tax losses claimed by the company amounting to Rs. 310 Million and Rs. 278 Million respectively. The company has lodged an appeal with the Tax Appeals Commission, however, the Commission dismissed the appeal. The company has filed against cases in the Court of Appeal being dissatisfied with the determinations of Tax Appeals Commission. The Company is awaiting for the decision of Court of Appeal.

The CGIR has issued determinations for the years of assessment 2014/15, 2017/18 and 2019/20, for which the company has made appeals to the Tax Appeals Commission. The Company is in the process of hearing these appeals with Tax Appeals

Notes to the Condensed Consolidated Interim Financial Statements

Commission for the assessments totaling to Rs. 849 Million including penalties of Rs. 144 Million.

The CGIR has issued tax assessments in relation to the year of assessment 2015/16 and 2018/19, amounting to a total of Rs. 700 Million including penalties of Rs. 83 Million. The Company has appealed against these assessments and awaiting for IRD determination.

Assessments raised on the Company for 2013/14 and 2016/17 (with tax in dispute and penalties totaling to Rs. 132 Mn and Rs. 290 Mn respectively) were determined by Tax Appeals Commission in favour of the Company by allowing the appeals, annulling the assessments and setting aside the determinations of CGIR.

In the view of the Company and its Tax Consultants, these Assessments do not conform to the description of requirements stated under the Section 92 of Inland Revenue Act, No. 10 of 2006 and Section 67 of the Inland Revenue Act, No. 24 of 2017. Further, the basis for these Income Tax Assessments has been same for all Life Insurance companies in the insurance industry.

Subsidiary Company HNB General Insurance Limited also received income tax Assessments for the years of assessment 2018/19 and 2019/20 amounting to a total of Rs. 289 Million including penalties of Rs. 16 Million. HNB General Insurance Limited has duly appealed against these assessments and awaiting for CGIR determination.

The management and the Company's Tax Consultant are of the view that the company has followed the due process and acted in accordance with the prevailing laws in its tax compliances and therefore, the probability of the Company/Subsidiary having to settle any of these tax assessments is very low. As an outflow of resources is not expected, no provision is made in the Financial Statements.

18.2 VAT & NBT On Financial Services

The Company received Six Notices of Assessments on VAT and NBT on Financial Services (FS) for the taxable periods 01.01.2014 to 31.12.2014, 01.01.2015 to 31.12.2015, 01.01.2016 to 31.12.2016, 01.01.2017 to 31.12.2017, 01.01.2018 to 31.12.2018 and 01.01.2019 to 31.12.2019.

The CGIR has issued its determinations for the appeals lodged by the Company on assessments issued relating to VAT on Financial Services (VAT on FS) for the taxable periods 01.01.2014 to 31.12.2014 amounting to Rs. 31.59 Million, including penalty of Rs. 10.53 Million against the company. The Company duly appealed to the Tax Appeals Commission and who is in the process of hearing these appeals.

The CGIR has issued determinations on the appeals filed by the Company relating to the VAT on FS assessments raised for the taxable periods 01.01.2017 to 31.12.2017 and 01.01.2018 to 31.12.2018 totaling to Rs. 162.70 Million including penalties of Rs. 54.23 Million, in favor of CGIR. The Company is in the process of filing appeals with the Tax Appeals Commission against these assessments.

The CGIR has issued tax assessment for the taxable period 01.01.2019 to 31.12.2019, amounting to Rs. 93.72 Million including penalty of Rs. 31.24 Million. The Company has duly appealed against this assessment and is awaiting the CGIR determination.

The VAT/NBT on FS assessments raised on the Company for 01.01.2015 to 31.12.2015 and 01.01.2016 to 31.12.2016 with tax in dispute and penalties totaling to Rs. 34.77 Million and Rs. 43.3 Million respectively were determined by Tax Appeals Commission in favour of the Company by allowing the appeals, annulling the assessments and setting aside the determinations of CGIR.

Further, subsidiary Company HNB General Insurance Limited also received VAT on FS Assessments for taxable periods 01.01.2018 to 31.12.2018 and 01.01.2019 to 31.12.2019 from CGIR totaling to Rs. 32.68 Million including penalties of Rs.

Notes to the Condensed Consolidated Interim Financial Statements

10.90 Million. HNB General Insurance Limited has duly appealed against these assessments and is awaiting for CGIR determination.

Company and Subsidiary have duly appealed for all assessments as the Group's stance is that, it is in the business of Insurance hence it is not liable for VAT or NBT on FS. Other insurers have also received similar assessments and have appealed against them. As an outflow of resources is not expected, no provision is made in the Financial Statements.

18.3 Value Added Tax

The Company and its Subsidiary have received VAT notice of assessments. The Company has duly appealed against these Assessments in consultation with the Tax Consultants on the basis that no proper reasons were communicated as to why the penalty and default notices were raised against the Company. However, Company has not received any communication from IRD yet. In addition, Company is in the process of settling few VAT assessments together with Company's tax Consultants. As such no provision has been made in the Financial Statements for the tax in dispute which amounts to Rs. 6.24 Million. Further, the subsidiary company, HNB General Insurance Limited, has received tax assessments amounting to Rs. 389.97 Million on VAT returns filed and the subsidiary has duly appealed against the assessments.

18.4 Value Added Tax (VAT) On Reinsurance

The Company received an Assessment on Value Added Tax (VAT) on Reinsurance Claims on 26th April 2013 from the IRD in respect of the period of Assessment 2010/2011 for which the Company filed responses in consultation with Company's Tax Consultant to IRD and upon the receipt of determination from IRD, the Company made an appeal to the Tax Appeals Commission (TAC) of Sri Lanka. The TAC has granted their final determination on 26th March 2018 confirming the determination made by IRD and dismissed the appeal made by the Company. The Company has filed a case in the Court of Appeal with the consultation of Tax Consultant and Company's Lawyers. Total tax in dispute and penalty for the Assessment on Value Added Tax (VAT) on Reinsurance Claims amounts to Rs. 21.99 Million.

Management and the Company's/Subsidiary's Tax Consultant are of the view that the company has followed the due process and acted in accordance with the prevailing laws in its tax compliances and therefore, the probability of the Company's/Subsidiary's having to settle any of above tax assessments detailed under Note 18.1 to 18.4 is very low. As an outflow of resources is not expected, no provision is made in the Financial Statements.

Share Information

Top 20 Shareholders

Name of the Shareholder	31st March 2024		31st December 2023	
	Shareholding	% on Issued Shares	Shareholding	% on Issued Shares
1 Hatton National Bank PLC A/C No 1	89,979,000	59.99	89,979,000	59.99
2 Ceylon Guardian Investment Trust PLC A/C # 02	7,018,794	4.68	7,018,794	4.68
3 Employees Trust Fund Board	3,928,151	2.62	3,928,151	2.62
4 J.B. Cocoshell (Pvt) Ltd	1,776,062	1.18	1,554,598	1.04
5 Ceylon Investment PLC A/C # 02	1,712,174	1.14	1,712,174	1.14
6 Mr. M.F. Hashim	1,634,167	1.09	1,634,167	1.09
7 Thread Capital (Pvt) Ltd	1,618,342	1.08	1,542,402	1.03
8 Mrs. A. Kailasapillai	1,500,000	1.00	1,500,000	1.00
9 Mrs. A. Selliah	1,500,000	1.00	1,500,000	1.00
10 Arunodhaya Investments (Pvt) Ltd	1,350,000	0.90	1,350,000	0.90
11 Arunodhaya Industries (Pvt) Ltd	1,350,000	0.90	1,350,000	0.90
12 Arunodhaya (Pvt) Ltd	1,350,000	0.90	1,350,000	0.90
13 Rubber Investment Trust Ltd A/C No 01	1,337,058	0.89	1,337,058	0.89
14 Andysel (Pvt) Ltd	750,000	0.50	750,000	0.50
15 Corporate Holdings (Pvt) Ltd A/C No.01	735,309	0.49	735,309	0.49
16 Mr. V. Sharda	609,000	0.41	609,000	0.41
17 Dr. S. Selliah	600,000	0.40	600,000	0.40
18 Corporate Holdings (Pvt) Ltd A/C No.02	573,969	0.38	573,969	0.38
19 Suktam Holdings (Pvt) Ltd	526,302	0.35	526,302	0.35
20 Mr. A.A.A. Rifkee	500,000	0.33	500,000	0.33

Public Shareholding

	31st March 2024	31st December 2023
* Float Adjusted Market Capitalisation (Rs.)	3,558,498,253	3,386,229,595
Percentage of Shares held by the Public	39.938%	39.885%
Number of Public Shareholders	4,110	4,154

The Company complies the minimum public Shareholding requirement under option 4 of section 7.13.1 (a) of the Listing Rules as at 31st March 2024. (As at 31/12/2023 - Complied under option 4)

* Float Adjusted Market Capitalisation = Market Capitalisation X Public Holding Percentage

Share Information (Contd.)

Shareholdings of Directors and Chief Executive Officer

Name	No. of Shares 31st Mar 2024	No. of Shares 31st Dec 2023
Mrs. M A R C Cooray	112,624	112,624
Mr. L H A L Silva	Nil	Nil
Dr. P S Gamwarige	Nil	Nil
Mr. L U D Fernando	Nil	Nil
Mr. S A Chapman	500	500
Mr. A Goonesekere	Nil	Nil
Mr. P R Saldin	Nil	Nil
Mr. P H L N Wimalaratne (Chief Executive Officer)	Nil	Nil

Number of Shares

No. of shares representing the Stated Capital	150,000,000
Class of Share	Ordinary
Voting Rights	One vote per Ordinary Share

Share Performance

As at,	31st Mar 2024 Rs.	31st Dec 2023 Rs.
Net Asset Value Per Share - Group	71.64	68.51
Net Asset Value Per Share - Company	61.30	58.58
Net Asset Value Per Share without Restricted Regulatory Reserve - Group	69.10	65.97
Net Asset Value Per Share without Restricted Regulatory Reserve - Company	58.76	56.04
For the Three Months Ended 31st March,	2024 Rs.	2023 Rs.
Highest Price Per Share	60.00	53.80
Lowest Price Per Share	52.10	42.50
Last Traded Price Per Share	59.40	49.90