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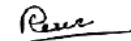
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Period Ended 31st March 2025

Statement of Financial Position

As at,	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31st Mar 2025 Rs. '000	31st Dec 2024 Rs. '000	31st Mar 2025 Rs. '000	31st Dec 2024 Rs. '000
Assets					
Property, Plant and Equipment		791,319	769,638	537,563	541,118
Right of Use Assets		481,861	482,551	430,261	427,016
Intangible Assets		272,031	164,019	264,133	155,588
Deferred Tax Assets		19,968	14,783	-	-
Financial Investments	3	57,364,819	54,304,798	51,427,715	48,486,327
Investment in Subsidiary		-	-	1,150,000	1,150,000
Loans to Life Policyholders		481,471	459,395	481,471	459,395
Reinsurance Receivables		1,379,426	1,268,504	405,779	238,175
Premium Receivables		4,202,781	2,272,135	562,663	198,723
Other Assets		1,557,574	1,277,749	1,162,935	906,713
Insurance Contract - Deferred Expenses		54,806	33,468	-	-
Cash and Cash Equivalents		1,502,018	1,402,419	1,056,115	841,377
Total Assets		68,108,074	62,449,459	57,478,635	53,404,432
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		10,067,720	10,351,725	8,340,630	8,689,963
Available for Sale Reserve		237,797	279,432	176,738	211,076
Other Reserves		(104,708)	(104,708)	(82,179)	(82,179)
Life Policyholders' Available for Sale Reserve Fund	5	491,856	437,695	491,856	437,695
Restricted Regulatory Reserve	6	381,156	381,156	381,156	381,156
Equity Attributable to the Equity Holders		12,245,696	12,517,175	10,480,076	10,809,586
Non-Controlling Interest		-	-	-	-
Total Equity		12,245,696	12,517,175	10,480,076	10,809,586
Liabilities					
Insurance Contract Liabilities - Life Insurance	7	42,082,761	38,647,547	42,082,761	38,647,547
Insurance Contract Liabilities - General Insurance	8	4,893,579	4,507,058	-	-
Employee Defined Benefit Liabilities		503,537	477,315	301,777	279,864
Current Tax Liabilities		556,928	559,876	459,012	479,148
Reinsurance Creditors		2,038,403	1,000,350	424,056	214,999
Lease Creditors		565,185	560,905	509,134	503,233
Other Liabilities		4,952,347	3,760,247	3,047,466	2,276,075
Bank Overdrafts		269,638	418,986	174,353	193,980
Total Liabilities		55,862,378	49,932,284	46,998,559	42,594,846
Total Equity and Liabilities		68,108,074	62,449,459	57,478,635	53,404,432

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;



Stuart Chapman
Chairman

Colombo, Sri Lanka
30th April 2025



Ashoka Goonesekere
Senior Independent Director

Statement of Profit or Loss and Other Comprehensive Income

Group			Group		Company		Change	
(Audited) Year Ended 31 st Dec 2024 Rs. '000			Unaudited 2025 Rs. '000	Unaudited 2024 Rs. '000	Unaudited 2025 Rs. '000	Unaudited 2024 Rs. '000	Group %	Company %
		Note						
22,737,994	Gross Written Premium	9	8,095,583	6,205,818	4,553,107	3,336,506	30	36
(4,585,634)	Premium Ceded to Reinsurers		(1,963,373)	(1,497,849)	(209,127)	(177,396)	31	18
18,152,360	Net Written Premium		6,132,210	4,707,969	4,343,980	3,159,110	30	38
199,390	Net Change in Reserves for Unearned Premium		(473,785)	(161,004)	-	-	194	-
18,351,750	Net Earned Premium		5,658,425	4,546,965	4,343,980	3,159,110	24	38
Other Revenue								
7,561,878	Interest and Dividend Income	10	1,958,966	1,898,453	1,778,221	1,681,991	3	6
100,442	Net Realised Gains		50,040	35,571	40,118	5,071	41	691
64,853	Net Fair Value Gains/(Losses)		16,371	(32,268)	9,970	9,344	151	7
421,785	Fee and Commission Income		169,893	132,853	65,379	56,260	28	16
24,723	Other Income		11,713	8,976	974	1,460	30	(33)
8,173,681	Total Other Revenue		2,206,983	2,043,585	1,894,662	1,754,126	8	8
26,525,431	Net Income		7,865,408	6,590,550	6,238,642	4,913,236	19	27
Net Benefits, Claims and Expenses								
(6,711,226)	Net Insurance Benefits and Claims		(1,707,320)	(1,715,937)	(752,799)	(784,359)	(1)	(4)
(7,679,932)	Change in Contract Liabilities - Life Fund		(3,373,874)	(2,417,398)	(3,373,874)	(2,417,398)	40	40
(6,429,682)	Other Operating and Administration Expenses		(1,589,423)	(1,397,971)	(1,017,047)	(867,205)	14	17
(2,749,433)	Underwriting and Net Acquisition Costs		(743,432)	(610,088)	(728,089)	(530,521)	22	37
(242,237)	Finance and Other Insurance Related Costs		(27,086)	(77,139)	(31,504)	(62,451)	(65)	(50)
(23,812,510)	Total Benefits, Claims and Other Expenses		(7,441,135)	(6,218,533)	(5,903,313)	(4,661,934)	20	27
2,712,921	Profit Before Taxation		424,273	372,017	335,329	251,302	14	33
(816,060)	Income Tax Expense	11	(123,278)	(137,013)	(99,662)	(74,372)	(10)	34
1,896,861	Profit for the Period	12	300,995	235,004	235,667	176,930	28	33
Other Comprehensive Income, Net of Related Tax								
items that are or may be reclassified to profit or loss								
1,087,198	- Net Change in fair value of Available For Sale Financial Assets		42,868	257,511	44,406	221,576	(83)	(80)
(131,952)	- Realised Gains transferred to Income Statement		(49,004)	(35,764)	(40,118)	(5,071)	37	691
57,165	- Amortisation of AFS reserve on reclassification		15,535	13,578	15,535	13,578	14	14
	- Net Change in fair value of Available For Sale Financial Assets							
(906,981)	transferred to Life Policyholders' Available For Sale Reserve Fund		(54,161)	(197,261)	(54,161)	(197,261)	(73)	(73)
(356)	- Tax related on items that are or may be reclassified to profit or loss	11	3,127	(1,573)	-	-	299	-
Items that will never be reclassified to profit or loss								
(94,430)	- Actuarial Losses on Defined Benefit Plans		-	-	-	-	-	-
15,976	- Actuarial Gains on Land and Building Revaluation		-	-	-	-	-	-
(4,964)	- Tax related on items that will never be reclassified to profit or loss	11	-	-	-	-	-	-
21,656	Total Other Comprehensive Income for the Period, Net of Related Tax		(41,635)	36,491	(34,338)	32,822	(214)	(205)
1,918,517	Total Comprehensive Income for the Period		259,360	271,495	201,329	209,752	(4)	(4)
Profit Attributable to:								
1,896,861	Equity Holders of the Company		300,995	235,004	235,667	176,930	28	33
-	- Non-Controlling Interest		-	-	-	-	-	-
Total Comprehensive Income Attributable to:								
1,918,517	Equity Holders of the Company		259,360	271,495	201,329	209,752	(4)	(4)
-	- Non-Controlling Interest		-	-	-	-	-	-
12.65	Basic and Diluted Earnings Per Share (Rs.)	13	2.01	1.57	1.57	1.18	28	33

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

Statement of Changes in Equity - Group

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Available for Sale Reserve Rs. '000	Other Reserve Rs. '000	Life Policyholders ARs Reserve Fund Rs. '000	Restricted Regulatory Reserve Rs. '000	Total Equity Rs. '000
Balance as at 01st January 2024	1,17,1875	9,039,884	174,358	(21,290)	(469,286)	381,156	10,276,677
Comprehensive Income for the Period							
Profit for the Period - Unaudited	-	235,004	-	-	-	-	235,004
Other Comprehensive Income for the Period, Net of Related Tax							
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	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	235,004	36,491	-	-	-	36,491
Net Change in fair value of Available For Sale Financial Assets	-	-	36,491	-	-	-	36,491
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Unaudited balance as at 31st March 2024	1,17,1875	9,274,888	210,849	(21,290)	(469,286)	381,156	10,745,433
Comprehensive Income for the Period							
Profit for the Period - Unaudited	-	1,661,857	-	-	-	-	1,661,857
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	778,303	-	-	-	778,303
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	(709,720)	-	-	-	(709,720)
Actuarial Losses on Defined Benefit Plans	-	-	-	(95,849)	-	-	(95,849)
Gains on Land and Building Revaluation	-	-	-	12,431	-	-	12,431
Total Other Comprehensive Income for the Period	-	-	68,583	(83,418)	-	-	(14,835)
Total Comprehensive Income for the Period	-	1,661,857	68,583	(83,418)	-	-	1,647,022
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	709,720	-	709,720
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity							
Distributions to owners of the Parent							
Final dividend to equity holders for 2023	-	(895,000)	-	-	-	-	(895,000)
Audited balance as at 31st December 2024	1,17,1875	10,351,725	279,432	(104,708)	437,695	381,156	12,517,175
Balance as at 01st January 2025	1,17,1875	10,351,725	279,432	(104,708)	437,695	381,156	12,517,175
Comprehensive Income for the Period							
Profit for the Period - Unaudited	-	300,995	-	-	-	-	300,995
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	12,526	-	-	-	12,526
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	(54,161)	-	-	-	(54,161)
Total Other Comprehensive Income for the Period	-	-	(41,635)	-	-	-	(41,635)
Total Comprehensive Income for the Period	-	300,995	(41,635)	-	-	-	259,360
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	54,161	-	54,161
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity							
Distributions to owners of the Parent							
First and final dividend to equity holders for 2024	-	(895,000)	-	-	-	-	(895,000)
Unaudited balance as at 31st March 2025	1,17,1875	10,067,720	237,797	(104,708)	491,856	381,156	12,245,696

Stated Capital represents 150 Million Ordinary Shares as at 31st March 2025 (2024 - 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 ARs Reserve Fund Rs. '000	Restricted Regulatory Reserve Rs. '000	Total Equity Rs. '000
Balance as at 01st January 2024	1,177,875	7,618,252	106,834	(21,175)	(469,286)	381,156	8,787,656
Comprehensive Income for the Period							
Profit for the Period - Unaudited	-	176,930	-	-	-	-	176,930
Other Comprehensive Income for the Period, Net of Related Tax							
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	-	-	-	-	-	-	-
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	(197,261)	-	-	-	(197,261)
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	-	-	-	-	-	-	-
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Unaudited balance as at 31st March 2024	1,177,875	7,795,182	139,656	(21,175)	(469,286)	381,156	9,194,669
Comprehensive Income for the Period							
Profit for the Period - Unaudited	-	1,479,781	-	-	-	-	1,479,781
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	781,140	-	-	-	781,140
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	(709,720)	-	-	-	(709,720)
Actuarial Gains on Defined Benefit Plans	-	-	-	(61,004)	-	-	(61,004)
Total Other Comprehensive Income for the Period	-	-	71,420	(61,004)	-	-	10,416
Total Comprehensive Income for the Period	-	1,479,781	71,420	(61,004)	-	-	1,490,197
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity							
Distributions to owners of the Company							
Final dividend to equity holders for 2023	-	(585,000)	-	-	-	-	(585,000)
Audited balance as at 31st December 2024	1,177,875	8,689,983	211,076	(82,179)	437,695	381,156	10,809,586
Balance as at 01st January 2025	1,177,875	8,689,983	211,076	(82,179)	437,695	381,156	10,809,586
Comprehensive Income for the Period							
Profit for the Period - Unaudited	-	235,667	-	-	-	-	235,667
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	19,823	-	-	-	19,823
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	(54,161)	-	-	-	(54,161)
Total Other Comprehensive Income for the Period	-	-	(34,338)	-	-	-	(34,338)
Total Comprehensive Income for the Period	-	235,667	(34,338)	-	-	-	201,329
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity							
Distributions to owners of the Company							
First and final dividend to equity holders for 2024	-	(585,000)	-	-	-	-	(585,000)
Unaudited balance as at 31st March 2025	1,177,875	8,340,630	176,738	(82,179)	497,856	381,156	10,480,076

Stated Capital represents 150 Million Ordinary Shares as at 31st March 2025 (2024 - 150 Million).

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

Statement of Cash Flows

		Group		Company	
		Unaudited 2025	Unaudited 2024	Unaudited 2025	Unaudited 2024
For the Three months Ended 31st March,		Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Note				
Cash Flows From Operating Activities					
Profit Before Taxation		424,273	372,017	335,329	251,302
Adjustments for:					
Interest Income	10	(1,947,717)	(1,894,952)	(1,766,972)	(1,678,522)
Dividend Income	10	(11,249)	(3,501)	(11,249)	(3,469)
Amortisation of Intangible Assets		10,087	5,217	9,554	4,744
Depreciation of Property, Plant and Equipment		50,126	40,568	37,823	30,989
Net Depreciation of Right of Use Assets		52,668	55,170	48,733	51,397
Interest Expense of Lease Creditors		21,885	33,586	19,477	31,306
Provision for Employee Benefits		35,227	31,689	25,076	20,639
Net Realised Gains		(50,040)	(35,571)	(40,118)	(5,071)
Net Fair Value (Gains)/Losses		(16,371)	32,268	(9,970)	(9,344)
Gains on Disposal of Property, Plant and Equipment		(24)	(875)	(24)	(875)
		(1,431,135)	(1,364,384)	(1,352,341)	(1,306,904)
Net Change in Operating Assets	A	(2,364,807)	(1,598,721)	(809,842)	(316,351)
Net Change in Operating Liabilities	B	5,466,888	3,760,867	3,830,662	2,286,074
Cash Flows from Operating Activities					
		1,670,946	797,762	1,668,479	662,819
Gratuity Paid		(9,005)	(8,395)	(3,163)	(4,620)
Income Tax Paid		(128,284)	(109,451)	(119,798)	(107,953)
Payment of Lease Interest		(21,885)	(33,586)	(19,477)	(31,306)
Capital Gain Tax Paid		-	(4,057)	-	-
Net Cash Generated from Operating Activities					
		1,511,772	642,273	1,526,041	518,940
Cash Flows from Investing Activities					
Acquisition of Financial Investments		(44,687,625)	(21,112,905)	(32,323,600)	(14,900,276)
Proceeds from Maturity of Financial Investments		41,318,520	18,143,580	29,301,062	12,468,273
Proceeds from Sale of Financial Investments		357,556	1,049,397	143,546	745,891
Interest Received		1,978,837	1,693,393	1,778,269	1,408,670
Dividend Received		7,467	2,916	7,467	2,884
Acquisition of Intangible Assets		(118,099)	(4,168)	(118,099)	(4,168)
Acquisition of Property, Plant and Equipment		(71,918)	(59,593)	(34,268)	(57,038)
Proceeds from the Disposal of Property, Plant and Equipment		135	925	24	925
Advance Paid to Right of Use asset		(6,000)	(4,800)	(6,000)	(4,800)
Net Cash Used in Investing Activities					
		(1,221,127)	(291,255)	(1,251,599)	(339,639)
Cash Flows from Financing Activities					
Payment of Lease Capital		(41,698)	(26,957)	(40,077)	(25,732)
Net Cash Used in Financing Activities					
		(41,698)	(26,957)	(40,077)	(25,732)
Net Decrease in Cash and Cash Equivalents (Net of Book OD)					
		248,947	324,061	234,365	153,569
Cash and Cash Equivalents at the beginning of the Period (Net of Book OD)		983,433	651,733	647,397	505,675
Cash and Cash Equivalents at the end of the Period (Net of Book OD)	C	1,232,380	975,794	881,762	659,244

Notes to the Statement of Cash Flows

For the Three months Ended 31st March,	Note	Group		Company	
		Unaudited 2025	Unaudited 2024	Unaudited 2025	Unaudited 2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
A. Change in Operating Assets					
(Increase)/Decrease in Deferred Expenses		(21,338)	34,914	-	-
(Increase)/Decrease in Loans to Life Policyholders		(22,076)	17,022	(22,076)	17,022
Increase in Reinsurance Receivables		(110,922)	(195,335)	(167,604)	(130,049)
Increase in Premium Receivables		(1,930,646)	(1,271,321)	(363,940)	(62,700)
Increase in Other Assets		(279,825)	(184,001)	(256,222)	(140,624)
Net Change in Operating Assets		(2,364,807)	(1,598,721)	(809,842)	(316,351)
B. Change in Operating Liabilities					
Increase/(Decrease) in Other Liabilities		607,100	198,051	186,391	(299,520)
Increase in Insurance Contract Liabilities (before tax) - Life Insurance		3,435,214	2,415,014	3,435,214	2,415,014
Increase in Insurance Contract Liabilities - General Insurance		386,521	137,843	-	-
Increase in Reinsurance Creditors		1,038,053	1,009,959	209,057	170,580
Net Change in Operating Liabilities		5,466,888	3,760,867	3,830,662	2,286,074
C. Cash and Cash Equivalents at the end of the Period					
Cash in Hand and at Bank		1,502,018	1,268,894	1,056,115	809,903
Bank Overdrafts		(269,638)	(293,100)	(174,353)	(150,659)
Cash and Cash Equivalents (Net of Book OD)		1,232,380	975,794	881,762	659,244

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 2025		31st December 2024	
	Life Insurance	General Insurance	Life Insurance	General Insurance
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets				
Property, Plant and Equipment	537,563	253,756	541,118	228,520
Right of Use Assets	430,261	51,600	427,016	55,535
Intangible Assets	264,133	7,898	155,588	8,431
Deferred Tax Assets	-	19,968	-	14,783
Financial Investments	51,427,715	5,937,104	48,486,327	5,818,471
Investment in Subsidiary	1,150,000	-	1,150,000	-
Loans to Life Policyholders	481,471	-	459,395	-
Reinsurance Receivables	405,779	973,647	238,175	1,030,329
Premium Receivables	562,663	3,641,339	198,723	2,081,953
Other Assets	1,162,935	472,396	906,713	396,910
Insurance Contract - Deferred Expenses	-	54,806	-	33,468
Cash and Cash Equivalents	1,056,115	445,903	841,377	561,042
Total Assets	57,478,635	11,858,417	53,404,432	10,229,442
Liabilities				
Insurance Contract Liabilities - Life Insurance	42,082,761	-	38,647,547	-
Insurance Contract Liabilities - General Insurance	-	4,893,579	-	4,507,058
Employee Defined Benefit Liabilities	301,777	201,760	279,864	197,451
Current Tax Liabilities	459,012	97,916	479,148	80,728
Reinsurance Creditors	424,056	1,614,347	214,999	785,351
Lease Creditors	509,134	56,051	503,233	57,672
Other Liabilities	3,047,466	1,983,859	2,276,075	1,518,587
Bank Overdrafts	174,353	95,285	193,980	225,006
Total Liabilities	46,998,559	8,942,797	42,594,846	7,371,853

Operating Segment Information - Profitability

For the Three Months Ended,

	Unaudited		Unaudited	
	31st March 2025		31st March 2024	
	Life Insurance	General Insurance	Life Insurance	General Insurance
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Gross Written Premium	4,553,107	3,559,170	3,336,506	2,886,410
Premium Ceded to Reinsurers	(209,127)	(1,754,246)	(177,396)	(1,320,453)
Net Written Premium	4,343,980	1,804,924	3,159,110	1,565,957
Net Change in Reserves for Unearned Premium	-	(473,785)	-	(161,004)
Net Earned Premium	4,343,980	1,331,139	3,159,110	1,404,953
Other Revenue				
Interest and Dividend Income	1,778,221	180,745	1,681,991	216,462
Net Realised Gains	40,118	9,922	5,071	30,500
Net Fair Value Gains/(Losses)	9,970	6,401	9,344	(41,612)
Fee and Commission Income	65,379	112,585	56,260	84,981
Other Income	974	10,739	1,460	7,516
Total Other Revenue	1,894,662	320,392	1,754,126	297,847
Net Income	6,238,642	1,651,531	4,913,236	1,702,800
Net Benefits, Claims and Expenses				
Net Insurance Benefits and Claims	(752,799)	(954,538)	(784,359)	(931,623)
Change in Contract Liabilities - Life Fund	(3,373,874)	-	(2,417,398)	-
Other Operating and Administration Expenses	(1,017,047)	(593,587)	(867,205)	(551,991)
Underwriting and Net Acquisition Cost	(728,089)	(18,880)	(530,521)	(83,783)
Finance and Other Insurance Related Costs	(31,504)	4,418	(62,451)	(14,688)
Total Benefits, Claims and other Expenses	(5,903,313)	(1,562,587)	(4,661,934)	(1,582,085)
Profit Before Taxation	335,329	88,944	251,302	120,715
Income Tax Expense	(99,662)	(23,616)	(74,372)	(62,641)
Profit for the Period	235,667	65,328	176,930	58,074

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 Uttarananda 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 2025.

Figures in these Condensed Consolidated Interim Financial Statements for the period ended 31st March 2025 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 2024. 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 2024.

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 2025	31st Dec 2024	31st Mar 2025	31st Dec 2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Held to Maturity Financial Assets	14,724,996	13,429,892	14,724,996	13,429,892
Loans and Receivables	24,932,855	22,404,413	21,316,966	19,418,909
Available for Sale Financial Assets	17,250,775	18,022,934	14,974,691	15,234,056
Financial Assets at Fair Value Through Profit or Loss	456,193	447,559	411,062	403,470
Total Financial Investments	57,364,819	54,304,798	51,427,715	48,486,327

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 2025 Rs. '000	31st Dec 2024 Rs. '000	31st Mar 2025 Rs. '000	31st Dec 2024 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 (6.3) 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. 6.3.2 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 Distribution of One-off Surplus

6.3.1 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.

6.3.2 Composition of Investments Supporting the Restricted Regulatory Reserve as at 31st March 2025

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

Asset Category As at,	Fair Value / Carrying Value 31st Mar 2025 (Rs. '000)
Term Deposits	386,354

7 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE

As at,	Note	Group		Company	
		Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000
Life Insurance Fund	7.1	41,711,172	38,337,298	41,711,172	38,337,298
Claims Outstanding		371,589	310,249	371,589	310,249
Total Insurance Contract Liabilities		42,082,761	38,647,547	42,082,761	38,647,547

7.1 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE FUND

As at,	Group		Company	
	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000
The Movement in the Life Insurance Fund is as follows:				
Balance as at the beginning of the Period	38,337,298	30,676,040	38,337,298	30,676,040
Change in Contract Liabilities Life Fund				
Increase in Life Insurance Fund Before Surplus Distribution to Shareholders	3,373,874	9,029,932	3,373,874	9,029,932
Surplus Distributed to Shareholders	-	(1,350,000)	-	(1,350,000)
Increase in Life Insurance Fund	3,373,874	7,679,932	3,373,874	7,679,932
Effect of Taxation on surplus/Bonus transferred to Policyholders	-	(18,674)	-	(18,674)
Balance as at the end of the Period	41,711,172	38,337,298	41,711,172	38,337,298

7.2 Liability Adequacy Test

A Liability Adequacy Test (LAT) for Life Insurance contract Liability was carried out by Mr. Abhishek Chadha, FIA, on behalf of Willis Towers Watson India Private Limited, as at 31st December 2024 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. 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 2024.

Notes to the Condensed Consolidated Interim Financial Statements

8 INSURANCE CONTRACT LIABILITIES - GENERAL INSURANCE

As at,	Group		Company	
	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000
Reserves for Net Unearned Premium	3,202,082	2,734,648	-	-
Reserves for Title Insurance	81,439	75,088	-	-
Reserves for Gross Outstanding Claims	1,610,058	1,697,322	-	-
Total Insurance Contract Liabilities	4,893,579	4,507,058	-	-

8.1 Company's Chief Actuarial Officer has carried out the IBNR/IBNER valuation as at 31st March 2025 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 was performed by the Appointed Actuary, Ms. Sipika Tandon Mathur, FIA, for and on behalf of Willis Towers Watson India Private Limited as at 31st December 2024 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 2024.

9 GROSS WRITTEN PREMIUM

Group		Group		Company	
Audited For the Year Ended 31st Dec 2024 Rs. '000	For the Three Months Ended,	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000
Life Insurance					
13,187,037	Individual Policies	4,309,046	3,210,316	4,309,046	3,210,316
522,618	Corporate Policies	244,061	126,190	244,061	126,190
(55,720)	Adjustment for Inter Company Premiums	(9,274)	(11,218)	-	-
13,653,935	Gross Written Premium - Life Insurance	4,543,833	3,325,288	4,553,107	3,336,506
General Insurance					
1,885,932	Fire	1,192,182	809,811	-	-
4,775,374	Motor	1,250,466	1,272,073	-	-
327,135	Marine	61,892	88,051	-	-
2,133,105	Miscellaneous	1,054,630	716,475	-	-
(37,487)	Adjustment for Inter Company Premiums	(7,420)	(5,880)	-	-
9,084,059	Gross Written Premium - General Insurance	3,551,750	2,880,530	-	-
22,737,994	Total Gross Written Premium	8,095,583	6,205,818	4,553,107	3,336,506

Notes to the Condensed Consolidated Interim Financial Statements

10 INTEREST AND DIVIDEND INCOME

Group		Group		Company	
Audited For the Year Ended 31st Dec 2024 Rs. '000	For the Three Months Ended,	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000
7,538,650	Interest Income	1,947,717	1,894,952	1,766,972	1,678,522
23,228	Dividend Income	11,249	3,501	11,249	3,469
7,561,878	Total	1,958,966	1,898,453	1,778,221	1,681,991

11 INCOME TAX EXPENSE

Group		Group		Company	
Audited For the Year Ended 31st Dec 2024 Rs. '000	For the Three Months Ended,	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000
(830,996)	Income Tax Charge	(125,336)	(139,984)	(99,662)	(74,372)
(3,639)	Under Provision of Income Taxes in respect of prior Period	-	-	-	-
18,575	Deferred Income Tax - Recognised through Profit or Loss	2,058	2,971	-	-
(816,060)	Total Tax charge in Profit or Loss	(123,278)	(137,013)	(99,662)	(74,372)
Deferred Tax on net change in debt instruments					
(356)	categorised under Available for Sale	3,127	(1,573)	-	-
(1,419)	Deferred Tax on Actuarial Losses on Defined Benefit Plans	-	-	-	-
(3,545)	Deferred Tax on Revaluation Gains of Land and Buildings	-	-	-	-
(5,320)	Total Tax charge in Other Comprehensive Income	3,127	(1,573)	-	-

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. 99.66 Million for the period ended 31st March 2025. The Subsidiary carried a deferred tax asset of Rs. 19.97 Million as at 31st March 2025.

Notes to the Condensed Consolidated Interim Financial Statements

12 PROFIT FOR THE PERIOD

Group			Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000
Audited For the Year Ended 31st Dec 2024 Rs. '000	For the Three Months Ended,			
Company - HNB Assurance PLC				
1,350,000	Surplus Transferred from Life Policyholders' Fund to Shareholders' Fund		-	-
1,008,470	Profit Before Tax from Life Shareholders' Fund		335,329	251,302
(701,759)	Income Tax Expense		(99,662)	(74,372)
1,656,711	Profit for the Period		235,667	176,930
Subsidiary - HNB General Insurance Ltd				
354,451	Profit Before Tax		88,944	120,715
(114,301)	Income Tax and Deferred Tax Expense		(23,616)	(62,641)
240,150	Profit for the Period		65,328	58,074
1,896,861	Profit for the Period - Group		300,995	235,004

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.

For the Three Months Ended,	Group		Company	
	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000
Profit for the Period (Rs. '000)	300,995	235,004	235,667	176,930
Weighted average number of ordinary shares ('000)	150,000	150,000	150,000	150,000
Basic and Diluted Earnings Per Share (Rs.)	2.01	1.57	1.57	1.18

14 RELATED PARTY DISCLOSURES

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

Transactions	Group		Company	
	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000
For the Three Months Ended,				
Insurance Premium	195,504	127,039	-	-
Claims Incurred	31,710	32,885	24,311	26,613
Investment Income	65,768	138,086	56,279	125,793
Referral fees	215,332	161,118	174,803	123,119
Rent and Other Operational Expenses	6,455	5,420	4,280	3,357

Notes to the Condensed Consolidated Interim Financial Statements

Outstanding Balances As at,	Group		Company	
	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000
Investment Balance (Include Deposits & Debentures)	1,418,549	1,899,734	1,009,049	1,571,387
Cash at Bank Balances	1,183,106	939,252	861,890	620,890
Premium Receivable	251,325	210	-	-
Referral fees Payable	99,557	133,934	59,595	111,091
Rent and Other Operational Expenses Payable	2,026	1,567	1,077	801

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

Transactions For the Three Months Ended,	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000
Insurance Premium	9,274	11,218
Insurance Expenses	7,420	5,880
Claims Received	17	45
Claims Paid	1,800	2,400
Reimbursement Expenses Relating to Employees	25,004	22,843
Other Reimbursement Expenses	49,443	77,580
Fund Management Fee	4,534	4,172
Profit Commission Expense	3,537	4,216
Outstanding Balances As at,	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000
Premium Payable to HNB General Insurance Ltd	1,221	8,541
Receivable from HNB General Insurance Ltd	77,757	25,874

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 2025 Rs. '000	Unaudited 31st Dec 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Dec 2024 Rs. '000
Insurance Premium	62,386	100,447	(1,964)	33,920
Claims Incurred	10,357	17,295	2,556	16,167
Investment Income	37,353	18,770	28,320	16,207
Referral fees	6,386	8,602	1,534	2,540
Outstanding Balances As at,	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000	Unaudited 31st Mar 2025 Rs. '000	Audited 31st Dec 2024 Rs. '000
Investments Balance (Includes Deposits, Debentures and Repo)	912,069	1,008,529	675,690	808,711
Cash at Bank Balances	50	49	50	49
Premium Receivable	83,573	8,768	-	-
Referral fees Payable	5,467	4,078	37	6

Notes to the Condensed Consolidated Interim Financial Statements

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

<i>For the Three Months Ended,</i>	Unaudited 31st Mar 2025 Rs. '000	Unaudited 31st Mar 2024 Rs. '000
Director Fee	8,455	7,940
Short-term and Post Employment Benefits	23,741	43,605
Insurance Premium	552	1,381
Claims Paid including Maturities	81	901

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 2024.

15 EVENTS OCCURRING AFTER THE REPORTING DATE

Dividend payment for the year 2024

The first and final dividend declared by the Company for the year ended 31st December 2024, of Rs. 3.90 per share totaling to Rs. 585 Million was approved by the shareholders at the Annual General Meeting held on 28th March 2025 and was paid by 23rd April 2025.

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.

16 CAPITAL COMMITMENTS

The Group has committed an expense of Rs. 374.54 Million as at 31st March 2025 for purchase of computer hardware, software and other equipment (As at 31st December 2024 – Rs. 465.51 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.

17 CONTINGENCIES

17.1 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, 2019/20 and 2020/2021.

The Tax Appeals Commission has issued determinations in favor of IRD for the years of assessments 2011/12, 2012/13, 2014/15 and 2017/18 totaling to Rs. 1,158 Million including interest and penalties of Rs. 144 Million. This includes loss adjustment of Rs. 588 Million relating to the years of assessments 2011/12 and 2012/13. Company dissatisfied with these determinations of the Tax Appeals Commission and filed appeals against those determinations in the Court of Appeal. The Company is awaiting for the decisions of the Court of Appeal.

Income tax assessments in relation to the year of assessment 2018/19, 2019/20 and 2020/21 totaling to Rs. 1,624 Million including interest and penalties of Rs. 795 Million are in the process of hearing with the Tax Appeals Commission.

Income tax assessment for the year of assessment 2015/16 amounting to Rs. 164 Million including interest and penalties of Rs. 20 Million is awaiting for CGIR determination.

Notes to the Condensed Consolidated Interim Financial Statements

Assessments raised on the Company for 2013/14 and 2016/17 totaling to Rs. 422 Million 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. The CGIR has lodged cases with the Court of Appeal for these assessments.

In the view of the Company and its Tax Consultants, these Assessments do not conform to the description of requirements stated under 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.

Income tax assessment for the year of assessment 2018/2019 and 2019/20 totaling to Rs. 133 Million including interest and penalty of Rs. 66.5 Million are in the process of hearing with the Tax Appeals Commission.

17.2 VAT & NBT On Financial Services

The Company received Seven 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, 01.01.2019 to 31.12.2019 and 01.01.2021 to 31.12.2021.

The assessment issued relating to VAT on Financial Services (VAT on FS) for the taxable periods 01.01.2014 to 31.12.2014, 01.01.2017 to 31.12.2017 and 01.01.2018 to 31.12.2018 amounting to Rs. 194.29 Million, including interest and penalties of Rs. 64.76 Million are in the process of hearing with the Tax Appeals Commission.

The assessments for the taxable period 01.01.2019 to 31.12.2019 and 01.01.2021 to 31.12.2021 totaling to Rs. 206.37 Million including interest and penalties of Rs. 68.79 Million is still with CGIR and 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 totaling to Rs. 78.07 Million including interest and penalty of Rs. 28.82 Million 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, 01.01.2019 to 31.12.2019 and 01.01.2021 to 31.12.2021.

The assessment issued relating to VAT on Financial Services (VAT on FS) for the taxable period 01.01.2018 to 31.12.2018 and 01.01.2019 to 31.12.2019 totaling to Rs. 32.68 Million, including penalty of Rs. 10.9 Million are in the process of hearing with the Tax Appeals Commission.

The CGIR has issued its determination for the appeal lodged by the subsidiary company on assessment issued relating to VAT on FS for the taxable period 01.01.2021 to 31.12.2021 amounting to Rs. 15.07 Million, including penalty of Rs. 5.02 Million is in the process of appealing for TAC against the Determination of CGIR.

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.

Notes to the Condensed Consolidated Interim Financial Statements

17.3 Value Added Tax (VAT)

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. As such no provision has been made in the Financial Statements for the tax in dispute including interest and penalty which amounts to Rs. 15.12 Million. Further, the subsidiary company, HNB General Insurance Limited, has received tax assessments amounting to Rs. 372.80 Million including interest and penalties on VAT returns filed and the subsidiary has duly appealed against the assessments.

17.4 Value Added Tax (VAT) On Reinsurance

The Company received an Assessment on Value Added Tax (VAT) on Reinsurance Claims during 2013 from the IRD for the year of Assessment 2010/2011 amounting to Rs. 21.99 Million for which company has filed responses in IRD and subsequently with TAC. The TAC has granted their final determination during 2018 in favor of IRD. The Company has filed a case in the Court of Appeal and the case is yet to be determined by the Court of Appeal.

17.5 Social Security Contribution Levy (SSCL)

HNB General Insurance Limited received an Assessment on Social Security Contribution Levy (SSCL) from the IRD for the year of Assessment 2023/2024 amounting to Rs. 6.12 Million including penalty of Rs. 3.28 Million for which Subsidiary Company has filed an appeal with IRD.

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 17.1 to 17.5 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 2025		31st December 2024	
	Shareholding	% on Issued Shares	Shareholding	% on Issued Shares
1 Hatton National Bank PLC A/C No 01	89,979,000	59.99	89,979,000	59.99
2 Ceylon Guardian Investment Trust PLC A/C # 02	7,006,394	4.67	7,018,794	4.68
3 Employees Trust Fund Board	3,418,790	2.28	3,539,125	2.36
4 J.B. Cocoshell (Pvt) Ltd	2,054,172	1.37	2,054,172	1.37
5 Mr. M.F. Hashim	1,824,737	1.22	1,634,167	1.09
6 Ceylon Investment PLC A/C # 02	1,712,174	1.14	1,712,174	1.14
7 Thread Capital (Pvt) Ltd	1,644,342	1.10	1,644,342	1.10
8 Mr. V. Sharda	1,525,000	1.02	1,359,000	0.91
9 Mrs. A. Selliah	1,500,000	1.00	1,500,000	1.00
10 Mrs. A. Kailasapillai	1,500,000	1.00	1,500,000	1.00
11 Arunodhaya Investments (Pvt) Ltd	1,350,000	0.90	1,350,000	0.90
12 Arunodhaya Industries (Pvt) Ltd	1,350,000	0.90	1,350,000	0.90
13 Arunodhaya (Pvt) Ltd	1,350,000	0.90	1,350,000	0.90
14 Seylan Bank PLC/G.A. Bhanuka Harischandra	960,425	0.64	596,442	0.40
15 Andysel (Pvt) Ltd	750,000	0.50	750,000	0.50
16 Corporate Holdings (Pvt) Ltd A/C No.01	735,309	0.49	735,309	0.49
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 Rubber Investment Trust Ltd A/C No 01	572,779	0.38	1,337,058	0.89
20 Commercial Bank Of Ceylon PLC A/C No. 03	513,000	0.34	-	-

Public Shareholding

	31st March 2025	31st December 2024
* Float Adjusted Market Capitalisation (Rs.)	4,663,554,155	4,807,602,160
Percentage of Shares held by the Public	40.013%	40.013%
Number of Public Shareholders	3,981	3,893

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 2025. (As at 31/12/2024 - 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 March 2025	No. of Shares 31st Dec 2024
Mr. S.A. Chapman	500	500
Mr. L.H.A.L. Silva	Nil	Nil
Dr. P.S. Gamwarige	Nil	Nil
Mr. L.U.D. Fernando	Nil	Nil
Mr. A. Goonesekere	Nil	Nil
Mr. P.R. Saldin	Nil	Nil
Prof. A.K.W. Jayawardane	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 2025 Rs.	31st Dec 2024 Rs.
Net Asset Value Per Share - Group	81.64	83.45
Net Asset Value Per Share - Company	69.87	72.06
Net Asset Value Per Share without Restricted Regulatory Reserve - Group	79.10	80.91
Net Asset Value Per Share without Restricted Regulatory Reserve - Company	67.33	69.52
For the Three Months Ended 31st March,	2025 Rs.	2024 Rs.
Highest Price Per Share	92.90	60.00
Lowest Price Per Share	77.00	52.10
Last Traded Price Per Share	77.70	59.40