



A DEPENDABLE FORCE

Statement of Financial Position

| As at, | Note | Group | | Company | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | Unaudited | Audited | Unaudited | Audited |
| | | 31st Dec 2024 | 31st Dec 2023 | 31st Dec 2024 | 31st Dec 2023 |
| | | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Assets | | | | | |
| Property, Plant and Equipment | | 769,638 | 689,549 | 541,118 | 480,796 |
| Right of Use Assets | | 482,551 | 428,871 | 427,016 | 368,716 |
| Intangible Assets | | 164,019 | 63,924 | 155,588 | 57,566 |
| Deferred Tax Assets | | 14,783 | 1,528 | - | - |
| Financial Investments | 3 | 54,304,798 | 43,855,383 | 48,486,327 | 38,530,656 |
| Investment in Subsidiary | | - | - | 1,150,000 | 1,150,000 |
| Loans to Life Policyholders | | 459,395 | 441,923 | 459,395 | 441,923 |
| Reinsurance Receivables | | 1,268,504 | 1,329,157 | 238,175 | 325,283 |
| Premium Receivables | | 2,272,135 | 1,858,407 | 198,723 | 45,940 |
| Other Assets | | 1,277,749 | 1,262,852 | 906,713 | 983,945 |
| Insurance Contract - Deferred Expenses | | 33,468 | 208,471 | - | - |
| Cash and Cash Equivalents | | 1,402,419 | 1,123,004 | 841,377 | 666,222 |
| Total Assets | | 62,449,459 | 51,263,069 | 53,404,432 | 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 | | 10,351,725 | 9,039,864 | 8,689,963 | 7,618,252 |
| Available for Sale Reserve | | 279,432 | 174,358 | 211,076 | 106,834 |
| Other Reserve | | (104,708) | (21,290) | (82,179) | (21,175) |
| Life Policyholders' Available for Sale Reserve Fund | 5 | 437,695 | (469,286) | 437,695 | (469,286) |
| Restricted Regulatory Reserve | 6 | 381,156 | 381,156 | 381,156 | 381,156 |
| Equity Attributable to the Equity Holders | | 12,517,175 | 10,276,677 | 10,809,586 | 8,787,656 |
| Non-Controlling Interest | | - | - | - | - |
| Total Equity | | 12,517,175 | 10,276,677 | 10,809,586 | 8,787,656 |
| Liabilities | | | | | |
| Insurance Contract Liabilities - Life Insurance | 7 | 38,647,547 | 30,945,715 | 38,647,547 | 30,945,715 |
| Insurance Contract Liabilities - General Insurance | 8 | 4,507,058 | 4,694,303 | - | - |
| Employee Defined Benefit Liabilities | | 477,315 | 333,860 | 279,864 | 192,127 |
| Current Tax Liabilities | | 559,876 | 530,009 | 479,148 | 453,230 |
| Reinsurance Creditors | | 1,000,350 | 696,915 | 214,999 | 302,211 |
| Lease Creditors | | 560,905 | 450,304 | 503,233 | 395,383 |
| Other Liabilities | | 3,760,247 | 2,864,015 | 2,276,075 | 1,814,178 |
| Bank Overdrafts | | 418,986 | 471,271 | 193,980 | 160,547 |
| Total Liabilities | | 49,932,284 | 40,986,392 | 42,594,846 | 34,263,391 |
| Total Equity and Liabilities | | 62,449,459 | 51,263,069 | 53,404,432 | 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;


Stuart Chapman
Chairman

Colombo, Sri Lanka
18th February 2025


Ashoka Goonesekere
Senior Independent Director

Statement of Profit or Loss and Other Comprehensive Income

| For the Year Ended 31st December, | Note | Group | | Company | | Change | |
|--|------|---------------------|---------------------|---------------------|---------------------|-------------|-------------|
| | | 2024 | 2023 | 2024 | 2023 | % | % |
| | | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | | |
| Gross Written Premium | 9 | 22,737,994 | 18,760,347 | 13,709,655 | 10,923,294 | 21 | 26 |
| Premium Ceded to Reinsurers | | (4,585,634) | (2,922,404) | (775,049) | (592,191) | 57 | 31 |
| Net Written Premium | | 18,152,360 | 15,837,943 | 12,934,606 | 10,331,103 | 15 | 25 |
| Net Change in Reserves for Unearned Premium | | 199,390 | (138,553) | - | - | 244 | - |
| Net Earned Premium | | 18,351,750 | 15,699,390 | 12,934,606 | 10,331,103 | 17 | 25 |
| Other Revenue | | | | | | | |
| Interest and Dividend Income | 10 | 7,561,878 | 7,227,168 | 6,797,948 | 6,306,764 | 5 | 8 |
| Net Realised Gains/(Losses) | | 100,442 | (57,224) | 40,025 | 10,415 | 276 | 284 |
| Net Fair Value Gains | | 64,853 | 65,944 | 76,025 | 57,107 | (2) | 33 |
| Fee and Commission Income | | 421,785 | 317,623 | 93,815 | 102,709 | 33 | (9) |
| Other Income | | 24,723 | 12,046 | 23,514 | 9,447 | 105 | 149 |
| Total Other Revenue | | 8,173,681 | 7,565,557 | 7,031,330 | 6,486,442 | 8 | 8 |
| Net Income | | 26,525,431 | 23,264,947 | 19,965,936 | 16,817,545 | 14 | 19 |
| Net Benefits, Claims and Expenses | | | | | | | |
| Net Insurance Benefits and Claims | | (6,711,226) | (6,666,084) | (3,007,225) | (2,676,436) | 1 | 12 |
| Change in Contract Liabilities - Life Fund | | (7,679,932) | (6,332,739) | (7,679,932) | (6,332,739) | 21 | 21 |
| Other Operating and Administration Expenses | | (6,429,682) | (5,284,451) | (4,221,465) | (3,499,070) | 22 | 21 |
| Underwriting and Net Acquisition Costs | | (2,749,433) | (2,286,366) | (2,466,158) | (1,892,762) | 20 | 30 |
| Finance and Other Insurance Related Costs | | (242,237) | (183,812) | (232,686) | (147,496) | 32 | 58 |
| Total Benefits, Claims and Other Expenses | | (23,812,510) | (20,753,452) | (17,607,466) | (14,548,503) | 15 | 21 |
| Profit Before Taxation | | 2,712,921 | 2,511,495 | 2,358,470 | 2,269,042 | 8 | 4 |
| Income Tax Expense | 11 | (816,060) | (746,846) | (701,759) | (655,723) | 9 | 7 |
| Profit for the Year | 12 | 1,896,861 | 1,764,649 | 1,656,711 | 1,613,319 | 7 | 3 |
| Other Comprehensive Income, Net of Related Tax | | | | | | | |
| Items that are or may be reclassified to profit or loss | | | | | | | |
| - Net Change in fair value of Available For Sale Financial Assets | | 1,087,198 | 1,401,847 | 987,778 | 1,035,773 | (22) | (5) |
| - Realised Gains transferred to Income Statement | | (131,952) | (38,955) | (33,720) | (31,744) | 239 | 6 |
| - Amortisation of AFS reserve on reclassification | | 57,165 | 49,549 | 57,165 | 49,549 | 15 | 15 |
| - Net Change in fair value of Available For Sale Financial Assets transferred to Life Policyholders' Available For Sale Reserve Fund | | (906,981) | (808,128) | (906,981) | (808,128) | 12 | 12 |
| - Tax related on items that are or may be reclassified to profit or loss | 11 | (356) | (107,659) | - | - | (100) | - |
| Items that will never be reclassified to profit or loss | | | | | | | |
| - Actuarial Losses on Defined Benefit Plans | | (94,430) | (63,303) | (61,004) | (25,147) | 49 | 143 |
| - Gains on Land and Building Revaluation | | 15,976 | - | - | - | 100 | - |
| - Tax related on items that will never be reclassified to profit or loss | 11 | (4,964) | 19,655 | - | - | (125) | - |
| Total Other Comprehensive Income for the Year, Net of Related Tax | | 21,656 | 453,006 | 43,238 | 220,303 | (95) | (80) |
| Total Comprehensive Income for the Year | | 1,918,517 | 2,217,655 | 1,699,949 | 1,833,622 | (13) | (7) |
| Profit Attributable to: | | | | | | | |
| Equity Holders of the Company | | 1,896,861 | 1,764,649 | 1,656,711 | 1,613,319 | 7 | 3 |
| Non-Controlling Interest | | - | - | - | - | - | - |
| Total Comprehensive Income Attributable to: | | | | | | | |
| Equity Holders of the Company | | 1,918,517 | 2,217,655 | 1,699,949 | 1,833,622 | (13) | (7) |
| Non-Controlling Interest | | - | - | - | - | - | - |
| Basic and Diluted Earnings Per Share (Rs.) | 13 | 12.65 | 11.76 | 11.04 | 10.76 | 7 | 3 |

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' 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 Year | | | | | | | |
| Profit for the Year - Audited | | 1,764,649 | | | | | 1,764,649 |
| Other Comprehensive Income for the Year, Net of Related Tax | | | | | | | |
| Net Change in fair value of Available For Sale Financial Assets | | | 1,304,782 | | | | 1,304,782 |
| Net Change in fair value of Available For Sale Financial Assets | | | (808,128) | | | | (808,128) |
| - transferred to Life Policyholders' Available For Sale Reserve Fund | | | | (43,648) | | | (43,648) |
| Actual Losses on Defined Benefit Plans | | | | | | | 453,006 |
| Total Other Comprehensive Income for the Year | | | 496,654 | (43,648) | | | 453,006 |
| Total Comprehensive Income for the Year | | 1,764,649 | 496,654 | (43,648) | | | 2,217,655 |
| Net Change in fair value of Available For Sale Financial Assets | | | | | | | |
| - transferred from Available For Sale Reserve | | | | | | | 808,128 |
| Transactions with owners recorded directly in equity | | | | | | | |
| Distributions to owners of the Parent | | (647,500) | | | | | (647,500) |
| Final Dividend to equity holders for 2022 | | 9,039,864 | 174,358 | (21,280) | (469,286) | | 10,276,677 |
| Audited balance as at 31st December 2023 | 1,171,875 | 9,039,864 | 174,358 | (21,280) | (469,286) | 381,156 | 10,276,677 |
| Balance as at 01st January 2024 | 1,171,875 | 9,039,864 | 174,358 | (21,280) | (469,286) | 381,156 | 10,276,677 |
| Comprehensive Income for the Year | | | | | | | |
| Profit for the Year - Unaudited | | 1,896,861 | | | | | 1,896,861 |
| Other Comprehensive Income for the Year, Net of Related Tax | | | | | | | |
| Net Change in fair value of Available For Sale Financial Assets | | | 1,012,055 | | | | 1,012,055 |
| Net Change in fair value of Available For Sale Financial Assets | | | (906,981) | | | | (906,981) |
| - transferred to Life Policyholders' Available For Sale Reserve Fund | | | | (95,849) | | | (95,849) |
| Actual Losses on Defined Benefit Plans | | | | | | | 12,431 |
| Gains on Land and Building Revaluation | | | | 12,431 | | | 12,431 |
| Total Other Comprehensive Income for the Year | | | 105,074 | (83,418) | | | 21,656 |
| Total Comprehensive Income for the Year | | 1,896,861 | 105,074 | (83,418) | | | 1,918,517 |
| Net Change in fair value of Available For Sale Financial Assets | | | | | | | |
| - transferred from Available For Sale Reserve | | | | | | | 906,981 |
| Transactions with owners recorded directly in equity | | | | | | | |
| Distributions to owners of the Parent | | (685,000) | | | | | (685,000) |
| Final Dividend to equity holders for 2023 | | 10,351,725 | 279,432 | (104,708) | 437,895 | | 12,517,175 |
| Unaudited balance as at 31st December 2024 | 1,171,875 | 10,351,725 | 279,432 | (104,708) | 437,895 | 381,156 | 12,517,175 |

Stated Capital represents 150 Million Ordinary Shares as at 31st December 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 AFS Reserve Fund Rs. '000 | Restricted Regulatory Reserve Rs. '000 | Total Equity Rs. '000 |
|---|-------------------------------|----------------------------------|--|------------------------------|--|---|-----------------------------|
| Balance as at 01st January 2023 | 1,171,875 | 6,552,433 | (138,616) | 3,972 | (1,277,414) | 381,156 | 6,893,406 |
| Comprehensive Income for the Year | - | 1,613,319 | - | - | - | - | 1,613,319 |
| Profit for the Year - Audited | - | 1,613,319 | - | - | - | - | 1,613,319 |
| Other Comprehensive Income for the Year, Net of Related Tax | - | - | 1,053,578 | - | - | - | 1,053,578 |
| Net Change in fair value of Available For Sale Financial Assets | - | - | 1,053,578 | - | - | - | 1,053,578 |
| Net Change in fair value of Available For Sale Financial Assets | - | - | (808,128) | - | - | - | (808,128) |
| - transferred to Life Policyholders Available For Sale Reserve Fund | - | - | - | (25,147) | - | - | (25,147) |
| Actuarial Losses on Defined Benefit Plans | - | - | - | (25,147) | - | - | (25,147) |
| Total Other Comprehensive Income for the Year | - | - | 245,450 | (25,147) | - | - | 220,303 |
| Total Comprehensive Income for the Year | - | 1,613,319 | 245,450 | (25,147) | - | - | 1,833,622 |
| Net Change in fair value of Available For Sale Financial Assets | - | - | - | - | 808,128 | - | 808,128 |
| Net Change in fair value of Available For Sale Reserve | - | - | - | - | - | - | - |
| - transferred from Available For Sale Reserve | - | - | - | - | (469,286) | - | (469,286) |
| Transactions with owners recorded directly in equity | - | (547,500) | - | - | - | - | (547,500) |
| Distributions to owners of the Company | - | (547,500) | - | - | - | - | (547,500) |
| Final Dividend to equity holders for 2022 | - | (547,500) | - | - | - | - | (547,500) |
| Audited balance as at 31st December 2023 | 1,171,875 | 7,618,232 | 108,834 | (21,175) | (469,286) | 381,156 | 8,167,656 |
| Balance as at 01st January 2024 | 1,171,875 | 7,618,232 | 108,834 | (21,175) | (469,286) | 381,156 | 8,167,656 |
| Comprehensive Income for the Year | - | 1,656,711 | - | - | - | - | 1,656,711 |
| Profit for the Year - Unaudited | - | 1,656,711 | - | - | - | - | 1,656,711 |
| Other Comprehensive Income for the Year, Net of Related Tax | - | - | 1,011,223 | - | - | - | 1,011,223 |
| Net Change in fair value of Available For Sale Financial Assets | - | - | 1,011,223 | - | - | - | 1,011,223 |
| Net Change in fair value of Available For Sale Financial Assets | - | - | (906,981) | - | - | - | (906,981) |
| - transferred to Life Policyholders Available For Sale Reserve Fund | - | - | - | (61,004) | - | - | (61,004) |
| Actuarial Losses on Defined Benefit Plans | - | - | - | (61,004) | - | - | (61,004) |
| Total Other Comprehensive Income for the Year | - | - | 104,242 | (61,004) | - | - | 43,238 |
| Total Comprehensive Income for the Year | - | 1,656,711 | 104,242 | (61,004) | - | - | 1,699,949 |
| Net Change in fair value of Available For Sale Financial Assets | - | - | - | - | 906,981 | - | 906,981 |
| - transferred from Available For Sale Reserve | - | - | - | - | (906,981) | - | (906,981) |
| Transactions with owners recorded directly in equity | - | (585,000) | - | - | - | - | (585,000) |
| Distributions to owners of the Company | - | (585,000) | - | - | - | - | (585,000) |
| Final Dividend to equity holders for 2023 | - | (585,000) | - | - | - | - | (585,000) |
| Unaudited balance as at 31st December 2024 | 1,171,875 | 8,689,963 | 211,076 | (82,179) | 437,695 | 381,156 | 10,609,586 |

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

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

Statement of Cash Flows

| <i>For the Year Ended 31st December,</i> | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Unaudited | Audited | Unaudited | Audited |
| | 2024 | 2023 | 2024 | 2023 |
| Note | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Cash Flows From Operating Activities | | | | |
| Profit Before Taxation | 2,712,921 | 2,511,495 | 2,358,470 | 2,269,042 |
| <i>Adjustments for:</i> | | | | |
| Interest Income | 10 (7,538,650) | (7,217,300) | (6,774,752) | (6,297,089) |
| Dividend Income | 10 (23,228) | (9,868) | (23,196) | (9,675) |
| Amortisation of Intangible Assets | 31,341 | 20,835 | 29,175 | 19,330 |
| Depreciation of Property, Plant and Equipment | 180,203 | 124,939 | 138,610 | 93,249 |
| Net Depreciation of Right of Use Assets | 206,802 | 168,463 | 191,459 | 156,215 |
| Interest Expense of Lease Creditors | 103,893 | 57,989 | 94,773 | 51,061 |
| Provision for Employee Benefits | 83,927 | 80,741 | 47,602 | 46,544 |
| Net Realised (Gains)/Losses | (100,442) | 57,224 | (40,028) | (10,415) |
| Net Fair Value Gains | (64,853) | (65,944) | (76,025) | (57,107) |
| Loss on Intangible assets | 237 | - | 168 | - |
| Gains on Disposal of Property, Plant and Equipment | (18,837) | (2,428) | (18,867) | (2,280) |
| Gains on Disposal of Right of Use Asset | - | (1,185) | - | - |
| | (4,426,686) | (4,275,039) | (4,072,611) | (3,741,125) |
| Net Change in Operating Assets | A (365,682) | (596,933) | (149,899) | (460,762) |
| Net Change in Operating Liabilities | B 8,732,928 | 7,068,792 | 8,093,485 | 6,887,600 |
| Cash Flows from Operating Activities | 3,940,560 | 2,196,820 | 3,870,975 | 2,685,713 |
| Cash Flows from Investing Activities | | | | |
| Gratuity Paid | (34,902) | (46,608) | (19,163) | (21,984) |
| Income Tax Paid | (645,779) | (476,948) | (559,812) | (432,160) |
| Capital Gain Tax Paid | (31,653) | (4,131) | - | - |
| Payment of Lease Interest | (103,893) | (57,989) | (94,773) | (51,061) |
| Net Cash Generated from Operating Activities | 3,124,333 | 1,611,144 | 3,197,227 | 2,180,508 |
| Cash Flows from Investing Activities | | | | |
| Acquisition of Financial Investments | (112,872,788) | (81,861,946) | (80,274,019) | (63,752,128) |
| Proceeds from Maturity of Financial Investments | 101,464,772 | 73,505,256 | 70,491,008 | 56,233,934 |
| Proceeds from Sale of Financial Investments | 2,414,778 | 2,573,787 | 1,321,315 | 1,730,628 |
| Interest Received | 7,262,912 | 5,192,018 | 6,410,785 | 4,521,880 |
| Dividend Received | 20,496 | 7,962 | 20,464 | 7,769 |
| Acquisition of Intangible Assets | (131,673) | (23,641) | (127,365) | (19,842) |
| Acquisition of Property, Plant and Equipment | (250,381) | (400,564) | (204,870) | (316,334) |
| Proceeds from the Disposal of Property, Plant and Equipment | 24,901 | 6,762 | 24,805 | 5,011 |
| Advance Paid to Right of Use asset | (8,635) | (42,255) | (6,235) | (30,050) |
| Net Cash Used in Investing Activities | (2,075,618) | (1,042,621) | (2,344,112) | (1,619,132) |
| Cash Flows from Financing Activities | | | | |
| Dividend Paid | (585,000) | (547,500) | (585,000) | (547,500) |
| Payment of Lease Capital | (132,015) | (137,056) | (126,393) | (131,926) |
| Net Cash Used in Financing Activities | (717,015) | (684,556) | (711,393) | (679,426) |
| Net Decrease in Cash and Cash Equivalents (Net of Book OD) | | | | |
| | 331,700 | (116,033) | 141,722 | (118,050) |
| Cash and Cash Equivalents at the beginning of the Year (Net of Book OD) | 651,733 | 767,766 | 505,675 | 623,725 |
| Cash and Cash Equivalents at the end of the Year (Net of Book OD) | 983,433 | 651,733 | 647,397 | 505,675 |

Notes to the Statement of Cash Flows

| <i>For the Year Ended 31st December,</i> | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | Unaudited | Audited | Unaudited | Audited |
| | 2024 | 2023 | 2024 | 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 | 175,003 | (44,476) | - | - |
| Increase in Loans to Life Policyholders | (17,472) | (21,009) | (17,472) | (21,009) |
| Decrease/(Increase) in Reinsurance Receivables | 60,653 | (284,839) | 87,108 | (141,034) |
| Increase in Premium Receivables | (413,728) | (4,737) | (152,783) | (27,393) |
| Increase in Other Assets | (170,138) | (241,872) | (66,752) | (271,326) |
| Net Change in Operating Assets | (365,682) | (596,933) | (149,899) | (460,762) |
| B. Change in Operating Liabilities | | | | |
| Increase in Other Liabilities | 896,232 | 435,452 | 460,191 | 429,498 |
| Increase in Insurance Contract Liabilities (before tax) - Life Insurance | 7,720,506 | 6,383,403 | 7,720,506 | 6,383,403 |
| (Decrease)/Increase in Insurance Contract Liabilities - General Insurance | (187,245) | 512,715 | - | - |
| Increase/(Decrease) in Reinsurance Creditors | 303,435 | (262,778) | (87,212) | 74,699 |
| Net Change in Operating Liabilities | 8,732,928 | 7,068,792 | 8,093,485 | 6,887,600 |
| C. Cash and Cash Equivalents at the end of the Year | | | | |
| Cash in Hand and at Bank | 1,402,419 | 1,123,004 | 841,377 | 666,222 |
| Bank Overdrafts | (418,986) | (471,271) | (193,980) | (160,547) |
| Cash and Cash Equivalents (Net of Book OD) | 983,433 | 651,733 | 647,397 | 505,675 |

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.

Statement of Profit or Loss and Other Comprehensive Income

| For the Three Months Ended 31st December, | Note | Group | | Company | | Change | |
|--|------|--------------------|--------------------|--------------------|--------------------|--------------|--------------|
| | | 2024 | 2023 | 2024 | 2023 | % | % |
| | | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | | |
| Gross Written Premium | 9 | 6,088,168 | 5,067,139 | 3,733,574 | 3,070,138 | 20 | 22 |
| Premium Ceded to Reinsurers | | (1,131,932) | (683,810) | (204,003) | (161,509) | 66 | 26 |
| Net Written Premium | | 4,956,236 | 4,383,329 | 3,529,571 | 2,908,629 | 13 | 21 |
| Net Change in Reserves for Unearned Premium | | (151,719) | (90,169) | - | - | 68 | - |
| Net Earned Premium | | 4,804,517 | 4,293,160 | 3,529,571 | 2,908,629 | 12 | 21 |
| Other Revenue | | | | | | | |
| Interest and Dividend Income | 10 | 1,936,569 | 1,850,359 | 1,752,538 | 1,629,573 | 5 | 8 |
| Net Realised Gains/(Losses) | | 26,195 | (1,503) | 24,880 | 18,003 | 1,843 | 38 |
| Net Fair Value Gains | | 51,914 | 34,548 | 50,627 | 8,359 | 50 | 506 |
| Fee and Commission Income | | 104,331 | 115,725 | 13,676 | 13,314 | (10) | 3 |
| Other Income | | 1,281 | 1,550 | 919 | 1,424 | (17) | (35) |
| Total Other Revenue | | 2,120,290 | 2,000,679 | 1,842,640 | 1,670,673 | 6 | 10 |
| Net Income | | 6,924,807 | 6,293,839 | 5,372,211 | 4,579,302 | 10 | 17 |
| Net Benefits, Claims and Expenses | | | | | | | |
| Net Insurance Benefits and Claims | | (1,755,109) | (1,617,250) | (887,113) | (635,933) | 9 | 39 |
| Change in Contract Liabilities - Life Fund | | (714,676) | (620,953) | (714,676) | (620,953) | 15 | 15 |
| Other Operating and Administration Expenses | | (1,919,545) | (1,630,382) | (1,336,293) | (1,129,198) | 18 | 18 |
| Underwriting and Net Acquisition Costs | | (819,653) | (711,487) | (779,384) | (607,754) | 15 | 28 |
| Finance and Other Insurance Related Costs | | (65,022) | (68,979) | (71,021) | (54,476) | (6) | 30 |
| Total Benefits, Claims and Other Expenses | | (5,274,005) | (4,649,051) | (3,788,487) | (3,048,314) | 13 | 24 |
| Profit Before Taxation | | 1,650,802 | 1,644,788 | 1,583,724 | 1,530,988 | - | 3 |
| Income Tax Expense | 11 | (488,672) | (463,942) | (477,409) | (437,150) | 5 | 9 |
| Profit for the Period | 12 | 1,162,130 | 1,180,846 | 1,106,315 | 1,093,838 | (2) | 1 |
| Other Comprehensive Income, Net of Related Tax | | | | | | | |
| Items that are or may be reclassified to profit or loss | | | | | | | |
| - Net Change in fair value of Available For Sale Financial Assets | | 878,361 | 14,187 | 802,525 | 4,754 | 6,091 | 16,781 |
| - Realised Gains transferred to Income Statement | | (38,065) | (24,192) | (25,881) | (23,848) | 57 | 9 |
| - Amortisation of AFS reserve on reclassification | | 15,138 | 13,090 | 15,138 | 13,090 | 16 | 16 |
| - Net Change in fair value of Available For Sale Financial Assets transferred to Life Policyholder's Available For Sale Reserve Fund | | (700,470) | 4,254 | (700,470) | 4,254 | (16,566) | (16,566) |
| - Tax related on items that are or may be reclassified to profit or loss | 11 | (19,095) | (2,727) | - | - | 600 | - |
| Items that will never be reclassified to profit or loss | | | | | | | |
| - Actuarial Losses on Defined Benefit Plans | | (94,430) | (63,303) | (61,004) | (25,147) | 49 | 143 |
| - Gains on Land and Building Revaluation | | 15,976 | - | - | - | 100 | - |
| - Tax related on items that will never be reclassified to profit or loss | | (4,964) | 19,655 | - | - | (125) | - |
| Total Other Comprehensive Income for the Period, Net of Related tax | | 52,451 | (39,036) | 30,308 | (26,897) | (234) | (213) |
| Total Comprehensive Income for the Period | | 1,214,581 | 1,141,810 | 1,136,623 | 1,066,941 | 6 | 7 |
| Profit Attributable to: | | | | | | | |
| Equity Holders of the Company | | 1,162,130 | 1,180,846 | 1,106,315 | 1,093,838 | (2) | 1 |
| Non-Controlling Interest | | - | - | - | - | - | - |
| Total Comprehensive Income Attributable to: | | | | | | | |
| Equity Holders of the Company | | 1,214,581 | 1,141,810 | 1,136,623 | 1,066,941 | 6 | 7 |
| Non-Controlling Interest | | - | - | - | - | - | - |
| Basic and Diluted Earnings Per Share (Rs.) | 13 | 7.75 | 7.87 | 7.38 | 7.29 | (2) | 1 |

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

Operating Segment Information - Assets and Liabilities

| As at, | Unaudited | | Audited | |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
| | 31st December 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 | 541,118 | 228,520 | 480,796 | 208,753 |
| Right of Use Assets | 427,016 | 55,535 | 368,716 | 60,155 |
| Intangible Assets | 155,588 | 8,431 | 57,566 | 6,358 |
| Deferred Tax Assets | - | 14,783 | - | 1,528 |
| Financial Investments | 48,486,327 | 5,818,471 | 38,530,656 | 5,324,727 |
| Investment in Subsidiary | 1,150,000 | - | 1,150,000 | - |
| Loans to Life Policyholders | 459,395 | - | 441,923 | - |
| Reinsurance Receivables | 238,175 | 1,030,329 | 325,283 | 1,003,874 |
| Premium Receivables | 198,723 | 2,081,953 | 45,940 | 1,923,779 |
| Other Assets | 906,713 | 396,910 | 983,945 | 378,257 |
| Insurance Contract - Deferred Expenses | - | 33,468 | - | 208,471 |
| Cash and Cash Equivalents | 841,377 | 561,042 | 666,222 | 456,782 |
| Total Assets | 53,404,432 | 10,229,442 | 43,051,047 | 9,572,684 |
| Liabilities | | | | |
| Insurance Contract Liabilities - Life Insurance | 38,647,547 | - | 30,945,715 | - |
| Insurance Contract Liabilities - General Insurance | - | 4,507,058 | - | 4,694,303 |
| Employee Defined Benefit Liabilities | 279,864 | 197,451 | 192,127 | 141,733 |
| Current Tax Liabilities | 479,148 | 80,728 | 453,230 | 76,779 |
| Reinsurance Creditors | 214,999 | 785,351 | 302,211 | 394,704 |
| Lease Creditors | 503,233 | 57,672 | 395,383 | 54,921 |
| Other Liabilities | 2,276,075 | 1,518,587 | 1,814,178 | 1,260,499 |
| Bank Overdrafts | 193,980 | 225,006 | 160,547 | 310,724 |
| Total Liabilities | 42,594,846 | 7,371,853 | 34,263,391 | 6,933,663 |

Operating Segment Information - Profitability

| For the Year Ended, | Unaudited | | Adited | |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
| | 31st December 2024 | | 31st December 2023 | |
| | Life Insurance Rs. '000 | General Insurance Rs. '000 | Life Insurance Rs. '000 | General Insurance Rs. '000 |
| Gross Written Premium | 13,709,655 | 9,121,546 | 10,923,294 | 8,036,270 |
| Premium Ceded to Reinsurers | (775,049) | (3,810,585) | (592,191) | (2,330,213) |
| Net Written Premium | 12,934,606 | 5,310,961 | 10,331,103 | 5,706,057 |
| Net Change in Reserves for Unearned Premium | - | 199,390 | - | (216,566) |
| Net Earned Premium | 12,934,606 | 5,510,351 | 10,331,103 | 5,489,491 |
| Other Revenue | | | | |
| Interest and Dividend Income | 6,797,948 | 763,930 | 6,306,764 | 920,404 |
| Net Realised Gains/(Losses) | 40,028 | 60,414 | 10,415 | (67,639) |
| Net Fair Value Gains/(Losses) | 76,025 | (11,172) | 57,107 | 8,837 |
| Fee and Commission Income | 93,815 | 361,854 | 102,709 | 246,779 |
| Other Income | 23,514 | 1,209 | 9,447 | 2,599 |
| Total Other Revenue | 7,031,330 | 1,176,235 | 6,486,442 | 1,110,980 |
| Net Income | 19,965,936 | 6,686,586 | 16,817,545 | 6,600,471 |
| Net Benefits, Claims and Expenses | | | | |
| Net Insurance Benefits and Claims | (3,007,225) | (3,704,279) | (2,676,436) | (3,990,114) |
| Change in Contract Liabilities - Life Fund | (7,679,932) | - | (6,332,739) | - |
| Other Operating and Administration Expenses | (4,221,465) | (2,318,497) | (3,499,070) | (1,921,648) |
| Underwriting and Net Acquisition Cost | (2,466,158) | (299,808) | (1,892,762) | (409,940) |
| Finance and Other Insurance Related Costs | (232,686) | (9,551) | (147,496) | (36,316) |
| Total Benefits, Claims and other Expenses | (17,607,466) | (6,332,135) | (14,548,503) | (6,358,018) |
| Profit Before Taxation | 2,358,470 | 354,451 | 2,269,042 | 242,453 |
| Income Tax Expense | (701,759) | (114,301) | (655,723) | (91,123) |
| Profit for the Year | 1,656,711 | 240,150 | 1,613,319 | 151,330 |

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 Uttaranda 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 18th February 2025.

Figures in these Condensed Consolidated Interim Financial Statements for the year ended 31st December 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 Dec 2024 | 31st Dec 2023 | 31st Dec 2024 | 31st Dec 2023 |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Held to Maturity Financial Assets | 13,429,892 | 11,841,560 | 13,429,892 | 11,841,560 |
| Loans and Receivables | 22,404,413 | 18,034,314 | 19,418,909 | 15,621,404 |
| Available for Sale Financial Assets | 18,022,934 | 13,393,030 | 15,234,056 | 10,611,510 |
| Financial Assets at Fair Value Through Profit or Loss | 447,559 | 586,479 | 403,470 | 456,182 |
| Total Financial Investments | 54,304,798 | 43,855,383 | 48,486,327 | 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 Policyholder's Available For Sale Reserve Fund in Equity.

6 RESTRICTED REGULATORY RESERVE

| As at, | Note | Group | | Company | |
|--------------------------------|------|----------------|---------------|----------------|---------------|
| | | Unaudited | Audited | Unaudited | Audited |
| | | 31st Dec 2024 | 31st Dec 2023 | 31st Dec 2024 | 31st Dec 2023 |
| | | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Balance at the end of the year | 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 | Non Participating Fund | Total |
|---|-------|--------------------|------------------------|-----------|
| | | Rs. '000 | Rs. '000 | 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 December 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 Dec 2024 (Rs. '000) |
|----------------|---|
| As at, | |
| Term Deposits | 382,469 |

7 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE

| As at, | Note | Group | | Company | |
|---|------|--|--------------------------------------|--|--------------------------------------|
| | | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| Life Insurance Fund | 7.1 | 38,337,298 | 30,676,040 | 38,337,298 | 30,676,040 |
| Claims Outstanding | | 310,249 | 269,675 | 310,249 | 269,675 |
| Total Insurance Contract Liabilities | | 38,647,547 | 30,945,715 | 38,647,547 | 30,945,715 |

7.1 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE FUND

| As at, | Group | | Company | |
|---|--|--------------------------------------|--|--------------------------------------|
| | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 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 Year | 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 | 9,029,932 | 7,647,739 | 9,029,932 | 7,647,739 |
| Surplus Distributed to Shareholders | (1,350,000) | (1,315,000) | (1,350,000) | (1,315,000) |
| Increase in Life Insurance Fund | 7,679,932 | 6,332,739 | 7,679,932 | 6,332,739 |
| Effect of Taxation on surplus/Bonus transferred to Policyholders | (18,674) | (20,329) | (18,674) | (20,329) |
| Balance as at the end of the Year | 38,337,298 | 30,676,040 | 38,337,298 | 30,676,040 |

7.2 Valuation of the Life Insurance Contract Liabilities for the year ended 31st December 2024 was carried out by the Appointed Actuary, Mr. Abhishek Chadha, FIA, FIAI for and on behalf of Willis Towers Watson India Private Limited and have ensured adequate provisions have been made in these Condensed Consolidated Interim Financial Statements in line with the Actuarial Valuation. The Group has recognised a profit of Rs. 1,350 Million for the year ended 31st December 2024 (31st December 2023 - Rs. 1,315 Million) from the Life Insurance Business based on the recommendations made by the Life Insurance Appointed Actuary.

Notes to the Condensed Consolidated Interim Financial Statements

7.3 Effect of Taxation on surplus/Bonus transferred to Policyholders

According to the section 67 (2) of Inland Revenue Act No. 24 of 2017 which was effective from 01st April 2018, the surplus distributed to a life insurance policyholder who shares the profit of a person engaged in the business of life insurance, as provided in the Regulation of Insurance Industry Act No. 43 of 2000, shall be deemed as gains and profits of the business and shall be taxed at a concessionary rate of 14% for three years of assessment after the commencement of the Act. Due to completion of stipulated concessionary period for the year 2021, the company will be liable for tax at the standard income tax rate on bonus/surplus transferred to policyholders. As per the tax revisions, standard rate of income tax has increased from 24% to 30% with effect from 01st October 2022. Therefore, Company will be liable to tax at the rate of 30% on bonus/surplus transferred to policyholders from the year 2022 onwards. As recommended by the Appointed Actuary, the Company declared a bonus of Rs. 62.25 Million in December 2024 (2023 - Rs. 67.76 Million) to Life Insurance policyholders participating in the profits of the Life Insurance business. The Company has charged a tax of Rs. 18.67 Million (2023 - Rs. 20.33 Million) on the said bonus which is payable to the Department of Inland Revenue as of the reporting date.

7.4 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. No additional provision was required against the LAT as at 31st December 2024.

8 INSURANCE CONTRACT LIABILITIES - GENERAL INSURANCE

| As at, | Group | | Company | |
|---|--|--------------------------------------|--|--------------------------------------|
| | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| Reserves for Net Unearned Premium | 2,734,648 | 2,960,146 | - | - |
| Reserves for Title Insurance | 75,088 | 48,980 | - | - |
| Reserves for Gross Outstanding Claims | 1,697,322 | 1,685,177 | - | - |
| Total Insurance Contract Liabilities | 4,507,058 | 4,694,303 | - | - |

8.1 Valuation of the IBNR/IBNER was carried by the Appointed Actuary, Ms. Sipika Tandon Mathur, FIA, as at 31st December 2024 for and on behalf of Willis Towers Watson India Private Limited. The Appointed Actuary have 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. Accordingly, HNB General Insurance Limited adequately satisfies the LAT requirement as at 31st December 2024. No additional provision is required against LAT as at 31st December 2024.

Notes to the Condensed Consolidated Interim Financial Statements

9 GROSS WRITTEN PREMIUM

| <i>For the Year Ended,</i> | Group | | Company | |
|---|--|--------------------------------------|--|--------------------------------------|
| | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| Life Insurance | | | | |
| Individual Policies | 13,187,037 | 10,489,484 | 13,187,037 | 10,489,484 |
| Corporate Policies | 522,618 | 433,810 | 522,618 | 433,810 |
| Adjustment for Inter Company Premiums | (55,720) | (46,396) | - | - |
| Gross Written Premium - Life Insurance | 13,653,935 | 10,876,898 | 13,709,655 | 10,923,294 |
| General Insurance | | | | |
| Fire | 1,885,932 | 1,488,609 | - | - |
| Motor | 4,775,374 | 4,519,986 | - | - |
| Marine | 327,135 | 123,155 | - | - |
| Miscellaneous | 2,133,105 | 1,904,520 | - | - |
| Adjustment for Inter Company Premiums | (37,487) | (152,821) | - | - |
| Gross Written Premium - General Insurance | 9,084,059 | 7,883,449 | - | - |
| Total Gross Written Premium | 22,737,994 | 18,760,347 | 13,709,655 | 10,923,294 |

| <i>For the Three Months Ended,</i> | Group | | Company | |
|---|--|--|--|--|
| | Unaudited 31st Dec 2024 Rs. '000 | Unaudited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Unaudited 31st Dec 2023 Rs. '000 |
| Life Insurance | | | | |
| Individual Policies | 3,605,399 | 2,997,249 | 3,605,399 | 2,997,249 |
| Corporate Policies | 128,175 | 72,889 | 128,175 | 72,889 |
| Adjustment for Inter Company Premiums | (18,883) | (11,030) | - | - |
| Gross Written Premium - Life Insurance | 3,714,691 | 3,059,108 | 3,733,574 | 3,070,138 |
| General Insurance | | | | |
| Fire | 402,720 | 316,669 | - | - |
| Motor | 1,198,829 | 1,188,697 | - | - |
| Marine | 83,202 | 12,666 | - | - |
| Miscellaneous | 694,086 | 586,848 | - | - |
| Adjustment for Inter Company Premiums | (5,360) | (96,849) | - | - |
| Gross Written Premium - General Insurance | 2,373,477 | 2,008,031 | - | - |
| Total Gross Written Premium | 6,088,168 | 5,067,139 | 3,733,574 | 3,070,138 |

10 INTEREST AND DIVIDEND INCOME

| <i>For the Year Ended,</i> | Group | | Company | |
|----------------------------|--|--------------------------------------|--|--------------------------------------|
| | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| Interest Income | 7,538,650 | 7,217,300 | 6,774,752 | 6,297,089 |
| Dividend Income | 23,228 | 9,868 | 23,196 | 9,675 |
| Total | 7,561,878 | 7,227,168 | 6,797,948 | 6,306,764 |

| <i>For the Three Months Ended,</i> | Group | | Company | |
|------------------------------------|--|--|--|--|
| | Unaudited 31st Dec 2024 Rs. '000 | Unaudited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Unaudited 31st Dec 2023 Rs. '000 |
| Interest Income | 1,934,034 | 1,849,122 | 1,750,003 | 1,628,400 |
| Dividend Income | 2,535 | 1,237 | 2,535 | 1,173 |
| Total | 1,936,569 | 1,850,359 | 1,752,538 | 1,629,573 |

Notes to the Condensed Consolidated Interim Financial Statements

11 INCOME TAX EXPENSE

| | Group | | Company | |
|---|--|--------------------------------------|--|--------------------------------------|
| | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| <i>For the Year Ended,</i> | | | | |
| Income Tax Charge | (830,996) | (763,993) | (701,378) | (679,821) |
| (Under)/Over Provision of Income Taxes in respect of prior Year | (3,639) | 27,045 | (381) | 24,098 |
| Deferred Tax - Recognised through Profit or Loss | 18,575 | (9,898) | - | - |
| Total Tax charge in Profit or Loss | (816,060) | (746,846) | (701,759) | (655,723) |
| Deferred Tax on net change in debt instruments categorised under Available for Sale | (356) | (107,659) | - | - |
| Deferred Tax on Actuarial Losses on Defined Benefit Plans | (1,419) | 19,655 | - | - |
| Deferred Tax on Revaluation Gains on Land and Buildings | (3,545) | - | - | - |
| Total Tax charge in Other Comprehensive Income | (5,320) | (88,004) | - | - |

| | Group | | Company | |
|---|--|--|--|--|
| | Unaudited 31st Dec 2024 Rs. '000 | Unaudited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Unaudited 31st Dec 2023 Rs. '000 |
| <i>For the Three Months Ended,</i> | | | | |
| Income Tax Charge | (495,371) | (487,133) | (477,028) | (461,248) |
| (Under)/Over Provision of Income Taxes in respect of prior Year | (3,639) | 27,045 | (381) | 24,098 |
| Deferred Tax - Recognised through Profit or Loss | 10,338 | (3,854) | - | - |
| Total Tax charge in Profit or Loss | (488,672) | (463,942) | (477,409) | (437,150) |
| Deferred tax related to items charged or credited directly to other comprehensive income | | | | |
| Deferred Tax on net change in debt instruments categorised under Available for Sale | (19,095) | (2,727) | - | - |
| Deferred Tax on Actuarial Losses on Defined Benefit Plans | (1,419) | 19,655 | - | - |
| Deferred Tax on Revaluation Gains on Land and Buildings | (3,545) | - | - | - |
| Total Tax charge in Other Comprehensive Income | (24,059) | 16,928 | - | - |

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. 701.76 Million for the year ended 31st December 2024. The Subsidiary carried a deferred tax asset of Rs. 14.78 Million as at 31st December 2024.

Notes to the Condensed Consolidated Interim Financial Statements

12 PROFIT FOR THE YEAR

For the Year Ended,

| Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
|--|--------------------------------------|
|--|--------------------------------------|

Company - HNB Assurance PLC

| | | |
|---|------------------|------------------|
| Surplus Transferred from Life Policyholders' Fund to Shareholders' Fund | 1,350,000 | 1,315,000 |
| Profit Before Tax from Life Shareholders' Fund | 1,008,470 | 954,042 |
| Income Tax Expense | (701,759) | (655,723) |
| Profit for the Year | 1,656,711 | 1,613,319 |

Subsidiary - HNB General Insurance Ltd

| | | |
|-------------------------------------|------------------|------------------|
| Profit Before Tax | 354,451 | 242,453 |
| Income Tax and Deferred Tax Expense | (114,301) | (91,123) |
| Profit for the Year | 240,150 | 151,330 |
| Profit for the Year - Group | 1,896,861 | 1,764,649 |

For the Three Months Ended,

| Unaudited 31st Dec 2024 Rs. '000 | Unaudited 31st Dec 2023 Rs. '000 |
|--|--|
|--|--|

Company - HNB Assurance PLC

| | | |
|---|------------------|------------------|
| Surplus Transferred from Life Policyholders' Fund to Shareholders' Fund | 1,350,000 | 1,315,000 |
| Profit Before Tax from Life Shareholders' Fund | 233,724 | 215,988 |
| Income Tax Expense | (477,409) | (437,150) |
| Profit for the Period | 1,106,315 | 1,093,838 |

Subsidiary - HNB General Insurance Ltd

| | | |
|--------------------------------------|------------------|------------------|
| Profit Before Tax | 67,078 | 113,800 |
| Income Tax and Deferred Tax Expense | (11,263) | (26,792) |
| Profit for the Period | 55,815 | 87,008 |
| Profit for the Period - Group | 1,162,130 | 1,180,846 |

13 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic Earnings Per Share is calculated by dividing the profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. 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 year. Therefore, Diluted Earnings Per Share is same as Basic Earnings Per Share.

| <i>For the Year Ended,</i> | Group | | Company | |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| | Unaudited 31st Dec 2024 | Audited 31st Dec 2023 | Unaudited 31st Dec 2024 | Audited 31st Dec 2023 |
| Profit for the Year (Rs. '000) | 1,896,861 | 1,764,649 | 1,656,711 | 1,613,319 |
| Weighted average number of shares ('000) | 150,000 | 150,000 | 150,000 | 150,000 |
| Basic and Diluted Earnings Per Share (Rs.) | 12.65 | 11.76 | 11.04 | 10.76 |

| <i>For the Three Months Ended,</i> | Group | | Company | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | Unaudited 31st Dec 2024 | Unaudited 31st Dec 2023 | Unaudited 31st Dec 2024 | Unaudited 31st Dec 2023 |
| Profit for the Period (Rs. '000) | 1,162,130 | 1,180,846 | 1,106,315 | 1,093,838 |
| Weighted average number of shares ('000) | 150,000 | 150,000 | 150,000 | 150,000 |
| Basic and Diluted Earnings Per Share (Rs.) | 7.75 | 7.87 | 7.38 | 7.29 |

Notes to the Condensed Consolidated Interim Financial Statements

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 Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| <i>For the Year Ended,</i> | | | | |
| Insurance Premium | 230,828 | 224,650 | - | 31,414 |
| Claims Incurred | 80,172 | 93,148 | 49,354 | 52,106 |
| Investment Income | 526,380 | 537,757 | 486,205 | 456,193 |
| Administration Expenses | 791,087 | 591,593 | 634,177 | 450,318 |
| Rent and Other Operational Expenses | 25,894 | 23,257 | 16,591 | 15,996 |
| Dividend Paid | 350,918 | 328,423 | 350,918 | 328,423 |
| Outstanding Balances | | | | |
| | Group | | Company | |
| <i>As at,</i> | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| Investment Balance (Include Deposits & Debentures) | 1,899,734 | 3,017,870 | 1,571,387 | 2,636,221 |
| Cash at Bank Balances | 939,252 | 615,640 | 620,890 | 493,823 |
| Premium Receivable | 210 | 175 | - | - |
| Administration Expenses Payable | 133,934 | 92,914 | 111,091 | 72,467 |
| Rent and Other Operational Expenses Payable | 1,567 | 157 | 801 | 100 |

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

| Transactions | Unaudited | Audited |
|--|--|--------------------------------------|
| | 31st Dec 2024 Rs. '000 | 31st Dec 2023 Rs. '000 |
| <i>For the Year Ended,</i> | | |
| Insurance Premium | 55,720 | 46,396 |
| Insurance Expenses | 37,487 | 152,821 |
| Claims Received | 278 | 466 |
| Claims Paid | 4,200 | 5,400 |
| Reimbursement Expenses Relating to Employees | 93,097 | 112,430 |
| Other Reimbursement Expenses | 272,396 | 271,345 |
| Fund Management Fee | 17,351 | 15,529 |
| Profit Commission Expense | 16,533 | 16,336 |
| Outstanding Balances | | |
| <i>As at,</i> | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| Premium Payable to HNB General Insurance Ltd | 8,541 | 111,312 |
| Receivable from HNB General Insurance Ltd | 25,874 | 99,350 |

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

| Transactions | Group | | Company | |
|----------------------------|--|--------------------------------------|--|--------------------------------------|
| | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| <i>For the Year Ended,</i> | | | | |
| Insurance Premium | 163,138 | 236,866 | 44,312 | 133,497 |
| Claims Incurred | 51,927 | 17,101 | 30,673 | 11,012 |
| Investment Income | 106,076 | 99,913 | 85,126 | 80,788 |
| Administration Expenses | 22,845 | 26,636 | 4,100 | 11,015 |

Notes to the Condensed Consolidated Interim Financial Statements

| Outstanding Balances | Group | | Company | |
|--|--|--------------------------------------|--|--------------------------------------|
| | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
| As at, | | | | |
| Investments Balance (Includes Deposits, Debentures and Repo) | 1,008,529 | 158,181 | 808,711 | 158,181 |
| Cash at Bank Balances | 49 | 14 | 49 | 14 |
| Premium Receivable | 8,768 | 27,525 | - | 8,028 |
| Administration Expenses Payable | 4,078 | 5,822 | 6 | 465 |

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

| For the Year Ended, | Unaudited 31st Dec 2024 Rs. '000 | Audited 31st Dec 2023 Rs. '000 |
|---|--|--------------------------------------|
| Director Fee | 31,420 | 29,220 |
| Short-term and Post Employment Benefits | 109,720 | 91,217 |
| Insurance Premium | 3,124 | 3,021 |
| Claims Paid including Maturities | 1,025 | 466 |

Appointment and Retirement of the Chairman / Chairperson

Mr. Stuart Anthony Chapman has appointed as the Chairman, Non-Independent Non-Executive Director of the Board of HNB Assurance PLC and HNB General Insurance Limited w.e.f. 24th May 2024.

Ms. Mirihana Arachchige Rose Chandralatha Cooray retired from the office of Chairperson and Non-Independent Non-Executive Director of HNB Assurance PLC and HNB General Insurance Limited w.e.f. 23rd May 2024.

Appointment of Senior Independent Directors

Mr. Ashoka Goonesekere Non-Executive Independent Director of HNB Assurance PLC has been redesignated as Senior Independent Director w.e.f. 28th June 2024.

Mr. Dinesh Dharmadasa Non-Executive Independent Director of HNB General Insurance Limited has been redesignated as Senior Independent Director w.e.f. 01st July 2024.

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 Sankala 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.

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

Prof. Ananda Kithsiri Wijenayaka Jayawardane was appointed as a Non-Independent Non-Executive Director of HNB Assurance PLC w.e.f. 09th August 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.

Notes to the Condensed Consolidated Interim Financial Statements

Change of Board Secretary

Ms. Kurugalage Yoga Sanjeeewani Gunadasa who functioned as the Board Secretary of HNB Assurance PLC has resigned from the said position w.e.f. 31st May 2024.

Ms. Abhayalankara Herath Mudiyanseelage Nirosha Madhubhashini Bakmedeniya has been appointed as the new Board Secretary of HNB Assurance PLC w.e.f. 01st June 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.

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

The Board of Directors has recommended a payment of Rs. 3.90 per share as final dividend on 18th February 2025 for the year ended 31st December 2024 (2023-first and final dividend Rs. 3.90 per share) which is subject to the approval of the shareholders at the Annual General Meeting to be held on 28th March 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.

17 CAPITAL COMMITMENTS

The Group has committed an expense of Rs. 465.51 Million as at 31st December 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 year, 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, 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 Mn 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

Notes to the Condensed Consolidated Interim Financial Statements

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. 1,586 Million including interest and penalties of Rs. 758 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.

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 2018/19 and 2019/20 totaling to Rs. 130 Million including interest and penalty of Rs. 63.5 Million are in the process of hearing with the Tax Appeals Commission.

18.2 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 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 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 with tax in dispute and penalties totaling to Rs. 78.07 Million including 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 amounting to Rs. 15.61 Million, including penalty of Rs. 5.2 Million is 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 01.01.2019 to 31.12.2019 amounting to Rs. 17.07 Million, including penalty of Rs. 5.7 Million is in the process of appealing for TAC against the Determination of CGIR.

The assessment 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 still with CGIR and awaiting the CGIR determination.

Notes to the Condensed Consolidated Interim Financial Statements

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 (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 and penalty which amounts to Rs. 12.3 Million. Further, the subsidiary company, HNB General Insurance Limited, has received tax assessments and penalties amounting to Rs. 355.14 Million on VAT returns filed and the subsidiary has duly appealed against the assessments.

18.4 Value Added Tax (VAT) On Reinsurance

HNB General Insurance Limited 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.

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 December 2024 | | 30th September 2024 | |
|---|--------------------|--------------------|---------------------|--------------------|
| | 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 | 3,539,125 | 2.36 | 3,928,151 | 2.62 |
| 4 J.B. Cocoshell (Pvt) Ltd | 2,054,172 | 1.37 | 2,054,172 | 1.37 |
| 5 Ceylon Investment PLC A/C # 02 | 1,712,174 | 1.14 | 1,712,174 | 1.14 |
| 6 Thread Capital (Pvt) Ltd | 1,644,342 | 1.10 | 1,618,342 | 1.08 |
| 7 Mr. M.F. Hashim | 1,634,167 | 1.09 | 1,634,167 | 1.09 |
| 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 Mr. V. Sharda | 1,359,000 | 0.91 | 859,000 | 0.57 |
| 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 Rubber Investment Trust Ltd A/C No 01 | 1,337,058 | 0.89 | 1,337,058 | 0.89 |
| 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 Alliance Finance Company PLC | 615,333 | 0.41 | 525,553 | 0.35 |
| 18 Dr. S. Selliah | 600,000 | 0.40 | 600,000 | 0.40 |
| 19 Seylan Bank PLC/G.A. Bhanuka Harischandra | 596,442 | 0.40 | 570,592 | 0.38 |
| 20 Corporate Holdings (Pvt) Ltd A/C No.02 | 573,969 | 0.38 | 573,969 | 0.38 |

Public Shareholding

| | 31st December 2024 | 31st December 2023 |
|--|--------------------|--------------------|
| * Float Adjusted Market Capitalisation (Rs.) | 4,807,602,160 | 3,386,229,595 |
| Percentage of Shares held by the Public | 40.013% | 39.885% |
| Number of Public Shareholders | 3,893 | 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 December 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 Dec 2024 | No. of Shares 31st Dec 2023 |
|--|--------------------------------|--------------------------------|
| Mr. S.A. Chapman | 500 | 500 |
| Mr. A. Goonesekere | Nil | Nil |
| Mr. L.U.D. Fernando | Nil | Nil |
| Mr. L.H.A.L. Silva | Nil | Nil |
| Dr. P.S.Gamwarige | Nil | Nil |
| Mr. P.R. Saldin | Nil | Nil |
| Prof. A.K.W. Jyawardane | Nil | N/A |
| 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 Dec 2024 Rs. | 31st Dec 2023 Rs. |
|---|----------------------|----------------------|
| Net Asset Value Per Share - Group | 83.45 | 68.51 |
| Net Asset Value Per Share - Company | 72.06 | 58.58 |
| Net Asset Value Per Share without Restricted Regulatory Reserve - Group | 80.91 | 65.97 |
| Net Asset Value Per Share without Restricted Regulatory Reserve - Company | 69.52 | 56.04 |
| For the Three Months Ended 31st December, | 2024 Rs. | 2023 Rs. |
| Highest Price Per Share | 82.00 | 57.40 |
| Lowest Price Per Share | 58.00 | 50.00 |
| Last Traded Price Per Share | 80.10 | 56.60 |