



A DEPENDABLE FORCE

Statement of Financial Position

As at,	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		30th June 2024	31st Dec 2023	30th June 2024	31st Dec 2023
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets					
Property, Plant and Equipment		742,208	689,549	529,980	480,796
Right of Use Assets		548,134	428,871	495,413	368,716
Intangible Assets		163,246	63,924	157,043	57,566
Deferred Tax Assets		10,375	1,528	-	-
Financial Investments	3	48,770,197	43,855,383	42,763,426	38,530,656
Investment in Subsidiary		-	-	1,150,000	1,150,000
Loans to Life Policyholders		434,410	441,923	434,410	441,923
Reinsurance Receivables		1,657,348	1,329,157	465,258	325,283
Premium Receivables		1,768,297	1,858,407	114,096	45,940
Other Assets		1,231,322	1,262,852	886,229	983,945
Insurance Contract - Deferred Expenses		105,078	208,471	-	-
Cash and Cash Equivalents		1,125,694	1,123,004	642,379	666,222
Total Assets		56,556,309	51,263,069	47,638,234	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		8,929,054	9,039,864	7,397,887	7,618,252
Available for Sale Reserve		209,549	174,358	148,424	106,834
Other Reserve		(21,290)	(21,290)	(21,175)	(21,175)
Life Policyholders' Available for Sale Reserve Fund	5	(218,492)	(469,286)	(218,492)	(469,286)
Restricted Regulatory Reserve	6	381,156	381,156	381,156	381,156
Equity Attributable to the Equity Holders		10,451,852	10,276,677	8,859,675	8,787,656
Non - Controlling Interest		-	-	-	-
Total Equity		10,451,852	10,276,677	8,859,675	8,787,656
Liabilities					
Insurance Contract Liabilities - Life Insurance	7	35,511,153	30,945,715	35,511,153	30,945,715
Insurance Contract Liabilities - General Insurance	8	4,821,823	4,694,303	-	-
Employee Defined Benefit Liabilities		385,938	333,860	228,279	192,127
Current Tax Liabilities		469,646	530,009	358,342	453,230
Reinsurance Creditors		1,381,301	696,915	510,762	302,211
Lease Creditors		603,150	450,304	550,779	395,383
Other Liabilities		2,572,658	2,864,015	1,486,680	1,814,178
Bank Overdrafts		358,788	471,271	132,564	160,547
Total Liabilities		46,104,457	40,986,392	38,778,559	34,263,391
Total Equity and Liabilities		56,556,309	51,263,069	47,638,234	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
31st July 2024


Ashoka Goonesekere
Senior Independent Director

Statement of Profit or Loss and Other Comprehensive Income

Group				Group		Company		Change	
(Audited)	Year Ended	For the Six Months Ended 30th June,		Unaudited	Unaudited	Unaudited	Unaudited	Group	Company
31 st Dec 2023	Rs. '000	Note	2024	2023	2024	2023	Rs. '000	%	%
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	%	%
18,760,347	Gross Written Premium	9	10,959,687	9,107,113	6,404,608	5,160,659		20	24
(2,922,404)	Premium Ceded to Reinsurers		(2,259,488)	(1,592,982)	(365,249)	(280,388)		42	30
15,837,943	Net Written Premium		8,700,199	7,514,131	6,039,359	4,880,271		16	24
(138,553)	Net Change in Reserves for Unearned Premium		132,369	(31,603)	-	-		519	-
15,699,390	Net Earned Premium		8,832,568	7,482,528	6,039,359	4,880,271		18	24
Other Revenue									
7,227,168	Interest and Dividend Income	10	3,747,389	3,561,017	3,350,410	3,099,681		5	8
(57,224)	Net Realised Gains/(Losses)		37,883	(42,569)	2,823	(4,206)		189	167
65,944	Net Fair Value Gains/(Losses)		24,354	(69,886)	34,179	(1,286)		135	2,758
317,623	Fee and Commission Income		213,412	154,820	68,162	79,169		38	(14)
12,046	Other Income		16,478	6,832	15,946	6,038		141	164
7,565,557	Total Other Revenue		4,039,516	3,610,214	3,471,520	3,179,396		12	9
23,264,947	Net Income		12,872,084	11,092,742	9,510,879	8,059,667		16	18
Net Benefits, Claims and Expenses									
(6,666,084)	Net Insurance Benefits and Claims		(3,356,249)	(3,202,904)	(1,432,719)	(1,315,002)		5	9
(6,332,739)	Change in Contract Liabilities - Life Fund		(4,532,976)	(3,869,107)	(4,532,976)	(3,869,107)		17	17
(5,370,694)	Other Operating and Administration Expenses		(2,911,416)	(2,396,205)	(1,854,582)	(1,535,585)		22	21
(2,200,123)	Underwriting and Net Acquisition Costs		(1,249,117)	(942,379)	(1,071,950)	(778,381)		33	38
(183,812)	Finance and Other Insurance Related Costs		(111,733)	(47,928)	(105,695)	(53,464)		133	98
(20,753,452)	Total Benefits, Claims and Other Expenses		(12,161,491)	(10,458,523)	(8,997,922)	(7,551,539)		16	19
2,511,495	Profit Before Taxation		710,593	634,219	512,957	508,128		12	1
(746,846)	Income Tax Expense	11	(236,403)	(219,595)	(148,322)	(150,437)		8	(1)
1,764,649	Profit for the Period	12	474,190	414,624	364,635	357,691		14	2
Other Comprehensive Income, Net of Related Tax									
Items that are or may be reclassified to profit or loss									
1,401,847	- Net Change in fair value of Available For Sale Financial Assets		312,900	721,484	270,409	543,001		(57)	(50)
(38,955)	- Realised Gains transferred to Income Statement		(57,092)	(3,147)	(5,459)	(876)		1,714	523
49,549	- Amortisation of AFS reserve on reclassification		27,434	23,783	27,434	23,783		15	15
(808,128)	- Net Change in fair value of Available For Sale Financial Assets transferred to Life Policyholders' Available For Sale Reserve Fund		(250,794)	(447,721)	(250,794)	(447,721)		(44)	(44)
(107,659)	- Tax related on items that are or may be reclassified to profit or loss	11	2,743	(52,864)	-	-		105	-
Items that will never be reclassified to profit or loss									
(63,303)	- Actuarial Losses on Defined Benefit Plans		-	-	-	-		-	-
19,655	- Tax related on items that will never be reclassified to profit or loss	11	-	-	-	-		-	-
453,006	Total Other Comprehensive Income for the Period, Net of Related Tax		35,191	241,535	41,590	118,187		(85)	(65)
2,217,655	Total Comprehensive Income for the Period		509,381	656,159	406,225	475,878		(22)	(15)
Profit Attributable to:									
1,764,649	Equity Holders of the Company		474,190	414,624	364,635	357,691		14	2
-	Non-Controlling Interest		-	-	-	-		-	-
2,217,655	Total Comprehensive Income Attributable to:		509,381	656,159	406,225	475,878		(22)	(15)
-	Equity Holders of the Company		-	-	-	-		-	-
-	Non-Controlling Interest		-	-	-	-		-	-
11.76	Basic and Diluted Earnings Per Share (Rs.)	13	3.16	2.76	2.43	2.38		14	2

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

Statement of Changes in Equity - Group

	State Capital Rs. '000	Retained Earnings Rs. '000	Available for Sale Reserve Rs. '000	Other Reserve Rs. '000	Life Policyholders AFS Reserve Fund Rs. '000	Restricted Regulatory Reserve Rs. '000	Total Equity Rs. '000
Balance as at 01st January 2023	1,171,875	7,822,715	(322,296)	22,358	(1,277,414)	381,156	7,798,394
Comprehensive Income for the period	-	-	-	-	-	-	-
Profit for the period-Unaudited	-	414,624	-	-	-	-	414,624
Other Comprehensive Income for the period, Net of Related Tax	-	-	-	-	-	-	-
Net Change in fair value of Available For Sale Financial Assets	-	-	689,256	-	-	-	689,256
Net Change in fair value of Available For Sale Financial Assets	-	-	(447,721)	-	-	-	(447,721)
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	241,535	-	-	-	241,535
Total Other Comprehensive Income for the period	-	-	241,535	-	-	-	241,535
Total Comprehensive Income for the period	-	414,624	241,535	-	-	-	656,159
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred from Available For Sale Reserve	-	-	-	-	447,721	-	447,721
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-
Distributions to owners of the Parent	-	(547,500)	-	-	-	-	(547,500)
Final dividend to equity holders for 2022	-	7,689,839	(80,761)	-	-	-	8,354,774
Unaudited balance as at 30th June 2023	1,171,875	7,889,839	(80,761)	22,358	(629,693)	381,156	8,354,774
Comprehensive Income for the period	-	1,350,025	-	-	-	-	1,350,025
Profit for the period-Unaudited	-	-	-	-	-	-	-
Other Comprehensive Income for the period, Net of Related Tax	-	-	-	-	-	-	-
Net Change in fair value of Available For Sale Financial Assets	-	-	616,526	-	-	-	616,526
Net Change in fair value of Available For Sale Financial Assets	-	-	(360,407)	-	-	-	(360,407)
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	(43,648)	-	-	-	(43,648)
Actuarial Losses on Defined Benefit Plans	-	-	255,119	-	-	-	255,119
Total Other Comprehensive Income for the period	-	-	255,119	-	-	-	255,119
Total Comprehensive Income for the period	-	1,350,025	255,119	(43,648)	-	-	1,561,496
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- transferred from Available For Sale Reserve	-	-	-	-	360,407	-	360,407
Audited balance as at 31st December 2023	1,171,875	9,039,864	174,358	(21,290)	(469,286)	381,156	10,276,677
Balance as at 01st January 2024	1,171,875	9,039,864	174,358	(21,290)	(469,286)	381,156	10,276,677
Comprehensive Income for the period	-	-	-	-	-	-	-
Profit for the period-Unaudited	-	474,190	-	-	-	-	474,190
Other Comprehensive Income for the period, Net of Related Tax	-	-	-	-	-	-	-
Net Change in fair value of Available For Sale Financial Assets	-	-	285,985	-	-	-	285,985
Net Change in fair value of Available For Sale Financial Assets	-	-	(250,794)	-	-	-	(250,794)
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	35,191	-	-	-	35,191
Total Other Comprehensive Income for the period	-	-	35,191	-	-	-	35,191
Total Comprehensive Income for the period	-	474,190	35,191	-	-	-	509,381
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	250,794	-	250,794
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-
Distributions to owners of the Company	-	(656,000)	-	-	-	-	(656,000)
First and Final Dividend to equity holders for 2023	-	8,929,054	209,549	-	-	-	9,138,653
Unaudited balance as at 30th June 2024	1,171,875	8,929,054	209,549	(21,290)	(216,492)	381,156	10,457,862

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.
 Stated Capital represents 150 Million Ordinary Shares as at 30th June 2024 (2023 - 150 Million).

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' Reserve 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	6,693,406
Comprehensive Income for the period							
Profit for the period-Unaudited		357,691					357,691
Other Comprehensive Income for the period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets			565,908				565,908
Net Change in fair value of Available For Sale Financial Assets			(447,721)				(447,721)
-transferred to Life Policyholders' Available For Sale Reserve Fund			118,187				118,187
Total Other Comprehensive Income for the period			118,187				118,187
Total Comprehensive Income for the period		357,691					475,878
Net Change in fair value of Available For Sale Financial Assets							
-transferred from Available For Sale Reserve				447,721			447,721
Transactions with owners recorded directly in equity							
Distributions to owners of the Parent							
Final dividend to equity holders for 2022	1,171,875	(547,500)					(547,500)
Unaudited balance as at 30th June 2023:	1,171,875	6,362,624	(20,429)	3,972	(623,693)	381,156	7,063,505
Comprehensive Income for the period							
Profit for the period-Unaudited		1,255,628					1,255,628
Other Comprehensive Income for the period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets			487,670				487,670
Net Change in fair value of Available For Sale Financial Assets			(360,407)				(360,407)
-transferred to Life Policyholders' Available For Sale Reserve Fund				(25,147)			(25,147)
Actuarial Losses on Defined Benefit Plans							(25,147)
Total Other Comprehensive Income for the period			127,263	(25,147)			102,116
Total Comprehensive Income for the period		1,255,628	127,263	(25,147)			1,357,744
Net Change in fair value of Available For Sale Financial Assets							
-transferred from Available For Sale Reserve				360,407			360,407
Audited balance as at 31st December 2023	1,171,875	7,616,252	106,834	(21,175)	(468,286)	381,156	8,787,696
Comprehensive Income for the period							
Profit for the period-Unaudited							
Other Comprehensive Income for the period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets			292,384				292,384
Net Change in fair value of Available For Sale Financial Assets			(250,794)				(250,794)
-transferred to Life Policyholders' Available For Sale Reserve Fund							(250,794)
Total Other Comprehensive Income for the period			41,590				41,590
Total Comprehensive Income for the period		364,635	41,590				406,225
Net Change in fair value of Available For Sale Financial Assets							
-transferred from Available For Sale Reserve					250,794		250,794
Transactions with owners recorded directly in equity							
Distributions to owners of the Parent							
First and Final Dividend to equity holders for 2023		(585,000)					(585,000)

Stated Capital represents 150 Million Ordinary Shares as at 30th June 2024. (2023 - 150 Million).
The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.

Statement of Cash Flows

<i>For the Six Months Ended 30th June,</i>	Group		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	2024	2023	2024	2023
Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows From Operating Activities				
Profit Before Taxation	710,593	634,219	512,957	508,128
<i>Adjustments for:</i>				
Interest Income	10 (3,731,848)	(3,554,199)	(3,334,901)	(3,092,987)
Dividend Income	10 (15,541)	(6,818)	(15,509)	(6,694)
Amortisation of Intangible Assets	13,301	10,120	12,359	9,486
Depreciation of Property, Plant and Equipment	85,137	53,794	65,040	39,486
Net Depreciation of Right of Use Assets	105,872	81,492	98,374	76,357
Interest Expense of Lease Creditors	57,748	27,066	53,258	24,432
Provision for Employee Benefits	65,191	46,363	43,091	33,863
Net Realised Gains/(Losses)	(37,883)	42,569	(2,823)	4,206
Net Fair Value Gains/(Losses)	(24,354)	69,886	(34,179)	1,286
Gains on Disposal of Property, Plant and Equipment	(12,817)	(746)	(12,787)	(609)
	(2,784,601)	(2,596,254)	(2,615,120)	(2,403,046)
Net Change in Operating Assets	A (100,839)	159,307	(108,096)	(224,517)
Net Change in Operating Liabilities	B 5,085,987	3,852,105	4,446,491	3,843,994
Cash Flows from Operating Activities	2,200,547	1,415,158	1,723,275	1,216,431
Cash Flows from Investing Activities				
Gratuity Paid	(13,113)	(21,323)	(6,939)	(7,052)
Income Tax Paid	(287,349)	(229,198)	(243,210)	(188,509)
Capital Gain Tax Paid	(15,522)	(959)	-	-
Net Cash Generated from Operating Activities	1,884,563	1,163,678	1,473,126	1,020,870
Cash Flows from Investing Activities				
Acquisition of Financial Investments	(54,522,994)	(51,425,008)	(39,438,216)	(37,900,697)
Proceeds from Maturity of Financial Investments	48,453,558	48,500,721	34,828,850	35,571,011
Proceeds from Sale of Financial Investments	1,448,688	813,008	842,568	290,856
Interest Received	3,785,994	2,052,701	3,201,047	1,774,415
Dividend Received	9,485	6,408	9,453	6,311
Acquisition of Intangible Assets	(112,623)	(6,446)	(111,836)	(6,446)
Acquisition of Property, Plant and Equipment	(142,314)	(181,782)	(118,742)	(151,366)
Proceeds from the Disposal of Property, Plant and Equipment	17,335	7,172	17,305	609
Advance Paid to Right of Use asset	(4,800)	(24,884)	(4,800)	(18,772)
Net Cash Used in Investing Activities	(1,067,671)	(258,110)	(774,371)	(434,079)
Cash Flows from Financing Activities				
Dividend Paid	(585,000)	(547,500)	(585,000)	(547,500)
Payment of Lease Liabilities	(116,719)	(91,095)	(109,615)	(85,783)
Net Cash Used in Financing Activities	(701,719)	(638,595)	(694,615)	(633,283)
Net Decrease in Cash and Cash Equivalents (Net of Book OD)				
	115,173	266,973	4,140	(46,492)
Cash and Cash Equivalents at the beginning of the period (Net of Book OD)	651,733	767,766	505,675	623,725
Cash and Cash Equivalents at the end of the period (Net of Book OD)	766,906	1,034,739	509,815	577,233

Notes to the Statement of Cash Flows

<i>For the Six Months Ended 30th June,</i>	Group		Company	
	Unaudited 2024	Unaudited 2023	Unaudited 2024	Unaudited 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Notes to the Cash Flow Statement				
A. Change in Operating Assets				
Decrease in Deferred Expenses	103,393	26,166	-	-
Decrease/(Increase) in Loans to Life Policyholders	7,513	(8,755)	7,513	(8,755)
Increase in Reinsurance Receivables	(328,191)	(154,592)	(139,975)	(140,936)
Decrease/(Increase) in Premium Receivables	90,110	341,732	(68,156)	(1,710)
Decrease/(Increase) in Other Assets	26,336	(45,244)	92,522	(73,116)
Net Change in Operating Assets	(100,839)	159,307	(108,096)	(224,517)
B. Change in Operating Liabilities				
Decrease in Other Liabilities	(291,357)	(291,717)	(327,498)	(185,280)
Increase in Insurance Contract Liabilities (before tax) - Life Insurance	4,565,438	3,985,763	4,565,438	3,985,763
Increase in Insurance Contract Liabilities - General Insurance	127,520	211,687	-	-
Increase/(Decrease) in Reinsurance Creditors	684,386	(53,628)	208,551	43,511
Net Change in Operating Liabilities	5,085,987	3,852,105	4,446,491	3,843,994
C. Cash and Cash Equivalents at the end of the period				
Cash in Hand and at Bank	1,125,694	1,320,287	642,379	688,650
Bank Overdrafts	(358,788)	(285,548)	(132,564)	(111,417)
Cash and Cash Equivalents (Net of Book OD)	766,906	1,034,739	509,815	577,233

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 30th June,	Note	Group		Company		Change	
		2024	2023	2024	2023	Group	Company
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	%	%
Gross Written Premium	9	4,753,869	3,613,763	3,068,102	2,246,052	32	37
Premium Ceded to Reinsurers		(761,639)	(593,781)	(187,853)	(144,371)	28	30
Net Written Premium		3,992,230	3,019,982	2,880,249	2,101,681	32	37
Net Change in Reserves for Unearned Premium		293,373	441,954	-	-	(34)	-
Net Earned Premium		4,285,603	3,461,936	2,880,249	2,101,681	24	37
Other Revenue							
Interest and Dividend Income	10	1,848,936	1,789,680	1,668,419	1,555,659	3	7
Net Realised Gains/(Losses)		2,312	(44,568)	(2,248)	(5,082)	105	56
Net Fair Value Gains/(Losses)		56,622	(1,694)	24,835	(397)	3,443	6,356
Fee and Commission Income		80,559	42,499	11,902	9,422	90	26
Other Income		14,779	5,416	14,486	5,901	173	145
Total Other Revenue		2,003,208	1,791,333	1,717,394	1,565,503	12	10
Net Income		6,288,811	5,253,269	4,597,643	3,667,184	20	25
Net Benefits, Claims and Expenses							
Net Insurance Benefits and Claims		(1,640,312)	(1,551,111)	(648,360)	(594,929)	6	9
Change in Contract Liabilities - Life Fund		(2,115,578)	(1,602,854)	(2,115,578)	(1,602,854)	32	32
Other Operating and Administration Expenses		(1,486,078)	(1,288,021)	(960,747)	(812,196)	15	18
Underwriting and Net Acquisition Costs		(659,005)	(463,934)	(568,059)	(394,330)	42	44
Finance and Other Insurance Related Costs		(49,262)	(32,518)	(43,244)	(28,149)	51	54
Total Benefits, Claims and Other Expenses		(5,950,235)	(4,938,438)	(4,335,988)	(3,432,458)	20	26
Profit Before Taxation		338,576	314,831	261,655	234,726	8	11
Income Tax Expense	11	(99,390)	(102,364)	(73,950)	(69,886)	(3)	6
Profit for the Period	12	239,186	212,467	187,705	164,840	13	14
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		55,389	564,340	48,833	426,701	(90)	(89)
- Realised Gains transferred to Income Statement		(21,328)	(3,147)	(388)	(876)	578	(56)
- Amortisation of AFS reserve on reclassification		13,856	12,051	13,856	12,051	15	15
- Net Change in fair value of Available For Sale Financial							
Assets transferred to Life Policyholder's Available For Sale Reserve Fund		(53,533)	(344,243)	(53,533)	(344,243)	(84)	(84)
- Tax related on items that are or may be reclassified to profit or loss	11	4,316	(40,611)	-	-	(111)	-
Total Other Comprehensive Income for the Period, Net of Related tax		(1,300)	188,390	8,768	93,633	(101)	(91)
Total Comprehensive Income for the Period		237,886	400,857	196,473	258,473	(41)	(24)
Profit Attributable to:							
Equity Holders of the Company		239,186	212,467	187,705	164,840	13	14
Non-Controlling Interest		-	-	-	-	-	-
Total Comprehensive Income Attributable to:							
Equity Holders of the Company		237,886	400,857	196,473	258,473	(41)	(24)
Non-Controlling Interest		-	-	-	-	-	-
Basic and Diluted Earnings Per Share (Rs.)	13	1.59	1.42	1.25	1.10	13	14

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

Operating Segment Information - Assets and Liabilities

As at,	Unaudited		Audited	
	30th June 2024		31st December 2023	
	Life Insurance	General Insurance	Life Insurance	General Insurance
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets				
Property, Plant and Equipment	529,980	212,228	480,796	208,753
Right of Use Assets	495,413	52,721	368,716	60,155
Intangible Assets	157,043	6,203	57,566	6,358
Deferred Tax Assets	-	10,375	-	1,528
Financial Investments	42,763,426	6,006,771	38,530,656	5,324,727
Investment in Subsidiary	1,150,000	-	1,150,000	-
Loans to Life Policyholders	434,410	-	441,923	-
Reinsurance Receivables	465,258	1,192,090	325,283	1,003,874
Premium Receivables	114,096	1,658,716	45,940	1,923,779
Other Assets	886,229	413,844	983,945	378,257
Insurance Contract - Deferred Expenses	-	105,078	-	208,471
Cash and Cash Equivalents	642,379	483,315	666,222	456,782
Total Assets	47,638,234	10,141,341	43,051,047	9,572,684
Liabilities				
Insurance Contract Liabilities - Life Insurance	35,511,153	-	30,945,715	-
Insurance Contract Liabilities - General Insurance	-	4,821,823	-	4,694,303
Employee Defined Benefit Liabilities	228,279	157,659	192,127	141,733
Current Tax Liabilities	358,342	111,304	453,230	76,779
Reinsurance Creditors	510,762	870,539	302,211	394,704
Lease Creditors	550,779	52,371	395,383	54,921
Other Liabilities	1,486,680	1,159,244	1,814,178	1,260,499
Bank Overdrafts	132,564	226,224	160,547	310,724
Total Liabilities	38,778,559	7,399,164	34,263,391	6,933,663

Operating Segment Information - Profitability

For the Six Months Ended,	Unaudited		Unaudited	
	30th June 2024		30th June 2023	
	Life Insurance	General Insurance	Life Insurance	General Insurance
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Gross Written Premium	6,404,608	4,591,887	5,160,659	4,031,697
Premium Ceded to Reinsurers	(365,249)	(1,894,239)	(280,388)	(1,312,594)
Net Written Premium	6,039,359	2,697,648	4,880,271	2,719,103
Net Change in Reserves for Unearned Premium	-	132,369	-	(31,603)
Net Earned Premium	6,039,359	2,830,017	4,880,271	2,687,500
Other Revenue				
Interest and Dividend Income	3,350,410	396,979	3,099,681	461,336
Net Realised Gains/(Losses)	2,823	35,060	(4,206)	(38,363)
Net Fair Value Gains/(Losses)	34,179	(9,825)	(1,286)	(68,600)
Fee and Commission Income	68,162	163,107	79,169	90,769
Other Income	15,946	532	6,038	794
Total Other Revenue	3,471,520	585,853	3,179,396	445,936
Net Income	9,510,879	3,415,870	8,059,667	3,133,436
Net Benefits, Claims and Expenses				
Net Insurance Benefits and Claims	(1,432,719)	(1,923,575)	(1,315,002)	(1,888,324)
Change in Contract Liabilities - Life Fund	(4,532,976)	-	(3,869,107)	-
Other Operating and Administration Expenses	(1,854,582)	(1,102,054)	(1,535,585)	(918,511)
Underwriting and Net Acquisition Cost	(1,071,950)	(186,567)	(778,381)	(206,046)
Finance and Other Insurance Related Costs	(105,695)	(6,038)	(53,464)	5,536
Total Benefits, Claims and other Expenses	(8,997,922)	(3,218,234)	(7,551,539)	(3,007,345)
Profit Before Taxation	512,957	197,636	508,128	126,091
Income Tax Expense	(148,322)	(88,081)	(150,437)	(69,158)
Profit for the Period	364,635	109,555	357,691	56,933

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 31st July 2024.

Figures in these Condensed Consolidated Interim Financial Statements for the period ended 30th June 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
	30th June 2024	31st Dec 2023	30th June 2024	31st Dec 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Held to Maturity Financial Assets	12,506,490	11,841,560	12,506,490	11,841,560
Loans and Receivables	22,089,313	18,034,314	18,680,697	15,621,404
Available for Sale Financial Assets	13,326,251	13,393,030	10,895,539	10,611,510
Financial Assets at Fair Value Through Profit or Loss	848,143	586,479	680,700	456,182
Total Financial Investments	48,770,197	43,855,383	42,763,426	38,530,656

Notes to the Condensed Consolidated Interim Financial Statements

4 THE ACCOUNTING POLICY FOR CONSOLIDATION OF SUBSIDIARY

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

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

5 LIFE POLICYHOLDERS' AVAILABLE FOR SALE RESERVE FUND

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

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

6 RESTRICTED REGULATORY RESERVE

As at,	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		30th June 2024 Rs. '000	31st Dec 2023 Rs. '000	30th June 2024 Rs. '000	31st Dec 2023 Rs. '000
Balance at the end of the period	6.2	381,156	381,156	381,156	381,156

6.1 Nature and Purpose of Reserve

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

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

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

Surplus created due to Change in Valuation Method

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

Notes to the Condensed Consolidated Interim Financial Statements

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

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

6.3 Composition of Investments Supporting the Restricted Regulatory Reserve as at 30th June 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 30th June 2024 (Rs. '000)
As at,	
Term Deposits	382,137

6.4 Distribution of One-off Surplus

Distribution of one-off surplus to shareholders, held as part of the Restricted Regulatory Reserve under equity in the statement of financial position is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from the IRCSL.

7 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE

As at,	Note	Group		Company	
		Unaudited 30th June 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 30th June 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
Life Insurance Fund	7.1	35,209,016	30,676,040	35,209,016	30,676,040
Claims Outstanding		302,137	269,675	302,137	269,675
Total Insurance Contract Liabilities		35,511,153	30,945,715	35,511,153	30,945,715

7.1 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE FUND

As at,	Note	Group		Company	
		Unaudited 30th June 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 30th June 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
The Movement in the Life Insurance Fund is as follows:					
Balance as at the beginning of the period		30,676,040	24,363,630	30,676,040	24,363,630
Change in Contract Liabilities Life Fund					
Increase in Life Insurance Fund Before Surplus Distribution to Shareholders		4,532,976	7,647,739	4,532,976	7,647,739
Surplus Distributed to Shareholders		-	(1,315,000)	-	(1,315,000)
Increase in Life Insurance Fund		4,532,976	6,332,739	4,532,976	6,332,739
Effect of Taxation on surplus/Bonus transferred to Policyholders		-	(20,329)	-	(20,329)
Balance as at the end of the period		35,209,016	30,676,040	35,209,016	30,676,040

7.2 Liability Adequacy Test

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

Notes to the Condensed Consolidated Interim Financial Statements

8 INSURANCE CONTRACT LIABILITIES - GENERAL INSURANCE

As at,	Group		Company	
	Unaudited 30th June 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 30th June 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
Reserves for Net Unearned Premium	2,816,390	2,960,146	-	-
Reserves for Title Insurance	60,368	48,980	-	-
Reserves for Gross Outstanding Claims	1,945,065	1,685,177	-	-
Total Insurance Contract Liabilities	4,821,823	4,694,303	-	-

8.1 Company's Chief Actuarial Officer has carried out the Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) valuation as at 30th June 2024 and ensured that adequate provisions have been made in these Condensed Consolidated Interim Financial Statements.

8.2 Liability Adequacy Test

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

9 GROSS WRITTEN PREMIUM

Group	Audited For the Year Ended 31st Dec 2023 Rs. '000	For the Six Months Ended,	Group		Company	
			Unaudited 30th June 2024 Rs. '000	Unaudited 30th June 2023 Rs. '000	Unaudited 30th June 2024 Rs. '000	Unaudited 30th June 2023 Rs. '000
Life Insurance						
10,489,484		Individual Policies	6,193,120	4,959,567	6,193,120	4,959,567
433,810		Corporate Policies	211,488	201,092	211,488	201,092
(46,396)		Adjustment for Inter Company Premiums	(23,476)	(26,700)	-	-
10,876,898		Gross Written Premium - Life Insurance	6,381,132	5,133,959	6,404,608	5,160,659
General Insurance						
1,488,609		Fire	1,047,405	850,627	-	-
4,519,986		Motor	2,296,582	2,156,813	-	-
123,154		Marine	149,978	69,673	-	-
1,904,521		Miscellaneous	1,097,922	954,584	-	-
(152,821)		Adjustment for Inter Company Premiums	(13,332)	(58,543)	-	-
7,883,449		Gross Written Premium - General Insurance	4,578,555	3,973,154	-	-
18,760,347		Total Gross Written Premium	10,959,687	9,107,113	6,404,608	5,160,659

Notes to the Condensed Consolidated Interim Financial Statements

<i>For the Three Months Ended,</i>	Group		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	30th June 2024 Rs. '000	30th June 2023 Rs. '000	30th June 2024 Rs. '000	30th June 2023 Rs. '000
Life Insurance				
Individual Policies	2,982,804	2,199,128	2,982,804	2,199,128
Corporate Policies	85,298	46,924	85,298	46,924
Adjustment for Inter Company Premiums	(12,258)	(12,829)	-	-
Gross Written Premium - Life Insurance	3,055,844	2,233,223	3,068,102	2,246,052
General Insurance				
Fire	237,594	289,219	-	-
Motor	1,024,509	921,381	-	-
Marine	61,927	33,049	-	-
Miscellaneous	381,447	142,840	-	-
Adjustment for Inter Company Premiums	(7,452)	(5,949)	-	-
Gross Written Premium - General Insurance	1,698,025	1,380,540	-	-
Total Gross Written Premium	4,753,869	3,613,763	3,068,102	2,246,052

10 INTEREST AND DIVIDEND INCOME

<i>For the Six Months Ended,</i>	Group		Company		
	Audited	Unaudited	Unaudited	Unaudited	
	For the Year Ended 31st Dec 2023 Rs. '000	30th June 2024 Rs. '000	30th June 2023 Rs. '000	30th June 2023 Rs. '000	
7,217,300	Interest Income	3,731,848	3,554,199	3,334,901	3,092,987
9,868	Dividend Income	15,541	6,818	15,509	6,694
7,227,168	Total	3,747,389	3,561,017	3,350,410	3,099,681

<i>For the Three Months Ended,</i>	Group		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	30th June 2024 Rs. '000	30th June 2023 Rs. '000	30th June 2024 Rs. '000	30th June 2023 Rs. '000
Interest Income	1,836,896	1,786,575	1,656,379	1,552,581
Dividend Income	12,040	3,105	12,040	3,078
Total	1,848,936	1,789,680	1,668,419	1,555,659

11 INCOME TAX EXPENSE

<i>For the Six Months Ended,</i>	Group		Company		
	Audited	Unaudited	Unaudited	Unaudited	
	For the Year Ended 31st Dec 2023 Rs. '000	30th June 2024 Rs. '000	30th June 2023 Rs. '000	30th June 2023 Rs. '000	
(763,993)	Income Tax Charge	(242,508)	(217,466)	(148,322)	(150,437)
27,045	Over Provision of Income Taxes in respect of prior Period	-	-	-	-
(9,898)	Deferred Tax - Recognised through Profit or Loss	6,105	(2,129)	-	-
(746,846)	Total Tax charge in Profit or Loss	(236,403)	(219,595)	(148,322)	(150,437)
(107,659)	Deferred tax on net change in debt instruments categorised under Available for Sale	2,743	(52,864)	-	-
19,655	Deferred tax on actuarial losses on defined benefit plans	-	-	-	-
(88,004)	Total Tax charge in Other Comprehensive Income	2,743	(52,864)	-	-

Notes to the Condensed Consolidated Interim Financial Statements

<i>For the Three Months Ended,</i>	Group		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	30th June 2024 Rs. '000	30th June 2023 Rs. '000	30th June 2024 Rs. '000	30th June 2023 Rs. '000
Income Tax Charge	(102,524)	(100,910)	(73,950)	(69,886)
Deferred Tax - Recognised through Profit or Loss	3,134	(1,454)	-	-
Total Tax charge in Profit or Loss	(99,390)	(102,364)	(73,950)	(69,886)
Deferred tax on net change in debt instruments categorised under Available for Sale	4,316	(40,611)	-	-
Total Tax charge in Other Comprehensive Income	4,316	(40,611)	-	-

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. 148.32 Million for the period ended 30th June 2024. The Subsidiary carried a deferred tax asset of Rs. 10.4 Million as at 30th June 2024.

12 PROFIT FOR THE PERIOD

<i>Audited For the Year Ended 31st Dec 2023 Rs. '000</i>	<i>For the Six Months Ended,</i>	Unaudited	Unaudited
		30th June 2024 Rs. '000	30th June 2023 Rs. '000
Company - HNB Assurance PLC			
1,315,000	Surplus Transferred from Life Policyholders' Fund to Shareholders' Fund	-	-
954,042	Profit from Life Shareholders' Fund	512,957	508,128
(655,723)	Income Tax Expense	(148,322)	(150,437)
1,613,319	Profit for the Period	364,635	357,691
Subsidiary - HNB General Insurance Ltd			
242,453	Profit Before Tax	197,636	126,091
(91,123)	Income Tax and Deferred Tax Expense	(88,081)	(69,158)
151,330	Profit for the Period	109,555	56,933
1,764,649	Profit for the Period - Group	474,190	414,624
<i>For the Three Months Ended,</i>		Unaudited	Unaudited
		30th June 2024 Rs. '000	30th June 2023 Rs. '000
Company - HNB Assurance PLC			
	Profit from Life Shareholders' Fund	261,655	234,726
	Income Tax Expense	(73,950)	(69,886)
	Profit for the Period	187,705	164,840
Subsidiary - HNB General Insurance Ltd			
	Profit Before Tax	76,921	80,105
	Income Tax and Deferred Tax Expense	(25,440)	(32,478)
	Profit for the Period	51,481	47,627
	Profit for the Period - Group	239,186	212,467

Notes to the Condensed Consolidated Interim Financial Statements

13 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

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

Group	Audited For the Year Ended 31st Dec 2023 Rs. '000	For the Six Months Ended,	Group		Company	
			Unaudited 30th June 2024 Rs. '000	Unaudited 30th June 2023 Rs. '000	Unaudited 30th June 2024 Rs. '000	Unaudited 30th June 2023 Rs. '000
			1,764,649	Profit for the Period (Rs. '000)	474,190	414,624
150,000	Weighted average number of shares ('000)	150,000	150,000	150,000	150,000	
11.76	Basic and Diluted Earnings Per Share (Rs.)	3.16	2.76	2.43	2.38	

For the Three Months Ended,	Group		Company	
	Unaudited 30th June 2024	Unaudited 30th June 2023	Unaudited 30th June 2024	Unaudited 30th June 2023
Profit for the Period (Rs. '000)	239,186	212,467	187,705	164,840
Weighted average number of shares ('000)	150,000	150,000	150,000	150,000
Basic and Diluted Earnings Per Share (Rs.)	1.59	1.42	1.25	1.10

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 30th June 2024 Rs. '000	Unaudited 30th June 2023 Rs. '000	Unaudited 30th June 2024 Rs. '000	Unaudited 30th June 2023 Rs. '000
Insurance Premium	149,883	175,132	-	31,414
Claims Incurred	57,403	45,190	44,181	25,850
Investment Income	278,648	272,231	255,190	222,565
Administration Expenses	318,017	242,144	242,265	174,751
Rent and Other Operational Expenses	11,966	10,721	8,221	7,219
Dividend Paid	350,918	328,423	350,918	328,423

Outstanding Balances	Group		Company	
	Unaudited 30th June 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 30th June 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
As at,				
Investment Balance (Include Deposits & Debentures)	3,293,689	3,017,870	2,863,590	2,636,221
Cash at Bank Balances	742,852	625,665	498,737	503,848
Premium Receivable	1,716	175	-	-
Administration Expenses Payable	64,510	92,914	45,753	72,467
Rent and Other Operational Expenses Payable	446	157	283	100

Notes to the Condensed Consolidated Interim Financial Statements

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

Transactions For the Six Months Ended,	Unaudited	Unaudited
	30th June 2024 Rs. '000	30th June 2023 Rs. '000
Insurance Premium	23,476	26,700
Insurance Expenses	13,332	58,543
Claims Received	45	422
Claims Paid	3,000	4,400
Reimbursement Expenses Relating to Employees	46,365	57,342
Other Reimbursement Expenses	156,757	117,968
Fund Management Fee	8,457	7,247
Profit Commission Expense	9,400	7,871
Outstanding Balances As at,	Unaudited	Audited
	30th June 2024	31st Dec 2023
	Rs. '000	Rs. '000
Premium Payable to HNB General Insurance Limited	4,515	111,312
Receivable from HNB General Insurance Limited	68,751	99,350

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

Transactions For the Six Months Ended,	Group		Company	
	Unaudited 30th June 2024 Rs. '000	Unaudited 30th June 2023 Rs. '000	Unaudited 30th June 2024 Rs. '000	Unaudited 30th June 2023 Rs. '000
Insurance Premium	172,329	165,410	69,406	81,247
Claims Incurred	26,977	2,995	22,803	2,922
Investment Income	53,772	82,948	43,866	64,212
Administration Expenses	14,297	15,494	2,722	5,918
Outstanding Balances As at,	Unaudited	Audited	Unaudited	Audited
	30th June 2024	31st Dec 2023	30th June 2024	31st Dec 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Investments Balance (Includes Deposits, Debentures and Repo)	1,640,248	158,180	1,059,375	158,180
Cash at Bank Balances	49	14	49	14
Premium Receivable	7,518	27,525	2,241	8,028
Administration Expenses Payable	1,889	5,822	-	465

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

Transactions For the Six Months Ended,	Unaudited	Unaudited
	30th June 2024 Rs. '000	30th June 2024 Rs. '000
Director Fee	16,035	15,079
Short-term and Post Employment Benefits	66,091	53,600
Insurance Premium	2,361	1,689
Claims Paid including Maturities	984	196

Notes to the Condensed Consolidated Interim Financial Statements

Appointment of the Chairman

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

Appointment of Senior Independent Directors

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

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

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

Retirement of the Chairperson

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.

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.

Change of Board Secretary

Ms. Kurugalage Yoga Sanjeevani Gunadasa who functioned as the Board Secretary of HNB Assurance PLC has resigned from the said position with effect from 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

Notes to the Condensed Consolidated Interim Financial Statements

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

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. 219.79 Million as at 30th June 2024 for purchase of computer hardware, software and other equipment (As at 31st December 2023 – Rs. 407.16 Million for the purchase of computer hardware, software and Other equipment).

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

18 CONTINGENCIES

18.1 Income Tax

The Company has received Income Tax Assessments for Life Insurance Taxation for the years of assessment 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17, 2017/18, 2018/19, 2019/20 and 2020/2021.

The Tax Appeals Commission has dismissed the appeals made against the year of assessment 2011/12 and 2012/13 amounting to Rs. 310 Million and Rs. 278 Million respectively. The company is dissatisfied with the determinations of the Tax Appeals Commission and filed in the Court of Appeal. The Company is awaiting for the decision of the Court of Appeal.

The Tax Appeals Commission has issued determinations for the years of assessments 2014/15 and 2017/18 totaling to Rs. 570 Million including penalties of Rs. 144 Million. However, company is in the process of filing a case in the Court of Appeal against these assessments.

Income tax assessment for the year of assessment 2019/20 amounting to Rs. 279 Million including penalties is in the process of hearing with the Tax Appeals Commission.

Income tax assessments in relation to the year of assessment 2015/16, 2018/19 and 2020/21 totaling to Rs. 1,087 Million including penalties of Rs. 130 Million are 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 a case with the Court of Appeal for the year 2016/17.

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.

Notes to the Condensed Consolidated Interim Financial Statements

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

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

18.2 VAT & NBT On Financial Services

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

The 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 penalty of Rs. 64.76 Million are in the process of hearing with the Tax Appeals Commission.

The assessment for the taxable period 01.01.2019 to 31.12.2019, amounting to Rs. 93.72 Million including penalty of Rs. 31.24 Million 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 and 01.01.2019 to 31.12.2019 from CGIR totaling to Rs. 32.68 Million including penalties of Rs. 10.90 Million. HNB General Insurance Limited has duly appealed against these assessments and is awaiting for CGIR determination.

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

18.3 Value Added Tax

The Company and its Subsidiary have received VAT notice of assessments. The Company has duly appealed against these Assessments in consultation with the Tax Consultants on the basis that no proper reasons were communicated as to why the penalty and default notices were raised against the Company. As such no provision has been made in the Financial Statements for the tax in dispute and penalty which amounts to Rs. 11.81 Million. Further, the subsidiary company, HNB General Insurance Limited, has received tax assessments and penalties amounting to Rs. 307.46 Million on VAT returns filed and the subsidiary has duly appealed against the assessments.

18.4 Value Added Tax (VAT) On Reinsurance

The Company received an Assessment on Value Added Tax (VAT) on Reinsurance Claims during 2013 from the CGIR for the year of Assessment 2010/2011 amounting to Rs. 21.99 Million for which company has filed responses in CGIR and subsequently with Tax Appeals Commission. The Tax Appeals Commission has granted their final determination during 2018

Notes to the Condensed Consolidated Interim Financial Statements

in favor of CGIR. 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	30th June 2024		31st March 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	3,928,151	2.62	3,928,151	2.62
4 J.B. Cocoshell (Pvt) Limited	2,007,667	1.34	1,776,062	1.18
5 Ceylon Investment PLC A/C # 02	1,712,174	1.14	1,712,174	1.14
6 Mr. M.F. Hashim	1,634,167	1.09	1,634,167	1.09
7 Thread Capital (Pvt) Limited	1,618,342	1.08	1,618,342	1.08
8 Mrs. A. Kailasapillai	1,500,000	1.00	1,500,000	1.00
9 Mrs. A. Selliah	1,500,000	1.00	1,500,000	1.00
10 Arunodhaya Investments (Pvt) Limited	1,350,000	0.90	1,350,000	0.90
11 Arunodhaya Industries (Pvt) Limited	1,350,000	0.90	1,350,000	0.90
12 Arunodhaya (Pvt) Limited	1,350,000	0.90	1,350,000	0.90
13 Rubber Investment Trust Limited A/C No. 01	1,337,058	0.89	1,337,058	0.89
14 Andysel (Pvt) Limited	750,000	0.50	750,000	0.50
15 Corporate Holdings (Pvt) Limited A/C No.01	735,309	0.49	735,309	0.49
16 Mr. V. Sharda	609,000	0.41	609,000	0.41
17 Dr. S. Selliah	600,000	0.40	600,000	0.40
18 Corporate Holdings (Pvt) Limited A/C No. 02	573,969	0.38	573,969	0.38
19 Alliance Finance Company PLC	525,553	0.35	-	-
20 Mr. A.A.A. Rifkee	500,000	0.33	500,000	0.33

Public Shareholding

	30th June 2024	31st December 2023
* Float Adjusted Market Capitalisation (Rs.)	3,433,144,114	3,386,229,595
Percentage of Shares held by the Public	40.014%	39.885%
Number of Public Shareholders	4,077	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 30th June 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 30th June 2024	No. of Shares 31st Dec 2023
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
Mr. P.H.L.N. Wimalarathne (Chief Executive Officer)	Nil	Ni

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,	30th June 2024 Rs.	31st Dec 2023 Rs.
Net Asset Value Per Share - Group	69.68	68.51
Net Asset Value Per Share - Company	59.06	58.58
Net Asset Value Per Share without Restricted Regulatory Reserve - Group	67.14	65.97
Net Asset Value Per Share without Restricted Regulatory Reserve - Company	56.52	56.04

For the Three Months Ended 30th June,	2024 Rs.	2023 Rs.
Highest Price Per Share	61.90	48.50
Lowest Price Per Share	54.70	42.00
Last Traded Price Per Share	57.20	47.00