



A DEPENDABLE FORCE

Statement of Financial Position

As at,	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		30th Sep 2024	31st Dec 2023	30th Sep 2024	31st Dec 2023
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets					
Property, Plant and Equipment		722,044	689,549	514,506	480,796
Right of Use Assets		525,484	428,871	474,088	368,716
Intangible Assets		164,982	63,924	157,476	57,566
Deferred Tax Assets		28,504	1,528	-	-
Financial Investments	3	51,254,030	43,855,383	45,262,931	38,530,656
Investment in Subsidiary		-	-	1,150,000	1,150,000
Loans to Life Policyholders		445,072	441,923	445,072	441,923
Reinsurance Receivables		1,660,156	1,329,157	464,712	325,283
Premium Receivables		1,925,011	1,858,407	131,678	45,940
Other Assets		1,328,746	1,262,852	1,084,328	983,945
Insurance Contract - Deferred Expenses		60,803	208,471	-	-
Cash and Cash Equivalents		787,184	1,123,004	537,067	666,222
Total Assets		58,902,016	51,263,069	50,221,858	43,051,047
Equity and Liabilities					
Equity Attributable to the Equity Holders					
Stated Capital		1,171,875	1,171,875	1,171,875	1,171,875
Retained Earnings		9,189,595	9,039,864	7,583,648	7,618,252
Available for Sale Reserve		143,563	174,358	119,764	106,834
Other Reserve		(21,290)	(21,290)	(21,175)	(21,175)
Life Policyholders' Available for Sale Reserve Fund	5	(262,775)	(469,286)	(262,775)	(469,286)
Restricted Regulatory Reserve	6	381,156	381,156	381,156	381,156
Equity Attributable to the Equity Holders		10,602,124	10,276,677	8,972,493	8,787,656
Non-Controlling Interest		-	-	-	-
Total Equity		10,602,124	10,276,677	8,972,493	8,787,656
Liabilities					
Insurance Contract Liabilities - Life Insurance	7	37,928,158	30,945,715	37,928,158	30,945,715
Insurance Contract Liabilities - General Insurance	8	4,600,423	4,694,303	-	-
Employee Defined Benefit Liabilities		410,134	333,860	244,809	192,127
Current Tax Liabilities		320,047	530,009	237,567	453,230
Reinsurance Creditors		1,428,781	696,915	561,620	302,211
Lease Creditors		592,383	450,304	541,443	395,383
Other Liabilities		2,872,992	2,864,015	1,599,766	1,814,178
Bank Overdrafts		146,974	471,271	136,002	160,547
Total Liabilities		48,299,892	40,986,392	41,249,365	34,263,391
Total Equity and Liabilities		58,902,016	51,263,069	50,221,858	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
30th October 2024


Ashoka Goonesekere
Senior Independent Director

Statement of Profit or Loss and Other Comprehensive Income

Group		Group		Company		Change		
(Audited)		Unaudited	Unaudited	Unaudited	Unaudited			
Year Ended		2024	2023	2024	2023	Group	Company	
31 st Dec 2023	For the Nine Months Ended 30th September,	Rs. '000	Rs. '000	Rs. '000	Rs. '000	%	%	
Rs. '000		Note						
18,760,347	Gross Written Premium	9	16,649,826	13,693,208	9,976,081	7,853,156	22	27
(2,922,404)	Premium Ceded to Reinsurers		(3,453,702)	(2,238,594)	(571,046)	(430,682)	54	33
15,837,943	Net Written Premium		13,196,124	11,454,614	9,405,035	7,422,474	15	27
(138,553)	Net Change in Reserves for Unearned Premium		351,109	(48,384)	-	-	826	-
15,699,390	Net Earned Premium		13,547,233	11,406,230	9,405,035	7,422,474	19	27
	Other Revenue							
7,227,168	Interest and Dividend Income	10	5,625,309	5,376,809	5,045,410	4,677,191	5	8
(57,224)	Net Realised Gains/(Losses)		74,247	(55,721)	15,148	(7,588)	233	300
65,944	Net Fair Value Gains		12,939	31,396	25,398	48,748	(59)	(48)
317,623	Fee and Commission Income		317,454	201,898	80,139	89,395	57	(10)
12,046	Other Income		23,442	10,496	22,595	8,023	123	182
7,565,557	Total Other Revenue		6,053,391	5,564,878	5,188,690	4,815,769	9	8
23,264,947	Net Income		19,600,624	16,971,108	14,593,725	12,238,243	15	19
	Net Benefits, Claims and Expenses							
(6,666,084)	Net Insurance Benefits and Claims		(4,956,117)	(5,048,834)	(2,120,112)	(2,040,503)	(2)	4
(6,332,739)	Change in Contract Liabilities - Life Fund		(6,965,256)	(5,711,786)	(6,965,256)	(5,711,786)	22	22
(5,370,694)	Other Operating and Administration Expenses		(4,510,137)	(3,654,069)	(2,885,172)	(2,369,872)	23	22
(2,200,123)	Underwriting and Net Acquisition Costs		(1,929,780)	(1,574,879)	(1,686,774)	(1,285,008)	23	31
(183,812)	Finance and Other Insurance Related Costs		(177,215)	(114,833)	(161,665)	(93,020)	54	74
(20,753,452)	Total Benefits, Claims and Other Expenses		(18,538,505)	(16,104,401)	(13,818,979)	(11,500,189)	15	20
2,511,495	Profit Before Taxation		1,062,119	866,707	774,746	738,054	23	5
(746,846)	Income Tax Expense	11	(327,388)	(282,904)	(224,350)	(218,573)	16	3
1,764,649	Profit for the Period	12	734,731	583,803	550,396	519,481	26	6
	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		208,837	1,387,660	185,253	1,031,019	(85)	(82)
(38,955)	- Realised Gains transferred to Income Statement		(93,887)	(14,763)	(7,839)	(7,896)	536	(1)
49,549	- Amortisation of AFS reserve on reclassification		42,027	36,459	42,027	36,459	15	15
(808,128)	- Net Change in fair value of Available For Sale Financial Assets transferred to Life Policyholders' Available For Sale Reserve Fund		(206,511)	(812,382)	(206,511)	(812,382)	(75)	(75)
(107,659)	- Tax related on items that are or may be reclassified to profit or loss	11	18,739	(104,932)	-	-	118	-
	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		(30,795)	492,042	12,930	247,200	(106)	(95)
2,217,655	Total Comprehensive Income for the Period		703,936	1,075,845	563,326	766,681	(35)	(27)
	Profit Attributable to:							
1,764,649	Equity Holders of the Company		734,731	583,803	550,396	519,481	26	6
-	Non-Controlling Interest		-	-	-	-	-	-
	Total Comprehensive Income Attributable to:							
2,217,655	Equity Holders of the Company		703,936	1,075,845	563,326	766,681	(35)	(27)
-	Non-Controlling Interest		-	-	-	-	-	-
11.76	Basic and Diluted Earnings Per Share (Rs.)	13	4.90	3.89	3.67	3.46	26	6

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	-	593,803	-	-	-	-	593,803
Other Comprehensive Income for the Period, Net of Related Tax	-	-	1,304,424	-	-	-	1,304,424
Net Change in fair value of Available For Sale Financial Assets	-	-	1,304,424	-	-	-	1,304,424
Net Change in fair value of Available For Sale Financial Assets	-	-	(612,362)	-	-	-	(612,362)
- Transferred to Life Policyholders' Available For Sale Reserve Fund	-	-	492,042	-	-	-	492,042
Total Other Comprehensive Income for the Period	-	-	492,042	-	-	-	492,042
Total Comprehensive Income for the Period	-	593,803	492,042	-	-	-	1,075,845
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- Transferred from Available For Sale Reserve	-	-	-	-	812,382	-	812,382
Distributions to owners of the Parent	-	(547,500)	-	-	-	-	(547,500)
Final dividend to equity holders for 2022	-	7,859,018	169,746	22,358	(465,032)	381,156	9,139,121
Unaudited balance as at 30th September 2023	1,171,875	7,859,018	169,746	22,358	(465,032)	381,156	9,139,121
Comprehensive Income for the Period	-	1,180,846	-	-	-	-	1,180,846
Profit for the Period-Unaudited	-	1,180,846	-	-	-	-	1,180,846
Other Comprehensive Income for the Period, Net of Related Tax	-	-	358	-	-	-	358
Net Change in fair value of Available For Sale Financial Assets	-	-	358	-	-	-	358
Net Change in fair value of Available For Sale Financial Assets	-	-	4,254	(43,648)	-	-	4,254
- Transferred to Life Policyholder's Available For Sale Reserve Fund	-	-	-	(43,648)	-	-	(43,648)
Actuarial Losses on Defined Benefit Plans	-	-	4,254	-	-	-	4,254
Total Other Comprehensive Income for the Period	-	-	4,612	(43,648)	-	-	(38,036)
Total Comprehensive Income for the Period	-	1,180,846	4,612	(43,648)	-	-	1,141,810
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- Transferred from Available For Sale Reserve	-	-	-	-	(4,254)	-	(4,254)
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	-	734,731	-	-	-	-	734,731
Profit for the Period-Unaudited	-	734,731	-	-	-	-	734,731
Other Comprehensive Income for the Period, Net of Related Tax	-	-	175,716	-	-	-	175,716
Net Change in fair value of Available For Sale Financial Assets	-	-	175,716	-	-	-	175,716
Net Change in fair value of Available For Sale Financial Assets	-	-	(206,511)	-	-	-	(206,511)
- Transferred to Life Policyholder's Available For Sale Reserve Fund	-	-	(30,795)	-	-	-	(30,795)
Total Other Comprehensive Income for the Period	-	-	(30,795)	-	-	-	(30,795)
Total Comprehensive Income for the Period	-	734,731	(30,795)	-	-	-	703,936
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	-	-	-
- Transferred from Available For Sale Reserve	-	-	-	-	206,511	-	206,511
Distributions to owners of the Parent	-	(565,000)	-	-	-	-	(565,000)
First and Final Dividend to equity holders for 2023	-	9,189,595	143,563	(21,290)	(262,775)	381,156	10,602,124
Unaudited balance as at 30th September 2024	1,171,875	9,189,595	143,563	(21,290)	(262,775)	381,156	10,602,124

Stated Capital represents 150 Million Ordinary Shares as at 30th September 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	Retained Earnings	Available for Sale Reserve	Other Reserve	Life Policyholders AFS Reserve	Restricted Regulatory Reserve	Total Equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	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	-	519,481	-	-	-	-	519,481
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	1,059,582	-	-	-	1,059,582
Net Change in fair value of Available For Sale Financial Assets	-	-	(812,382)	-	-	-	(812,382)
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	247,200	-	-	-	247,200
Total Other Comprehensive Income for the Period	-	-	247,200	-	-	-	247,200
Total Comprehensive Income for the Period	-	519,481	-	-	-	-	766,681
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	812,382	-	812,382
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-
Distributions to owners of the Parent	-	(547,500)	-	-	-	-	(547,500)
Final dividend to equity holders for 2022	-	-	-	-	-	-	-
Unaudited balance as at 30th September 2023	1,171,875	6,524,414	105,584	3,972	(465,032)	381,156	7,724,969
Comprehensive Income for the Period							
Profit for the Period-Unaudited	-	1,093,838	-	-	-	-	1,093,838
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	(6,004)	-	-	-	(6,004)
Net Change in fair value of Available For Sale Financial Assets	-	-	4,254	-	-	-	4,254
- transferred to Life Policyholder's Available For Sale Reserve Fund	-	-	-	(25,147)	-	-	(25,147)
Actuarial Losses on Defined Benefit Plans	-	-	(1,750)	(25,147)	-	-	(26,897)
Total Other Comprehensive Income for the Period	-	-	(1,750)	(25,147)	-	-	(26,897)
Total Comprehensive Income for the Period	-	1,093,838	(1,750)	(25,147)	-	-	1,066,941
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	(4,254)	-	(4,254)
- transferred from Available For Sale Reserve	-	-	108,834	(21,175)	(469,286)	381,156	8,787,656
Audited balance as at 31st December 2023	1,171,875	7,618,252	106,834	(21,175)	(469,286)	381,156	8,787,656
Comprehensive Income for the Period							
Profit for the Period-Unaudited	-	550,396	-	-	-	-	550,396
Other Comprehensive Income for the Period, Net of Related Tax							
Net Change in fair value of Available For Sale Financial Assets	-	-	219,441	-	-	-	219,441
Net Change in fair value of Available For Sale Financial Assets	-	-	(206,511)	-	-	-	(206,511)
- transferred to Life Policyholders Available For Sale Reserve Fund	-	-	12,930	-	-	-	12,930
Total Other Comprehensive Income for the Period	-	-	12,930	-	-	-	12,930
Total Comprehensive Income for the Period	-	550,396	-	-	-	-	563,326
Net Change in fair value of Available For Sale Financial Assets	-	-	-	-	206,511	-	206,511
- transferred from Available For Sale Reserve	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-
Distributions to owners of the Company	-	(585,000)	-	-	-	-	(585,000)
First and Final Dividend to equity holders for 2023	-	-	-	-	-	-	-
Unaudited balance as at 30th September 2024	1,171,875	7,583,648	119,764	(21,175)	(282,775)	381,156	8,972,493

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

Statement of Cash Flows

<i>For the Nine Months Ended 30th September,</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	1,062,119	866,707	774,746	738,054
<i>Adjustments for:</i>				
Interest Income	10 (5,604,616)	(5,368,178)	(5,024,749)	(4,668,689)
Dividend Income	10 (20,693)	(8,631)	(20,661)	(8,502)
Amortisation of Intangible Assets	22,623	15,597	21,059	14,501
Depreciation of Property, Plant and Equipment	131,163	86,600	100,368	64,317
Net Depreciation of Right of Use Assets	155,087	122,807	143,864	114,280
Interest Expense of Lease Creditors	81,211	41,737	74,540	37,076
Provision for Employee Benefits	98,998	70,109	65,864	51,359
Net Realised (Gains)/Losses	(74,247)	55,721	(15,148)	7,588
Net Fair Value Gains	(12,939)	(31,396)	(25,398)	(48,748)
Gains on Disposal of Property, Plant and Equipment	(18,944)	(2,658)	(18,886)	(2,395)
Gains on Disposal of Right of Use Asset	(347)	(1,185)	(347)	-
	(4,180,585)	(4,152,770)	(3,924,748)	(3,701,159)
Net Change in Operating Assets	A (339,550)	(157,609)	(337,980)	(383,129)
Net Change in Operating Liabilities	B 7,629,406	5,967,200	7,027,440	5,833,113
Cash Flows from Operating Activities	3,109,271	1,656,821	2,764,712	1,748,825
Cash Flows from Investing Activities				
Gratuity Paid	(22,740)	(37,615)	(13,182)	(14,731)
Income Tax Paid	(517,494)	(353,623)	(440,013)	(310,334)
Capital Gain Tax Paid	(16,786)	(2,649)	-	-
Net Cash Generated from Operating Activities	2,552,251	1,262,934	2,311,517	1,423,760
Cash Flows from Investing Activities				
Acquisition of Financial Investments	(84,510,009)	(65,189,319)	(57,246,280)	(48,740,422)
Proceeds from Maturity of Financial Investments	75,899,817	59,450,487	50,324,760	44,001,269
Proceeds from Sale of Financial Investments	2,057,346	1,505,858	1,168,780	710,989
Interest Received	5,005,710	4,022,469	4,307,932	3,525,126
Dividend Received	17,961	8,631	17,929	8,502
Acquisition of Intangible Assets	(123,681)	(19,109)	(120,969)	(17,372)
Acquisition of Property, Plant and Equipment	(168,266)	(288,858)	(138,637)	(217,326)
Proceeds from the Disposal of Property, Plant and Equipment	23,552	4,143	23,445	3,504
Advance Paid to Right of Use asset	(8,635)	(33,272)	(6,235)	(21,067)
Net Cash Used in Investing Activities	(1,806,205)	(538,970)	(1,669,275)	(746,797)
Cash Flows from Financing Activities				
Dividend Paid	(585,000)	(547,500)	(585,000)	(547,500)
Payment of Lease Liabilities	(172,569)	(142,513)	(161,853)	(133,893)
Net Cash Used in Financing Activities	(757,569)	(690,013)	(746,853)	(681,393)
Net Decrease in Cash and Cash Equivalents (Net of Book OD)				
	(11,523)	33,951	(104,610)	(4,430)
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)	640,210	801,717	401,065	619,295

Notes to the Statement of Cash Flows

<i>For the Nine Months Ended 30th September,</i>	Group		Company	
	Unaudited 2024	Unaudited 2023	Unaudited 2024	Unaudited 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Notes to the Cash Flow Statement				
A. Change in Operating Assets				
Decrease/(Increase) in Deferred Expenses	147,668	(28,824)	-	-
Increase in Loans to Life Policyholders	(3,149)	(19,420)	(3,149)	(19,420)
Increase in Reinsurance Receivables	(330,999)	(172,320)	(139,429)	(90,588)
(Increase)/Decrease in Premium Receivables	(66,604)	322,076	(85,738)	(12,607)
Increase in Other Assets	(86,466)	(259,121)	(109,664)	(260,514)
Net Change in Operating Assets	(339,550)	(157,609)	(337,980)	(383,129)
B. Change in Operating Liabilities				
Increase/(Decrease) in Other Liabilities	8,977	(214,909)	(214,412)	(92,967)
Increase in Insurance Contract Liabilities (before tax) - Life Insurance	6,982,443	5,868,235	6,982,443	5,868,235
(Decrease)/Increase in Insurance Contract Liabilities - General Insurance	(93,880)	374,109	-	-
Increase/(Decrease) in Reinsurance Creditors	731,866	(60,235)	259,409	57,845
Net Change in Operating Liabilities	7,629,406	5,967,200	7,027,440	5,833,113
C. Cash and Cash Equivalents at the end of the period				
Cash in Hand and at Bank	787,184	1,082,910	537,067	745,483
Bank Overdrafts	(146,974)	(281,193)	(136,002)	(126,188)
Cash and Cash Equivalents (Net of Book OD)	640,210	801,717	401,065	619,295

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

	Note	Group		Company		Change	
		2024	2023	2024	2023	Group	Company
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	%	%
<i>For the Three months ended 30th September,</i>							
Gross Written Premium	9	5,690,139	4,586,095	3,571,473	2,692,497	24	33
Premium Ceded to Reinsurers		(1,194,214)	(645,612)	(205,797)	(150,294)	85	37
Net Written Premium		4,495,925	3,940,483	3,365,676	2,542,203	14	32
Net Change in Reserves for Unearned Premium		218,740	(16,781)	-	-	1,403	-
Net Earned Premium		4,714,665	3,923,702	3,365,676	2,542,203	20	32
Other Revenue							
Interest and Dividend Income	10	1,877,920	1,815,792	1,695,000	1,577,510	3	7
Net Realised Gains/(Losses)		36,364	(13,152)	12,325	(3,382)	376	464
Net Fair Value (Losses)/Gains		(11,415)	101,282	(8,781)	50,034	(111)	(118)
Fee and Commission Income		104,042	47,078	11,977	10,226	121	17
Other Income		6,964	3,664	6,649	1,985	90	235
Total Other Revenue		2,013,875	1,954,664	1,717,170	1,636,373	3	5
Net Income		6,728,540	5,878,366	5,082,846	4,178,576	14	22
Net Benefits, Claims and Expenses							
Net Insurance Benefits and Claims		(1,599,868)	(1,845,930)	(687,393)	(725,501)	(13)	(5)
Change in Contract Liabilities - Life Fund		(2,432,280)	(1,842,679)	(2,432,280)	(1,842,679)	32	32
Other Operating and Administration Expenses		(1,598,721)	(1,257,864)	(1,030,590)	(834,287)	27	24
Underwriting and Net Acquisition Costs		(680,663)	(632,500)	(614,824)	(506,627)	8	21
Finance and Other Insurance Related Costs		(65,482)	(66,905)	(55,970)	(39,556)	(2)	41
Total Benefits, Claims and Other Expenses		(6,377,014)	(5,645,878)	(4,821,057)	(3,948,650)	13	22
Profit Before Taxation		351,526	232,488	261,789	229,926	51	14
Income Tax Expense	11	(90,985)	(63,309)	(76,028)	(68,136)	44	12
Profit for the Period	12	260,541	169,179	185,761	161,790	54	15
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		(104,063)	666,176	(85,156)	488,018	(116)	(117)
- Realised Gains transferred to Income Statement		(36,795)	(11,616)	(2,380)	(7,020)	217	(66)
- Amortisation of AFS reserve on reclassification		14,593	12,676	14,593	12,676	15	15
- Net Change in fair value of Available For Sale Financial							
Assets transferred to Life Policyholder's Available For Sale Reserve Fund		44,283	(364,661)	44,283	(364,661)	112	112
- Tax related on items that are or may be reclassified to profit or loss	11	15,996	(52,068)	-	-	131	-
Total Other Comprehensive Income for the Period, Net of Related tax		(65,986)	250,507	(28,660)	129,013	(126)	(122)
Total Comprehensive Income for the Period		194,555	419,686	157,101	290,803	(54)	(46)
Profit Attributable to:							
Equity Holders of the Company		260,541	169,179	185,761	161,790	54	15
Non-Controlling Interest		-	-	-	-	-	-
Total Comprehensive Income Attributable to:							
Equity Holders of the Company		194,555	419,686	157,101	290,803	(54)	(46)
Non-Controlling Interest		-	-	-	-	-	-
Basic and Diluted Earnings Per Share (Rs.)	13	1.74	1.13	1.24	1.08	54	15

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

Operating Segment Information - Assets and Liabilities

As at,	Unaudited		Audited	
	30th September 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	514,506	207,538	480,796	208,753
Right of Use Assets	474,088	51,396	368,716	60,155
Intangible Assets	157,476	7,506	57,566	6,358
Deferred Tax Assets	-	28,504	-	1,528
Financial Investments	45,262,931	5,991,099	38,530,656	5,324,727
Investment in Subsidiary	1,150,000	-	1,150,000	-
Loans to Life Policyholders	445,072	-	441,923	-
Reinsurance Receivables	464,712	1,195,444	325,283	1,003,874
Premium Receivables	131,678	1,800,191	45,940	1,923,779
Other Assets	1,084,328	364,973	983,945	378,257
Insurance Contract - Deferred Expenses	-	60,803	-	208,471
Cash and Cash Equivalents	537,067	250,117	666,222	456,782
Total Assets	50,221,858	9,957,571	43,051,047	9,572,684
Liabilities				
Insurance Contract Liabilities - Life Insurance	37,928,158	-	30,945,715	-
Insurance Contract Liabilities - General Insurance	-	4,600,423	-	4,694,303
Employee Defined Benefit Liabilities	244,809	165,325	192,127	141,733
Current Tax Liabilities	237,567	82,480	453,230	76,779
Reinsurance Creditors	561,620	867,161	302,211	394,704
Lease Creditors	541,443	50,940	395,383	54,921
Other Liabilities	1,599,766	1,400,639	1,814,178	1,260,499
Bank Overdrafts	136,002	10,972	160,547	310,724
Total Liabilities	41,249,365	7,177,940	34,263,391	6,933,663

Operating Segment Information - Profitability

For the Nine Months Ended,	Unaudited		Unaudited	
	30th September 2024		30th September 2023	
	Life Insurance Rs. '000	General Insurance Rs. '000	Life Insurance Rs. '000	General Insurance Rs. '000
Gross Written Premium	9,976,081	6,742,709	7,853,156	5,931,389
Premium Ceded to Reinsurers	(571,046)	(2,882,656)	(430,682)	(1,807,912)
Net Written Premium	9,405,035	3,860,053	7,422,474	4,123,477
Net Change in Reserves for Unearned Premium	-	351,109	-	(48,384)
Net Earned Premium	9,405,035	4,211,162	7,422,474	4,075,093
Other Revenue				
Interest and Dividend Income	5,045,410	579,899	4,677,191	699,618
Net Realised Gains/(Losses)	15,148	59,099	(7,588)	(48,133)
Net Fair Value Gains/(Losses)	25,398	(12,459)	48,748	(17,352)
Fee and Commission Income	80,139	262,725	89,395	135,890
Other Income	22,595	847	8,023	2,473
Total Other Revenue	5,188,690	890,111	4,815,769	772,496
Net Income	14,593,725	5,101,273	12,238,243	4,847,589
Net Benefits, Claims and Expenses				
Net Insurance Benefits and Claims	(2,120,112)	(2,836,224)	(2,040,503)	(3,008,797)
Change in Contract Liabilities - Life Fund	(6,965,256)	-	(5,711,786)	-
Other Operating and Administration Expenses	(2,885,172)	(1,706,675)	(2,369,872)	(1,386,517)
Underwriting and Net Acquisition Cost	(1,686,774)	(255,451)	(1,285,008)	(301,809)
Finance and Other Insurance Related Costs	(161,665)	(15,550)	(93,020)	(21,813)
Total Benefits, Claims and other Expenses	(13,818,979)	(4,813,900)	(11,500,189)	(4,718,936)
Profit Before Taxation	774,746	287,373	738,054	128,653
Income Tax Expense	(224,350)	(103,038)	(218,573)	(64,331)
Profit for the Period	550,396	184,335	519,481	64,322

Notes to the Condensed Consolidated Interim Financial Statements

1 CORPORATE INFORMATION

1.1 Reporting Entity

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

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

1.2 Approval of Financial Statements

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

Figures in these Condensed Consolidated Interim Financial Statements for the period ended 30th September 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 Sep 2024	31st Dec 2023	30th Sep 2024	31st Dec 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Held to Maturity Financial Assets	12,661,705	11,841,560	12,661,705	11,841,560
Loans and Receivables	22,112,974	18,034,314	19,167,916	15,621,404
Available for Sale Financial Assets	16,066,099	13,393,030	13,063,103	10,611,510
Financial Assets at Fair Value Through Profit or Loss	413,252	586,479	370,207	456,182
Total Financial Investments	51,254,030	43,855,383	45,262,931	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
		30th Sep 2024 Rs. '000	31st Dec 2023 Rs. '000	30th Sep 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 September 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 Sep 2024 (Rs. '000)
As at,	
Term Deposits	383,610

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 Sep 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
Life Insurance Fund	7.1	37,641,296	30,676,040	37,641,296	30,676,040
Claims Outstanding		286,862	269,675	286,862	269,675
Total Insurance Contract Liabilities		37,928,158	30,945,715	37,928,158	30,945,715

7.1 INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE FUND

As at,	Note	Group		Company	
		Unaudited 30th Sep 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 30th Sep 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		6,965,256	7,647,739	6,965,256	7,647,739
Surplus Distributed to Shareholders		-	(1,315,000)	-	(1,315,000)
Increase in Life Insurance Fund		6,965,256	6,332,739	6,965,256	6,332,739
Effect of Taxation on surplus/Bonus transferred to Policyholders		-	(20,329)	-	(20,329)
Balance as at the end of the period		37,641,296	30,676,040	37,641,296	30,676,040

7.2 Liability Adequacy Test

A Liability Adequacy Test (LAT) for Life Insurance contract Liability was carried out internally by the Chief Actuarial Officer, as at 30th September 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. Accordingly, assets are sufficiently adequate as compared to the discounted cash flow reserves and in contrast to the reserves as at 30th September 2024. No additional provision was required against the LAT as at 30th September 2024.

Notes to the Condensed Consolidated Interim Financial Statements

8 INSURANCE CONTRACT LIABILITIES - GENERAL INSURANCE

As at,	Group		Company	
	Unaudited 30th Sep 2024	Audited 31st Dec 2023	Unaudited 30th Sep 2024	Audited 31st Dec 2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Reserves for Net Unearned Premium	2,590,654	2,960,146	-	-
Reserves for Title Insurance	67,363	48,980	-	-
Reserves for Gross Outstanding Claims	1,942,406	1,685,177	-	-
Total Insurance Contract Liabilities	4,600,423	4,694,303	-	-

8.1 Valuation of the IBNR/IBNER was carried by the Appointed Actuary, Ms. Sipika Tandon Mathur, FIA, as at 30th September 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 as at 30th September 2024 by the Appointed Actuary, Ms. Sipika Tandon Mathur, FIA, for and on behalf of Willis Towers Watson India Private Limited as required by SLFRS 4 - Insurance Contracts. Accordingly, HNB General Insurance Limited adequately satisfies the LAT requirement as at 30th September 2024 and no additional provision is required against LAT.

9 GROSS WRITTEN PREMIUM

Group	Audited For the Year Ended 31st Dec 2023 Rs. '000	For the Nine Months Ended,	Group		Company	
			Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
Life Insurance						
10,489,484		Individual Policies	9,581,638	7,492,235	9,581,638	7,492,235
433,810		Corporate Policies	394,443	360,921	394,443	360,921
(46,396)		Adjustment for Inter Company Premiums	(36,837)	(35,365)	-	-
<u>10,876,898</u>		Gross Written Premium - Life Insurance	<u>9,939,244</u>	<u>7,817,791</u>	<u>9,976,081</u>	<u>7,853,156</u>
General Insurance						
1,488,609		Fire	1,483,212	1,171,940	-	-
4,519,986		Motor	3,576,545	3,331,289	-	-
123,154		Marine	243,933	110,488	-	-
1,904,521		Miscellaneous	1,439,019	1,317,672	-	-
(152,821)		Adjustment for Inter Company Premiums	(32,127)	(55,972)	-	-
<u>7,883,449</u>		Gross Written Premium - General Insurance	<u>6,710,582</u>	<u>5,875,417</u>	-	-
<u>18,760,347</u>		Total Gross Written Premium	<u>16,649,826</u>	<u>13,693,208</u>	<u>9,976,081</u>	<u>7,853,156</u>

Notes to the Condensed Consolidated Interim Financial Statements

<i>For the Three Months Ended,</i>	Group		Company	
	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
	Life Insurance			
Individual Policies	3,388,518	2,532,668	3,388,518	2,532,668
Corporate Policies	182,955	159,829	182,955	159,829
Adjustment for Inter Company Premiums	(13,361)	(8,665)	-	-
Gross Written Premium - Life Insurance	3,558,112	2,683,832	3,571,473	2,692,497
General Insurance				
Fire	435,807	321,313	-	-
Motor	1,279,963	1,174,476	-	-
Marine	93,955	40,815	-	-
Miscellaneous	341,097	363,088	-	-
Adjustment for Inter Company Premiums	(18,795)	2,571	-	-
Gross Written Premium - General Insurance	2,132,027	1,902,263	-	-
Total Gross Written Premium	5,690,139	4,586,095	3,571,473	2,692,497

10 INTEREST AND DIVIDEND INCOME

<i>For the Nine Months Ended,</i>	Group		Company	
	Audited For the Year Ended 31st Dec 2023 Rs. '000		Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
	7,217,300	Interest Income	5,604,616	5,368,178
9,868	Dividend Income	20,693	8,631	20,661
7,227,168	Total	5,625,309	5,376,809	5,045,410

<i>For the Three Months Ended,</i>	Group		Company	
	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
	Interest Income	1,872,768	1,813,979	1,689,848
Dividend Income	5,152	1,813	5,152	1,808
Total	1,877,920	1,815,792	1,695,000	1,577,510

11 INCOME TAX EXPENSE

<i>For the Nine Months Ended,</i>	Group		Company	
	Audited For the Year Ended 31st Dec 2023 Rs. '000		Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
	(763,993)	Income Tax Charge	(335,625)	(276,860)
27,045	Over Provision of Income Taxes in respect of prior Period	-	-	-
(9,898)	Deferred Tax - Recognised through Profit or Loss	8,237	(6,044)	-
(746,846)	Total Tax charge in Profit or Loss	(327,388)	(282,904)	(224,350)
(107,659)	Deferred tax on net change in debt instruments categorised under Available for Sale	18,739	(104,932)	-
19,655	Deferred tax on actuarial losses on defined benefit plans	-	-	-
(88,004)	Total Tax charge in Other Comprehensive Income	18,739	(104,932)	-

Notes to the Condensed Consolidated Interim Financial Statements

<i>For the Three Months Ended,</i>	Group		Company	
	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
Income Tax Charge	(93,117)	(59,394)	(76,028)	(68,136)
Deferred Tax - Recognised through Profit or Loss	2,132	(3,915)	-	-
Total Tax charge in Profit or Loss	(90,985)	(63,309)	(76,028)	(68,136)
Deferred tax on net change in debt instruments categorised under Available for Sale	15,996	(52,068)	-	-
Total Tax charge in Other Comprehensive Income	15,996	(52,068)	-	-

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. 224.35 Million for the period ended 30th September 2024. The Subsidiary carried a deferred tax asset of Rs. 28.5 Million as at 30th September 2024.

12 PROFIT FOR THE PERIOD

<i>Audited For the Year Ended 31st Dec 2023 Rs. '000</i>	<i>For the Nine Months Ended,</i>	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 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	774,746	738,054
(655,723)	Income Tax Expense	(224,350)	(218,573)
1,613,319	Profit for the Period	550,396	519,481
Subsidiary - HNB General Insurance Ltd			
242,453	Profit Before Tax	287,373	128,653
(91,123)	Income Tax and Deferred Tax Expense	(103,038)	(64,331)
151,330	Profit for the Period	184,335	64,322
1,764,649	Profit for the Period - Group	734,731	583,803
<i>For the Three Months Ended,</i>			
Company - HNB Assurance PLC			
	Profit from Life Shareholders' Fund	261,789	229,926
	Income Tax Expense	(76,028)	(68,136)
	Profit for the Period	185,761	161,790
Subsidiary - HNB General Insurance Ltd			
	Profit Before Tax	89,737	2,562
	Income Tax and Deferred Tax Expense	(14,957)	4,827
	Profit for the Period	74,780	7,389
	Profit for the Period - Group	260,541	169,179

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 Nine Months Ended,	Group		Company	
			Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
			1,764,649	Profit for the Period (Rs. '000)	734,731	583,803
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.)	4.90	3.89	3.67	3.46	

For the Three Months Ended,	Group		Company	
	Unaudited 30th Sep 2024	Unaudited 30th Sep 2023	Unaudited 30th Sep 2024	Unaudited 30th Sep 2023
	Profit for the Period (Rs. '000)	260,541	169,179	185,761
Weighted average number of shares ('000)	150,000	150,000	150,000	150,000
Basic and Diluted Earnings Per Share (Rs.)	1.74	1.13	1.24	1.08

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 Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
For the Nine Months Ended,				
Insurance Premium	152,559	175,637	-	31,414
Claims Incurred	76,232	70,269	49,331	34,850
Investment Income	419,483	405,803	386,730	336,939
Administration Expenses	528,386	399,352	411,746	296,156
Rent and Other Operational Expenses	18,880	17,041	12,326	11,714
Dividend Paid	350,918	328,423	350,918	328,423
Outstanding Balances				
As at,	Unaudited 30th Sep 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
Investment Balance (Include Deposits & Debentures)	3,456,588	3,017,870	3,142,130	2,636,221
Cash at Bank Balances	603,830	625,665	381,966	503,848
Premium Receivable	203	175	-	-
Administration Expenses Payable	72,167	92,914	50,690	72,467
Rent and Other Operational Expenses Payable	749	157	462	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 Nine Months Ended,	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
Insurance Premium	36,837	35,365
Insurance Expenses	32,127	55,972
Claims Received	219	466
Claims Paid	3,600	5,400
Reimbursement Expenses Relating to Employees	70,089	89,391
Other Reimbursement Expenses	216,303	193,936
Fund Management Fee	12,965	11,449
Profit Commission Expense	12,445	11,938
Outstanding Balances As at,	Unaudited 30th Sep 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
Premium Payable to HNB General Insurance Limited	6,858	111,312
Receivable from HNB General Insurance Limited	120,555	99,350

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

Transactions For the Nine Months Ended,	Group		Company	
	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
Insurance Premium	189,710	206,690	76,945	118,975
Claims Incurred	38,898	5,181	27,064	9,101
Investment Income	82,921	88,297	65,157	69,326
Administration Expenses	18,078	20,310	3,564	8,723
Outstanding Balances As at,	Unaudited 30th Sep 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000	Unaudited 30th Sep 2024 Rs. '000	Audited 31st Dec 2023 Rs. '000
Investments Balance (Includes Deposits, Debentures and Repo)	1,138,947	158,180	810,089	158,180
Cash at Bank Balances	49	14	49	14
Premium Receivable	14,984	27,525	5,198	8,028
Administration Expenses Payable	3,403	5,822	-	465

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

Transactions For the Nine Months Ended,	Unaudited 30th Sep 2024 Rs. '000	Unaudited 30th Sep 2023 Rs. '000
Director Fee	23,340	22,235
Short-term and Post Employment Benefits	88,577	72,424
Insurance Premium	2,898	2,413
Claims Paid including Maturities	984	388

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 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 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

15 RELATED IMPLICATIONS OF FOREIGN EXCHANGE RATES

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

Further, Group does not hold any investments in Sri Lanka Development Bonds (SLDBs) and International Sovereign Bonds (ISBs). However, the Board continue to monitor the potential implications of these factors on the groups business activities, profitability, solvency and liquidity position and will take proactive action to meet future obligations and ensure business continuity.

16 EVENTS OCCURRING AFTER THE REPORTING DATE

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. 168.31 Million as at 30th September 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 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 penalties of Rs. 144 Million. The company dissatisfied with these determinations of the Tax Appeals Commission and filed appeals against those determinations in the Court of Appeal. The Company is awaiting for the decisions of the Court of Appeal.

Income tax 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 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.

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.

Income tax assessment for the year of assessment 2019/20 amounting to Rs. 125 Million is in the process of hearing with the Tax Appeals Commission.

Income tax assessment for the year of assessment 2018/19 amounting to Rs. 138 Million including penalties of Rs. 16 Million are waiting for CGIR determination.

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.

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 01.01.2018 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 VAT on FS assessment for the taxable period 01.01.2019 to 31.12.2019, amounting to Rs. 17.07 Million including penalty of Rs. 5.7 Million The Company has duly appealed against this assessment and is awaiting the 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 Genera Insurance Limited, has received tax assessments and penalties amounting to Rs. 307.67 Million on VAT returns filed and the subsidiary has duly appealed against the assessments.

Notes to the Condensed Consolidated Interim Financial Statements

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 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	30th September 2024		30th June 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	2,054,172	1.37	2,007,667	1.34
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. Selliah	1,500,000	1.00	1,500,000	1.00
9 Mrs. A. Kailasapillai	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 Mr. V. Sharda	859,000	0.57	609,000	0.41
15 Andysel (Pvt) Limited	750,000	0.50	750,000	0.50
16 Corporate Holdings (Pvt) Limited A/C No.01	735,309	0.49	735,309	0.49
17 Dr. S. Selliah	600,000	0.40	600,000	0.40
18 Corporate Holdings (Pvt) Limited A/C No.02	573,969	0.38	573,969	0.38
19 Seylan Bank PLC/G.A. Bhanuka Harischandra	570,592	0.38	-	-
20 Alliance Finance Company PLC	525,553	0.35	525,553	0.35

Public Shareholding

	30th September 2024	31st December 2023
* Float Adjusted Market Capitalisation (Rs.)	3,655,218,122	3,386,229,595
Percentage of Shares held by the Public	40.013%	39.885%
Number of Public Shareholders	3,984	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 September 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 Sep 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
Prof. A.K.W. Jayawardena	Nil	-
Mr. P.H.L.N. Wimalaratne (Chief Executive Officer)	Nil	Nil

Number of Shares

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

Share Performance

As at,	30th Sep 2024 Rs.	31st Dec 2023 Rs.
Net Asset Value Per Share - Group	70.68	68.51
Net Asset Value Per Share - Company	59.82	58.58
Net Asset Value Per Share without Restricted Regulatory Reserve - Group	68.14	65.97
Net Asset Value Per Share without Restricted Regulatory Reserve - Company	57.28	56.04
For the Three Months Ended 30th September,	2024 Rs.	2023 Rs.
Highest Price Per Share	61.20	59.00
Lowest Price Per Share	56.20	47.00
Last Traded Price Per Share	60.90	56.10