

# Interim Financial Statements

For Six Months Ended 30th June



**Ceylinco Insurance PLC**



# Statement of Financial Position

| As at  | Consolidated         |                    | Company              |                    |
|--|----------------------|--------------------|----------------------|--------------------|
|  | 30.06.2015           | 31.12.2014         | 30.06.2015           | 31.12.2014         |
|  | Rs.'000<br>Unaudited | Rs.'000<br>Audited | Rs.'000<br>Unaudited | Rs.'000<br>Audited |
| <b>Assets</b>  |                      |                    |                      |                    |
| Goodwill   | 193,162              | 193,162            | -                    | -                  |
| Intangible assets                                      | 97,361               | 45,170             | -                    | 34,950             |
| Deferred expenses                                      | 743,245              | 722,682            | -                    | 689,581            |
| Property, Plant and equipment                          | 10,375,520           | 9,889,427          | 3,375                | 6,781,520          |
| Investment properties                                  | 2,158,212            | 2,715,711          | 153,333              | 2,715,711          |
| Investment in subsidiaries                             | -                    | -                  | 16,091,432           | 1,526,752          |
| Investment in associates                               | 1,678,106            | 1,530,998          | 92,514               | 397,399            |
| <b>Financial instruments</b>                           |                      |                    |                      |                    |
| Held to maturity financial assets                      | 35,312,380           | 32,124,826         | -                    | 31,913,874         |
| Loans and receivables                                  | 21,613,205           | 19,082,446         | -                    | 18,447,316         |
| Available-for-sale financial assets                    | 9,752,328            | 11,158,754         | 46,293               | 11,122,225         |
| Financial assets at fair value through profit or loss  | 856,968              | 219,327            | -                    | 219,327            |
| Employee Gratuity Benefit Asset                        | 1,303,262            | 1,315,548          | -                    | 1,315,548          |
| Employee Pension Benefit Asset                         | 1,539,742            | 1,539,742          | -                    | 1,539,742          |
| Reinsurance Receivables                                | 2,429,139            | 2,505,273          | -                    | 2,162,743          |
| Income tax receivable                                  | 1,134,038            | 997,602            | -                    | 997,179            |
| Deferred tax assets                                    | 284,381              | 58,916             | -                    | 48,465             |
| Insurance receivables                                  | 5,312,899            | 5,355,991          | -                    | 4,702,499          |
| Accrued Income   | 4,949,211            | 4,564,548          | -                    | 4,551,220          |
| Other assets   | 1,759,282            | 1,052,542          | 85,192               | 700,534            |
| Cash and cash equivalents                              | 566,554              | 1,007,522          | 50,000               | 640,740            |
| <b>Total assets</b>                                    | <b>102,058,995</b>   | <b>96,080,187</b>  | <b>16,522,139</b>    | <b>90,507,325</b>  |
| <b>Equity and liabilities</b>                          |                      |                    |                      |                    |
| <b>Equity attributable to equity holders of parent</b> |                      |                    |                      |                    |
| Stated Capital   | 1,324,822            | 1,324,822          | 1,324,822            | 1,324,822          |
| Retained earnings                                      | 13,763,365           | 13,739,147         | 13,019,921           | 12,090,871         |
| Other Reserves   | 2,708,901            | 2,892,787          | 2,038,615            | 2,687,640          |
| Revaluation reserves                                   | 2,138,500            | 2,126,854          | -                    | 1,621,398          |
| <b>Total ordinary shareholders' equity</b>             | <b>19,935,588</b>    | <b>20,083,610</b>  | <b>16,383,358</b>    | <b>17,724,731</b>  |
| <b>Non-controlling interests</b>                       | <b>900,114</b>       | <b>762,469</b>     | <b>-</b>             | <b>-</b>           |
| <b>Total equity</b>                                    | <b>20,835,702</b>    | <b>20,846,079</b>  | <b>16,383,358</b>    | <b>17,724,731</b>  |
| <b>Liabilities</b>                                     |                      |                    |                      |                    |
| Life Insurance contract liabilities                    | 64,379,975           | 60,021,879         | -                    | 60,021,879         |
| Unit Linked Fund & Other funds -Life                   | 249,025              | 228,873            | -                    | 228,873            |
| Non Life Insurance contract liabilities                | 9,527,669            | 9,259,497          | -                    | 8,745,212          |
| Employee Gratuity Benefit Liability                    | 145,139              | 127,106            | -                    | -                  |
| Deferred Revenue                                       | 206,238              | 205,905            | -                    | 151,764            |
| Borrowings   | 580,173              | 951,992            | 11,015               | 346,001            |
| Other Financial Liabilities                            | 1,028,966            | 84,157             | -                    | 75,000             |
| Deferred tax liabilities                               | 305,372              | 82,198             | -                    | -                  |
| Reinsurance payables                                   | 871,868              | 855,084            | -                    | 492,091            |
| Trade and other payables                               | 3,928,868            | 3,417,417          | 127,766              | 2,721,774          |
| <b>Total liabilities</b>                               | <b>81,223,293</b>    | <b>75,234,108</b>  | <b>138,781</b>       | <b>72,782,594</b>  |
| <b>Total equity and liabilities</b>                    | <b>102,058,995</b>   | <b>96,080,187</b>  | <b>16,522,139</b>    | <b>90,507,325</b>  |

The notes form an integral part of the financial statements

\* As a result of segregation effected on 1st June 2015 due to the Regulatory requirement, the assets & liabilities belonging to Insurance operations have been transferred to 100% owned two subsidiaries and therefore those are included in Consolidated column and not included in Company column.

These Financial Statements are prepared in compliance with the requirements of the Companies Act No.07 of 2007

Sgd.  
**Upali Witharana**  
Chief Financial Officer-Non Life Insurance

Sgd.  
**P A Jayawardena**  
Chief Financial Officer- Life Insurance

The Board of Directors are responsible for the preparation and presentation of these financial statements.  
for and on behalf of the Board

Sgd.  
**A.R. Gunawardena**  
Managing Director/Chief Executive Officer  
(Non Life Insurance)

Sgd.  
**R.Renganathan**  
Managing Director/Chief Executive Officer  
(Life Insurance)

Sgd.  
**T.N.M. Peiris**  
Director - Finance

12th August 2015

# Statement of Income

| For Six Months Ended 30th June              | Notes | Consolidated |              |        | Company     |              |        |
|---|-------|--------------|--------------|--------|-------------|--------------|--------|
|   |       | 2015         | 2014         | change | 2015        | 2014         | change |
|   |       | Rs.'000      | Rs.'000      | %      | Rs.'000     | Rs.'000      | %      |
|   |       | Unaudited    | Unaudited    |        | Unaudited   | Unaudited    |        |
| <b>Net Income</b>                           | 3     | 16,808,694   | 15,452,246   | 9      | 12,789,227  | 13,997,601   | (9)    |
| Gross written premiums                      | 4     | 13,441,528   | 12,173,839   | 10     | 10,671,060  | 11,654,551   | (8)    |
| Premiums ceded to reinsurers                |       | (1,802,001)  | (1,719,341)  | 5      | (1,085,109) | (1,304,072)  | (17)   |
| <b>Net written premiums</b>                 |       | 11,639,527   | 10,454,498   | 11     | 9,585,951   | 10,350,479   | (7)    |
| Net change in Reserve for unearned premium  |       | (312,819)    | (256,439)    | 22     | (444,791)   | (271,400)    | 64     |
| <b>Net Earned premium</b>                   |       | 11,326,708   | 10,198,059   | 11     | 9,141,160   | 10,079,079   | (9)    |
| Revenue from Subsidiaries                   |       | 1,490,539    | 1,195,287    | 25     | -           | -            |        |
|   |       | 12,817,247   | 11,393,346   | 12     | 9,141,160   | 10,079,079   | (9)    |
| Investment and Other Income                 |       | 3,991,447    | 4,058,900    | (2)    | 3,648,067   | 3,918,522    | (7)    |
| Insurance Claims and Benefit (Net)          |       | (5,618,827)  | (4,799,883)  | 17     | (4,509,824) | (4,770,429)  | (5)    |
| Increase in Life Insurance Fund             |       | (4,358,095)  | (4,491,905)  | (3)    | (3,514,274) | (4,491,905)  | (22)   |
| Acquisition cost                            |       | (1,450,523)  | (1,284,259)  | 13     | (1,169,358) | (1,255,682)  | (7)    |
| <b>Total Benefits, Losses and expenses</b>  |       | (11,427,445) | (10,576,047) | 8      | (9,193,456) | (10,518,016) | (13)   |
| Cost of sales of subsidiaries               |       | (323,781)    | (283,265)    | 14     | -           | -            |        |
|   |       | (11,751,226) | (10,859,312) | 8      | (9,193,456) | (10,518,016) | (13)   |
| Other operating and administrative expenses |       | (4,312,661)  | (3,993,379)  | 8      | (2,903,240) | (3,284,723)  | (12)   |
| <b>Profit from Operations</b>               |       | 744,807      | 599,555      | 24     | 692,531     | 194,862      | 255    |
| Finance cost                                |       | (56,400)     | (93,374)     | (40)   | (29,691)    | (59,924)     | (50)   |
| Share of profit of associates               |       | 105,611      | 72,918       | 45     | -           | -            |        |
| <b>Profit before tax</b>                    |       | 794,018      | 579,099      | 37     | 662,840     | 134,938      | 391    |
| Income tax expense                          | 5     | (100,006)    | (49,543)     | 102    | (84,128)    | (23,464)     | 259    |
| <b>Profit for the period</b>                |       | 694,012      | 529,556      | 31     | 578,712     | 111,474      | 419    |
| <b>Profit attributable to:</b>              |       |              |              |        |             |              |        |
| Equity holders of the parent                |       | 556,353      | 374,974      | 48     | 578,712     | 111,474      | 419    |
| Non-controlling interests                   |       | 137,659      | 154,582      | (11)   | -           | -            |        |
|   |       | 694,012      | 529,556      | 31     | 578,712     | 111,474      | 419    |

Figures in bracket indicate deductions

Basic Earnings Per Share (Rs.) 21.06 14.20 21.91 4.22

| Dividend Per Share    | Note | Group      |            | Company    |            |
|-----------------------|------|------------|------------|------------|------------|
|                       |      | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Final Dividend Paid   | 7    | 20.00      | 16.00      | 20.00      | 16.00      |
| Interim Dividend Paid |      | -          | -          | -          | -          |
|                       |      | 20.00      | 16.00      | 20.00      | 16.00      |

\* The Company's financial results for 2015 includes results of Insurance operation only upto 31.05.2015. However, Consolidated column includes results upto 30.06.2015 inclusive of Insurance operations and Subsidiary Companies results.

| For Three Months Ended 30th June            | Notes | Consolidated |             |        | Company     |             |         |
|---|-------|--------------|-------------|--------|-------------|-------------|---------|
|   |       | 2015         | 2014        | change | 2015        | 2014        | change  |
|   |       | Rs.'000      | Rs.'000     | %      | Rs.'000     | Rs.'000     | %       |
|   |       | Unaudited    | Unaudited   |        | Unaudited   | Unaudited   |         |
| <b>Net Income</b>                           | 3     | 8,606,051    | 7,718,563   | 11     | 5,466,936   | 7,041,323   | (22)    |
| Gross written premiums                      | 4     | 6,627,712    | 5,772,926   | 15     | 4,131,062   | 5,555,517   | (26)    |
| Premiums ceded to reinsurers                |       | (885,744)    | (836,996)   | 6      | (398,971)   | (656,673)   | (39)    |
| <b>Net written premiums</b>                 |       | 5,741,968    | 4,935,930   | 16     | 3,732,091   | 4,898,844   | (24)    |
| Net change in Reserve for unearned premium  |       | 99,743       | 152,148     | (34)   | (20,630)    | 127,037     | (116)   |
| <b>Net Earned premium</b>                   |       | 5,841,711    | 5,088,078   | 15     | 3,711,461   | 5,025,881   | (26)    |
| Revenue from Subsidiaries                   |       | 718,247      | 544,168     | 32     |             |             |         |
|   |       | 6,559,958    | 5,632,246   | 16     | 3,711,461   | 5,025,881   | (26)    |
| Investment and Other Income                 |       | 2,046,093    | 2,086,317   | (2)    | 1,755,475   | 2,015,442   | (13)    |
| Insurance Claims and Benefit (Net)          |       | (2,910,249)  | (2,433,900) | 20     | (1,813,752) | (2,421,058) | (25)    |
| Increase in Life Insurance Fund             |       | (2,314,357)  | (2,302,672) | 1      | (1,470,536) | (2,302,672) | (36)    |
| Acquisition cost                            |       | (725,563)    | (629,324)   | 15     | (457,703)   | (614,107)   | (25)    |
| <b>Total Benefits, Losses and expenses</b>  |       | (5,950,169)  | (5,365,896) | 11     | (3,741,991) | (5,337,837) | (30)    |
| Cost of sales of subsidiaries               |       | (190,545)    | (112,724)   | 69     | -           | -           |         |
|   |       | (6,140,714)  | (5,478,620) | 12     | (3,741,991) | (5,337,837) | (30)    |
| Other operating and administrative expenses |       | (2,232,121)  | (2,045,395) | 9      | (1,214,831) | (1,687,281) | (28)    |
| <b>Profit from Operations</b>               |       | 233,216      | 194,548     | 20     | 510,114     | 16,205      | 3,048   |
| Finance cost                                |       | (23,622)     | (36,806)    | (36)   | (7,119)     | (23,194)    | (69)    |
| Share of profit of associates               |       | 24,122       | 17,668      | 37     | -           | -           |         |
| <b>Profit before tax</b>                    |       | 233,716      | 175,410     | 33     | 502,995     | (6,989)     | (7,297) |
| Income tax expense                          | 5     | (27,324)     | (12,547)    | 118    | (21,543)    | 279         | (7,822) |
| <b>Profit for the period</b>                |       | 206,392      | 162,863     | 27     | 481,452     | (6,710)     | (7,275) |
| <b>Profit attributable to:</b>              |       |              |             |        |             |             |         |
| Equity holders of the parent                |       | 178,280      | 89,248      | 100    | 481,452     | (6,710)     | (7,275) |
| Non-controlling interests                   |       | 28,112       | 73,615      | (62)   | -           | -           |         |
|   |       | 206,392      | 162,863     | 27     | 481,452     | (6,710)     | (7,275) |

Figures in bracket indicate deductions

Basic Earnings Per Share (Rs.) 6.75 3.38 18.23 (0.25)

| Dividend Per Share    | Note | Group      |            | Company    |            |
|-----------------------|------|------------|------------|------------|------------|
|                       |      | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Final Dividend Paid   | 7    | 20.00      | 16.00      | 20.00      | 16.00      |
| Interim Dividend Paid |      | -          | -          |            |            |
|                       |      | 20.00      | 16.00      | 20.00      | 16.00      |

\* The Company's financial results for 2015 includes results of Insurance operation only upto 31.05.2015. However, Consolidated column includes results upto 30.06.2015 inclusive of Insurance operations and Subsidiary Companies results.

# Statement of Other Comprehensive Income

| For Six Months Ended 30th June                               | Group            |                | Company          |                |
|--|------------------|----------------|------------------|----------------|
|  | Unaudited        | Unaudited      | Unaudited        | Unaudited      |
|  | 2015             | 2014           | 2015             | 2014           |
|  | Rs.'000          | Rs.'000        | Rs.'000          | Rs.'000        |
| Profit for the period  | 694,012          | 529,556        | 578,712          | 111,474        |
| <b>Other comprehensive income</b>                            |                  |                |                  |                |
| Exchange differences on translating foreign operations       | 118              | 9,569          | -                | -              |
| Net gain on available-for-sale assets                        | (183,897)        | (5,252)        | (682,691)        | (1,308)        |
| Revaluation changes  | 11,646           | -              | -                | -              |
| Actuarial Gain on Defined Benefit Plans                      | (3,845)          | (8,479)        | -                | -              |
| <b>Other comprehensive income for the period, net of tax</b> | <b>(175,978)</b> | <b>(4,162)</b> | <b>(682,691)</b> | <b>(1,308)</b> |
| <b>Total comprehensive income for the period, net of tax</b> | <b>518,034</b>   | <b>525,394</b> | <b>(103,979)</b> | <b>110,166</b> |

| For Three Months Ended 30th June                             | Group          |                 | Company          |                 |
|--|----------------|-----------------|------------------|-----------------|
|  | Unaudited      | Unaudited       | Unaudited        | Unaudited       |
|  | 2015           | 2014            | 2015             | 2014            |
|  | Rs.'000        | Rs.'000         | Rs.'000          | Rs.'000         |
| Profit for the period  | 206,392        | 162,863         | 481,452          | (6,710)         |
| <b>Other comprehensive income</b>                            |                |                 |                  |                 |
| Exchange differences on translating foreign operations       | 15,153         | 20,912          | -                | -               |
| Net gain on available-for-sale assets                        | (26,512)       | (26,566)        | (471,701)        | (18,454)        |
| Revaluation changes  | 11,646         | -               | -                | -               |
| Actuarial Gain on Defined Benefit Plans                      | (2,253)        | (8,479)         | -                | -               |
| <b>Other comprehensive income for the period, net of tax</b> | <b>(1,966)</b> | <b>(14,132)</b> | <b>(471,701)</b> | <b>(18,454)</b> |
| <b>Total comprehensive income for the period, net of tax</b> | <b>204,426</b> | <b>148,731</b>  | <b>9,751</b>     | <b>(25,164)</b> |

# Statement of Changes In Equity

| Consolidated   | Stated Capital | Revaluation Reserve | Other Retained Reserve | Retained Earnings | Available for sale reserves | Foreign Currency Translation Reserve | Total Ordinary Share Holder's Equity | Non-controlling Interests | Total Equity |
|--|----------------|---------------------|------------------------|-------------------|-----------------------------|--------------------------------------|--------------------------------------|---------------------------|--------------|
|  | Rs.'000        | Rs'000              | Rs'000                 | Rs'000            | Rs.'000                     | Rs' 000                              | Rs' 000                              | Rs'000                    | Rs.'000      |
| <b>Balance as at 01st January 2014</b>                     | 1,324,822      | 2,120,849           | 2,057,437              | 11,800,609        | 547,726                     | (2,642)                              | 17,848,801                           | 550,728                   | 18,399,529   |
| Final Dividend of Parent Company                           |                |                     |                        | (422,632)         |                             |                                      | (422,632)                            |                           | (422,632)    |
| Net Profit for the Period                                  |                |                     |                        | 374,974           |                             |                                      | 374,974                              | 154,582                   | 529,556      |
| Other Comprehensive income for the period                  |                |                     |                        | (8,479)           | (3,909)                     | 5,741                                | (6,647)                              | 2,485                     | (4,162)      |
| <b>Balance as at 30th June 2014</b>                        | 1,324,822      | 2,120,849           | 2,057,437              | 11,744,472        | 543,817                     | 3,099                                | 17,794,496                           | 707,795                   | 18,502,291   |
| Dividend of Subsidiary Company to Minority Shareholders    |                |                     |                        |                   |                             |                                      | -                                    | (87,430)                  | (87,430)     |
| Changes in control in subsidiaries                         |                |                     |                        | 3,630             |                             |                                      | 3,630                                | (3,630)                   | (0)          |
| Change in Associate ownership                              |                |                     |                        | (11,442)          |                             |                                      | (11,442)                             |                           | (11,442)     |
| Net Profit for the Period                                  |                |                     |                        | 2,172,975         |                             |                                      | 2,172,975                            | 147,146                   | 2,320,121    |
| Other Comprehensive income for the period                  |                | 6,005               |                        | (296,489)         | 291,094                     | (2,659)                              | (2,049)                              | (1,412)                   | (3,461)      |
| Effect on Depreciation due to reassessment of useful lives |                |                     |                        | 126,001           |                             |                                      | 126,001                              |                           | 126,001      |
| <b>Balance as at 31st December 2014</b>                    | 1,324,822      | 2,126,854           | 2,057,437              | 13,739,147        | 834,911                     | 440                                  | 20,083,610                           | 762,469                   | 20,846,079   |
| Final Dividend of Parent Company                           |                |                     |                        | (528,290)         |                             |                                      | (528,290)                            |                           | (528,290)    |
| Net Profit for the Period                                  |                |                     |                        | 556,353           |                             |                                      | 556,353                              | 137,659                   | 694,012      |
| Other Comprehensive income for the period                  |                | 11,646              |                        | (3,845)           | (183,958)                   | 71                                   | (176,086)                            | (14)                      | (176,100)    |
| <b>Balance as at 30th June 2015</b>                        | 1,324,822      | 2,138,500           | 2,057,437              | 13,763,365        | 650,953                     | 511                                  | 19,935,588                           | 900,114                   | 20,835,702   |

No. of Shares as at 30th June 2015 - Voting 20,000,000 and Non Voting 6,414,480

| Company   | Stated Capital | Revaluation Reserve | Other Retained Reserve | Retained Earnings | Available for sale reserves | Foreign Currency Translation Reserve | Total Ordinary Share Holder's Equity |  | Total Equity |
|---|----------------|---------------------|------------------------|-------------------|-----------------------------|--------------------------------------|--------------------------------------|--|--------------|
|   | Rs.'000        | Rs'000              | Rs'000                 | Rs'000            | Rs.'000                     | Rs' 000                              | Rs' 000                              |  | Rs.'000      |
| <b>Balance as at 01st January 2014</b>                              |                | 1,324,822           | 1,620,646              | 2,057,437         | 10,539,452                  | 342,069                              | -                                    |  | 15,884,426   |
| Final Dividend of Parent Company                                    |                |                     |                        |                   | (422,632)                   |                                      |                                      |  | (422,632)    |
| Net Profit for the Period   |                |                     |                        |                   | 111,474                     |                                      |                                      |  | 111,474      |
| Other Comprehensive income for the period                           |                |                     |                        |                   |                             | (1,308)                              |                                      |  | (1,308)      |
| <b>Balance as at 30th June 2014</b>                                 |                | 1,324,822           | 1,620,646              | 2,057,437         | 10,228,294                  | 340,761                              | -                                    |  | 15,571,960   |
| Net Profit for the Period   |                |                     |                        |                   | 2,031,150                   |                                      |                                      |  | 2,031,150    |
| Other Comprehensive income for the period                           |                |                     |                        | 752               | (294,574)                   | 289,442                              |                                      |  | (4,380)      |
| Effect on Depreciation due to reassessment of useful lives          |                |                     |                        |                   | 126,001                     |                                      |                                      |  | 126,001      |
| <b>Balance as at 31st December 2014</b>                             |                | 1,324,822           | 1,621,398              | 2,057,437         | 12,090,871                  | 630,203                              | -                                    |  | 17,724,731   |
| Final Dividend of Parent Company                                    |                |                     |                        |                   | (528,290)                   |                                      |                                      |  | (528,290)    |
| Revaluation reserve transfer on derogation of assets on Segregation |                |                     | (752,012)              |                   | 878,628                     |                                      |                                      |  | 126,616      |
| Net Profit for the Period   |                |                     |                        |                   | 578,712                     |                                      |                                      |  | 578,712      |
| Transfer to Life Fund   |                |                     | (869,386)              |                   |                             | 33,666                               |                                      |  | (835,720)    |
| Other Comprehensive income for the period                           |                |                     |                        |                   |                             | (682,691)                            |                                      |  | (682,691)    |
| <b>Balance as at 30th June 2015</b>                                 |                | 1,324,822           | -                      | 2,057,437         | 13,019,921                  | (18,822)                             | -                                    |  | 16,383,358   |

No. of Shares as at 30th June 2015 - Voting 20,000,000 and Non Voting 6,414,480

# Consolidated Statement of Cash Flows

For the Six Months Ended 30th June

|  | Group            |                  | Company            |                  |
|--|------------------|------------------|--------------------|------------------|
|  | 2015             | 2014             | 2015               | 2014             |
|  | Rs.'000          | Rs.'000          | Rs.'000            | Rs.'000          |
|  | Unaudited        | Unaudited        | Unaudited          | Unaudited        |
| <b>Cash Flows from Operating Activities</b>                |                  |                  |                    |                  |
| Premiums/Revenue received from Customers                   | 15,189,623       | 13,567,201       | 10,657,272         | 11,653,465       |
| Reinsurance Premiums (net of Commission) Paid              | (1,899,518)      | (1,472,944)      | (1,279,804)        | (1,047,231)      |
| Receipts from Reinsurers                                   | 421,583          | 529,115          | 416,880            | 455,306          |
| Claims and Benefits Paid                                   | (6,088,227)      | (5,165,837)      | (4,862,692)        | (5,051,770)      |
| Payments to Suppliers & Employees                          | (5,855,997)      | (5,780,452)      | (3,658,522)        | (4,696,100)      |
| Purchase/Proceeds of/from financial instruments            | (5,235,600)      | (10,596,227)     | (2,886,270)        | (10,283,904)     |
| Repo Borrowings  | 953,966          | 6,620,000        | 139,141            | 6,620,000        |
| Disposal of Investment Property                            | 45,250           | 39,811           | -                  | 39,811           |
| Interest & Dividend income received                        | 3,511,077        | 3,036,751        | 2,791,739          | 2,973,000        |
| Other Income   | 39,145           | 59,927           | 18,188             | 57,380           |
| Interest paid  | (59,538)         | (112,651)        | (29,691)           | (66,620)         |
| <b>Net Cash Flows from Operating Activities</b>            | <b>1,021,764</b> | <b>724,694</b>   | <b>1,306,241</b>   | <b>653,337</b>   |
| <b>Cash Flows from Investing Activities</b>                |                  |                  |                    |                  |
| Acquisition/Proceeds of Property , Plant & Equipment       | (525,437)        | (466,834)        | (217,356)          | (187,873)        |
| Acquisition/Diposal of Intangible Assets                   | (5,830)          |                  | (16,349)           | (200,200)        |
| Investments in Subsidiaries                                |                  |                  | (800,000)          |                  |
| <b>Net Cash Flows from Investing Activities</b>            | <b>(531,267)</b> | <b>(466,834)</b> | <b>(1,033,705)</b> | <b>(388,073)</b> |
| <b>Cash Flows from Financing Activities</b>                |                  |                  |                    |                  |
| Dividends payments   | (528,290)        | (422,632)        | (528,290)          | (422,632)        |
| Long Term Loan receipts                                    | (134,349)        | (169,621)        |                    |                  |
| <b>Net Cash Flows from Financing Activities</b>            | <b>(662,639)</b> | <b>(592,253)</b> | <b>(528,290)</b>   | <b>(422,632)</b> |
| <b>Increase / (Decrease in Cash &amp; Cash Equivalents</b> | <b>(172,142)</b> | <b>(334,393)</b> | <b>(255,754)</b>   | <b>(157,368)</b> |
| Cash and Cash Equivalents at 1st January                   | 519,157          | 485,631          | 294,739            | 182,485          |
| Cash and Cash Equivalents at 30th June                     | 347,015          | 151,238          | 38,985             | 25,117           |
| <b>Increase / (Decrease) in Cash and Cash Equivalents</b>  | <b>(172,142)</b> | <b>(334,393)</b> | <b>(255,754)</b>   | <b>(157,368)</b> |
| Cash in hand & Bank  | 566,554          | 486,921          | 50,000             | 305,845          |
| Bank Overdraft   | (219,539)        | (335,683)        | (11,015)           | (280,728)        |
|  | <b>347,015</b>   | <b>151,238</b>   | <b>38,985</b>      | <b>25,117</b>    |



# Life Insurance

## Supplementary Statement of Financial Position

|   | 30.06.2015        | 31.12.2014        |
|---|-------------------|-------------------|
|   | Rs. '000          | Rs. '000          |
|   | Unaudited         | Audited           |
| <b>Assets</b>   |                   |                   |
| Intangible Assets                                     | 1,308             | 2,198             |
| Property, Plant & Equipment                           | 5,119,521         | 4,760,394         |
| Investment Property                                   | 1,513,171         | 1,805,269         |
| Investments in Subsidiaries                           | 521,000           | 621,000           |
| Investments in Associates                             | 271,925           | 271,925           |
| Financial Instruments                                 |                   |                   |
| Held-to-Maturity Financial Assets                     | 35,086,274        | 31,913,874        |
| Loans and Receivables                                 | 18,542,209        | 16,026,211        |
| Available-for-Sale Financial Assets                   | 4,432,958         | 6,352,046         |
| Financial Assets at Fair Value through Profit or Loss | 856,968           | 219,328           |
| Employee Pension Benefit Asset                        | 749,964           | 749,964           |
| Employee Gratuity Benefit Asset                       | 417,401           | 417,401           |
| Loans to Policy Holders                               | 1,518,588         | 1,507,143         |
| Reinsurance Receivable                                | 49,684            | 27,974            |
| Other Assets  | 1,745,000         | 1,558,708         |
| Accrued Income  | 4,655,121         | 4,286,992         |
| Cash and Cash Equivalents                             | 45,320            | 547,896           |
| <b>Total Assets</b>                                   | <b>75,526,412</b> | <b>71,068,323</b> |
| <b>Equity and Liabilities</b>                         |                   |                   |
| <b>Equity and Reserves</b>                            |                   |                   |
| Stated Capital  | 500,001           | 358,752           |
| Retained Earnings                                     | 1,604             | 7,445,110         |
| Revaluation Reserve                                   | -                 | 936,981           |
| Available-for-Sale Financial Assets Reserve           | (28,442)          | 149,706           |
| Special Reserve (Note)                                | 7,036,690         | -                 |
| <b>Total Equity</b>                                   | <b>7,509,853</b>  | <b>8,890,549</b>  |
| <b>Liabilities</b>                                    |                   |                   |
| Insurance Provision - Long Term                       | 65,215,695        | 60,021,879        |
| Insurance Provision - Unit Linked                     | 234,368           | 221,381           |
| Family Takaful Contract Liability                     | 2,251             | 1,414             |
| Individual Investment Fund IFS                        | 12,408            | 6,078             |
| Obligation to Repurchase Securities                   | 729,542           | 75,000            |
| Deferred Tax Liability                                | 96,653            | 96,653            |
| Other Liabilities                                     | 1,490,823         | 1,393,258         |
| Reinsurance Payable                                   | 123,078           | 16,110            |
| Bank Overdraft  | 111,741           | 346,001           |
| <b>Total Liabilities</b>                              | <b>68,016,559</b> | <b>62,177,774</b> |
| <b>Total Equity and Liabilities</b>                   | <b>75,526,412</b> | <b>71,068,323</b> |

### Note:

The Special Reserve of Rs.7,036,690,000/- shown as at 30th June 2015, was the net amount transferred to Special Reserve from the Retained earnings, Revaluation reserve upon the Segregation of the Company on 01st June 2015.

# Notes to the Accounts

## For Six Months Ended

### 1 The basis of preparation

These Interim Financial Statements of the Company have been prepared in accordance with new Sri Lanka Accounting Standards (SLFRS/LKAS) promulgated by the Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the Companies Act No. 7 of 2007 and the Regulation of Insurance Industry Act No. 43 of 2000.

### 2 Accounting policies

The same accounting policies and methods of computations have been followed when preparing the financial statements as compared with the financial statements prepared and published as at 31st December 2014. Comparative information has been remeasured /reclassified where necessary to conform to the current recognition, measurement and presentation.

2.a The Interim Financial Statements for the Quarter Ended 30th June 2015 is provisional and unaudited.

### 3 Net Income

|   | Consolidated                |                             | Company                     |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 2015<br>Rs'000<br>Unaudited | 2014<br>Rs'000<br>Unaudited | 2015<br>Rs'000<br>Unaudited | 2014<br>Rs'000<br>Unaudited |
| Gross Written Premium                       | 13,441,528                  | 12,173,839                  | 10,671,060                  | 11,654,551                  |
| Less Premium Ceded to Reinsurance           | (1,802,001)                 | (1,719,341)                 | (1,085,109)                 | (1,304,072)                 |
| Net Written Premium                         | 11,639,527                  | 10,454,498                  | 9,585,951                   | 10,350,479                  |
| Net Changes in Reserve for Unearned Premium | (312,819)                   | (256,439)                   | (444,791)                   | (271,400)                   |
| Net Earned Premium                          | 11,326,708                  | 10,198,059                  | 9,141,160                   | 10,079,079                  |
| Revenue from other Operation                | 1,490,539                   | 1,195,287                   | -                           | -                           |
| Investment and Other Income *               | 3,991,447                   | 4,058,900                   | 3,648,067                   | 3,918,522                   |
| <b>Net Income</b>                           | <b>16,808,694</b>           | <b>15,452,246</b>           | <b>12,789,227</b>           | <b>13,997,601</b>           |

\* Investment and other income of the Company includes income of Rs.476,780,000 representing Available for Sale Reserve realisation due to transfer of assets on segregation to new General insurance Company. The significant increase in the Company's profitability for the period was due to the said realisation of Available for Sale Reserve of Rs. 476,780,000. However, the said income is not included in Consolidated investment and other income since it is not realised in Group perspective.

### 4 Gross Written Premium

|                                    | Consolidated                |                             | Company                     |                             |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                    | 2015<br>Rs'000<br>Unaudited | 2014<br>Rs'000<br>Unaudited | 2015<br>Rs'000<br>Unaudited | 2014<br>Rs'000<br>Unaudited |
| Non-life                           | 6,506,544                   | 6,016,005                   | 5,505,510                   | 6,016,005                   |
| Life                               | 6,403,273                   | 5,638,546                   | 5,165,550                   | 5,638,546                   |
| Non-Life (Foreign operation)       | 531,711                     | 519,288                     | -                           | -                           |
| <b>Total Gross Written Premium</b> | <b>13,441,528</b>           | <b>12,173,839</b>           | <b>10,671,060</b>           | <b>11,654,551</b>           |

5 Ceylinco Insurance PLC is liable to income tax at the rate of 28% in terms of the Inland revenue Act, No.10 of 2006 and subsequent amendments thereto.

6 No transfers have been made from or to Life Fund during the quarter since the actuarial valuation is carried out at the end of the year. Further, Liability Adequacy Test as required by SLFRS-4 Insurance contracts is carried out annually.

- 7 The Board of Directors has proposed a Final dividend of Rs.20 per share (Rs. 528,289,600 /-) for the year ended 31st December, 2014 which was approved by the shareholders at the Annual General Meeting held on 22nd April 2015 and paid subsequently.
- 8 No circumstances have arisen since the last Balance Sheet date which would require adjustments to or disclosure in the Interim Financial Statements other than those disclosed in above Note No.07 & 11.
- 9 There has not been a significant change in the nature of the Contingent Liabilities and Contingent Assets which were disclosed in the Annual Report for the year ended 31st December 2014.
- 10 The nature of Related Party transactions in the period under review is similar to those reported in the Annual Report in Year 2014.
- 11 As per the Regulation of Insurance Industry (Amendment) Act No. 3 of 2011, Composite Insurance Companies are required to segregate the business into General and Life Insurance by February 2015. As per the guidelines of Insurance Board of Sri Lanka (IBSL) on segregation, the Company has complied with the guidelines, obtained District Court Approval and submitted to Insurance Board of Sri Lanka to issue the licenses. Subsequently, IBSL granted licences to both 100% owned Subsidiaries Ceylinco General Insurance Ltd and Ceylinco Life Insurance Ltd to carry on General and Life insurance businesses with effect from 1st June 2015.

Henceforth, Ceylinco Insurance PLC would not be carrying on insurance business with effect from 1st June 2015.

Therefore, financial information disclosed under "Company" includes insurance business information until the date of segregation, i.e. 1st June 2015. The "Group" financial information includes insurance business and other business operations for the 6 months period.

Ceylinco Insurance PLC has transferred assets and liabilities of General and Life insurance business at its book value on 1st June 2015 to respective new companies which are licensed to carry on insurance business. The Company made necessary entries on account of realisation of reserves due to the transfer of assets and liabilities, even though in Group perspective there is no such realisation of reserves.

## 12 Share Information

|  | As at 30.06.2015           | As at 31.12.2014             |
|--|----------------------------|------------------------------|
| Net Asset per Share (Rs.)                        | 620.24                     | 671.02                       |
| <b>Market Prices recorded during the quarter</b> | <b>Current Period(Rs.)</b> | <b>Preceding Period(Rs.)</b> |
| <b>Highest Price</b>                             |                            |                              |
| Voting   | 1,700.00                   | 1,450.00                     |
| Non Voting                                       | 740.00                     | 500.00                       |
| <b>Lowest Price</b>                              |                            |                              |
| Voting   | 1,460.00                   | 1,270.50                     |
| Non Voting                                       | 600.00                     | 410.00                       |
| <b>Last Traded Price</b>                         |                            |                              |
| Voting   | 1,575.90                   | 1,350.00                     |
| Non Voting                                       | 670.00                     | 475.00                       |

# Industry Segment Data - Statement of Income 2015

For Six Months Ended 30th June

|                                | Non - Life<br>Insurance<br>Rs.'000 | Life<br>Insurance<br>Rs.'000 | Healthcare<br>Rs.'000 | Power<br>Generation<br>Rs.'000 | Foreign<br>Oper.Male<br>Rs.'000 | Education<br>Rs.'000 | Other<br>Operations<br>Rs.'000 | Console<br>Adjustments<br>Rs.'000 | Total<br>Rs.'000 |
|--------------------------------|------------------------------------|------------------------------|-----------------------|--------------------------------|---------------------------------|----------------------|--------------------------------|-----------------------------------|------------------|
| Revenue                        | 6,076,507                          | 9,514,240                    | 153,323               | 210,923                        | 169,117                         | 1,136,718            | 38,195                         | (490,329)                         | 16,808,694       |
| Benefits , Losses and expenses | (3,437,372)                        | (7,920,204)                  | (23,070)              | (45,074)                       | (69,869)                        | (243,605)            | (12,032)                       |                                   | (11,751,226)     |
| Expenses                       | (1,970,952)                        | (1,528,249)                  | (107,302)             | (26,263)                       | (61,405)                        | (615,939)            | (8,299)                        | 5,749                             | (4,312,661)      |
| Profit from Operations         | 668,183                            | 65,787                       | 22,951                | 139,586                        | 37,843                          | 277,174              | 17,864                         | (484,580)                         | 744,807          |
| Interest Expense               | (30,141)                           | (4,968)                      | (4,601)               | (8,366)                        |                                 | (15,982)             | (142)                          | 7,800                             | (56,400)         |
| Income from Associates         |                                    |                              |                       |                                |                                 |                      | 105,611                        |                                   | 105,611          |
| Profit before Taxation         | 638,042                            | 60,819                       | 18,350                | 131,220                        | 37,843                          | 261,192              | 123,333                        | (476,780)                         | 794,018          |
| Income Tax Expense             | (32,032)                           | (58,833)                     |                       | (5,673)                        |                                 | (3,468)              | -                              |                                   | (100,006)        |
| Profit for the Period          | 606,010                            | 1,986                        | 18,350                | 125,547                        | 37,843                          | 257,724              | 123,333                        | (476,780)                         | 694,012          |

The above figures are provisional and subject to audit

# Industry Segment Data - Statement of Income 2014

For Six Months Ended 30th June

|                                | Non - Life<br>Insurance<br>Rs.'000 | Life<br>Insurance<br>Rs.'000 | Healthcare<br>Rs.'000 | Power<br>Generation<br>Rs.'000 | Foreign<br>Oper.Male<br>Rs.'000 | Education<br>Rs.'000 | Other<br>Operations<br>Rs.'000 | Console<br>Adjustments<br>Rs.'000 | Total<br>Rs.'000 |
|--------------------------------|------------------------------------|------------------------------|-----------------------|--------------------------------|---------------------------------|----------------------|--------------------------------|-----------------------------------|------------------|
| Revenue                        | 5,137,280                          | 8,860,321                    | 139,916               | 106,996                        | 205,408                         | 967,541              | 49,473                         | (14,689)                          | 15,452,246       |
| Benefits , Losses and expenses | (3,095,393)                        | (7,422,623)                  | (18,437)              | (36,868)                       | (58,031)                        | (201,775)            | (26,185)                       |                                   | (10,859,312)     |
| Expenses                       | (1,900,947)                        | (1,383,776)                  | (100,740)             | (21,518)                       | (73,015)                        | (502,663)            | (12,827)                       | 2,108                             | (3,993,378)      |
| Profit from Operations         | 140,940                            | 53,922                       | 20,739                | 48,610                         | 74,362                          | 263,103              | 10,461                         | (12,581)                          | 599,556          |
| Interest Expense               | (36,133)                           | (23,791)                     | (11,545)              | (12,581)                       |                                 | (21,552)             | (353)                          | 12,581                            | (93,374)         |
| Income from Associates         |                                    |                              |                       |                                |                                 |                      | 72,918                         |                                   | 72,918           |
| Profit before Taxation         | 104,807                            | 30,131                       | 9,194                 | 36,029                         | 74,362                          | 241,551              | 83,026                         | -                                 | 579,100          |
| Income Tax Expense             | (23,464)                           | -                            | -                     | (1,924)                        |                                 | (24,155)             |                                |                                   | (49,543)         |
| Profit for the Period          | 81,343                             | 30,131                       | 9,194                 | 34,105                         | 74,362                          | 217,396              | 83,026                         | -                                 | 529,556          |

The above figures are provisional and subject to audit

# Share Information

## Substantial Shareholdings

The 20 Major Shareholders as at 30/06/2015 (Voting)

| Shareholder   | Holding as at<br>30/06/2015<br>No. of Shares | % of the<br>issued Share<br>Capital<br>as at<br>30/06/2015 |
|---|--|--|
| Global Rubber Industries (Private) Limited  | 4,450,135                                    | 22.25  |
| Banque Pictet & Cie SA  | 2,545,079                                    | 12.73  |
| Ciesot (Private) Limited  | 2,375,358                                    | 11.88  |
| Ceylinco Insurance PLC A/c. No. 03<br>(Employees' Gratuity Trust Fund)  | 1,865,724                                    | 9.33   |
| Shriram City Union Finance Limited  | 1,264,470                                    | 6.32   |
| Mr. Prabhash Subasinghe   | 912,981                                      | 4.56   |
| Ceylinco Insurance PLC A/c. No. 04 (Pension Fund)   | 737,900                                      | 3.69   |
| Global Sea Foods (Private) Limited  | 632,110                                      | 3.16   |
| Ceylinco Insurance PLC - A/c. No. 05<br>(The Pension Trust Fund of Ceylinco Insurance PLC)  | 618,474                                      | 3.09   |
| Citizens Development Business Finance PLC   | 564,000                                      | 2.82   |
| Dr. Watuthantrige Chakrine Jagath Alwis   | 526,692                                      | 2.63   |
| Castle Realty (Private) Limited   | 525,400                                      | 2.63   |
| Waldock Mackenzie Limited / Mr. D.S.K. Amarasekera  | 300,000                                      | 1.50   |
| Ceylinco Insurance PLC - A/c. No. 07<br>(Gratuity Trust Fund of Ceylinco Insurance PLC - Life Division)                             | 181,613                                      | 0.91   |
| Mr. Rajkumar Renganathan<br>(Mr. R. Renganathan 121,124 shares and joint with Mrs. T.R.S. Renganathan 3,626 shares)                 | 124,750                                      | 0.62   |
| Mr. Ajith Rohan Gunawardena<br>(Mr. A.R. Gunawardena 130 shares and joint with Mrs. K.S. Gunawardena 119,359 shares)                | 119,489                                      | 0.60   |
| Commercial Credit and Finance PLC   | 99,000                                       | 0.50   |
| B G Investments (Pvt.) Limited  | 77,552                                       | 0.39   |
| People's Leasing & Finance PLC / C.D. Kohombanwickramage  | 61,541                                       | 0.31   |
| Mr. Jivaka Lalith Bhupendra Kotelawala<br>(Mr. J.L.B. Kotelawala 36,745 shares and joint with Mrs. S.P.C. Kotelawala 18,141 shares) | 54,886                                       | 0.27   |

## Substantial Shareholdings

The 20 Major Shareholders as at 30/06/2015 (Non Voting)

| Shareholder  | Holding as at<br>30/06/2015<br>No. of Shares | % of the<br>issued Share<br>Capital<br>as at<br>30/06/2015 |
|--|--|--|
| Pershing LLC S/A Averbach Grauson & Co.                      | 2,832,474                                    | 44.16  |
| J.B. Cocoshell (Private) Ltd.                                | 641,046                                      | 9.99   |
| Bharath Investments (Pte.) Ltd.                              | 269,200                                      | 4.20   |
| Dr. Watuthantrige Chakrine Jagath Alwis                      | 219,041                                      | 3.41   |
| Banque Pictet & Cie SA                                       | 200,000                                      | 3.12   |
| Mr. Piyadasa Rathnayaka                                      | 175,000                                      | 2.73   |
| Deutsche Bank AG AS Trustee for JB Vantage Value Equity Fund | 169,930                                      | 2.65   |
| Gold Investment Limited                                      | 118,500                                      | 1.85   |
| The Ceylon Investment PLC A/C # 02                           | 115,948                                      | 1.81   |
| E.W. Balasuriya & Company (Private) Limited                  | 113,846                                      | 1.77   |
| The Ceylon Guardian Investment Trust PLC A/C # 02            | 113,556                                      | 1.77   |
| Waldock Mackenzie Ltd. / M.T. Moosajee                       | 99,778                                       | 1.56   |
| Askold (Private) Limited                                     | 80,000                                       | 1.25   |
| Waldock Mackenzie Ltd. / Mr. M.Z.M. Wafik                    | 63,000                                       | 0.98   |
| The Ceylon Chamber of Commerce Account No. 02                | 62,274                                       | 0.97   |
| Mr. Husein Nuruddain Esufally                                | 58,405                                       | 0.91   |
| Mr. Murtaza Ali Jafferjee                                    | 46,000                                       | 0.72   |
| Mr. Gulzar Hussein Ibrahim Jafferjee                         | 45,000                                       | 0.70   |
| Mr. Isaac Morris Dabah                                       | 44,900                                       | 0.70   |
| Hatton National Bank PLC A/C No. 05 (Trading Portfolio)      | 34,000                                       | 0.53   |

# Share Information

Directors' Interest in Shares of the Company are as follows :

| Name of Director  | Voting<br>Shares<br>as at<br>30/06/2015 | Non Voting<br>Shares<br>as at<br>30/06/2015 |
|---|---|---|
| Mr. J.G.P. Perera   | NIL                                     | NIL   |
| Mr. A.R. Gunawardena<br>(Mr. A.R. Gunawardena 130 voting shares and 55 non voting shares; and joint with Mrs. K.S. Gunawardena 119,359 voting shares and 8,600 non voting shares)<br>(Mrs. K.S. Gunawardena 14,900 voting shares and 7,702 non voting shares) | 119,489                                 | 8,655                                       |
| Mr. R. Renganathan<br>(Mr. R. Renganathan 121,124 voting shares and joint with Mrs. T.R.S. Renganathan 3,626 voting shares)   | 124,750                                 | NIL   |
| Mr. H.D.K.P. Alwis<br>Mr. H.D.K.P. Alwis joint with Mrs. S.R. Alwis   | 861                                     | 2,000                                       |
| Mr. E.T.L. Ranasinghe   | 7,098                                   | NIL   |
| Dr. W.C.J. Alwis  | 526,692                                 | 219,041                                     |
| Mr. P.D.M. Cooray (Mr. P.D.M. Cooray 6,050 voting shares and joint with Mrs. J.M.F. Cooray 144 voting shares)   | 6,194                                   | NIL   |
| Mr. K.I. Dharmawardena<br>Waldock Mackenzie Limited / Mr. K.I. Dharmawardena  | 28<br>10,736                            | NIL<br>NIL                                  |
| Mr. D.H.J. Gunawardena  | NIL                                     | NIL   |
| Mr. P.A. Jayawardena  | 1,316                                   | 134   |
| Mr. N.D. Nugawela   | 1,200                                   | 510   |
| Mr. T.N.M. Peiris<br>(Mrs. P.S. Peiris 212 voting shares)   | 22,492                                  | 2,000                                       |
| Mr. U. Witharana  | 500                                     | 512   |
| Gen. C.S. Weerasooriya (Retd.)  | NIL                                     | NIL   |
| Mr. S.R. Abeynayake   | 7,858                                   | 200   |
| Mr. S.H.J. Weerasuriya  | NIL                                     | 600   |

## Public Holding -

As at 30th. June, 2015 - The percentage of 'Public Holding' (as per Circular no. 05/2013 of 30/12/2013 of the Colombo Stock Exchange) is 75.94% of the issued Voting share capital (represented by 2,415 shareholders).

## Stated Capital -

20,000,000 Ordinary Voting shares and 6,414,480 Ordinary Non Voting shares.



# Notes

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## **Ceylinco Insurance PLC**

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