

Condensed Unaudited Financial Statements - Half Year and Quarter Ended June 30, 2016

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the half year and quarter ended June 30, 2016.

(a) Basis of Accounting

The interim half year and quarter ended condensed financial statements comply with International Financial Reporting Standards (IFRS) and have been prepared on the same basis as the accounting policies set out in the statutory financial statements of the Group for the year ended December 31, 2015, except for the adoption of relevant amendments to published Standards, Standards and Interpretation now effective.

(b) Operations

The premium income increased satisfactorily during the second quarter as compared to the corresponding period in 2015.

(c) Investments

The SEMDEX fell further in the second quarter of 2016 while international equities turned around and closed higher. International markets were subject to higher volatility during the quarter on worries about China's debt levels, the odds for the US Federal Reserve to continue raising interest rates, and Brexit. On the domestic side, foreign investors were net sellers as a further

depreciation of the Rupee against the US Dollar weighed on USD returns. On the fixed income side, persistent excess liquidity in the financial system and the lagged effect of a reduction in the Repo Rate last November continued to put pressure on market yields. However, our diversified approach to fixed income management has ensured these investments continue to deliver reasonable returns.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
August 12, 2016.

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at June 30, 2016 Rs'000	Audited as at December 31, 2015 Rs'000	Unaudited as at June 30, 2016 Rs'000	Audited as at December 31, 2015 Rs'000
Assets				
Non-current assets				
Property and equipment	289,780	290,449	265,015	266,322
Investment properties	504,996	507,693	465,174	467,871
Investment in subsidiary companies	-	-	540,012	540,012
Investment in associated companies	54,179	50,769	614	614
Investment in financial assets	24,535,063	24,025,565	24,505,508	24,001,126
Loans and receivables	4,548,169	4,428,382	4,561,608	4,441,822
Other non-current assets	114,578	121,610	17,402	21,689
	<u>30,046,765</u>	<u>29,424,468</u>	<u>30,355,333</u>	<u>29,739,456</u>
Current assets	<u>4,307,204</u>	<u>4,335,746</u>	<u>3,959,980</u>	<u>4,067,708</u>
Total assets	<u>34,353,969</u>	<u>33,760,214</u>	<u>34,315,313</u>	<u>33,807,164</u>
Equity and liabilities				
Capital and reserves (attributable to owners of the parent)				
Share capital	26,322	26,322	26,322	26,322
Proprietors' fund	641,801	595,433	641,801	595,433
Reserves	61,214	61,214	529,643	529,643
Owners' interest	729,337	682,969	1,197,766	1,151,398
Non-controlling interests	172,089	162,763	-	-
Total equity	<u>901,426</u>	<u>845,732</u>	<u>1,197,766</u>	<u>1,151,398</u>
Life Assurance Fund	<u>32,793,181</u>	<u>32,095,961</u>	<u>32,500,885</u>	<u>31,850,001</u>
Non-current liabilities				
Retirement benefit obligations	163,409	177,899	162,024	176,514
Other non-current liabilities	63,885	73,039	63,885	73,039
	<u>227,294</u>	<u>250,938</u>	<u>225,909</u>	<u>249,553</u>
Current liabilities	<u>432,068</u>	<u>567,583</u>	<u>390,753</u>	<u>556,212</u>
Total equity and liabilities	<u>34,353,969</u>	<u>33,760,214</u>	<u>34,315,313</u>	<u>33,807,164</u>

2. Life Assurance Fund

	THE GROUP				THE COMPANY			
	Half Year Ended June 30, 2016 Rs'000	Half Year Ended June 30, 2015 Rs'000	Quarter Ended June 30, 2016 Rs'000	Quarter Ended June 30, 2015 Rs'000	Half Year Ended June 30, 2016 Rs'000	Half Year Ended June 30, 2015 Rs'000	Quarter Ended June 30, 2016 Rs'000	Quarter Ended June 30, 2015 Rs'000
Gross premiums	1,952,733	1,562,447	1,031,206	810,197	1,952,733	1,562,447	1,031,206	810,197
Net premiums	1,879,921	1,503,176	994,829	780,418	1,879,921	1,503,176	994,829	780,418
Investment and other income	888,973	942,451	411,823	441,689	800,082	851,653	360,027	394,186
Share of profit of associates	3,339	4,263	1,552	3,108	-	-	-	-
	<u>2,772,233</u>	<u>2,449,890</u>	<u>1,408,204</u>	<u>1,225,215</u>	<u>2,680,003</u>	<u>2,354,829</u>	<u>1,354,856</u>	<u>1,174,604</u>
Surplus for the period before taxation	1,089,862	1,027,730	544,403	449,831	1,023,495	938,728	515,693	405,686
Taxation	(10,423)	(17,512)	(4,864)	(10,858)	-	(4,212)	-	(3,337)
Surplus for the period	<u>1,079,439</u>	<u>1,010,218</u>	<u>539,539</u>	<u>438,973</u>	<u>1,023,495</u>	<u>934,516</u>	<u>515,693</u>	<u>402,349</u>
Surplus allocated as follows:								
- Life Assurance Fund	1,070,042	996,905	535,665	432,805	1,023,495	934,516	515,693	402,349
- Non-controlling interests	9,397	13,313	3,874	6,168	-	-	-	-
	<u>1,079,439</u>	<u>1,010,218</u>	<u>539,539</u>	<u>438,973</u>	<u>1,023,495</u>	<u>934,516</u>	<u>515,693</u>	<u>402,349</u>

3. Statements of Cash flows

	THE GROUP		THE COMPANY	
	Half Year Ended June 30, 2016 Rs'000	Half Year Ended June 30, 2015 Rs'000	Half Year Ended June 30, 2016 Rs'000	Half Year Ended June 30, 2015 Rs'000
Net cash generated from operating activities	1,025,890	987,127	991,376	983,336
Net cash (used in)/generated from investing activities	(549,103)	15,444	(542,348)	17,281
Net cash used in financing activities	(121,082)	(119,026)	(121,082)	(110,026)
Increase in cash and cash equivalents	<u>355,705</u>	<u>883,545</u>	<u>327,946</u>	<u>890,591</u>
Movement in cash and cash equivalents				
At January 1,	1,669,019	849,439	1,419,232	601,914
Increase	355,705	883,545	327,946	890,591
Effects of exchange rate changes	(1,621)	55,249	(1,830)	55,249
At June 30,	<u>2,023,103</u>	<u>1,788,233</u>	<u>1,745,348</u>	<u>1,547,754</u>

4. Statements of Changes in Equity

	Attributable to owners of the parent							Non - controlling Interests Rs'000	Total Equity Rs'000
	Share Capital Rs'000	Proprietors' Fund		Amalgamation Reserves Rs'000	Other Reserves Rs'000	Total Rs'000			
		Distributable Rs'000	Non distributable Rs'000						
THE GROUP									
Balance at January 1, 2016	26,322	123,433	472,000	61,214	-	682,969	162,763	845,732	
Interest allocated	-	13,048	-	-	-	13,048	-	13,048	
Transfer from Life Assurance Fund	-	-	33,320	-	-	33,320	-	33,320	
Net movement for the period	-	-	-	-	-	-	9,326	9,326	
Balance at June 30, 2016	<u>26,322</u>	<u>136,481</u>	<u>505,320</u>	<u>61,214</u>	<u>-</u>	<u>729,337</u>	<u>172,089</u>	<u>901,426</u>	
Balance at January 1, 2015	26,322	134,145	-	61,214	-	221,681	149,310	370,991	
Interest allocated	-	17,703	-	-	-	17,703	-	17,703	
Transfer from Life Assurance Fund	-	-	472,000	-	-	472,000	-	472,000	
Net movement for the period	-	-	-	-	-	-	13,085	13,085	
Balance at June 30, 2015	<u>26,322</u>	<u>151,848</u>	<u>472,000</u>	<u>61,214</u>	<u>-</u>	<u>711,384</u>	<u>162,395</u>	<u>873,779</u>	
THE COMPANY									
Balance at January 1, 2016	26,322	123,433	472,000	61,214	468,429	1,151,398			
Interest allocated	-	13,048	-	-	-	13,048			
Transfer from Life Assurance Fund	-	-	33,320	-	-	33,320			
Balance at June 30, 2016	<u>26,322</u>	<u>136,481</u>	<u>505,320</u>	<u>61,214</u>	<u>468,429</u>	<u>1,197,766</u>			
Balance at January 1, 2015	26,322	134,145	-	61,214	468,429	690,110			
Interest allocated	-	17,703	-	-	-	17,703			
Transfer from Life Assurance Fund	-	-	472,000	-	-	472,000			
Balance at June 30, 2015	<u>26,322</u>	<u>151,848</u>	<u>472,000</u>	<u>61,214</u>	<u>468,429</u>	<u>1,179,813</u>			