



**INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
31 MARCH 2013**

**Asian Alliance Insurance PLC**  
**Statement of Financial Position As At 31 March 2013**

31.12.2012  
 Rs. ' 000  
 Audited

Company	
2013 Rs. ' 000 Unaudited	2012 Rs. ' 000 Unaudited


31.12.2012 Rs. ' 000 Audited		2013 Rs. ' 000 Unaudited	2012 Rs. ' 000 Unaudited
<b>Assets</b>			
116,105	Property, Plant & Equipment	121,336	96,362
4,825,799	Financial Investments	5,349,344	3,951,649
81,398	Policy Loans & Other Loans	85,484	61,702
50,921	Reinsurance Receivable	86,958	96,805
379,720	Premium Receivable	391,729	240,985
68,192	Deferred Expenses	71,495	46,276
144,185	Other Assets	255,722	140,439
34,784	Cash & Cash Equivalents	83,252	60,454
<b>5,701,104</b>	<b>Total Assets</b>	<b>6,445,320</b>	<b>4,694,672</b>
<b>Liabilities &amp; Equity</b>			
<b>Equity</b>			
1,062,500	Stated Capital	1,062,500	1,062,500
104,477	Other Reserves	303,351	173,701
294,526	Retained Reserves	330,726	(15,536)
<b>1,461,503</b>	<b>Total Equity</b>	<b>1,696,577</b>	<b>1,220,665</b>
<b>Liabilities</b>			
2,904,345	Insurance Liabilities Life	3,218,377	2,444,523
681,514	Insurance Liabilities Non-Life	745,925	498,676
34,398	Retirement Benefit Obligations	37,747	31,486
17,881	Interest Bearing Liabilities	107,782	-
77,973	Reinsurance Payable	195,825	201,171
16,680	Deferred Revenue	22,320	21,922
39,988	Amounts due to Related Companies	1,446	8,190
466,822	Other Liabilities	419,321	268,039
<b>4,239,601</b>	<b>Total Liabilities</b>	<b>4,748,743</b>	<b>3,474,007</b>
<b>5,701,104</b>	<b>Total Liabilities &amp; Equity</b>	<b>6,445,320</b>	<b>4,694,672</b>

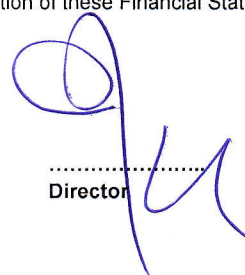
These Financial Statements have been prepared in accordance with the Companies Act No 07 of 2007.

  
 .....  
**Saliya Wickramasinghe**  
 Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board By

  
 .....  
**Director**

  
 .....  
**Director**

10 May 2013  
 Colombo

**Asian Alliance Insurance PLC**  
**Statement of Comprehensive Income For the Quarter Ended 31 March 2013**

Year Ended 31.12.2012 Rs. ' 000 Audited	For the Quarter ended 31 March	Quarter Ended 31.03.2013 Rs. ' 000 Unaudited	Quarter Ended 31.03.2012 Rs. ' 000 Unaudited	Change %
3,224,476	Gross Written Premium	963,904	725,904	33%
(561,571)	Reinsurance Premium	(190,466)	(162,589)	17%
2,662,905	Net Written Premium	773,438	563,315	37%
(270,408)	Net Change in reserves for Unearned Premium	(64,349)	(73,751)	-13%
<u>2,392,497</u>	<b>Net Earned Premium</b>	<u>709,089</u>	<u>489,564</u>	45%
	<b>Other revenue</b>			
396,589	Investment income	212,549	98,723	115%
52,426	Realized Gains/(Losses)	1,737	-	100%
2,612	Fair value Gains/( Losses)	80,881	(56,959)	242%
10,113	Other operating revenue	433	342	27%
461,740		295,600	42,106	602%
2,854,237	<b>Net Income</b>	1,004,689	531,670	89%
(795,874)	Insurance benefits and claims paid	(250,997)	(143,482)	75%
169,646	Claims ceded to reinsurers	34,120	23,233	47%
(206,974)	Change in Claims Outstanding liabilities	3,176	(42,808)	107%
173,400	Change in Claims Outstanding Liabilities ceded to reinsurers	4,959	23,087	-79%
(551,339)	Change in contract liabilities - Life	(314,033)	(91,515)	243%
(1,211,141)	<b>Net insurance benefits and claims</b>	(522,775)	(231,485)	126%
(568,472)	Net Acquisition Costs	(171,137)	(116,170)	47%
(993,297)	Operating & Administration Expenses	(272,256)	(195,876)	39%
(6,625)	Finance Expenses	(2,321)	(223)	942%
(1,568,394)	<b>Other Expenses</b>	(445,714)	(312,269)	43%
74,702	<b>Profit/ (Loss) before tax</b>	36,200	(12,084)	400%
(1,410)	Income tax expense	-	-	
<u>73,292</u>	<b>Profit/(Loss) for the Period</b>	<u>36,200</u>	<u>(12,084)</u>	400%
	<b>Other Comprehensive Income net of Income Tax</b>			
48,625	Fair Value adjustments for AFS Investments	198,874	(107,151)	
(314)	Actuarial Gains /(Losses) on Retirement Benefits	-	-	
48,311	Total Other Comprehensive Income	198,874	(107,151)	286%
<u>121,603</u>	<b>Total Comprehensive income for the Year</b>	<u>235,074</u>	<u>(119,235)</u>	297%
1.95	<b>Earnings per Share</b>	0.97	(0.32)	
-	<b>Dividend per Share - Paid</b>	-	-	

**Asian Alliance Insurance PLC**  
**Statement of Changes in Equity for the Quarter Ended 31 March 2013**

	Stated Capital	Available for Sale Reserve	Provision for Life Solvency	Retained Reserves	Total
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
<b>SLFRS Adjusted Balance as at 31 December 2011</b>	1,062,500	55,852	175,000	121,548	1,414,900
Net Profit/(Loss) for the Period	-	-	-	(12,084)	(12,084)
Dividend Paid	-	-	-	(75,000)	(75,000)
Allocation for Life Solvency	-	-	50,000	(50,000)	-
Fair Value adjustment for AFS Investments	-	(107,151)	-	-	(107,151)
<b>Balance As At 31 March 2012</b>	1,062,500	(51,299)	225,000	(15,536)	1,220,665
Net Profit for the Period	-	-	-	85,376	85,376
Allocation for Life Solvency/(Reversal)	-	-	(225,000)	225,000	-
Fair Value adjustments for AFS Investments	-	155,776	-	-	155,776
Actiarial (Gains) /Losses on Retirement Benefits	-	-	-	(314)	(314)
<b>Balance As At 31 December 2012</b>	1,062,500	104,477	-	294,526	1,461,503
Net Profit/(Loss) for the Period	-	-	-	36,200	36,200
Fair Value adjustments for AFS Investments	-	198,874	-	-	198,874
<b>Balance As At 31 March 2013</b>	1,062,500	303,351	-	330,726	1,696,577

For the Quarter ended 31 March

Company	
2013	2012
Rs. ' 000	Rs. ' 000
Unaudited	Unaudited

**CASH FLOWS FROM OPERATING ACTIVITIES**

Premium Received from Customers	1,014,038	712,554
Reinsurance Premium Paid	(56,557)	(42,574)
Claims Paid	(255,398)	(143,051)
Reinsurance Receipt in respect of Claims	1,452	2,112
Cash paid to and on behalf of employees	(101,261)	(80,506)
Salvage income	3,057	494
Operating Cash Payments	(602,904)	(378,038)
Cash Inflow/(Outflow) from Operating Activities (Note A)	2,427	70,991
Tax paid	(550)	(1,448)
Interest Paid	(327)	
<b>Net Cash flows from Operating Activities</b>	<b>1,550</b>	<b>69,543</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Investments	(5,525,699)	(2,689,449)
Sale of Investments	5,353,781	2,578,390
Investment income received	142,517	138,566
Purchase of Property, Plant & Equipment	(13,582)	(7,147)
<b>Net Cash flows from Investing Activities</b>	<b>(42,983)</b>	<b>20,360</b>

**Net Cash Flow before Financing Activities** (41,433) 89,903

**CASH FLOWS FROM FINANCING ACTIVITIES**

Dividend Paid	-	(73,051)
<b>Net Cash from/(used in) Financing Activities</b>	<b>-</b>	<b>(73,051)</b>

**Net Increase/(Decrease) in Cash and Cash Equivalents (Note B)** (41,433) 16,852

Company	
2013	2012
Rs. ' 000	Rs. ' 000
Unaudited	Unaudited

**A. Reconciliation of Operating Profit with Cash Flows Operating Activities**

Profit/(Loss) before Taxation	36,200	(12,084)
Increase in Insurance Liabilities - Life	314,033	91,515
Depreciation Charges	8,354	7,150
Provision for Retirement Benefits	4,040	3,676
Retirement Benefit Paid	(692)	(53)
Interest Paid	327	-
Investment Income	(212,549)	(98,723)
Realised Gains/(Losses)	(1,723)	111,846
Fair Value Gains/(Losses)	(80,881)	(73,787)
(Increase) / Decrease in Receivables and Other Assets	(201,805)	(41,828)
Increase /(Decrease) in Non-Life Insurance Provision	64,411	105,899
(Increase) /Decrease in Deferred Expenses	(3,303)	(6,978)
Increase /(Decrease) in Deferred Revenue	5,640	5,210
Increase /(Decrease) in Payables & Other Liabilities	70,375	(20,852)
<b>Cash Inflow/(Outflow) from Operating Activities</b>	<b>2,427</b>	<b>70,991</b>

**B. Increase / (Decrease) in Cash and Cash Equivalents**

Cash In Hand and at Bank	83,252	60,454
Bank Overdraft	(107,782)	-
<b>Net Cash &amp; Cash Equivalents as at 31 March 2013</b>	<b>(24,530)</b>	<b>60,454</b>
Net Cash & Cash Equivalents as at 31 December 2012	16,903	43,602
<b>Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(41,433)</b>	<b>16,852</b>

**Asian Alliance Insurance PLC**  
**Statement of Financial Position - Segment Review As At 31 March**

As at 31st March	Non-Life Insurance		Life Insurance		Company	
	2013	2012	2013	2012	2013	2012
	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
<b>Assets</b>						
Property, Plant & Equipment	49,089	40,130	72,247	56,231	121,336	96,362
Financial Investments	1,921,563	1,489,740	3,427,781	2,461,909	5,349,344	3,951,649
Policy Loans & Other Loans	1,499	1,060	83,985	60,642	85,484	61,702
Reinsurance Receivable	60,716	75,803	26,243	21,003	86,958	96,805
Premium Receivable	373,931	240,985	17,798		391,729	240,985
Deferred Expenses	71,495	46,276	-	-	71,495	46,276
Other Assets	259,855	59,363	120,778	114,613	255,722	140,439
Cash & Cash Equivalents	13,450	55,061	69,803	5,393	83,252	60,454
<b>Total Assets</b>	<b>2,751,598</b>	<b>2,008,418</b>	<b>3,818,635</b>	<b>2,719,791</b>	<b>6,445,320</b>	<b>4,694,672</b>
<b>Liabilities Equity</b>						
<b>Equity</b>						
Stated Capital	1,062,500	1,062,500	-	-	1,062,500	1,062,500
Other Reserves	237,897	192,601	65,455	(18,900)	303,351	173,701
Retained Reserves	330,725	(15,536)	-	-	330,726	(15,536)
<b>Total Equity</b>	<b>1,631,122</b>	<b>1,239,565</b>	<b>65,455</b>	<b>(18,900)</b>	<b>1,696,577</b>	<b>1,220,665</b>
<b>Liabilities</b>						
Insurance Liabilities - Life	-	-	3,218,377	2,444,523	3,218,377	2,444,523
Insurance Liabilities Non-Life	745,925	498,676	-	-	745,925	498,676
Retirement Benefit Obligations	20,633	15,422	17,115	16,065	37,747	31,486
Interest Bearing Liabilities	107,782	-	-	-	107,782	-
Reinsurance Payable	69,634	87,503	126,190	113,668	195,825	201,171
Deferred Revenue	22,320	21,922	-	-	22,320	21,922
Amounts due to Related Companies	120	8,184	1,325	6	1,446	8,190
Other Liabilities	154,062	137,146	390,173	164,429	419,321	268,039
<b>Total Liabilities</b>	<b>1,120,476</b>	<b>768,853</b>	<b>3,753,180</b>	<b>2,738,691</b>	<b>4,748,743</b>	<b>3,474,007</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,751,598</b>	<b>2,008,418</b>	<b>3,818,635</b>	<b>2,719,791</b>	<b>6,445,320</b>	<b>4,694,672</b>

For the Quarter Ended 31 March	Non Life Insurance		Life Insurance		Company	
	2013	2012	2013	2012	2013	2012
	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
Gross Written Premium	382,023	275,252	581,881	450,652	963,904	725,904
Reinsurance Premium	(88,030)	(80,105)	(102,437)	(82,484)	(190,466)	(162,589)
Net Written Premium	293,993	195,147	479,444	368,168	773,438	563,315
Net Change in reserves for Unearned Premium	(64,349)	(73,751)	-	-	(64,349)	(73,751)
Net Earned Premium	229,644	121,396	479,444	368,168	709,089	489,564
<b>Other revenue</b>						
Investment income	107,410	35,358	105,140	63,365	212,549	98,723
Realized Gains/(Losses)	1,730	-	7	-	1,737	-
Fair value Gains/( Losses)	2,290	6,171	78,591	(63,130)	80,881	(56,959)
Other operating revenue	-	-	433	342	433	342
	111,430	41,529	184,171	577	295,600	42,106
<b>Net Income</b>	341,074	162,925	663,615	368,745	1,004,689	531,670
Insurance benefits and claims paid	(192,274)	(96,174)	(58,722)	(47,308)	(250,997)	(143,482)
Claims ceded to reinsurers	9,869	5,996	24,251	17,237	34,120	23,233
Change in Claims Outstanding liabilities	(28)	(23,074)	3,204	(19,734)	3,176	(42,808)
Change in Claims Outstanding Liabilities ceded to reinsurers	5,929	6,274	(970)	16,813	4,959	23,087
Change in contract liabilities - Life	-	-	(314,033)	(91,515)	(314,033)	(91,515)
<b>Net benefits and claims</b>	(176,504)	(106,978)	(346,270)	(124,507)	(522,775)	(231,485)
Net Acquisition Costs	(27,192)	(11,972)	(143,945)	(104,198)	(171,137)	(116,170)
Operating & Administration Expenses	(100,217)	(57,011)	(172,040)	(138,865)	(272,256)	(195,876)
Finance Expenses	(961)	952	(1,360)	(1,175)	(2,321)	(223)
<b>Other Expenses</b>	(128,370)	(68,031)	(317,345)	(244,238)	(445,714)	(312,269)
<b>Profit/ (Loss) before tax</b>	36,200	(12,084)	-	-	36,200	(12,084)
Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) for the Period</b>	36,200	(12,084)	-	-	36,200	(12,084)

**1 General Information**

Asian Alliance Insurance PLC (the Company) is a public limited liability Company listed on the Colombo Stock Exchange, incorporated and domiciled in Sri Lanka. The Company has the registered office at 7 Floor, Millenium House, 46/58, Nawam Mawatha, Colombo 02. The Ordinary Shares of the Company are being traded in the Colombo Stock Exchange.

**2 Basis of Preparation**

The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st December 2012, which includes the changes to accounting policies as a result from convergence to Sri Lanka Financial Reporting Standards ("SLFRSs"). These financial statements provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

**3 Accounting Policies**

The accounting policies adopted for the current interim period are consistent with those of the previous financial year.

4 Figures for the Quarter ended 31 March 2013 are unaudited.

5 The presentation and classification of comparative figures have been reclassified where ever necessary to confirm to the current period presentation.

6 The Insurance Provision - Life as at 31 March 2013 is subject to actuarial valuation.

7 IBNR and IBNER claims reserves as at 31 March 2013 is subject to Actuarial Valuation.

8 The Provision for Retirement Benefits as at 31 March 2013 is subject to Actuarial Valuation.

9 There are no material commitments & contingent liabilities as at 31 March 2013.

10 There have been no material events subsequent to the Reporting date which require adjustments or disclosure in the Financial Statements.

11 Gross Written Premium by segment for the period ended 31 March 2013 is as follows.

	For the three Months Ended	
	31.03.2013 Rs.' 000	31.03.2012 Rs.' 000
<b>Non life Insurance</b>		
Fire	53,107	66,995
Marine	14,069	13,045
Miscellaneous	104,650	57,627
Motor	210,197	137,585
	<u>382,023</u>	<u>275,252</u>
<b>Long Term Insurance</b>		
First Year Premium	202,633	141,367
Renewal Premium	370,650	303,488
Group Life Premium	7,739	4,766
Single Premium	859	1,031
	<u>581,881</u>	<u>450,652</u>
<b>Total</b>	<u>963,904</u>	<u>725,904</u>

**12 Share Performance**

	31.03.2013 Rs	31.03.2012 Rs
Net Assets Value per Share as at	45.24	32.55
Market Price per Share as at	80.00	86.20
Highest Price per Share for the Period	93.00	181.00
Lowest Price per Share for the Period	<u>76.00</u>	<u>66.00</u>

**13 Dividends Paid**

	31.03.2013 Rs	31.03.2012 Rs
Final Dividend - (Rs. 000)	-	75,000
No of Ordinary Shares	-	37,500
Dividend Per Share	<u>-</u>	<u>2.00</u>

**14 Stated Capital**

	As At 31.03.2013 Rs.' 000	As At 31.03.2012 Rs.' 000
37,500,000 fully paid ordinary shares		
Balance as at 1 January	1,062,500	1,062,500
Issued during the Period	-	-
Balance as at 31 March	<u>1,062,500</u>	<u>1,062,500</u>



15 **Related Party Disclosures**

15.1 **Transactions with Group Companies and Director related entities**

Company	Relationship	Nature Of Transaction	3 Months Ended	
			31.03.2013	31.03.2012
			Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
Soft Logic Holdings Plc & Group	Soft Logic Holdings Plc owns 41.38% of the Company's issued Share Capital	Insurance Placed Claims Incurred	19,601 8,395	13,812 1,162
Soft Logic Holdings Plc	do	Investments in Equity Shares	40,754	-
Soft Logic Capital Plc	Soft Logic Capital Plc owns 57.27% of the Company's issued Share Capital	Management Fees Paid	11,068	6,487
Soft Logic Information Technologies (Pvt) Ltd	Group Company of Soft Logic Holdings PLC	Purchase of Fixed Assets	2,306	1,617
Soft Logic Communications (Pvt) Ltd	do	Investments in Commercial Papers Interest Income	27,204 1,079	100,169 169
Uni Walkers (Pvt) Ltd	do	Purchase of Fixed Assets Investments in Commercial Papers Interest Income	1,212 118,245 4,692	675 102,804 2,804
Soft Logic Finance Plc	do	Investments in Fixed Deposits Investments in Commercial Papers Interest Income	- 188,093 6,979	222,819 - 2,826
Soft Logic Stockbrokers (Pvt) Ltd	do	Broker Charges	93	-
Asiri Hospitals Plc	do	Investments in Equity Shares Dividend Income	57,000 2,427	38,000 884

15.2 A number of key management personal or the related parties holds positions in other entities that results in them having control or significant influence over the financial or operating policies of the following entities.

Company	Relationship	Nature of Transaction		
Richard Pieris & Co.Plc	Director Related Entity	Insurance Placed Claims Incurred	2,484 11,057	6,135 6,036
NDB Bank Plc	Director Related Entity	Insurance Placed Claims Incurred Invetsments in Equity Shares Dividend Income Received	3,382 4,977 1,345,031 113,590	- - 878,045 23,907
Paul Rathnayeke Associates	Director Related Entity	Insurance Placed Claims Incurred Legal Fees Paid	157 70 114	205 - 13
P.R.Secretarial Services (Pvt) Ltd	Director Related Entity	Secretarial Fees paid	119	68

## 16 Major Shareholders as at

Name of Shareholder	31.03.2013	
	No. of Shares	%
Soft Logic Capital Plc	21,477,573	57.27
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslan	7,125,000	19.00
HSBC Intl Nominees Ltd/ DEG - Deutsche Investitions - UND Entwick	7,125,000	19.00
Snackings (Pvt) Ltd	112,172	0.30
Sampath Bank Plc/ Boston Capital (Pvt) Ltd	77,300	0.21
G.C.Goonetilleke	76,550	0.20
Soft Logic Finance Plc	69,052	0.18
P.D.R.Weeraratne	57,400	0.15
A.S.R. Silva	56,400	0.15
Roland Felchlin	55,029	0.15
V.P.K.A. Palpita	50,253	0.13
N.W.S. Financial Services (Pvt) Ltd/ Divasa Equity (Pvt) Ltd	35,340	0.09
Navara Capital Ltd	35,000	0.09
M.H.F.Fazna	28,000	0.07
Waldock Mackenzie Ltd/L.P.Hapangama	27,000	0.07
F.R.Muzammil	24,500	0.07
Merchant Bank of Sri Lanka PLC/ J.A.S.Piyawardana	23,994	0.06
M.S.F.Haqqe	22,200	0.06
C.P.Linlanhai	21,336	0.06
C.N.Pakianathan	20,600	0.05
A.P.Wijeyeratne	20,000	0.05
K.H.A.N. Jeewanikumari	20,000	0.05
Merchant Bank of Sri Lanka Ltd A/C No 1	17,988	0.05
Waldock Mackenzie Ltd/M.Z.M. Wafik	17,700	0.05
Soft Logic Holdings Plc	17,555	0.05
D.F.G.Dalpethado	17,203	0.05
Mushtaq Mohamad Fuad	17,198	0.05
P.A.J.Kumara	14,000	0.04
C.R.Perera	13,440	0.04

17 Public Share Holding As at 31.03.2013 4.50%

## 18 Directors Share Holding

Name of The Director	As At 31.03.2013 No of Shares
Mr.A.K. Pathirage (Chairman)	-
Mr. J. H. Paul Ratnayake (Deputy Chairman)	-
Mr. Ramal G. Jasinghe (CEO)	-
Mr.S.Rajapakse	-
Mr. T.M.I.Ahamed	-
Mr.M.R. Abeywardena	-
Mr.J.K.Mukhi	-
Mr.J.W.H.Richters	-