



Winovative

 Asian Alliance
Insurance
A Softlogic Company

INTERIM FINANCIAL STATEMENTS
30 JUNE 2016

ASIAN ALLIANCE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	Note	GROUP		COMPANY	
		30.6.2016 Rs. ' 000 Unaudited	31.12.2015 Rs. ' 000 Audited	30.6.2016 Rs. ' 000 Unaudited	31.12.2015 Rs. ' 000 Audited
Assets					
Intangible Assets		16,719	22,219	16,507	21,982
Property, Plant and Equipment		526,989	518,911	479,565	427,519
Investments in Subsidiary	9	-	-	1,400,000	800,000
Financial Investments	10	9,545,102	9,265,451	7,754,448	7,744,020
Loans to Life Policyholders and Others		150,828	145,314	149,566	143,640
Reinsurance Receivables		307,503	122,169	225,875	62,643
Premium Receivables		742,849	550,995	108,975	67,274
Amounts due from Related Companies		530	865	530	634
Other Assets		564,901	434,345	486,721	354,790
Insurance Contract - Deferred Expenses		146,031	125,922	-	-
Deferred Tax Assets		71,433	61,904	-	-
Cash and Cash Equivalents		424,046	223,936	351,168	192,118
Total Assets		12,496,931	11,472,031	10,973,355	9,814,620
Equity and Liabilities					
Equity					
Stated Capital		1,062,500	1,062,500	1,062,500	1,062,500
Other Reserves		(1,276,604)	(640,440)	(1,067,582)	(495,123)
Revaluation Reserve		24,903	24,903	24,903	24,903
Retained Earnings		2,222,561	1,776,361	2,425,146	1,845,655
Total Equity		2,033,360	2,223,324	2,444,967	2,437,935
Liabilities					
Insurance Contract Liabilities - Life	11	6,457,857	6,192,615	6,457,857	6,192,615
Insurance Contract Liabilities - General	12	1,580,777	1,322,011	-	-
Employee Benefits		71,536	63,358	51,975	45,796
Current Tax Liabilities		19,047	12,325	-	-
Reinsurance Payable		371,817	139,946	294,776	92,972
Insurance Contract - Deferred Revenue		13,743	10,738	-	-
Amounts due to Related Companies		-	-	-	31,603
Other Liabilities		557,084	496,966	382,452	382,735
Short Term Borrowings		569,700	269,700	569,700	269,700
Deferred Tax Liabilities		10,020	7,905	-	-
Bank Overdraft		811,990	733,143	771,628	361,264
Total Liabilities		10,463,571	9,248,707	8,528,388	7,376,685
Total Equity and Liabilities		12,496,931	11,472,031	10,973,355	9,814,620
Net Asset per Share		5.42	5.93	6.52	6.50

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

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)

Dilan Christostom

Chief Financial Officer

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

Signed and on behalf of the Board;

(Sgd.)

Director

Colombo

15 August 2016

(Sgd.)

Director

ASIAN ALLIANCE INSURANCE PLC
INCOME STATEMENT

For the six months ended 30 June	Note	GROUP		COMPANY		CHANGE
		2016 Rs. ' 000 Unaudited	2015 Rs. ' 000 Unaudited	2016 Rs. ' 000 Unaudited	2015 Rs. ' 000 Unaudited	Group %
Gross Written Premium	5	3,911,958	2,770,870	2,764,840	1,891,799	41%
Net Change in Reserve for Unearned Premium		(191,410)	10,987	-	-	-1842%
Gross Earned Premium		3,720,548	2,781,857	2,764,840	1,891,799	34%
Premiums ceded to Reinsurers		(395,299)	(334,006)	(281,924)	(238,540)	18%
Net Change in Reserve for Unearned Reinsurance Premium		4,057	(20,974)	-	-	-119%
Net Earned Premium		3,329,306	2,426,877	2,482,916	1,653,259	37%
Other Revenue						
Finance Income		377,173	325,725	320,128	280,669	16%
Net Realized Gains		40,438	40,158	28,259	40,847	1%
Net Fair value (Losses)/Gains		(85,440)	38,982	(80,667)	33,017	-319%
Other Operating Income		19,677	6,236	-	(1,587)	216%
		351,848	411,101	267,720	352,946	-14%
Total Net Revenue	6	3,681,154	2,837,978	2,750,636	2,006,205	30%
Benefits, Claims and Expenses						
Net Insurance Benefits and Claims		(1,074,114)	(749,126)	(444,481)	(181,938)	43%
Increase in Life Fund		(219,975)	(588,866)	(219,975)	(588,866)	-63%
Underwriting and net Acquisition Cost		(914,764)	(518,882)	(795,418)	(449,571)	76%
Other Operating and Administration Expenses		(1,005,726)	(705,124)	(705,582)	(468,607)	43%
Finance Cost		(11,868)	(17,909)	(5,686)	(14,194)	-34%
Total Benefits, Losses and Expenses		(3,226,447)	(2,579,907)	(2,171,142)	(1,703,176)	25%
Profit Before Taxation	7	454,707	258,071	579,494	303,029	76%
Income Tax Expenses	8	(8,478)	(5,408)	-	-	57%
Profit for the Period		446,229	252,663	579,494	303,029	77%
Earnings Per Share						
Basic Earnings Per Share (Rs.)		1.19	0.67*	1.55	0.81*	
Diluted Earnings Per Share (Rs.)		1.19	0.67*	1.55	0.81*	

*Earnings Per Share (EPS) and Diluted Earning per share have been restated based on post sub division weighted average no of shares as at 30th June 2016.

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

ASIAN ALLIANCE INSURANCE PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period	446,229	252,663	579,494	303,029
<u>Other Comprehensive Income</u>				
Items that are or may be reclassified to profit or loss				
Available for sale financial asset - net change in fair value	(186,505)	(10,915)	(112,213)	(899)
Available for sale financial asset - net change in fair value -Life fund	(464,346)	(142,640)	(464,346)	(142,640)
Available for sale financial assets reclassified to income statement	5,518	(40,158)	4,100	(40,847)
Related Tax	9,170	-	-	-
Other Comprehensive Income, net of tax	(636,163)	(193,713)	(572,459)	(184,386)
Total comprehensive income for the period	(189,934)	58,950	7,035	118,643
Total comprehensive income attributable to:				
Owners of the Company	(189,934)	58,950	7,035	118,643
Non - controlling interests	-	-	-	-
	(189,934)	58,950	7,035	118,643

ASIAN ALLIANCE INSURANCE PLC
INCOME STATEMENT

For the three months ended 30 June	Note	GROUP		COMPANY		CHANGE
		2016 Rs. ' 000 Unaudited	2015 Rs. ' 000 Unaudited	2016 Rs. ' 000 Unaudited	2015 Rs. ' 000 Unaudited	Group %
Gross Written Premium		1,964,930	1,453,463	1,344,132	1,023,861	35%
Net Change in Reserve for Unearned Premium		(129,683)	10,207	-	-	-1371%
Gross Earned Premium		1,835,247	1,463,670	1,344,132	1,023,861	25%
Premiums ceded to Reinsurers		(184,927)	(160,996)	(143,531)	(124,199)	15%
Net Change in Reserve for Unearned Reinsurance Premium		(6,020)	(14,859)	-	-	-59%
Net Earned Premium		1,644,300	1,287,815	1,200,601	899,662	28%
Other Revenue						
Finance Income		176,801	151,208	148,212	129,045	17%
Net Realized Gains/(Losses)		23,278	(1,028)	11,257	(1,028)	-2364%
Net Fair value (Losses)/Gains		8,934	140,300	10,746	117,341	-94%
Other Operating Income		10,307	4,875	-	(70)	111%
		219,320	295,355	170,215	245,288	-26%
Total Net Revenue		1,863,620	1,583,170	1,370,816	1,144,950	18%
Benefits, Claims and Expenses						
Net Insurance Benefits and Claims		(658,654)	(375,001)	(294,181)	(91,731)	76%
Increase in Life Fund		(27,780)	(459,156)	(27,780)	(459,156)	-94%
Underwriting and net Acquisition Cost		(458,147)	(274,137)	(396,724)	(243,923)	67%
Other Operating and Administration Expenses		(476,463)	(409,564)	(337,704)	(289,784)	16%
Finance Cost		(3,202)	(10,226)	(2,086)	(8,055)	-69%
Total Benefits, Losses and Expenses		(1,624,246)	(1,528,084)	(1,058,475)	(1,092,649)	6%
Profit Before Taxation		239,374	55,086	312,341	52,301	335%
Income Tax Expenses		(5,565)	(2,684)	-	-	107%
Profit for the Period		233,809	52,402	312,341	52,301	346%
Earnings Per Share						
Basic Earnings Per Share (Rs.)		0.62	0.14*	0.83	0.14*	
Diluted Earnings Per Share (Rs.)		0.62	0.14*	0.83	0.14*	

*Earnings Per Share (EPS) and Diluted Earning per share have been restated based on post sub division weighted average no of shares as at 30th June 2016.

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

ASIAN ALLIANCE INSURANCE PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period	233,809	52,402	312,341	52,301
<u>Other Comprehensive Income</u>				
Items that are or may be reclassified to profit or loss				
Available for sale financial asset - net change in fair value	12,891	16,155	1,798	(899)
Available for sale financial asset - net change in fair value -Life fund	126,331	265,392	126,331	265,392
Available for sale financial assets reclassified to income statement	2,333	(81,344)	915	(82,722)
Related Tax	(4,050)	-	-	-
Other Comprehensive Income, net of tax	137,505	200,203	129,044	181,771
Total comprehensive income for the period	371,314	252,605	441,385	234,072
Total comprehensive income attributable to:				
Owners of the Company	371,314	252,605	441,385	234,072
Non - controlling interests	-	-	-	-
	371,314	252,605	441,385	234,072

ASIAN ALLIANCE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

For the six months ended 30 June	Stated Capital	Available for sale reserve	Revaluation reserves	Retained reserves	Total
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Balance as at 01 January 2015	1,062,500	455,472	-	855,693	2,373,665
Profit for the Period	-	-	-	252,663	252,663
Other Comprehensive Income for the Period					
Available for sale financial asset -net change in fair value	-	(10,915)	-	-	(10,915)
Available for sale financial asset - net change in fair value - Life fund	-	(142,640)	-	-	(142,640)
Available for sale financial assets reclassified to income statement	-	(40,158)	-	-	(40,158)
Remeasurement of Defined Benefit (liability)/asset	-	-	-	-	-
Revaluation gain on Land and Buildings	-	-	-	-	-
Tax on Other Comprehensive Income	-	-	-	-	-
Total Other Comprehensive income	-	(193,713)	-	-	(193,713)
Total Comprehensive income for the period	-	(193,713)	-	252,663	58,950
Unaudited Balance as at 30 June 2015	1,062,500	261,759	-	1,108,356	2,432,615
Profit for the Period	-	-	-	671,646	671,646
Other Comprehensive Income for the Period					
Available for sale financial asset -net change in fair value	-	(511,042)	-	-	(511,042)
Available for sale financial asset - net change in fair value - Life fund	-	(372,883)	-	-	(372,883)
Available for sale financial assets reclassified to income statement	-	(27,660)	-	-	(27,660)
Remeasurement of Defined Benefit (liability)/asset	-	-	-	(5,084)	(5,084)
Revaluation gain on Land and Buildings	-	-	24,903	-	24,903
Tax on Other Comprehensive Income	-	9,386	-	1,443	10,829
Total Other Comprehensive income	-	(902,199)	24,903	(3,641)	(880,937)
Total Comprehensive income for the period	-	(902,199)	24,903	668,005	(209,291)
Audited Balance as at 31 December 2015	1,062,500	(640,440)	24,903	1,776,361	2,223,324
Balance as at 01 January 2016	1,062,500	(640,440)	24,903	1,776,361	2,223,324
Profit for the Period	-	-	-	446,229	446,229
Other Comprehensive Income for the Period					
Available for sale financial asset -net change in fair value	-	(186,505)	-	-	(186,505)
Available for sale financial asset - net change in fair value - Life fund	-	(464,346)	-	-	(464,346)
Available for sale financial assets reclassified to income statement	-	5,518	-	-	5,518
Tax on Other Comprehensive Income	-	9,170	-	-	9,170
Total other Comprehensive income net of tax	-	(636,163)	-	-	(636,163)
Total Comprehensive income for the period	-	(636,163)	-	446,229	(189,934)
Transaction with the owners of the Company, recognised directly in equity					
Share issue transaction cost - Subsidiary	-	-	-	(30)	(30)
Unaudited Balance as at 30 June 2016	1,062,500	(1,276,604)	24,903	2,222,561	2,033,360

ASIAN ALLIANCE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY

For the six months ended 30 June	Stated Capital	Available for sale reserve	Revaluation reserves	Retained reserves	Total
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Balance as at 01 January 2015	1,062,500	453,205	-	853,022	2,368,727
Profit for the Period	-	-	-	303,029	303,029
<u>Other Comprehensive Income for the Period</u>					
Available for sale financial asset -net change in fair value	-	(899)	-	-	(899)
Available for sale financial asset - net change in fair value - Life fund	-	(142,640)	-	-	(142,640)
Available for sale financial assets reclassified to income statement	-	(40,847)	-	-	(40,847)
Remeasurement of Defined Benefit (liability)/asset	-	-	-	-	-
Revaluation gain on Land and Buildings	-	-	-	-	-
Total Other Comprehensive income	-	(184,386)	-	-	(184,386)
Total Comprehensive income for the period	-	(184,386)	-	303,029	118,643
Unaudited Balance as at 30 June 2015	1,062,500	268,819	-	1,156,051	2,487,370
Profit for the Period	-	-	-	689,533	689,533
<u>Other Comprehensive Income for the Period</u>					
Available for sale financial asset -net change in fair value	-	(363,399)	-	-	(363,399)
Available for sale financial asset - net change in fair value - Life fund	-	(372,883)	-	-	(372,883)
Available for sale financial assets reclassified to income statement	-	(27,660)	-	-	(27,660)
Remeasurement of Defined Benefit (liability)/asset	-	-	-	71	71
Revaluation gain on Land and Buildings	-	-	24,903	-	24,903
Total Other Comprehensive income	-	(763,942)	24,903	71	(738,968)
Total Comprehensive income for the period	-	(763,942)	24,903	689,604	(49,435)
Audited Balance as at 31 December 2015	1,062,500	(495,123)	24,903	1,845,655	2,437,935
Balance as at 01 January 2016	1,062,500	(495,123)	24,903	1,845,655	2,437,935
Profit for the Period	-	-	-	579,494	579,494
<u>Other Comprehensive Income for the Period</u>					
Available for sale financial asset -net change in fair value	-	(112,213)	-	-	(112,213)
Available for sale financial asset - net change in fair value - Life fund	-	(464,346)	-	-	(464,346)
Available for sale financial assets reclassified to income statement	-	4,100	-	-	4,100
Total other Comprehensive income net of tax	-	(572,459)	-	-	(572,459)
Total Comprehensive income for the period	-	(572,459)	-	579,494	7,035
Unaudited Balance as at 30 June 2016	1,062,500	(1,067,582)	24,903	2,425,146	2,444,967

ASIAN ALLIANCE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the six months ended 30 June	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
Cash Flows Operating Activities				
Profit before Taxation	454,707	258,071	579,494	303,029
Adjustments for :				
Notional tax Income	(25,370)	(20,617)	(21,796)	(17,621)
Depreciation of Property, Plant and Equipments	42,133	32,219	32,120	22,998
Amortization of Intangible Assets	5,511	1,574	5,486	1,574
Provision for Employee Benefits	8,654	7,623	6,381	5,350
Net Realized Gains	(40,438)	40,158	(28,259)	40,847
Net Fair value Losses	85,440	38,982	80,667	33,017
	530,637	358,010	654,093	389,194
Change in Operating Assets	(523,321)	(225,396)	(342,686)	(182,357)
Change in Operating Liabilities	791,857	267,532	435,160	410,319
Cashflows from Operating Activities	799,173	400,146	746,567	617,156
Gratuity paid	(476)	(4,596)	(202)	(3,580)
Income tax paid	(2,686)	(2,135)	-	-
Net Cash Generated from Operating Activities	796,011	393,415	746,365	613,576
Cash Flows Investing Activities				
Acquisition of Subsidiary	-	-	(300,000)	(700,000)
Net Acquisition of Financial Securities	(927,404)	(180,204)	(905,842)	360,702
Net Acquisition / Capitalization of of Property, Plant and Equipment	(44,233)	(133,697)	(88,951)	(124,841)
Acquisition of of Intangible Assets	(3,111)	-	(2,886)	-
Net Cash (used in)/ Generated from Investing Activities	(974,748)	(313,901)	(1,297,679)	(464,139)
Cash Flows Financing Activities				
Dividend Paid	-	(168,750)	-	(168,750)
Net Short Term Borrowings	300,000	645	300,000	(305)
Net Cash (used in) / Generated from Financing Activities	300,000	(168,105)	300,000	(169,055)
Net Increase / (Decrease) in Cash and Cash Equivalents	121,263	(88,591)	(251,314)	(19,618)
Net cash and cash equivalents as at the Beginning of the year	(509,207)	(189,022)	(169,146)	(41,843)
Net cash and cash equivalents as at the end of the year	(387,944)	(277,613)	(420,460)	(61,461)
Notes to the Cashflow Statement				
A. Change in Operating Assets				
(Increase) / Decrease in Loans to Life Policyholders	(5,514)	(6,744)	(5,926)	(6,966)
(Increase) / Decrease in Reinsurance Receivables	(185,334)	(67,722)	(163,232)	(70,373)
(Increase) / Decrease in Premium Receivables	(191,854)	(49,690)	(41,701)	(3,759)
(Increase) / Decrease in Deferred Expenses	(20,109)	(6,995)	-	-
(Increase) / Decrease in Receivable and Other Assets	(120,510)	(94,245)	(131,827)	(101,259)
	(523,321)	(225,396)	(342,686)	(182,357)
B. Change in Operating Liabilities				
Increase / (Decrease) in Insurance Contract Liabilities - Life	265,242	603,086	265,242	603,086
Increase / (Decrease) in Insurance Contract Liabilities - General	258,766	(20,120)	-	-
Increase / (Decrease) in Reinsurance Payables	231,871	115,139	201,804	169,880
Increase / (Decrease) in Other Liabilities	35,978	(430,573)	(31,886)	(362,647)
	791,857	267,532	435,160	410,319
C. Increase in Cash and Cash Equivalents				
Cash and Cash Equivalents	424,046	144,793	351,168	131,906
Bank overdrafts	(811,990)	(422,434)	(771,628)	(193,367)
Net cash and cash equivalents as at 30th June	(387,944)	(277,641)	(420,460)	(61,461)
Net cash and cash equivalents as at the Beginning of the period	(509,207)	(189,050)	(169,146)	(41,843)
Increase / (Decrease) in Cash and Cash Equivalents	121,263	(88,591)	(251,314)	(19,618)

ASIAN ALLIANCE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION - LIFE INSURANCE FUND

As at	30.6.2016	31.12.2015
	Rs. ' 000	Rs. ' 000
	Unaudited	Audited
Assets		
Intangible Assets	9,413	11,210
Property, Plant and Equipment	410,239	401,763
Financial Investments	6,677,633	6,856,537
Loans to Life Policyholders and Others	146,654	141,595
Reinsurance Receivables	225,875	62,643
Premium Receivables	108,989	67,290
Other Assets	378,368	312,159
Cash and Cash Equivalents	336,685	190,685
Total Assets	8,293,856	8,043,882
Equity and Liabilities		
Equity		
Other Reserves	(595,066)	(134,820)
Revaluation Reserve	24,903	24,903
Total Equity	(570,163)	(109,917)
Liabilities		
Insurance Contract Liabilities - Life	6,457,857	6,192,615
Employee Benefits	32,806	28,267
Reinsurance Payable	294,776	92,972
Other Liabilities	737,252	1,244,020
Short Term Borrowings	569,700	269,700
Bank Overdraft	771,628	326,225
Total Liabilities	8,864,019	8,153,799
Total Equity and Liabilities	8,293,856	8,043,882

1 REPORTING ENTITY

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 No 283, R. A. De Mel Mawatha, Colombo 03. The Company is primarily involved in the Life insurance business. The Company's ultimate parent undertaking and controlling entity is Softlogic Holdings PLC which is incorporated in Sri Lanka.

2 APPROVAL OF FINANCIAL STATEMENTS

The condensed interim Financial Statements for the six months ended 30 June 2016 were authorised for issue by the Board of Directors on 15th August 2016

3 BASIS OF PREPARATION

The Condensed Consolidated Interim Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

The same Accounting Policies and methods of computation as stated in the Annual Financial Statements - 2015 have been followed in preparation of these consolidated Interim Financial Statements except for following disclosure. Further, the provisions of the Companies Act no.7 of 2007, the Regulation of the Insurance Industry Act No 43 of 2000 and Colombo Stock Exchange have been considered in preparing these consolidated Interim Financial Statements.

Measurement of Insurance Contact Liabilities-Life

Insurance Contact Liabilities-Life are measured by using The Gross Premium Valuation(GPV) method as specified by Insurance Board of Sri Lanka (IBSL) based on the recommendation of the Independent Consultant Actuary. The liability is computed based on IBSL specified guidelines.

New SLFRS and Interpretations issued but not effective have not been early adopted during the period.

4 AUDIT OF THE INTERIM FINANCIAL STATEMENTS

Figures in the Condensed Consolidated Interim Financial Statements for the period ended 30 June 2016 are provisional and unaudited

5 GROSS WRITTEN PREMIUM - GROUP / COMPANY
For the period ended 30 June

	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Life Insurance				
First Year Premium	1,040,798	569,928	1,040,798	569,928
Renewal Premium	1,581,942	1,225,334	1,581,942	1,225,334
Group Life Premium	140,920	95,511	140,920	95,511
Single Premium	1,180	1,026	1,180	1,026
Total Life Insurance Gross Written Premium	2,764,840	1,891,799	2,764,840	1,891,799
General Insurance				
Fire	32,998	57,610	-	-
Marine	24,275	22,275	-	-
Miscellaneous	244,685	291,701	-	-
Motor	845,160	507,485	-	-
Total General Insurance Gross Written Premium	1,147,118	879,071	-	-
Consolidated Gross Written Premium	3,911,958	2,770,870	2,764,840	1,891,799

6 TOTAL NET REVENUE

For the period ended 30 June	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Life Segment	2,750,636	2,006,205	2,750,636	2,006,205
General Segment	930,518	831,773	-	-
Consolidated Net Revenue	3,681,154	2,837,978	2,750,636	2,006,205

General segment net revenue consists of net earned premium, income from financial instruments and other operating income.

Life segment net revenue consists of net written premium, income from financial instruments and other operating income.

7 PROFIT BEFORE TAXATION

For the period ended 30 June	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Life Segment	579,494	303,029	579,494	303,029
General Segment	(124,787)	(44,958)	-	-
Total	454,707	258,071	579,494	303,029

8 INCOME TAX EXPENSE

For the period ended 30 June	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
	Unaudited	Unaudited	Unaudited	Unaudited

The major components of income tax expense for the period ended 30 June are as follows;

Tax recognised in Income Statement**Current Tax Expense**

Income Tax on Current period's Profits	(6,723)	(5,408)	-	-
	(6,723)	(5,408)	-	-

Deferred Income Tax

Origination of deferred tax liability	(2,115)	-	-	-
Origination of deferred tax assets	360	-	-	-

Differed Taxation (Charge) / Reversal

	(1,755)	-	-	-
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Income Tax Expense reported in the Income Statement

	(8,478)	(5,408)	-	-
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Tax recognised in Statement of Profit or Loss and Other Comprehensive Income

Differed Taxation (Charge) / Reversal	(9,170)	-	-	-
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9 INVESTMENT IN SUBSIDIARY

Asian Alliance Insurance PLC, following the due process stipulated by the Insurance Board of Sri Lanka (IBSL) and having obtained approvals from all relevant parties including District Courts, transferred its General Insurance Business to its newly formed subsidiary Asian Alliance General Insurance Limited with effect from 1st of January 2015 according to the guideline issued by IBSL on Segregation of composite Insurance Companies in to two separate companies. Accordingly, Asian Alliance Insurance PLC has become a Life Insurance Company as well as the holding Company of Asian Alliance General Insurance Limited (AAGI) which is now a licensed General Insurance Company. Accordingly, Asian Alliance Insurance PLC is providing both Life and General Insurance solutions under a group structure.

10 FINANCIAL INVESTMENTS

As at

		GROUP		COMPANY	
		June-2016	Dec-2015	June-2016	Dec-2015
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
		Unaudited	Audited	Unaudited	Audited
Held to Maturity (HTM)	Note 10.1	230,267	227,727	230,267	227,727
Loans and Receivables (L & R)	Note 10.2	1,058,991	781,297	600,000	522,610
Available - for - Sale (AFS)	Note 10.3	7,516,411	7,481,233	6,320,820	6,374,199
Fair Value Through Profit or Loss (FVTPL)	Note 10.4	739,433	775,194	603,361	619,484
Total Financial Investments		9,545,102	9,265,451	7,754,448	7,744,020

As at

		GROUP		COMPANY	
		June-2016	Dec-2015	June-2016	Dec-2015
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
		Unaudited	Audited	Unaudited	Audited

10.1 Held to Maturity (HTM)

Treasury Bonds

	230,267	227,727	230,267	227,727
	230,267	227,727	230,267	227,727

10.2 Loans and Receivables (L & R)

Debt Securities - Bank Deposits
- Debentures

Note 10.2.a
Note 10.2.b

	55,530	40,762	-	-
	-	111,431	-	90,713
Overnight Reverse Repo	1,003,461	629,104	600,000	431,897
	1,058,991	781,297	600,000	522,610

10.2.a Bank Deposits (L& R)

Licensed Commercial Banks

	55,530	40,762	-	-
	55,530	40,762	-	-

10.2.b Debentures (L & R)

Unlisted

	-	111,431	-	90,713
	-	111,431	-	90,713

10.3 Available - for - Sale (AFS)

Debt Securities

- Debentures

1,478,339 1,227,459 1,367,071 1,127,542

Equity Securities

- Quoted

1,528,868 1,714,245 1,275,068 1,423,095

- Un Quoted

369,700 369,700 369,700 319,700

Treasury Bonds

4,139,504 4,169,829 3,308,981 3,503,862

7,516,411 7,481,233 6,320,820 6,374,199

10.4 Fair Value Through Profit or Loss (FVTPL)

Equity Securities

583,067 624,763 583,067 600,146

Unit Trust

68,106 64,898 20,294 19,338

Debenture

88,260 85,533 - -

739,433 775,194 603,361 619,484

11 INSURANCE CONTRACT LIABILITIES - LIFE (GROUP / COMPANY)

As at	June-2016 Rs.' 000 Unaudited	Dec-2015 Rs.' 000 Audited
Insurance Contract Liabilities	6,185,989	5,966,015
Unclaimed benefits	271,868	226,600
	6,457,857	6,192,615

11.a Valuation of Life Insurance Fund

An amount of Rs 310 Million has been transferred as surplus out of the Non-Participating Fund of the Life Fund on the recommendation of the Actuary for the quarter ended 30th June 2016.

11.b Liability Adequacy Test (LAT) - Life Insurance Contract Liabilities

Liability Adequacy Test (LAT) in respect of the Insurance Contract Liabilities as required by SLFRS 4 - Insurance Contracts will be performed annually.

12 INSURANCE CONTRACT LIABILITIES - NON LIFE (GROUP)

As at	June-2016 Rs.' 000 Unaudited	Dec-2015 Rs.' 000 Audited
12.a Reserves for Net Unearned Premium	1,220,810	1,033,457
Gross Claims Payable	359,967	288,554
	1,580,777	1,322,011

12.b Liability Adequacy Test (LAT) - General Insurance Contract Liabilities

Liability Adequacy Test (LAT) in respect of the Insurance Contract Liabilities as required by SLFRS 4 - Insurance Contracts will be performed annually.

13 CAPITAL COMMITMENTS AND CONTINGENCIES**13.1 Capital Commitments**

As at the end of the interim period, there were no capital expenditure approved by the Board and contracted for hence no provision has been made in the Interim Financial Statements.

13.2 Contingencies - Group & Company

The Contingent Liability of the Company as at 30 June 2016, relates to the followings;

- a) The Company has been issued with an assessment by the Department of Inland Revenue on 28 October 2011 and 26 April 2013 under the Value Added Tax Act, in relation to the taxable period ending 31 December 2009 and 2010 for Rs. 9.6 Million and Rs. 52.3 Million respectively.

The Company has filed an appeal in November 2011 on the basis that the underlying computation includes items which are exempt /out of scope of the VAT Act. The Commissioner General of Inland Revenue has determined the assessment and the Company has appealed to the Tax Appeals Commission. The Company is awaiting the final decision.

- b) The Company has received a tax assessments letter for Life Insurance taxation for the year 2010. The Company is of the strong view that no additional tax liability is arising and also we have filed a response highlighting our view, which was done in consultation with Tax Consultants. Further even if this would materialized against the Company, no additional tax liabilities are required for the Company due to carried forward taxable losses and credits. However, the accumulated tax losses of Life business will come down by Rs. 237 Million.
- c) The Company has received a notice of assessments letter for Life Insurance taxation for the years 2011 and 2012. The Company has filed a petition of appeal through Company's Tax Consultants and the Company is of the strong view that no additional tax liability is arose due to this. Further even if this would materialized against the Company, no additional tax liabilities are required for the Company due to carried forward taxable losses and credits. However, the accumulated tax losses of Life business will come down by Rs. 554 Million.

13.3 Pending Litigations

In the opinion of Directors and in consultation with the company Lawyers, litigation currently pending against the company will not have a material impact on the reported results or future operations of the company. All pending litigation for claims have been evaluated and adequate provisions have been made in the financial statements.

14 EVENTS AFTER THE REPORTING PERIOD

The Company has entered in to a Share Sale and Purchase agreement on 24th June 2016, for the sale of all the shares that it holds in Asian Alliance General Insurance Limited to Fairfax Asia Limited or another nominated member of Fairfax Group .The closing of the aforesaid transaction is conditional on the completion of certain customary matters, including approval by the respective boards of directors and shareholders, regulatory approval and other necessary third party approvals.

15 COMPARATIVE INFORMATION

Comparative information has been restated to ensure comparability with the current year information.

16 SHARE INFORMATION

	Group		Company	
	30.6.2016	31.12.2015	30.6.2016	31.12.2015
Net Assets Per Share (Rs)	5.42	5.93	6.52	6.50

Market Price Per Share

Last traded price as at 30 June 2016	19.80
Highest traded price per share for the Quarter (Apr-Jun)	22.10
Lowest traded price per share for the Quarter (Apr-Jun)	15.30

17 STATED CAPITAL

As at	June-2016 Rs.' 000	Dec-2015 Rs.' 000
Stated Capital	1,062,500	1,062,500
No of Ordinary Shares	375,000,000	375,000,000

18 BASIC & DILUTED EARNING PER SHARE (EPS)

	Group		Company	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Profit attributable to Ordinary Shareholders (Rs. 000)	446,229	252,663	579,494	303,029
Weighted Average No of shares as at 30 June	375,000,000	375,000,000	375,000,000	375,000,000
Basic Earning per share (Rs.)	1.19	0.67*	1.55	0.81*
Diluted Earning per share (Rs.)	1.19	0.67*	1.55	0.81*

*Earnings Per Share (EPS) and Diluted Earning per share have been restated based on post sub division weighted average no of shares as at 30th June 2016.

19 TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	As at 30 June 2016	
	No. of Shares	%
1 Softlogic Capital Plc	221,952,810	59.19%
2 Hsbc Intl Nom Ltd-State Street Munich C/O Ssbt-Deg-Deutsche	71,250,000	19.00%
3 Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	71,250,000	19.00%
4 Sandwave Limited	1,314,588	0.35%
5 Waldock Mackenzie Ltd/ Mr.S.N.P.Palihena And Mrs. A.S.Palihena	1,000,000	0.27%
6 Mr. G.C. Goonetilleke	775,500	0.21%
7 Mr. R.R.S. Ananda	615,950	0.16%
8 Citizens Development Business Finance Plc/D.S.J.Wickramaratne And D.J.Wickramaratne	220,000	0.06%
9 Mr. N.W.S.B. Ekanayaka	205,000	0.05%
10 Mr. G.H.S. Kumara	199,000	0.05%
11 Softlogic Holdings Plc	175,550	0.05%
12 Waldock Mackenzie Ltd/Mr. M.Z.M. Wafik	156,190	0.04%
13 Mr. M.M. Fuad	123,588	0.03%
14 Elgin Investments Limited	123,247	0.03%
15 Commercial Bank Of Ceylon Plc/Rananjaya Holdings (Pvt)Ltd	110,000	0.03%
16 Mr. E. Gunatunga	100,000	0.03%
17 Union Investments Private Ltd	100,000	0.03%
18 Ms. M.R.H. Galappatti	100,000	0.03%
19 Mr. R.P.U. Karunatilake	100,000	0.03%
20 Mr. D.S.J. Wickramaratne	100,000	0.03%
Others	5,028,577	1.34%
Total	375,000,000	100%

20 PUBLIC SHAREHOLDING

The percentage of shares held by the public as at 30 June 2016 was 2.77 % (30 June 2015 - 2.77 %) and a number of public shareholders as at 30 June 2016 was 1,149.

21 DIRECTORS' SHARE HOLDINGS

As at 30 June Name of The Director	2016	
	No of Shares	%
Mr.A. K. Pathirage (Chairman)	Nil	Nil
Mr. J. H. Paul Ratnayeke (Deputy Chairman)	Nil	Nil
Mr. T. M. I. Ahamed (Managing Director / CEO)	Nil	Nil
Mr. Ramal . G. Jasinghe - Director	Nil	Nil
Mr. S. Rajapakse- Director	Nil	Nil
Mr. M. R. Abeywardena - Director	Nil	Nil
Mr.J. K. Mukhi - Director	Nil	Nil
Mr. J. W. H. Richters - Director	Nil	Nil

22 RELATED PARTY DISCLOSURES

22.1 Transactions with Key Management Personnel of the Company or its parent

According to Sri Lanka Accounting Standard (LKAS) 24 Related Party Disclosure, Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors (including Executive and Non-Executive Directors) of the Company and their immediate family members have been classified as Key Management Personnel of the Company.

Immediate family member is defined as spouse or dependent. A dependent is defined as anyone who depends on the respective KMP for his/her financial needs.

a) Other Transactions with Key Management Personnel

Company	Relationship	Nature of Transaction	Transaction Value	
			2016 Rs. 000	2015 Rs. 000
For the period ended 30 June				
Paul Rathnayake Associates	Director Related Entity	Claims Incurred	64	121
P.R.Secretarial Services (Pvt) Ltd	Director Related Entity	Secretarial Fees Paid	314	240
Acuity Group	Director Related Entity	Insurance Placed	1,314	1,246
		Claims Incurred	489	1,252
		Expenses	1,042	166

b) Transactions with Parent and Ultimate Controlling Party

Related Party	Relationship	Nature of the Transaction	Group		Company	
			2016 Rs "000"	2015 Rs "000"	2016 Rs "000"	2015 Rs "000"
For the period ended 30 June						
Softlogic Holdings PLC	Ultimate Parent	Insurance Premiums	1,654	4,656	-	-
		Claims Incurred	3,028	2,207	1,514	1,163
		Expenses	658	770	658	770
		Dividend & Interest Income	11,331	11,301	11,331	8,958
Softlogic Capital PLC	Immediate Parent	Asset Management Fee	46,988	21,590	42,616	18,925
		Other Consultancy Fees	13,560	13,560	13,560	13,560
As at 30 June						
Softlogic Holdings PLC	Ultimate Parent	Investments	188,004	185,921	188,004	155,921

c) Transactions with Subsidiary Company- Asian Alliance General Insurance Ltd.

	30 June 2016 Rs "000"	30 June 2015 Rs "000"
Transactions due to segregation of Life and General Insurance Business		
Investment in Stated Capital	1,400,000	800,000
Other Transactions		
Purchase of Investments	50,000	-
Transfer of Fixed Assets	44,718	-

d) Transactions with/between Subsidiary Companies of Parent and Other Related Companies

Related Party	Nature of the Transaction	Group		Company	
		2016 Rs "000"	2015 Rs "000"	2016 Rs "000"	2015 Rs "000"
For the period ended 30 June					
Softlogic Retail (Pvt) Ltd	Insurance Premiums	3,745	4,390	-	-
	Claims Incurred	6,972	11,587	3,351	5,851
	Other Expenses	18,833	8,219	18,833	8,121
	Purchase of Fixed Assets	7,489	15,291	7,489	15,152
Softlogic Finance PLC	Interest Income	2,393	5,780	2,393	2,380
	Claims Incurred	679	3,584	339	1,972
	Insurance Premiums	3,638	2,831	-	-
	Investment	81,379	80,000	81,379	60,000
	Other Expenses	392	7,951	392	7,951
Asiri Hospital Holdings PLC	Insurance Premiums	3,714	17,476	-	-
	Dividend Income	2,376	2,415	2,376	2,415
	Claims Incurred	3,562	3,127	1,781	1,564
	Investments	62,874	62,874	62,874	62,874
Asiri Hospital Matara (Pvt) Ltd	Claims Incurred	127	143	64	71
	Insurance Premiums	882	82	-	-
Asiri Surgical Hospital PLC	Insurance Premiums	5,503	393	-	-
	Claims Incurred	807	131	404	66
	Other Expenses	103	-	103	-
Softlogic BPO services (pvt)Ltd	Insurance Premiums	635	524	-	-
	Claims Incurred	1,870	487	935	244
	Other Expenses	6,552	-	5,086	-

22 RELATED PARTY DISCLOSURES (Cont.)

d) Transactions with/between Subsidiary Companies of Parent and Other Related Companies (Cont.)

For the period ended 30 June	Related Party	Nature of the Transaction	Group		Company	
			2016	2015	2016	2015
			Rs "000"	Rs "000"	Rs "000"	Rs "000"
	Central Hospital Limited	Claims Incurred	2,537	1,996	1,269	998
		Insurance Premiums	7,021	632	-	-
	Nextage (Pvt) Ltd	Expenses	387	619	387	619
	Softlogic City Hotels Pvt Ltd.	Insurance Premiums	434	-	-	-
	Softlogic Destination Management Pvt Ltd	Claims Incurred	4	-	2	-
		Expenses	3,753	6,714	3,746	6,659
	Softlogic Restaurant Pvt Ltd	Claims Incurred	168	48	84	32
		Expenses	-	31	-	31
		Insurance Premiums	1,402	152	-	-
	Odel PLC & related companies	Expenses	1,303	68	1,303	68
		Claims Incurred	1,783	668	892	334
		Insurance Premiums	21,696	20,553	-	-
	Abacus International Lanka Pvt td	Claims Incurred	337	498	169	249
		Insurance Premiums	-	412	-	-
	Ceysand Resorts (pvt) Ltd	Claims Incurred	2,971	3,180	1,486	1,615
		Insurance Premiums	6,038	5,379	-	-
	Future Automobile Pvt Ltd	Claims Incurred	172	416	86	213
		Insurance Premiums	589	1,832	-	-
	Softlogic Communication Services Pvt Ltd	Claims Incurred	759	-	380	-
	Softlogic Communication Pvt Ltd	Claims Incurred	1,639	887	820	449
		Insurance Premiums	1,983	1,869	-	-
		Expenses	-	74	-	37
	Softlogic Computers Pvt Ltd	Claims Incurred	1,025	1,529	513	765
		Insurance Premiums	298	140	-	-
	Softlogic International Pvt Ltd	Insurance Premiums	383	846	-	-
	Softlogic Auto mobiles Pvt Ltd	Claims Incurred	569	8,952	285	4,476
		Insurance Premiums	2,611	2,380	-	-
	Softlogic Brands Pvt Ltd	Insurance Premiums	1,839	372	-	-
	Softlogic Corporate Services Ltd	Claims Incurred	99	216	50	109
		Insurance Premiums	42	-	-	-
	Softlogic Stock Brokers Pvt Ltd	Insurance Premiums	1,340	822	-	-
		Claims Incurred	1,182	681	591	340
	Softlogic Information Technologies (Pvt) Ltd	Purchase of Fixed Assets	454	2,746	227	-
		Claims Incurred	3,589	3,556	1,794	1,805
		Expenses	498	2,746	249	2,746
		Insurance Premiums	896	761	-	-
	Softlogic Mobile Distribution (Pvt) Ltd	Insurance Premiums	370	251	-	-