

Formats proposed to be used by Insurance Companies for publishing the Quarterly
Financial Statements

XXX INSURANCE COMPANY LTD.

BALANCE SHEET

| | Group | | Company | |
|---|--|---|--|---|
| | Unaudited as at the end of the quarter Rs. '000 | Audited as at the end of the preceding Financial Year Rs.. '000 | Unaudited as at the end of the quarter Rs. '000 | Audited as at the end of the preceding Financial Year Rs.. '000 |
| Assets | | | | |
| Investments | xxxxxx | xxxxxx | xxxxxx | xxxxxx |
| Property, plant & equipment | xxxx | xxxx | xxxx | xxxx |
| Other fund assets | xxxx | xxxx | xxxx | xxxx |
| Policy loans & other loans | xxxx | xxxx | xxxx | xxxx |
| Investment in subsidiaries | xxxx | xxxx | xxxx | xxxx |
| Reinsurance receivable | xxxx | xxxx | xxxx | xxxx |
| Amounts due from subsidiaries | xxxx | xxxx | xxxx | xxxx |
| Trade receivables | xxxx | xxxx | xxxx | xxxx |
| Other assets | xxxx | xxxx | xxxx | xxxx |
| Cash & cash equivalents | xxxx | xxxx | xxxx | xxxx |
| Total assets | xxxxxx | xxxxxx | xxxxxx | xxxxxx |
| Liabilities & Shareholders' Equity | | | | |
| Liabilities | | | | |
| Insurance provision - Long Term | xxxxxx | xxxxxx | xxxxxx | xxxxxx |
| Insurance provision - Non Life | xxxx | xxxx | xxxx | xxxx |
| Other funds | xxxx | xxxx | xxxx | xxxx |
| Overdraft | xxxx | xxxx | xxxx | xxxx |
| Reinsurance creditors | xxxx | xxxx | xxxx | xxxx |
| Other liabilities | xxxx | xxxx | xxxx | xxxx |
| Total Liabilities | xxxxxx | xxxxxx | xxxxxx | xxxxxx |
| Shareholders' Equity | | | | |
| Share capital | xxxx | xxxx | xxxx | xxxx |
| Other Reserves | xxxx | xxxx | xxxx | xxxx |
| General reserve | xxxx | xxxx | xxxx | xxxx |
| Retained earnings | xxxx | xxxx | xxxx | xxxx |
| Total Shareholders' Equity | xxxxxx | xxxxxx | xxxxxx | xxxxxx |
| Liabilities & Shareholders' Equity | xxxxxx | xxxxxx | xxxxxx | xxxxxx |

The notes form an integral part of the financial statements

Director.....
Date.....

Director.....

XXX INSURANCE COMPANY LTD.
STATEMENT OF INCOME
FOR THE PERIOD ENDED

| Group | Note | Group | | | Company | | |
|------------|--|--------------------------|--|----------|--------------------------|--|----------|
| | | For this Period Rs. '000 | For the corresponding period of the preceding year Rs.'000 | Change % | For this Period Rs. '000 | For the corresponding period of the preceding year Rs.'000 | Change % |
| xxxxxx | Revenue 4 | xxxxx | xxxxx | x | xxxxx | xxxxx | x |
| xxxxxx | Gross written premium 5 | xxxxx | xxxxx | x | xxxxx | xxxxx | x |
| (xxxx) | Reinsurance premium | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| xxxxxx | Net written premium | xxxxx | xxxxx | x | xxxxx | xxxxx | x |
| (xxxx) | (Increase)/decrease in net unearned premium and unexpired risk | (xxxx) | xxxx | x | (xxxx) | xxxx | x |
| xxxxxx | Net earned premium | xxxxx | xxxxx | x | xxxxx | xxxxx | x |
| (xxxxxx) | Benefits, losses & expenses | | | | | | |
| | Net claims & benefits | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| (xxxx) | Acquisition Cost (net of reinsurance commission) | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| (xxxx) | Deferred Acquisition Cost | xxx | (xxx) | x | xxx | (xxx) | x |
| (xxxxxx) | Increase in Long Term insurance fund | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| xxxxx | Other revenue | xxxx | (xxxx) | x | xxxx | (xxxx) | x |
| xxxx | Asset management fees and related income | xxx | xxx | x | xxx | xxx | x |
| xxxxx | Investment income | xxxx | xxxx | x | xxxx | xxxx | x |
| xxxxx | Other income | xxxx | xxxx | x | xxxx | xxxx | x |
| (xxx) | Expenses | | | | | | |
| (xxx) | Staff expense | (xxx) | (xxx) | x | (xxx) | (xxx) | x |
| (xxx) | Administration & establishment expenses | (xxx) | (xxx) | x | (xxx) | (xxx) | x |
| (xxx) | Selling expenses | (xxx) | (xxx) | x | (xxx) | (xxx) | x |
| (xxx) | Depreciation | (xxx) | (xxx) | x | (xxx) | (xxx) | x |
| (xxx) | Other expenses | (xxx) | (xxx) | x | (xxx) | (xxx) | x |
| (xxxxx) | | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| xxxx | Profit before taxation 7 | xxxx | xxxx | xx | xxxx | xxxx | xx |
| (xxxx) | Income tax expenses 8 | (xxx) | (xxx) | x | (xxx) | (xxx) | x |
| xxxx | Net profit for the period | xxx | xxx | x | xxx | xxx | x |
| Rs. | | Rs. | Rs. | | Rs. | Rs. | |
| xx | Basic earnings per share | xx | xx | x | xx | xx | x |
| xxx | Dividend per share | xxx | xxx | x | xxx | xxx | x |
| xxx | Interim dividend paid per share | xxx | xxx | x | xxx | xxx | x |
| xxx | Final proposed dividend per share | xxx | xxx | x | xxx | xxx | x |
| xxx | | xxx | xxx | x | xxx | xxx | x |

The notes form an integral part of the financial statements

XXX INSURANCE COMPANY LTD.
STATEMENT OF INCOME
FOR QUARTER ENDED

| | Group | | | Company | | |
|--|-----------------------------|--|----------|-----------------------------|--|----------|
| | For this quarter Rs. 000 | For the corresponding quarter of the preceding year Rs.'000 | Change % | For this quarter Rs. 000 | For the corresponding quarter of the preceding year Rs.'000 | Change % |
| Revenue | xxxxxx | xxxxxx | x | xxxxxx | xxxxxx | x |
| Gross written premium | xxxxxx | xxxxxx | x | xxxxxx | xxxxxx | x |
| Reinsurance premium | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| Net written premium | xxxx | xxxx | x | xxxx | xxxx | x |
| Net Change in Reserves for unearned Premium and Unexpired Risk | xxx | (xxx) | x | xxx | (xxx) | |
| Net earned premium | xxxx | xxxx | x | xxxx | xxxx | x |
| Benefits, losses and expenses | | | | | | |
| Net claims & benefits | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| Net Acquisition Cost (net of reinsurance commission) | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| Deferred Acquisition Cost | xxx | xxx | x | xxx | xxx | x |
| Increase in Long Term insurance fund | xxxx (xxx) | xxxx (xxx) | x x | xxxx (xxx) | xxxx (xxx) | x x |
| Other revenue | | | | | | |
| Asset management fees and related income | xx | xx | x | xx | xx | x |
| Investment income | xxxx | xxxx | x | xxxx | xxxx | x |
| Other income | xxx | xxx | x | xxx | xxx | x |
| Expenses | | | | | | |
| Staff expenses | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| Administration & establishment expenses | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| Selling expenses | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| Depreciation | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| Other expenses | (xxxx) | (xxxx) | x | (xxxx) | (xxxx) | x |
| | (xxxxx) | (xxxxx) | x | (xxxxx) | (xxxxx) | x |
| Profit before taxation | xxxx | xxxx | x | xxxx | xxxx | x |
| Income tax expenses | (xxx) | (xxx) | x | (xxx) | (xxx) | x |
| Net profit for the quarter | xxxx | xxxx | x | xxxx | xxxx | x |

XXX INSURANCE COMPANY LTD.

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED**

| | Number of shares | Share capital Rs. '000 | Other Reserves Rs. '000 (1) | Other Reserves Rs.'000 (2) | General reserve Rs.'000 | Retained earnings Rs.'000 | Total equity Rs. '000 |
|---|------------------|------------------------|-----------------------------|----------------------------|-------------------------|---------------------------|-----------------------|
| Audited balance as at preceding to the previous year..... (eg.2003) | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| Net profit for the period corresponding to the current period | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| Final Dividend paid for that year (eg. 2003) | | | | | | (xxxx) | (xxxx) |
| Transfer to any special reserve fund | | | | | | | |
| Unaudited balance as at the end of previous year quarter corresponding to end of the current period (eg. 2004) | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| Net profit for the peiod | xxxx | xxxx | xxxx | xxxx | xxxx | xxxx | xxxx |
| Interim dividend paid | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) |
| Transfer to special reserve fund | - | - | - | - | - | - | - |
| Transfer to general reserve | - | - | - | - | - | - | - |
| Audited balance as at end of the financial year of the previous year eg. 2004) | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| Final Dividend paid for the preeding year (eg. 2004) | | | | | | (xxx) | |
| Net Profit for the Period | | | | | | xxxx | xxxx |
| Bonus Share Issue- During th eperiod | xxxx | xxxxx | | | (xxxxx) | | - |
| Unaudited balance as at the end of the current period | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED

| | Number of shares | Share capital Rs. '000 | Other Reserves Rs. '000 (1) | Other Reserves Rs.'000 (2) | General reserve Rs.'000 | Retained earnings Rs.'000 | Total equity Rs. '000 |
|--|------------------|------------------------|-----------------------------|----------------------------|-------------------------|---------------------------|-----------------------|
| Audited balance as at previous to the previous year..... | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| Net profit for the period corresponding to the current period | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) |
| Final Dividend paid for that year | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| Transfer to any special reserve fund | - | - | - | - | - | - | - |
| Unaudited balance as at the end of previous year quarter corresponding to end of the current period | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| Net profit for the peiod | xxxx | xxxx | xxxx | xxxx | xxxx | xxxx | xxxx |
| Interim dividend paid | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) | (xxxx) |
| Transfer to special reserve fund | - | - | - | - | - | - | - |
| Transfer to general reserve | - | - | - | - | - | - | - |
| Transfer to general reserve | - | - | - | - | - | - | - |
| Audited balance as at end of the financial year of the previous year | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |
| Net Profit for the Period | - | - | - | - | - | xxxx | - |
| Bonus Share Issue | xxxx | xxxx | - | - | - | (xxx) | - |
| Dividend paid for the previous year | | | | | | (xxx) | |
| Unaudited balance as at the end of the current period | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx | xxxxx |

XXX INSURANCE COMPANY LTD.
FOR THE PERIOD ENDED

CASH FLOW STATEMENT

| | Group | | Company | |
|--|--------------------------|--|--------------------------|--|
| | For this Period Rs. '000 | Corresponding period of the preceding year Rs.'000 | For this Period Rs. '000 | Corresponding period of the preceding year Rs.'000 |
| Cash flows from operating activities | | | | |
| Premium/fees received from customers | xxxxx | xxxxx | xxxxx | xxxxx |
| Reinsurance premium (net of commission) paid | (xxxxx) | (xxxxx) | (xxxxx) | (xxxxx) |
| Claims and benefits paid | xxxxx | xxxxx | xxxxx | xxxxx |
| Reinsurance receipts in respect of claims & benefits | xxxxx | xxxxx | xxxxx | xxxxx |
| Cash paid to and on behalf of employees | (xxxxx) | (xxxxx) | (xxxxx) | (xxxxx) |
| Interest received | xxx | xxx | xxx | xxx |
| Dividends received | xxx | xxx | xxx | xxx |
| Other operating cash payments | (xxxxx) | (xxxxx) | (xxxxx) | (xxxxx) |
| Cash flow from operating activities (Note a) | xxxxx | xxxxx | xxxxx | xxxxx |
| Income tax paid | (xxx) | (xxx) | (xxx) | (xxx) |
| Net cash flow from operating activities | xxxxx | xxxxx | xxxxx | xxxxx |
| Cash flows from investing activities | | | | |
| Purchase of liquid investments | (xxxxx) | (xxxxx) | (xxxxx) | (xxxxx) |
| Purchase of other investments | (xxxxx) | (xxxxx) | (xxxxx) | (xxxxx) |
| Sale of liquid investments | xxxxx | xxxxx | xxxxx | xxxxx |
| Sale of other investments | xxxxx | xxxxx | xxxxx | xxxxx |
| Purchase of property, plant and equipment | (xxxxx) | (xxxxx) | (xxxxx) | (xxxxx) |
| Proceeds from sale of property, plant & equipment | xxxxx | xxxxx | xxxxx | xxxxx |
| Net cash used in investing activities | xxxxx | xxxxx | xxxxx | xxxxx |
| Cash flows from financing activities | | | | |
| Final dividends paid for the previous year | (xxxxx) | (xxxxx) | (xxxxx) | (xxxxx) |
| Net cash used in financing activities | xxxxx | xxxxx | xxxxx | xxxxx |
| Decrease in cash and cash equivalents (Note b) | (xxxxx) | (xxxxx) | (xxxxx) | (xxxxx) |
| <u>Note a:</u> | | | | |
| Reconciliation of profit before taxation with cash flow from operating activities | | | | |
| Profit before taxation | xxxx | xxxx | xxxx | xxxx |
| Depreciation | xxxx | xxxx | xxxx | xxxx |
| Decrease in debtors and other assets | xxxx | xxxx | xxxx | xxxx |
| Increase in provision for doubtful debts | xxxx | xxxx | xxxx | xxxx |
| Increase in Long Term insurance funds | xxxx | xxxx | xxxx | xxxx |
| Increase in net unearned premium | xxxx | xxxx | xxxx | xxxx |
| Increase/(decrease) in net claims provision | xxxx | xxxx | xxxx | xxxx |
| Increase/(decrease) in creditors | xxxx | xxxx | xxxx | xxxx |
| Gain on disposal of property, plant and equipment | xxxx | xxxx | xxxx | xxxx |
| Capital (gains)/loss on sale of investments | xxxx | xxxx | xxxx | xxxx |
| Cash flow from operating activities | xxxxxxx | xxxxxxx | xxxxxxx | xxxxxxx |
| <u>Note b:</u> | | | | |
| Decrease in cash and cash equivalents | | | | |
| Cash and bank balances | xxxx | xxxx | xxxx | xxxx |
| Overdrafts | xxxx | xxxx | xxxx | xxxx |
| Cash and cash equivalents at the end of the period | xxxxxx | xxxxxx | xxxxxx | xxxxxx |
| Cash and cash equivalents at the beginning of the year | xxxxxx | xxxxxx | xxxxxx | xxxxxx |
| | xxxxxx | xxxxxx | xxxxxx | xxxxxx |

XXX INSURANCE COMPANY LTD.
FOR THE PERIOD ENDED
LONG TERM INSURANE BALANCE SHEET - SUPPLEMENTAL

| | For this Period Rs. '000 | Audited as at the end of the preceding Financial Year Rs.. '000 |
|---------------------------------|--------------------------------|---|
| Assets | | |
| Investments | xxxxxx | xxxxxx |
| Policy loans | xxxx | xxxx |
| Other loans | xxxx | xxxx |
| Reinsurance receivable | xxxx | xxxx |
| Other assets | xxxx | xxxx |
| Cash and cash equivalents | xxxx | xxxx |
| Total assets | xxxxxx | xxxxxx |
| Liabilities | | |
| Insurance provision - Long Term | xxxxxx | xxxxxx |
| Policyholders' advance payment | xxxx | xxxx |
| Reinsurance creditors | xxxx | xxxx |
| Agency commission payable | xxxx | xxxx |
| Other liabilities | xxxx | xxxx |
| Total liabilities | xxxxxx | xxxxxx |

The above Long Term Insurance Balance Sheet is to be read in conjunction with the Balance Sheet

XXX INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED.....

1. Figures for the period are provisional and un-audited
2. The group financial statements of xxx Insurance Co. Ltd and its subsidiaries have been prepared in accordance with Sri Lanka Accounting Standards (SLAS's) and are in compliance with the said standard.
3. The same accounting policies and methods of computation as stated in the Annual Report of the preceding year are followed in preparation of these Interim Financial Statements.
4. Revenue
 - 4.1 Revenue by segment

| Segment | Group | | Company | |
|------------------|-----------------------------|---|------------------------|---|
| | For this Period Rs. '000 | Corresponding period of the preceding year Rs.. '000 | 30.09.2007 Rs. '000 | Corresponding period of the preceding year Rs.. '000 |
| Non-life | xxxx | xxxx | xxxx | xxxx |
| Long term | xxxxx | xxxxx | xxxxx | xxxxx |
| Asset Management | xxxx | xxxx | xxxx | xxxx |
| Services | xxxx | xxxx | xxxx | xxxx |
| Eliminations | (xxxx) | (xxxx) | (xxxx) | (xxxx) |
| Total | xxxxx | xxxxx | xxxxx | xxxxx |

4.2 Revenue

| | Group | | Company | |
|---|-----------------------------|---|-----------------------------|---|
| | For this Period Rs. '000 | Corresponding period of the preceding year Rs.. '000 | For this Period Rs. '000 | Corresponding period of the preceding year Rs.. '000 |
| Gross written premium | xxxxx | xxxxx | xxxxx | xxxxx |
| Reinsurance premium | (xxxx) | (xxxx) | (xxxx) | (xxxx) |
| Net written premium | xxxx | xxxx | xxxx | xxxx |
| (Increase)/decrease in net unearned premium | (xxx) | xxx | (xxx) | xxx |
| Net earned premium | xxxxx | xxxxx | xxxxx | xxxxx |
| Asset management fees and related income | xxxx | xxxx | xxxx | xxxx |
| Investment income | xxxx | xxxx | xxxx | xxxx |
| Other income | xxxx | xxxx | xxxx | xxxx |
| Revenue | xxxxx | xxxxx | xxxxx | xxxxx |

**XXX INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED.....**

5. Gross Written premium

| | Group | | Company | |
|------------------------------------|-----------------------------|--|-----------------------------|--|
| | For this Period Rs. '000 | Corresponding period of the preceding year Rs.. '000 | For this Period Rs. '000 | Corresponding period of the preceding year Rs.. '000 |
| 5.1 Non-life insurance | | | | |
| Accident | XXXX | XXXX | XXXX | XXXX |
| Fire | XXXX | XXXX | XXXX | XXXX |
| Marine | | | | |
| Motor | XXXX | XXXX | XXXX | XXXX |
| Terrorism | XXXX | XXXX | XXXX | XXXX |
| | XXXXX | XXXXX | XXXXX | XXXXX |
| 5.2 Long Term insurance | | | | |
| Individual policies | XXXXX | XXXXX | XXXXX | XXXXX |
| Corporate policies | XXXX | XXXX | XXXX | XXXX |
| | XXXXX | XXXXX | XXXXX | XXXXX |
| Total gross written premium | XXXXX | XXXXX | XXXXX | XXXXX |

6. Valuation policy and provision or appropriation method made in respect of transfers to or from the life fund.

7. Profit / (loss) before taxation by segment

| Segment | Group | | Company | |
|------------------|-----------------------------|--|-----------------------------|--|
| | For this Period Rs. '000 | Corresponding period of the preceding year Rs.. '000 | For this Period Rs. '000 | Corresponding period of the preceding year Rs.. '000 |
| Non-life | XXXX | XXXX | XXXX | XXXX |
| Long Term | XXXX | XXXX | XXXX | XXXX |
| Asset Management | XXXX | XXXX | XXXX | XXXX |
| Services | XXXX | XXXX | XXXX | XXXX |
| Total | XXXXX | XXXXX | XXXXX | XXXXX |

8. Taxation policy and rates applicable for Group Company and Subsidiaries
9. Comparative figures have been restated wherever necessary to conform to the current periods presentation
10. No events have occurred since the Balance Sheet that necessitates adjustments to or disclosure in the Financial Statements.

SHARE INFORMATION

| | Group | | Company | |
|--|-----------------------------|--|-----------------------------|--|
| | For this Period Rs. '000 | Audited as at the end of preceding Financial Year Rs.. '000 | For this Period Rs. '000 | Audited as at the end of preceding Financial Year Rs.. '000 |
| Net assets value per share | xxxx | xxxx | xxxx | xxxx |
| Market price per share as at | xxxx | xxxx | xxxx | xxxx |
| Highest price per share for the period | xxxx | xxxx | xxxx | xxxx |
| Lowest price per share for the period | xxxx | xxxx | xxxx | xxxx |

11. Directors disclosures, positions, date of appointments, date of registrations and also related party transactions.

Note: Above drafted Interim Financial statements reporting formats should be adopted in accordance with the nature and extent of the respective insurance company operations wherever applicable.