

Continental Insurance Life Lanka Limited

*Financial Information
for the year ended 31st December 2023*



Hotline 011 2 800 300

Service, redefined.



AUDIT OPINION



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CONTINENTAL INSURANCE LIFE LANKA LIMITED

Report on the Audit of the Financial Statement

Opinion

We have audited the financial statements of Continental Insurance Life Lanka Limited, ("the Company"), which comprise the statement of financial position as at 31st December 2023, the income statement, statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. These Financial Statements do not comprise other information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

Further, as required by section 47(2) of the Regulations of Insurance Industry Act, No 43 of 2000 and amendments thereto, as far as appears from our examination, the accounting records of the Company have been maintained in the manner required by the rules issued by the Insurance Regulatory Commission of Sri Lanka, so as to clearly indicate the true and fair view of the financial position of the Company.

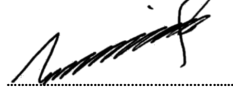
CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
29th April 2024

STATEMENT OF FINANCIAL POSITION

As at 31st December,	2023	2022
	Rs.	Rs.
Assets		
Property plant and equipment	6,406,799	7,045,121
Work in progress - Intangible asset	5,000,000	5,000,000
Financial investments	464,025,625	368,320,074
Deferred tax assets	323,167	173,386
Reinsurance receivables	41,275,000	-
Premiums receivables	22,407,553	10,331,803
Receivables and other assets	1,495,660	590,000
Cash and cash equivalent	246,217,486	223,558,037
Total assets	787,151,290	615,018,421
Equity and liabilities		
Equity		
Stated capital	500,000,000	500,000,000
Retained earnings	97,624,446	44,670,234
Total equity	597,624,446	544,670,234
Liabilities		
Insurance contract liabilities	9,639,176	9,210,863
Retirement benefit obligations	1,421,846	577,952
Reinsurance payable	108,646,265	6,523,755
Amounts due to related company	18,990,986	28,722,851
Income tax payable	36,677,900	23,907,569
Other payables	14,150,671	1,405,197
Total liabilities	189,526,844	70,348,187
Total liabilities and equity	787,151,290	615,018,421

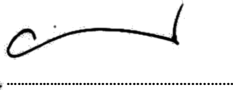
The notes to the financial statements form an integral part of these financial statements.

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

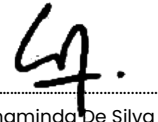


Thushara Amarasinghe
Chief Financial Officer

The board of directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board;



Chandula Abeywickrema
Director



Chaminda De Silva
Deputy Chairman/Managing Director

29th April 2024
Colombo

CONTINENTAL INSURANCE LIFE LANKA LIMITED
STATEMENT OF INCOME

<i>For the year ended 31st December,</i>	2023	2022
	Rs.	Rs.
Gross written premiums	148,326,831	10,331,803
Premiums ceded to reinsurers	(112,063,565)	(6,523,755)
Net written premiums	36,263,266	3,808,048
Other revenue		
Investment income	129,552,652	88,546,550
Total other revenue	129,552,652	88,546,550
Total net revenue	165,815,918	92,354,598
Net benefit, claims and expenses		
Change in contracts liabilities-life fund	(428,313)	(9,210,863)
Commission - gross	(4,409,162)	(1,031,086)
Net insurance benefits and claims paid	(7,500,000)	-
Other operating, administrative costs and selling expense	(64,127,100)	(13,895,715)
Total benefits, claims and expenses	(76,464,575)	(24,137,664)
Profit before tax	89,351,343	68,216,934
Income tax expenses	(36,061,761)	(24,263,940)
Profit for the year	53,289,582	43,952,994
Basic and diluted earnings per share	1.07	0.88

*The notes to the financial statements form an integral part of these financial statements.
Figures in brackets indicates deductions.*

CONTINENTAL INSURANCE LIFE LANKA LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>For the year ended 31st December,</i>	2023	2022
	Rs.	Rs.
Profit for the year	53,289,582	43,952,994
Other comprehensive income, net of tax		
Items that will never be reclassified to profit or loss		
Defined benefit plan actuarial loss	(479,100)	(56,251)
Related tax	143,730	16,875
Total other comprehensive income for the year, net of tax	(335,370)	(39,376)
Total comprehensive income for the year net of tax	52,954,212	43,913,618

*The notes form an integral part of these financial statements.
Figures in brackets indicate deductions.*

CONTINENTAL INSURANCE LIFE LANKA LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2023,

	Stated capital Rs.	Retained earnings Rs.	Total equity Rs.
Balance as at 1st January 2022	500,000,000	756,616	500,756,616
Total comprehensive income for the year			
- Profit for the year	-	43,952,994	43,952,994
- Actuarial loss of defined benefit plan	-	(56,251)	(56,251)
- Tax on other comprehensive income	-	16,875	16,875
Total comprehensive income for the year	-	43,913,618	43,913,618
Balance as at 31st December 2022	<u>500,000,000</u>	<u>44,670,234</u>	<u>544,670,234</u>
Balance as at 01st January 2023	500,000,000	44,670,234	544,670,234
Total comprehensive income for the year			
- Profit for the year	-	53,289,582	53,289,582
- Actuarial loss of defined benefit plan	-	(479,100)	(479,100)
- Tax on other comprehensive income	-	143,730	143,730
Total comprehensive income for the year	-	52,954,212	52,954,212
Balance as at 31st December 2023	<u>500,000,000</u>	<u>97,624,446</u>	<u>597,624,446</u>

The notes to the financial statements form an integral part of these financial statements

Figures in brackets indicates deductions.

CONTINENTAL INSURANCE LIFE LANKA LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31st December 2023,

	2023	2022
	Rs.	Rs.
Cash flows from operating activities		
Profit before tax	89,351,343	68,216,934
<i>Adjustments for:</i>		
Provision for defined benefit plan	294,794	70,077
Depreciation for the year	1,170,923	-
Changes in contract liabilities	428,313	9,210,863
Interest income from L&R	(99,157,509)	(67,581,066)
Net fair value gain on financial assets at FVTPL	(30,015,848)	(19,381,706)
Net (gain)/ loss on sale of investment at FVTPL	(379,295)	(1,583,778)
	(38,307,279)	(11,048,676)
Change in operating assets and liabilities		
Decrease/ (increase) in other assets	(890,711)	-
Decrease/ (increase) in premium receivable	(12,075,750)	(10,331,803)
Decrease/ (increase) in Reinsurance receivables	(41,275,000)	-
Increase/ (decrease) in amounts to related parties	(9,731,865)	25,856,415
Increase/ (decrease) in Re-insurance payable	102,122,510	6,523,755
Increase/ (decrease) in other payable	12,817,084	1,405,197
Cash flow used in operating activities	12,658,989	12,404,888
Taxes paid	(23,200,043)	-
Net cash generated from/(used in) operating activities	(10,541,054)	12,404,888
Cash flows from investing activities		
Additions to property plant and equipment	(646,600)	(12,045,121)
Gross investment made during the year	(1,313,394,554)	(793,374,450)
Gross maturity proceeds received	1,330,166,090	985,469,013
Interest income received	17,075,567	19,893,667
Net cash generated from investing activities	33,200,503	199,943,109
Net increase in cash and cash equivalents	22,659,449	212,347,997
Cash and cash equivalents at the beginning of the year	223,558,037	11,210,040
Cash and cash equivalents at the end of the year	246,217,486	223,558,037

The notes to the financial statements form an integral part of these financial statements

Figures in brackets indicates deductions.