

# INTERIM FINANCIAL STATEMENTS

30<sup>th</sup> June 2017

softlogic  
**LiFE**

**SOFTLOGIC LIFE INSURANCE PLC**  
**INCOME STATEMENT**

For the six months ended 30 June	Note	COMPANY		GROUP	CHANGE*
		2017	2016	2016	
		Rs. ' 000 Audited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	
<b>Continuing Operations</b>					
Gross Written Premium	5	3,371,353	2,764,840	2,764,840	22%
Premiums ceded to Reinsurers		(366,230)	(281,924)	(281,924)	30%
<b>Net Earned Premium</b>		<b>3,005,123</b>	<b>2,482,916</b>	<b>2,482,916</b>	21%
<b>Other Revenue</b>					
Finance Income		447,056	320,128	320,128	40%
Net Realized Gains		(28,979)	28,259	28,259	-203%
Net Fair value (Losses)/Gains		105,100	(80,667)	(80,667)	-230%
Other Operating Income		46,783			100%
		<b>569,960</b>	267,720	<b>267,720</b>	113%
<b>Total Net Revenue</b>	6	<b>3,575,083</b>	<b>2,750,636</b>	<b>2,750,636</b>	30%
<b>Benefits, Claims and Expenses</b>					
Net Insurance Benefits and Claims		(618,150)	(444,481)	(444,481)	39%
Increase in Life Fund		(226,507)	(219,975)	(219,975)	3%
Underwriting and net Acquisition Cost		(897,334)	(795,418)	(795,418)	13%
Other Operating and Administration Expenses		(1,063,176)	(705,582)	(705,582)	51%
Finance Cost		(12,036)	(5,686)	(5,686)	112%
<b>Total Benefits, Losses and Expenses</b>		<b>(2,817,203)</b>	<b>(2,171,142)</b>	<b>(2,171,142)</b>	30%
<b>Profit for the Period from Continuing Operations Before Tax</b>		<b>757,880</b>	<b>579,494</b>	<b>579,494</b>	31%
<b>Discontinued Operations</b>					
Profit for the Period from Discontinued Operations (Net of Tax)	8.1.a	-	-	(133,265)	
<b>Profit Before Taxation</b>	7	<b>757,880</b>	<b>579,494</b>	<b>446,229</b>	31%
Income Tax Expense		-	-	-	
<b>Total Profit for the Period</b>		<b>757,880</b>	<b>579,494</b>	<b>446,229</b>	31%
<b>Profit from Continuing Operations Attributable To;</b>					
Owners of the Parent		757,880	579,494	579,494	
Non Controlling Interest		-	-	-	
		<b>757,880</b>	<b>579,494</b>	<b>579,494</b>	31%
<b>Profit from Discontinued Operations Attributable To;</b>					
Owners of the Parent		-	-	(133,265)	
Non Controlling Interest		-	-	-	
		-	-	<b>(133,265)</b>	
<b>Basic/Diluted Earnings Per Share</b>					
Continuing Operations	16	2.02	1.55	1.55	
Discontinued Operations		-	-	(0.36)	

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

\* Change represents current year against prior year figures of the Company.

**SOFTLOGIC LIFE INSURANCE PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June	COMPANY		GROUP
	2017	2016	2016
	Rs. ' 000 Audited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
Profit for the Period from Continuing Operations	757,880	579,494	579,494
Profit for the Period from Discontinued Operations	-	-	(133,265)
	<b>757,880</b>	<b>579,494</b>	<b>446,229</b>
<b><u>Other Comprehensive Income</u></b>			
<b>Items that are or may be reclassified to profit or loss</b>			
Available for sale financial asset - net change in fair value	(74,655)	(112,213)	(112,213)
Available for sale financial asset - net change in fair value -Life fund	250,483	(464,346)	(464,346)
Available for sale financial assets reclassified to income statement	(40,128)	4,100	4,100
<b>Other Comprehensive Income from Continuing Operations, net of tax</b>	<b>135,700</b>	<b>(572,459)</b>	<b>(572,459)</b>
Other Comprehensive Income from Discontinued Operations, net of tax (Note 8.1.b)	-	-	(63,704)
<b>Total comprehensive income for the period</b>	<b>893,580</b>	<b>7,035</b>	<b>(189,934)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	893,580	7,035	(189,934)
Non - controlling interests	-	-	-
	<b>893,580</b>	<b>7,035</b>	<b>(189,934)</b>

**SOFTLOGIC LIFE INSURANCE PLC**  
**STATEMENT OF FINANCIAL POSITION**

As at	Note	COMPANY	
		30.06.2017 Rs. ' 000 Audited	31.12.2016 Rs. ' 000 Audited
<b>Assets</b>			
Intangible Assets		10,059	13,236
Property, Plant and Equipment		504,199	485,014
Financial Investments	9	8,537,286	8,218,287
Loans to Life Policyholders and Others		133,098	162,448
Reinsurance Receivables		175,529	85,940
Premium Receivables		160,616	92,318
Other Assets		470,074	627,810
Cash and Cash Equivalents		313,212	232,554
<b>Total Assets</b>		<b>10,304,073</b>	<b>9,917,607</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated Capital		1,062,500	1,062,500
Other Reserves		(1,212,814)	(1,348,513)
Revaluation Reserve		24,903	24,903
Retained Earnings		2,171,157	2,223,276
<b>Total Equity</b>		<b>2,045,746</b>	<b>1,962,166</b>
<b>Liabilities</b>			
Insurance Contract Liabilities	10	7,145,288	6,935,047
Employee Benefits		83,848	73,436
Reinsurance Payable		267,851	139,262
Amounts due to Related Companies		3,405	27,621
Other Liabilities		598,060	648,609
Bank Overdraft		159,875	131,466
<b>Total Liabilities</b>		<b>8,258,327</b>	<b>7,955,441</b>
<b>Total Equity and Liabilities</b>		<b>10,304,073</b>	<b>9,917,607</b>
<b>Net Asset per Share</b>		5.46	5.23

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.)

Nuwan Pushpakumara  
**Chief Financial Officer**

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

**Signed and on behalf of the Board;**

(Sgd.)

**Director**  
Colombo  
16th August 2017

(Sgd.)

**Director**

**SOFTLOGIC LIFE INSURANCE PLC**  
**STATEMENT OF CHANGES IN EQUITY - COMPANY**

For the six months ended 30 June	Stated	Available for	Revaluation	Retained	Total
	Capital	sale reserve	reserves	Earnings*	
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Restated Rs. ' 000	Restated Rs. ' 000
<b>Balance as at 01 January 2016 - Restated</b>	<b>1,062,500</b>	<b>(495,123)</b>	<b>24,903</b>	<b>1,469,737</b>	<b>2,062,017</b>
Profit for the Period	-	-	-	579,494	579,494
<b>Other Comprehensive Income for the Period</b>					
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
<b>Total Other Comprehensive income</b>	<b>-</b>	<b>(572,459)</b>	<b>-</b>	<b>-</b>	<b>(572,459)</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>(572,459)</b>	<b>-</b>	<b>579,494</b>	<b>7,035</b>
<b>Balance as at 30 June 2016</b>	<b>1,062,500</b>	<b>(1,067,582)</b>	<b>24,903</b>	<b>2,049,231</b>	<b>2,069,052</b>
Profit for the Period	-	-	-	387,349	387,349
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(48,097)	-	-	(48,097)
Available for sale financial asset - net change in fair value - Life fund	-	(211,607)	-	-	(211,607)
Available for sale financial assets reclassified to income statement	-	(21,227)	-	-	(21,227)
Remeasurement of defined benefit (liability)/asset	-	-	-	(13,304)	(13,304)
<b>Total Other Comprehensive income</b>	<b>-</b>	<b>(280,931)</b>	<b>-</b>	<b>(13,304)</b>	<b>(294,235)</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>(280,931)</b>	<b>-</b>	<b>374,045</b>	<b>93,114</b>
<b>Transaction with the owners of the Company, recognised directly in equity</b>					
1st Interim Dividend	-	-	-	(200,000)	(200,000)
<b>Balance as at 31 December 2016</b>	<b>1,062,500</b>	<b>(1,348,513)</b>	<b>24,903</b>	<b>2,223,276</b>	<b>1,962,166</b>
<b>Balance as at 01 January 2017</b>	<b>1,062,500</b>	<b>(1,348,513)</b>	<b>24,903</b>	<b>2,223,276</b>	<b>1,962,166</b>
<b>Profit for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>757,880</b>	<b>757,880</b>
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(74,655)	-	-	(74,655)
Available for sale financial asset - net change in fair value - Life fund	-	250,483	-	-	250,483
Available for sale financial assets reclassified to income statement	-	(40,128)	-	-	(40,128)
<b>Total other Comprehensive income</b>	<b>-</b>	<b>135,700</b>	<b>-</b>	<b>-</b>	<b>135,700</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>135,700</b>	<b>-</b>	<b>757,880</b>	<b>893,580</b>
<b>Transaction with the owners of the Company, recognised directly in equity</b>					
2nd Interim Dividend - 2016	-	-	-	(810,000)	(810,000)
<b>Balance as at 30 June 2017</b>	<b>1,062,500</b>	<b>(1,212,814)</b>	<b>24,903</b>	<b>2,171,157</b>	<b>2,045,746</b>

\* Refer note 10.2.b

SOFTLOGIC LIFE INSURANCE PLC  
STATEMENT OF CHANGES IN EQUITY - GROUP

For the six months ended 30 June	Stated Capital	Available for sale reserve	Revaluation reserves	Retained Earnings*	Total
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Restated Rs. ' 000	Restated Rs. ' 000
<b>Balance as at 01 January 2016 - Restated</b>	<b>1,062,500</b>	<b>(640,440)</b>	<b>24,903</b>	<b>1,400,443</b>	<b>1,847,406</b>
Profit for the Period	-	-	-	446,229	446,229
<b>Other Comprehensive Income for the Period</b>					
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
<b>Other Comprehensive Income from Continuing Operations</b>	<b>-</b>	<b>(572,459)</b>	<b>-</b>	<b>-</b>	<b>(572,459)</b>
Other Comprehensive Income from Discontinued Operations, net of tax	-	(63,704)	-	-	(63,704)
<b>Total Other Comprehensive income</b>	<b>-</b>	<b>(636,163)</b>	<b>-</b>	<b>-</b>	<b>(636,163)</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>(636,163)</b>	<b>-</b>	<b>446,229</b>	<b>(189,934)</b>
<b>Transaction with the owners of the Company recognised directly in equity</b>					
Share issue transaction cost - Subsidiary	-	-	-	(26)	(26)
<b>Balance as at 30 June 2016</b>	<b>1,062,500</b>	<b>(1,276,603)</b>	<b>24,903</b>	<b>1,846,646</b>	<b>1,657,446</b>
Profit for the Period	-	-	-	589,934	589,934
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(48,097)	-	-	(48,097)
Available for sale financial asset - net change in fair value - Life fund	-	(211,607)	-	-	(211,607)
Available for sale financial assets reclassified to income statement	-	(21,227)	-	-	(21,227)
Remeasurement of defined benefit (liability)/asset	-	-	-	(13,304)	(13,304)
<b>Other Comprehensive Income from Continuing Operations</b>	<b>-</b>	<b>(280,931)</b>	<b>-</b>	<b>(13,304)</b>	<b>(294,235)</b>
Other Comprehensive Income from Discontinued Operations, net of tax	-	209,021	-	-	209,021
<b>Total Other Comprehensive income</b>	<b>-</b>	<b>(71,910)</b>	<b>-</b>	<b>(13,304)</b>	<b>(85,214)</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>(71,910)</b>	<b>-</b>	<b>576,630</b>	<b>504,720</b>
<b>Transaction with the owners of the Company, recognised directly in equity</b>					
Interim Dividend	-	-	-	(200,000)	(200,000)
<b>Balance as at 31 December 2016</b>	<b>1,062,500</b>	<b>(1,348,513)</b>	<b>24,903</b>	<b>2,223,276</b>	<b>1,962,166</b>
<b>Balance as at 01 January 2017</b>	<b>1,062,500</b>	<b>(1,348,513)</b>	<b>24,903</b>	<b>2,223,276</b>	<b>1,962,166</b>
<b>Profit for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>757,880</b>	<b>757,880</b>
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(74,655)	-	-	(74,655)
Available for sale financial asset - net change in fair value - Life fund	-	250,483	-	-	250,483
Available for sale financial assets reclassified to income statement	-	(40,128)	-	-	(40,128)
Remeasurement of defined benefit (liability)/asset	-	-	-	-	-
<b>Other Comprehensive Income</b>	<b>-</b>	<b>135,700</b>	<b>-</b>	<b>-</b>	<b>135,700</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>135,700</b>	<b>-</b>	<b>757,880</b>	<b>893,580</b>
<b>Transaction with the owners of the Company, recognised directly in equity</b>					
2nd Interim Dividend - 2016	-	-	-	(810,000)	(810,000)
<b>Balance as at 30 June 2017</b>	<b>1,062,500</b>	<b>(1,212,814)</b>	<b>24,903</b>	<b>2,171,157</b>	<b>2,045,746</b>

\* Refer note 10.2.b

**SOFTLOGIC LIFE INSURANCE PLC**  
**INCOME STATEMENT**

For the three months ended 30 June	COMPANY		GROUP	CHANGE*
	2017	2016	2016	
	Rs. ' 000	Rs. ' 000	Rs. ' 000	%
	Audited	Unaudited	Unaudited	
<b>Continuing Operations</b>				
Gross Written Premium	1,732,075	1,344,132	1,344,132	29%
Premiums ceded to Reinsurers	(194,378)	(143,531)	(143,531)	35%
<b>Net Earned Premium</b>	<b>1,537,697</b>	<b>1,200,601</b>	<b>1,200,601</b>	<b>28%</b>
<b>Other Revenue</b>				
Finance Income	194,958	148,212	148,212	32%
Net Realized Gains	(30,868)	11,257	11,257	-374%
Net Fair value (Losses)/Gains	116,660	10,746	10,746	986%
Other Operating Income	41,603			100%
	<b>322,353</b>	170,215	<b>170,215</b>	89%
<b>Total Net Revenue</b>	<b>1,860,050</b>	<b>1,370,816</b>	<b>1,370,816</b>	<b>36%</b>
<b>Benefits, Claims and Expenses</b>				
Net Insurance Benefits and Claims	(309,665)	(294,181)	(294,181)	5%
Increase in Life Fund	(239,555)	(27,780)	(27,780)	762%
Underwriting and net Acquisition Cost	(472,482)	(396,724)	(396,724)	19%
Other Operating and Administration Expenses	(556,096)	(337,704)	(337,704)	65%
Finance Cost	(10,401)	(2,086)	(2,086)	399%
<b>Total Benefits, Losses and Expenses</b>	<b>(1,588,199)</b>	<b>(1,058,475)</b>	<b>(1,058,475)</b>	<b>50%</b>
<b>Profit for the Period from Continuing Operations Before Tax</b>	<b>271,851</b>	<b>312,341</b>	<b>312,341</b>	<b>-13%</b>
<b>Discontinued Operations</b>				
Profit for the Period from Discontinued Operations (Net of Tax)	-	-	(78,532)	
<b>Profit Before Taxation</b>	<b>271,851</b>	<b>312,341</b>	<b>233,809</b>	<b>-13%</b>
Income Tax Expense	-	-	-	
<b>Total Profit for the Period</b>	<b>271,851</b>	<b>312,341</b>	<b>233,809</b>	<b>-13%</b>
<b>Profit from Continuing Operations Attributable To;</b>				
Owners of the Parent	271,851	312,341	312,341	
Non Controlling Interest	-	-	-	
	<b>271,851</b>	<b>312,341</b>	<b>312,341</b>	<b>-13%</b>
<b>Profit from Discontinued Operations Attributable To;</b>				
Owners of the Parent	-	-	(78,532)	
Non Controlling Interest	-	-	-	
	-	-	<b>(78,532)</b>	
<b>Basic/Diluted Earnings Per Share</b>				
Continuing Operations	0.72	0.83	0.83	
Discontinued Operations	-	-	(0.21)	

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

\* Change represents current year against prior year figures of the Company.

**SOFTLOGIC LIFE INSURANCE PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the three months ended 30 June	COMPANY		GROUP
	2017	2016	2016
	Rs. ' 000 Audited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
Profit for the Period from Continuing Operations	271,851	312,341	312,341
Profit for the Period from Discontinued Operations	-	-	(78,532)
	<b>271,851</b>	<b>312,341</b>	<b>233,809</b>
<b><u>Other Comprehensive Income</u></b>			
<b>Items that are or may be reclassified to profit or loss</b>			
Available for sale financial asset - net change in fair value	28,934	1,798	(114,011)
Available for sale financial asset - net change in fair value -Life fund	292,618	126,331	(590,677)
Available for sale financial assets reclassified to income statement	(40,076)	915	3,185
<b>Other Comprehensive Income from Continuing Operations, net of tax</b>	<b>281,476</b>	<b>129,044</b>	<b>(701,503)</b>
Other Comprehensive Income from Discontinued Operations, net of tax (Note 8.1.b)	-	-	(72,165)
<b>Total comprehensive income for the period</b>	<b>553,327</b>	<b>441,385</b>	<b>(539,859)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	553,327	441,385	(539,859)
Non - controlling interests	-	-	-
	<b>553,327</b>	<b>441,385</b>	<b>(539,859)</b>



**SOFTLOGIC LIFE INSURANCE PLC**  
**STATEMENT OF CASH FLOWS**

For the six months ended 30 June	COMPANY		GROUP
	2017	2016	2016
	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Audited	Unaudited	Unaudited
<b>Continuing Operation</b>			
<b>Cash Flows Operating Activities</b>			
Profit before Taxation	757,880	579,494	579,494
<b>Adjustments for :</b>			
Notional tax Income	-	(21,796)	(21,796)
Depreciation of Property, Plant and Equipments	42,561	32,120	32,120
Amortization of Intangible Assets	3,177	5,486	5,486
Provision for Employee Benefits	10,907	6,381	6,381
Net Realized (Gains)	28,979	(28,259)	(28,259)
Net Fair value Losses/(Gains)	(105,100)	80,667	80,667
Net Amortization of Financial Investments	1,027	-	-
	<b>739,432</b>	<b>654,093</b>	<b>654,093</b>
Change in Operating Assets	(51,801)	(342,686)	(342,686)
Change in Operating Liabilities	264,065	435,160	435,160
<b>Cashflows from Operating Activities</b>	<b>951,696</b>	<b>746,567</b>	<b>746,567</b>
Gratuity paid	(495)	(202)	(202)
Income tax paid	-	-	-
<b>Net Cash Generated from Operating Activities</b>	<b>951,201</b>	<b>746,365</b>	<b>746,365</b>
<b>Cash Flows Investing Activities</b>			
Acquisition of Subsidiary	-	(300,000)	(300,000)
Net Acquisition of Financial Securities	(108,205)	(905,842)	(905,842)
Net Acquisition / Capitalization of Property, Plant and Equipment	(61,746)	(88,951)	(88,951)
Acquisition of Intangible Assets	-	(2,886)	(2,886)
<b>Net Cash (used in )/ Generated from Investing Activities</b>	<b>(169,951)</b>	<b>(1,297,679)</b>	<b>(1,297,679)</b>
<b>Cash Flows Financing Activities</b>			
Dividend Paid	(729,000)	-	-
Short Term Borrowings Repayments	(160,000)	-	-
Short Term Borrowings Obtained	160,000	300,000	300,000
<b>Net Cash (used in )/ Generated from Financing Activities</b>	<b>(729,000)</b>	<b>300,000</b>	<b>300,000</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>52,249</b>	<b>(251,314)</b>	<b>(251,314)</b>
<b>Net cash and cash equivalents as at the Beginning of the year</b>	101,088	(169,146)	(169,146)
<b>Net cash and cash equivalents as at the end of the year - Continued Operation</b>	<b>153,337</b>	<b>(420,460)</b>	<b>(420,460)</b>
<b>Net Cashflows from Discontinued Operations (Note 8.2)</b>	-	-	32,516
<b>Notes to the Cashflow Statement</b>			
<b>A. Change in Operating Assets</b>			
(Increase) / Decrease in Loans to Life Policyholders	29,350	(5,926)	(5,926)
(Increase) / Decrease in Reinsurance Receivables	(89,589)	(163,232)	(163,232)
(Increase) / Decrease in Premium Receivables	(68,298)	(41,701)	(41,701)
(Increase) / Decrease in Receivable and Other Assets	76,736	(131,827)	(131,827)
	<b>(51,801)</b>	<b>(342,686)</b>	<b>(342,686)</b>
<b>B. Change in Operating Liabilities</b>			
Increase / (Decrease) in Insurance Contract Liabilities	210,241	265,242	265,242
Increase / (Decrease) in Reinsurance Payables	128,589	201,804	201,804
Increase / (Decrease) in Other Liabilities	(74,765)	(31,886)	(31,886)
	<b>264,065</b>	<b>435,160</b>	<b>435,160</b>
<b>C. Increase in Cash and Cash Equivalents</b>			
Cash and Cash Equivalents	313,212	351,168	351,168
Bank overdrafts	(159,875)	(771,628)	(771,628)
<b>Net cash and cash equivalents as at 30 June</b>	<b>153,337</b>	<b>(420,460)</b>	<b>(420,460)</b>
Net cash and cash equivalents as at the Beginning of the period	101,088	(169,146)	(169,146)
<b>Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>52,249</b>	<b>(251,314)</b>	<b>(251,314)</b>

**SOFTLOGIC LIFE INSURANCE PLC**  
**STATEMENT OF FINANCIAL POSITION - LIFE INSURANCE FUND**

As at	30.06.2017 Rs. ' 000 Audited	31.12.2016 Rs. ' 000 Restated Audited
<b>Assets</b>		
Intangible Assets	-	7,809
Property, Plant and Equipment	216,861	424,362
Financial Investments	7,239,351	6,869,209
Loans to Life Policyholders	133,098	159,338
Reinsurance Receivables	175,529	85,940
Premium Receivables	160,616	92,333
Other Assets	170,596	398,887
Cash and Cash Equivalents	312,745	232,087
<b>Total Assets</b>	<b>8,408,796</b>	<b>8,269,965</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Other Reserves	(604,899)	(815,254)
Revaluation Reserve	24,903	24,903
<b>Total Equity</b>	<b>(579,996)</b>	<b>(790,351)</b>
<b>Liabilities</b>		
Insurance Contract Liabilities	7,145,288	6,935,047
Employee Benefits	62,404	51,992
Reinsurance Payable	267,851	139,262
Amounts due to Related Companies	3,331	-
Other Liabilities	1,350,043	1,814,709
Bank Overdraft	159,875	119,306
<b>Total Liabilities</b>	<b>8,988,792</b>	<b>9,060,316</b>
<b>Total Equity and Liabilities</b>	<b>8,408,796</b>	<b>8,269,965</b>

**1 REPORTING ENTITY**

Softlogic Life 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 three months ended 30 June 2017 were authorised for issue by the Board of Directors on 16th August 2017.

**3 BASIS OF PREPARATION**

The Condensed 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 2016.

The same Accounting Policies and methods of computation as stated in the Annual Financial Statements - 2016 have been followed in preparation of these 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 Interim Financial Statements.

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 Interim Financial Statements for the period ended 30 June 2017 are audited .

**5 GROSS WRITTEN PREMIUM**

For the six months ended 30 June	COMPANY	
	2017 Rs.' 000 Audited	2016 Rs.' 000 Unaudited
<b>Life Insurance-Continued</b>		
First Year Premium	932,378	797,881
Renewal Premium	2,035,942	1,568,718
Group Life Premium	111,823	131,036
Single Premium	291,210	267,205
<b>Total Life Insurance Gross Written Premium</b>	<b>3,371,353</b>	<b>2,764,840</b>

**6 TOTAL NET REVENUE**

For the six months ended 30 June	COMPANY	
	2017 Rs.' 000 Audited	2016 Rs.' 000 Unaudited
Continuing Operations-Life Insurance Net Revenue	3,575,083	2,750,636
	<b>3,575,083</b>	<b>2,750,636</b>

**7 PROFIT BEFORE TAXATION**

For the six months ended 30 June	COMPANY	
	2017 Rs.' 000 Audited	2016 Rs.' 000 Unaudited
Continuing Operations-Life Insurance Total	757,880	579,494
	<b>757,880</b>	<b>579,494</b>

**8 RESULTS OF DISCONTINUED OPERATIONS**

**8.1 Summarised Income Statement of Discontinued Operation**

8.1.a For the period ended	Rs. '000
	30 - June 2016 Unaudited
Gross Written Premium	1,147,118
Net Earned Premium	846,390
Investment Income and Other Income	84,128
<b>Total Net Revenue</b>	<b>930,518</b>
Net Insurance Benefits and Claims	(629,633)
Underwriting and net Acquisition Cost	(119,346)
Other Operating ,Administration and Finance Expenses	(306,326)
<b>Loss Before Taxation</b>	<b>(124,787)</b>
Income Tax Expenses	(8,478)
<b>Loss from Discontinued Operations</b>	<b>(133,265)</b>

8 RESULTS OF DISCONTINUED OPERATIONS (Cont.)	Rs. '000 30 - June 2016 Unaudited
<b>8.1.b Other Comprehensive Income</b>	
Available for sale financial asset -net change in fair value	(74,292)
Available for sale financial assets reclassified to income statement	1,418
Tax on Other Comprehensive Income	9,170
<b>Total other Comprehensive income net of tax</b>	<b>(63,704)</b>
<b>Total Comprehensive income for the period</b>	<b>(63,704)</b>

8.2 Summserised Cashflow Statement of Discontinued Operation	Rs. '000 30 - June 2016 Unaudited
<b>For the period ended</b>	
Net Cash Generated from Operating Activities	49,646
Net Cash (used in )/ Generated from Investing Activities	322,931
Net Cash (used in ) / Generated from Financing Activities	-
	<u>372,577</u>
Net cash and cash equivalents as at the Beginning of the year	(340,061)
Net cash and cash equivalents as at the end of the year	<b><u>32,516</u></b>

## 9 FINANCIAL INVESTMENTS

As at

		Company	
		June-2017 Rs. '000 Audited	Dec-2016 Rs. '000 Audited
Held to Maturity (HTM)	Note 9.1	235,770	233,041
Loans and Receivables (L & R)	Note 9.2	289,410	482,520
Available - for - Sale (AFS)	Note 9.3	7,138,548	6,973,740
Fair Value Through Profit or Loss (FVTPL)	Note 9.4	873,559	528,985
<b>Total Financial Investments</b>		<b>8,537,286</b>	<b>8,218,287</b>

As at

		Company	
		June-2017 Rs. '000 Audited	Dec-2016 Rs. '000 Audited
<b>9.1 Held to Maturity (HTM)</b>			
Treasury Bonds		235,770	233,041
		<b>235,770</b>	<b>233,041</b>
<b>9.2 Loans and Receivables (L &amp; R)</b>			
Debt Securities - Bank Deposits	Note 9.2.a	50,540	200,095
- Commercial Paper	Note 9.2.b	158,870	-
Overnight Reverse Repo		80,000	282,426
		<b>289,410</b>	<b>482,520</b>
<b>9.2.a Bank Deposits (L&amp; R)</b>			
Licensed Commercial Banks		50,540	200,095
		<b>50,540</b>	<b>200,095</b>
<b>9.2.b Commercial Paper (L &amp; R)</b>			
First Capital Holdings PLC		158,870	-
		<b>158,870</b>	<b>-</b>
<b>9.3 Available - for - Sale (AFS)</b>			
Debt Securities			
- Debentures		1,489,946	1,554,430
Equity Securities			
- Quoted		1,362,119	1,428,296
- Un Quoted		369,700	369,700
Treasury Bonds		3,916,783	3,621,314
		<b>7,138,548</b>	<b>6,973,740</b>
<b>9.4 Fair Value Through Profit or Loss (FVTPL)</b>			
Equity Securities		860,626	528,985
Financial Derivatives		12,933	-
		<b>873,559</b>	<b>528,985</b>

**10 INSURANCE CONTRACT LIABILITIES**

As at		Company June-2017 Rs. '000	Company Dec-16 Rs. '000 Restated Audited
Insurance Contract Liabilities		2,041,328	1,814,822
Surplus Created due to Change in Valuation method from NPV to GPV	<i>10.1.a</i>	4,814,795	4,814,795
Unclaimed benefits		289,165	305,430
		<b>7,145,288</b>	<b>6,935,047</b>

**10.1 Surplus Created due to Change in Valuation method from NPV to GPV**

As per the Solvency Margin Rules (Risk Based Capital) which has been enacted with effect from 01<sup>st</sup> January 2016, All Insurance Companies are required to value the Life Insurance Policy Liabilities as per the Gross Premium Valuation (GPV) method.

The change in the valuation method from Net Premium Valuation (NPV) which was computed based on Solvency Margin Rules 2002 to Gross Premium Valuation (GPV) resulted a one off release in policy liabilities amounting to Rs. 4,815 Million based on the non zeroed negative liability basis as disclosed in the Audited Financial statements 31st December 2016. Further as disclosed in Note 10.1.b. the

Company disclosed "Surplus created due to Change in Valuation method from NPV to GPV on zeroed negative liability including policy liabilities as at 31st December 2015.

The Insurance Board of Sri Lanka (IBSL) has directed all insurance companies not to transfer or distribute the "Surplus created due to change in valuation method from NPV to GPV" and to maintain it within the long term insurance fund until specific instructions are issued by the IBSL.

**10.1.a One-off Surplus (Non Zeroed negative liability basis - Product Level)**

	Participating Fund Rs'000'	Non-Participating Fund Rs'000'	Total Rs'000'
Value of Insurance Contract Liability based on Independent Actuary-NPV as at 31st December 2015	3,866,780	2,472,575	6,339,355
Value of Insurance Contract Liability based on Independent Actuary-GPV as at 31st December 2015	2,810,245	(1,285,685)	1,524,560
<b>Surplus Created due to Change in Valuation method from NPV to GPV</b>	<b>1,056,535</b>	<b>3,758,260</b>	<b>4,814,795</b>

**10.1.b One-off Surplus (Zeroed negative liability basis - Product Level)**

	Participating Fund Rs'000'	Non-Participating Fund Rs'000'	Total Rs'000'
Value of Insurance Contract Liability based on Independent Actuary-NPV as at 31st December 2015	3,866,780	2,472,575	6,339,355
Surplus Created due to Change in Valuation method from NPV to GPV	2,810,245	1,674,571	4,484,816
<b>Surplus Created due to Change in Valuation method from NPV to GPV</b>	<b>1,056,535</b>	<b>798,004</b>	<b>1,854,539</b>

An amount of Rs. 235 million declared as surplus for the quarter ended 30th June 2017 in addition to the Surplus of Rs. 440 Mn declared in Quarter ended 31st March 2017 from Non Participating Fund, as approved by appointed Actuary Mr. Kunj Behari Maheshwari, Messrs. Wills Towers Watson subject to strict conditions of Insurance Board of Sri Lanka (IBSL) being complied with by the Company. A restriction on surplus transfers has been placed in respect of any surplus arising due to negative liabilities that represent expected net positive cash-flows arising from insurance contracts in the future, and hence have currently not been realised. The Company undertakes to transfer back the retained earnings to Non-participating fund in the event of any deficit recorded in the non-participating fund including subsequent to an independent verification done by IBSL. (This will not prevent IBSL requiring the Company to transfer back funds from shareholder's fund to non-participating fund in an event of any deficit recorded in the non-participating fund by the Company). Financial Statements as at 30<sup>th</sup> June 2017 were audited by Messrs, KPMG.

**10.2.a Life Fund**

**Valuation of Life Insurance Fund - (Non Zeroed Basis of Negative Liabilities) as at 30th June 2017**

	Participating Fund Rs'000'	Non-Participating Fund Rs'000'	Total Rs'000'
Insurance Contract Liabilities	4,096,812	(2,055,484)	2,041,328
Surplus Created due to Change in Valuation method from NPV to GPV	1,056,535	3,758,260	4,814,795
<b>Total Life Fund</b>	<b>5,153,347</b>	<b>1,702,776</b>	<b>6,856,123</b>

**Valuation of Life Insurance Fund - (Zeroed Basis of Negative Liabilities- Product Level) as at 30th June 2017**

	Participating Fund Rs'000'	Non-Participating Fund Rs'000'	Total Rs'000'
Insurance Contract Liabilities	4,096,812	904,772	5,001,584
Surplus Created due to Change in Valuation method from NPV to GPV	1,056,535	798,004	1,854,539
<b>Total Life Fund</b>	<b>5,153,347</b>	<b>1,702,776</b>	<b>6,856,123</b>

**10.2.b Retained earnings are restricted for further distribution.**

**10.3 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 was carried out annually.

**11 CAPITAL COMMITMENTS AND CONTINGENCIES**

**11.1 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.

**11.2 Contingencies**

The Contingent Liability of the Company as at 30 June 2017, 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.

**11.2 Contingencies (Cont.)**

**Life Insurance Taxation**

- b) The Company has received a tax assessments letter for Life Insurance taxation for the year 2010 and 2011. 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. The Commissioner General of Inland Revenue has determined the assessment and the Company has appealed to the Tax Appeals Commission. 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. 506 Million.
- c) The Company has received a notice of assessments letter for Life Insurance taxation for the years 2012, 2013 and 2014. 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. 1,536 Million.

**11.3 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 interim financial statements.

**12 EVENTS AFTER THE REPORTING PERIOD**

No circumstances have arisen since the reporting date which would require adjustments or disclosure in the Financial Statements.

**13 COMPARATIVE INFORMATION**

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

**14 SHARE INFORMATION**

	Company	
	30.06.2017	31.12.2016
<b>Net Assets Per Share (Rs)</b>	5.46	5.23
<b><u>Market Price Per Share</u></b>		
Last traded price as at 30 June 2017	23.00	20.50
Highest traded price per share for the Quarter (Apr-Jun)	24.00	23.90
Lowest traded price per share for the Quarter (Apr-Jun)	19.00	18.60

**15 STATED CAPITAL**

As at	Company	
	30.06.2017 Rs.' 000	31.12.2016 Rs.' 000
Stated Capital	<b>1,062,500</b>	<b>1,062,500</b>
No of Ordinary Shares	375,000,000	375,000,000

**16 BASIC & DILUTED EARNING PER SHARE (EPS)**

	Company		Group
	30.06.2017	30.06.2017	30.06.2016
Profit attributable to Ordinary Shareholders from Continuing Operation (Rs. 000)	757,880	579,494	579,494
Loss attributable to Ordinary Shareholders from Discontinuing Operation (Rs. 000)	-	-	(133,265)
Weighted Average No of shares as at 30th June	375,000,000	375,000,000	375,000,000
Basic/Diluted Earning per share - Continuing Operation (Rs.)	2.02	1.55	1.55
Basic/Diluted Loss per share - Discontinuing Operation (Rs.)	-	-	(0.36)

**18 TWENTY LARGEST SHAREHOLDERS**

Name of Shareholder	30.06.2017	
	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 Investiti	71,250,000	19.00
3 Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	71,250,000	19.00
4 J.B. Cocoshell (Pvt) Ltd	2,048,216	0.55
5 Sandwave Limited	1,259,674	0.34
6 Mr. Goonetilleke Gajath Chrysantha	775,500	0.21
7 Mr. Ananda Rajapaksha Rathnayaka Sarath	615,950	0.16
8 Elgin Investments Limited.	334,997	0.09
9 People'S Leasing & Finance Plc/Mr.C.D Kohomban Wickramage	298,405	0.08
10 Mr. Ekanayaka Nahimala Welegedara Senarath Bandara	205,000	0.05
11 Softlogic Holdings Plc	175,550	0.05
12 Seylan Bank PLC/Mohamed Mushtaq fuad	148,700	0.04
13 People'S Leasing & Finance Plc/Mr.D.M.P.Disanayake	131,852	0.04
14 People'S Leasing & Finance Plc/Mr.L.P Hapangama	117,630	0.03
15 Waldock Mackenzie Ltd/Mr. M.Z.M. Wafik	113,790	0.03
16 Semasinghe Nawaratna Chandrasekara Wanninayaka Mudiyansele Bandara Chandrasekara	101,000	0.03
17 Ms. Galappatti Merennage Roshini Hasamali	100,000	0.03
18 Mr. Gunatunga (Deceased) Edgar	100,000	0.03
19 Union Investments Private Ltd	100,000	0.03
20 Oakley Investments Limited	91,230	0.02
Others	371,170,304	99.00
<b>Total</b>	<b>3,829,696</b>	<b>1.00</b>
	<b>375,000,000</b>	<b>100.00</b>

**19 PUBLIC SHAREHOLDING**

The percentage of shares held by the public as at 30 June 2017 was 2.77 % ( 31 December 2016 - 2.77 %) and a number of public shareholders as at 30 June 2017 was 969 ( 31 December 2016 - 1,060 ).

**20 DIRECTORS' SHARE HOLDINGS**

As at 30 June Name of The Director	2017	
	No of Shares	%
Mr.A. K. Pathirage (Chairman)	Nil	Nil
Mr. J. H. Paul Ratnayake (Deputy Chairman)	Nil	Nil
Mr. T. M. I. Ahamed (Managing Director / CEO)	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

**21 RELATED PARTY DISCLOSURES**

**21.1 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) and the Members of the Executive Committee 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.

For the three months ended 30 June	Company		Group
	2017 Rs.' 000	2016 Rs.' 000	2016 Rs.' 000
<b>Transactions with the Ultimate Parent &amp; Parent</b>			
Investments	54,315	188,004	188,004
Insurance Premiums	-	-	1,654
Rendering / Receiving of services	59,871	56,176	60,548
Interest & Maturity received	-	11,331	11,331
Expenses	817	658	658
Claims Paid	-	1,514	3,028
<b>Transactions with Subsidiary</b>			
Equity investment	-	1,400,000	-
<b>Transactions with Companies under Common Control</b>			
Investments	132,550	144,253	144,253
Insurance Premiums	277	-	65,059
Purchases of property plant & equipment	23,986	7,716	7,943
Interest & Maturity received	-	2,393	2,393
Dividend received	2,750	2,376	2,376
Claims Paid	-	15,211	30,852
Expenses	35,868	30,182	31,820
<b>Companies controlled / jointly controlled / significantly influenced by KMP and their close family members</b>			
Insurance Premiums	-	1,314	-
Claims Paid	-	552	-
Professional Charges	852	314	-
Expenses	-	1,042	-