

# INTERIM FINANCIAL STATEMENTS

30<sup>th</sup> September 2017

softlogic  
**LiFE**

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

For the nine months ended 30 September	Note	COMPANY		GROUP	CHANGE*
		2017	2016	2016	
		Rs. ' 000 Audited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	
<b>Continuing Operations</b>					
Gross Written Premium	5	5,282,777	4,145,998	4,145,998	27%
Premiums ceded to Reinsurers		(571,302)	(433,789)	(433,789)	32%
<b>Net Earned Premium</b>		<b>4,711,475</b>	<b>3,712,209</b>	<b>3,712,209</b>	27%
<b>Other Revenue</b>					
Finance Income		650,330	486,265	486,265	34%
Net Realized Gains		22,853	73,529	73,529	-69%
Net Fair value (Losses)/Gains		104,145	(42,342)	(42,342)	-346%
Other Operating Income		56,864	-	-	100%
		<b>834,192</b>	<b>517,452</b>	<b>517,452</b>	61%
<b>Total Net Revenue</b>	<b>6</b>	<b>5,545,667</b>	<b>4,229,661</b>	<b>4,229,661</b>	31%
<b>Benefits, Claims and Expenses</b>					
Net Insurance Benefits and Claims		(955,066)	(762,026)	(762,026)	25%
Increase in Life Fund		(860,256)	(204,754)	(204,754)	320%
Underwriting and net Acquisition Cost		(1,319,554)	(1,205,366)	(1,205,366)	9%
Other Operating and Administration Expenses		(1,639,363)	(1,130,750)	(1,130,750)	45%
Finance Cost		(16,576)	(17,451)	(17,451)	-5%
<b>Total Benefits, Losses and Expenses</b>		<b>(4,790,815)</b>	<b>(3,320,347)</b>	<b>(3,320,347)</b>	44%
<b>Profit for the Period from Continuing Operations Before Tax</b>		<b>754,852</b>	<b>909,314</b>	<b>909,314</b>	-17%
<b>Discontinued Operations</b>					
Profit for the Period from Discontinued Operations (Net of Tax)	8.1.a	-	-	(310,340)	
<b>Profit Before Taxation</b>	<b>7</b>	<b>754,852</b>	<b>909,314</b>	<b>598,974</b>	-17%
Income Tax Expense		-	-	-	
<b>Total Profit for the Period</b>		<b>754,852</b>	<b>909,314</b>	<b>598,974</b>	-17%
<b>Profit from Continuing Operations Attributable To;</b>					
Owners of the Parent		754,852	909,314	909,314	
Non Controlling Interest		-	-	-	
		<b>754,852</b>	<b>909,314</b>	<b>909,314</b>	-17%
<b>Profit from Discontinued Operations Attributable To;</b>					
Owners of the Parent		-	-	(310,340)	
Non Controlling Interest		-	-	-	
		-	-	<b>(310,340)</b>	
<b>Basic/Diluted Earnings Per Share (Rs.)</b>					
	<b>16</b>				
Continuing Operations		2.01	2.42	2.42	
Discontinued Operations		-	-	(0.83)	

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 nine months ended 30 September	COMPANY		GROUP
	2017	2016	2016
	Rs. ' 000 Audited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
Profit for the Period from Continuing Operations	754,852	909,314	909,314
Profit for the Period from Discontinued Operations	-	-	(310,340)
	<b>754,852</b>	<b>909,314</b>	<b>598,974</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	(178,509)	(149,932)	(149,932)
Available for sale financial asset - net change in fair value -Life fund	457,521	(397,583)	(397,583)
Available for sale financial assets reclassified to income statement	5,537	(8,824)	(8,824)
<b>Other Comprehensive Income from Continuing Operations, net of tax</b>	<b>284,549</b>	<b>(556,339)</b>	<b>(556,339)</b>
Other Comprehensive Income from Discontinued Operations, net of tax (Note 8.1.b)	-	-	145,317
<b>Total comprehensive income for the period</b>	<b>1,039,401</b>	<b>352,975</b>	<b>187,952</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	1,039,401	352,975	187,952
Non - controlling interests	-	-	-
	<b>1,039,401</b>	<b>352,975</b>	<b>187,952</b>

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

As at	Note	COMPANY	
		30.09.2017	31.12.2016
		Rs. ' 000	Rs. ' 000
		Audited	Audited
<b>Assets</b>			
Intangible Assets		8,474	13,236
Property, Plant and Equipment		525,547	485,014
Financial Investments	9	9,188,468	8,218,287
Loans to Life Policyholders and Others		141,463	162,448
Reinsurance Receivables		420,398	85,940
Premium Receivables		222,905	92,318
Other Assets		471,545	627,810
Cash and Cash Equivalents		284,730	232,554
<b>Total Assets</b>		<b>11,263,530</b>	<b>9,917,607</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated Capital		1,062,500	1,062,500
Other Reserves		(1,063,964)	(1,348,513)
Revaluation Reserve		24,903	24,903
Retained Earnings		2,168,129	2,223,276
<b>Total Equity</b>		<b>2,191,568</b>	<b>1,962,166</b>
<b>Liabilities</b>			
Insurance Contract Liabilities	10	7,747,598	6,935,047
Employee Benefits		86,585	73,436
Reinsurance Payable		438,248	139,262
Amounts due to Related Companies		3,405	27,621
Other Liabilities		704,781	648,609
Bank Overdraft		91,345	131,466
<b>Total Liabilities</b>		<b>9,071,962</b>	<b>7,955,441</b>
<b>Total Equity and Liabilities</b>		<b>11,263,530</b>	<b>9,917,607</b>
<b>Net Asset per Share</b>		5.84	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  
9th November 2017

(Sgd.)

**Director**

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

For the nine months ended 30 September	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	-	-	-	909,314	909,314
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(149,932)	-	-	(149,932)
Available for sale financial asset - net change in fair value - Life fund	-	(397,583)	-	-	(397,583)
Available for sale financial assets reclassified to income statement	-	(8,824)	-	-	(8,824)
<b>Total Other Comprehensive income</b>	<b>-</b>	<b>(556,339)</b>	<b>-</b>	<b>-</b>	<b>(556,339)</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>(556,339)</b>	<b>-</b>	<b>909,314</b>	<b>352,975</b>
<b>Balance as at 30 September 2016</b>	<b>1,062,500</b>	<b>(1,051,462)</b>	<b>24,903</b>	<b>2,379,051</b>	<b>2,414,992</b>
Profit for the Period	-	-	-	57,529	57,529
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(10,378)	-	-	(10,378)
Available for sale financial asset - net change in fair value - Life fund	-	(278,370)	-	-	(278,370)
Available for sale financial assets reclassified to income statement	-	(8,303)	-	-	(8,303)
Remeasurement of defined benefit (liability)/asset	-	-	-	(13,304)	(13,304)
<b>Total Other Comprehensive income</b>	<b>-</b>	<b>(297,051)</b>	<b>-</b>	<b>(13,304)</b>	<b>(310,355)</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>(297,051)</b>	<b>-</b>	<b>44,225</b>	<b>(252,826)</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>754,852</b>	<b>754,852</b>
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(178,509)	-	-	(178,509)
Available for sale financial asset - net change in fair value - Life fund	-	457,521	-	-	457,521
Available for sale financial assets reclassified to income statement	-	5,537	-	-	5,537
<b>Total other Comprehensive income</b>	<b>-</b>	<b>284,549</b>	<b>-</b>	<b>-</b>	<b>284,549</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>284,549</b>	<b>-</b>	<b>754,852</b>	<b>1,039,401</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 September 2017</b>	<b>1,062,500</b>	<b>(1,063,964)</b>	<b>24,903</b>	<b>2,168,129</b>	<b>2,191,568</b>

\* Refer note 10.4

SOFTLOGIC LIFE INSURANCE PLC  
STATEMENT OF CHANGES IN EQUITY - GROUP

For the nine months ended 30 September	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	-	-	-	598,974	598,974
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(149,932)	-	-	(149,932)
Available for sale financial asset - net change in fair value - Life fund	-	(397,583)	-	-	(397,583)
Available for sale financial assets reclassified to income statement	-	(8,824)	-	-	(8,824)
<b>Other Comprehensive Income from Continuing Operations</b>	<b>-</b>	<b>(556,339)</b>	<b>-</b>	<b>-</b>	<b>(556,339)</b>
Other Comprehensive Income from Discontinued Operations, net of tax	-	145,317	-	-	145,317
<b>Total Other Comprehensive income</b>	<b>-</b>	<b>(411,022)</b>	<b>-</b>	<b>-</b>	<b>(411,022)</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>(411,022)</b>	<b>-</b>	<b>598,974</b>	<b>187,952</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 September 2016</b>	<b>1,062,500</b>	<b>(1,051,462)</b>	<b>24,903</b>	<b>1,999,391</b>	<b>2,035,332</b>
Profit for the Period	-	-	-	437,189	437,189
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(10,378)	-	-	(10,378)
Available for sale financial asset - net change in fair value - Life fund	-	(278,370)	-	-	(278,370)
Available for sale financial assets reclassified to income statement	-	(8,303)	-	-	(8,303)
Remeasurement of defined benefit (liability)/asset	-	-	-	(13,304)	(13,304)
<b>Other Comprehensive Income from Continuing Operations</b>	<b>-</b>	<b>(297,051)</b>	<b>-</b>	<b>(13,304)</b>	<b>(310,355)</b>
Other Comprehensive Income from Discontinued Operations, net of tax	-	-	-	-	-
<b>Total Other Comprehensive income</b>	<b>-</b>	<b>(297,051)</b>	<b>-</b>	<b>(13,304)</b>	<b>(310,355)</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>(297,051)</b>	<b>-</b>	<b>423,885</b>	<b>126,834</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>754,852</b>	<b>754,852</b>
<b>Other Comprehensive Income for the Period</b>					
Available for sale financial asset -net change in fair value	-	(178,509)	-	-	(178,509)
Available for sale financial asset - net change in fair value - Life fund	-	457,521	-	-	457,521
Available for sale financial assets reclassified to income statement	-	5,537	-	-	5,537
Remeasurement of defined benefit (liability)/asset	-	-	-	-	-
<b>Other Comprehensive Income</b>	<b>-</b>	<b>284,549</b>	<b>-</b>	<b>-</b>	<b>284,549</b>
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>284,549</b>	<b>-</b>	<b>754,852</b>	<b>1,039,401</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 September 2017</b>	<b>1,062,500</b>	<b>(1,063,964)</b>	<b>24,903</b>	<b>2,168,129</b>	<b>2,191,568</b>

\* Refer note 10.4

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

For the three months ended 30 September	COMPANY		GROUP	CHANGE*
	2017	2016	2016	
	Rs. ' 000 Audited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	%
<b>Continuing Operations</b>				
Gross Written Premium	1,911,424	1,381,158	1,381,158	38%
Premiums ceded to Reinsurers	(205,072)	(151,865)	(151,865)	35%
<b>Net Earned Premium</b>	<b>1,706,352</b>	<b>1,229,293</b>	<b>1,229,293</b>	<b>39%</b>
<b>Other Revenue</b>				
Finance Income	203,274	166,137	166,137	22%
Net Realized Gains	51,832	45,270	45,270	14%
Net Fair value (Losses)/Gains	(955)	38,325	38,325	-102%
Other Operating Income	10,081	-	-	100%
	<b>264,232</b>	<b>249,732</b>	<b>249,732</b>	<b>6%</b>
<b>Total Net Revenue</b>	<b>1,970,584</b>	<b>1,479,025</b>	<b>1,479,025</b>	<b>33%</b>
<b>Benefits, Claims and Expenses</b>				
Net Insurance Benefits and Claims	(336,916)	(317,545)	(317,545)	6%
Increase in Life Fund	(633,749)	15,221	15,221	-4264%
Underwriting and net Acquisition Cost	(422,220)	(409,948)	(409,948)	3%
Other Operating and Administration Expenses	(576,187)	(425,168)	(425,168)	36%
Finance Cost	(4,540)	(11,765)	(11,765)	-61%
<b>Total Benefits, Losses and Expenses</b>	<b>(1,973,612)</b>	<b>(1,149,205)</b>	<b>(1,149,205)</b>	<b>72%</b>
<b>Profit for the Period from Continuing Operations Before Tax</b>	<b>(3,028)</b>	<b>329,820</b>	<b>329,820</b>	<b>-101%</b>
<b>Discontinued Operations</b>				
Profit for the Period from Discontinued Operations (Net of Tax)	-	-	(177,075)	
<b>Profit Before Taxation</b>	<b>(3,028)</b>	<b>329,820</b>	<b>152,745</b>	<b>-101%</b>
Income Tax Expense	-	-	-	
<b>Total Profit for the Period</b>	<b>(3,028)</b>	<b>329,820</b>	<b>152,745</b>	<b>-101%</b>
<b>Profit from Continuing Operations Attributable To;</b>				
Owners of the Parent	(3,028)	329,820	329,820	
Non Controlling Interest	-	-	-	
	<b>(3,028)</b>	<b>329,820</b>	<b>329,820</b>	<b>-101%</b>
<b>Profit from Discontinued Operations Attributable To;</b>				
Owners of the Parent	-	-	(177,075)	
Non Controlling Interest	-	-	-	
	-	-	<b>(177,075)</b>	
<b>Basic/Diluted Earnings Per Share (Rs.)</b>				
Continuing Operations	(0.01)	0.88	0.88	
Discontinued Operations	-	-	(0.47)	

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 September	COMPANY		GROUP
	2017	2016	2016
	Rs. ' 000 Audited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
Profit for the Period from Continuing Operations	(3,028)	329,820	329,820
Profit for the Period from Discontinued Operations	-	-	(177,075)
	<b>(3,028)</b>	<b>329,820</b>	<b>152,745</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	(103,854)	(37,719)	(37,719)
Available for sale financial asset - net change in fair value -Life fund	207,038	66,763	66,763
Available for sale financial assets reclassified to income statement	45,665	(12,924)	(12,924)
<b>Other Comprehensive Income from Continuing Operations, net of tax</b>	<b>148,849</b>	<b>16,120</b>	<b>16,120</b>
Other Comprehensive Income from Discontinued Operations, net of tax	-	-	209,021
<b>Total comprehensive income for the period</b>	<b>145,821</b>	<b>345,940</b>	<b>377,886</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	145,821	345,940	377,886
Non - controlling interests	-	-	-
	<b>145,821</b>	<b>345,940</b>	<b>377,886</b>



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

For the nine months ended 30 September	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	754,852	909,314	909,314
<b>Adjustments for :</b>			
Depreciation of Property, Plant and Equipments	66,025	52,259	52,259
Amortization of Intangible Assets	4,762	7,161	7,161
Provision for Employee Benefits	16,361	9,817	9,817
Net Realized (Gains)	(22,854)	(73,529)	(73,529)
Net Fair value Losses/(Gains)	(104,145)	42,342	42,342
Net Amortization of Financial Investments	(43,689)	-	-
	<b>671,311</b>	<b>947,364</b>	<b>947,364</b>
Change in Operating Assets	(368,793)	(272,828)	(272,828)
Change in Operating Liabilities	1,143,493	636,169	636,169
<b>Cashflows from Operating Activities</b>	<b>1,446,011</b>	<b>1,310,705</b>	<b>1,310,705</b>
Gratuity paid	(3,212)	(599)	(599)
<b>Net Cash Generated from Operating Activities</b>	<b>1,442,799</b>	<b>1,310,106</b>	<b>1,310,106</b>
<b>Cash Flows Investing Activities</b>			
Acquisition of Subsidiary	-	(600,000)	(600,000)
Net Acquisition of Financial Securities	(514,944)	(991,521)	(991,521)
Net Acquisition / Capitalization of of Property, Plant and Equipment	(106,558)	(97,512)	(97,512)
Acquisition of of Intangible Assets	-	(3,148)	(3,148)
<b>Net Cash (used in )/ Generated from Investing Activities</b>	<b>(621,502)</b>	<b>(1,692,181)</b>	<b>(1,692,181)</b>
<b>Cash Flows Financing Activities</b>			
Dividend Paid	(729,000)	(180,000)	(180,000)
Net Short Term Borrowings	-	569,775	569,775
<b>Net Cash (used in ) / Generated from Financing Activities</b>	<b>(729,000)</b>	<b>389,775</b>	<b>389,775</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>92,297</b>	<b>7,700</b>	<b>7,700</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>193,385</b>	<b>(161,446)</b>	<b>(161,446)</b>
<b>Net Cashflows from Discontinued Operations (Note 8.2)</b>	-	-	18,520
<b>Notes to the Cashflow Statement</b>			
<b>A. Change in Operating Assets</b>			
(Increase) / Decrease in Loans to Life Policyholders	20,985	(9,577)	(9,577)
(Increase) / Decrease in Reinsurance Receivables	(334,458)	(193,457)	(193,457)
(Increase) / Decrease in Premium Receivables	(130,587)	(38,354)	(38,354)
(Increase) / Decrease in Receivable and Other Assets	75,267	(31,440)	(31,440)
	<b>(368,793)</b>	<b>(272,828)</b>	<b>(272,828)</b>
<b>B. Change in Operating Liabilities</b>			
Increase / (Decrease) in Insurance Contract Liabilities	812,551	298,039	298,039
Increase / (Decrease) in Reinsurance Payables	298,986	251,409	251,409
Increase / (Decrease) in Other Liabilities	31,956	86,721	86,721
	<b>1,143,493</b>	<b>636,169</b>	<b>636,169</b>
<b>C. Increase in Cash and Cash Equivalents</b>			
Cash and Cash Equivalents	284,730	260,984	260,984
Bank overdrafts	(91,345)	(422,430)	(422,430)
<b>Net cash and cash equivalents as at 30 September</b>	<b>193,385</b>	<b>(161,446)</b>	<b>(161,446)</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>92,297</b>	<b>7,700</b>	<b>7,700</b>

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

As at	30.09.2017 Rs. ' 000 Audited	31.12.2016 Rs. ' 000 Restated Audited
<b>Assets</b>		
Intangible Assets	-	7,809
Property, Plant and Equipment	215,494	424,362
Financial Investments	7,993,689	6,869,209
Loans to Life Policyholders	141,463	159,338
Reinsurance Receivables	420,398	85,940
Premium Receivables	222,905	92,333
Other Assets	176,836	398,887
Cash and Cash Equivalents	283,691	232,087
<b>Total Assets</b>	<b>9,454,476</b>	<b>8,269,965</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Other Reserves	(352,176)	(815,254)
Revaluation Reserve	24,903	24,903
<b>Total Equity</b>	<b>(327,273)</b>	<b>(790,351)</b>
<b>Liabilities</b>		
Insurance Contract Liabilities	7,747,598	6,935,047
Employee Benefits	65,141	51,992
Reinsurance Payable	438,248	139,262
Amounts due to Related Companies	3,331	-
Other Liabilities	1,436,086	1,814,709
Bank Overdraft	91,345	119,306
<b>Total Liabilities</b>	<b>9,781,749</b>	<b>9,060,316</b>
<b>Total Equity and Liabilities</b>	<b>9,454,476</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 nine months ended 30 September 2017 were authorised for issue by the Board of Directors on 9th November 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. 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 September 2017 are audited .

**5 GROSS WRITTEN PREMIUM**

For the nine months ended 30 September	COMPANY	
	2017 Rs.' 000 Audited	2016 Rs.' 000 Unaudited
<b>Life Insurance-Continued</b>		
First Year Premium	1,591,415	1,539,729
Renewal Premium	3,146,475	2,449,720
Group Life Premium	187,023	149,947
Single Premium	357,864	6,602
<b>Total Life Insurance Gross Written Premium</b>	<b>5,282,777</b>	<b>4,145,998</b>

**6 TOTAL NET REVENUE**

For the nine months ended 30 September	COMPANY	
	2017 Rs.' 000 Audited	2016 Rs.' 000 Unaudited
Continuing Operations-Life Insurance Net Revenue	5,545,667	4,229,661
	<b>5,545,667</b>	<b>4,229,661</b>

**7 PROFIT BEFORE TAXATION**

For the nine months ended 30 September	COMPANY	
	2017 Rs.' 000 Audited	2016 Rs.' 000 Unaudited
Continuing Operations-Life Insurance Total	754,852	909,314
	<b>754,852</b>	<b>909,314</b>

**8 RESULTS OF DISCONTINUED OPERATIONS**

**8.1 Summarised Income Statement of Discontinued Operation**

8.1.a For the period ended	Rs. '000
	30 - September 2016 Unaudited
Gross Written Premium	1,784,967
Net Earned Premium	1,362,405
Investment Income and Other Income	(2,398)
<b>Total Net Revenue</b>	<b>1,360,007</b>
Net Insurance Benefits and Claims	(993,806)
Underwriting and net Acquisition Cost	(199,471)
Other Operating ,Administration and Finance Expenses	(472,741)
<b>Loss Before Taxation</b>	<b>(306,011)</b>
Income Tax Expenses	(4,329)
<b>Loss from Discontinued Operations</b>	<b>(310,340)</b>

<b>8 RESULTS OF DISCONTINUED OPERATIONS (Cont.)</b>		<b>Rs. '000</b>
		<b>30 - September</b>
		<b>2016</b>
		<b>Unaudited</b>
<b>8.1.b Other Comprehensive Income</b>		
Available for sale financial asset -net change in fair value		6,664
Available for sale financial assets reclassified to income statement		148,040
Tax on Other Comprehensive Income		(9,387)
<b>Total other Comprehensive income net of tax</b>		<b>145,317</b>
<b>Total Comprehensive income for the period</b>		<b>(165,023)</b>

<b>8.2 Summarised Cashflow Statement of Discontinued Operation</b>		<b>Rs. '000</b>
<b>For the period ended</b>		<b>30 - September</b>
		<b>2016</b>
		<b>Unaudited</b>
Net Cash Generated from Operating Activities		112,946
Net Cash (used in )/ Generated from Investing Activities		(354,365)
Net Cash (used in ) / Generated from Financing Activities		600,000
		358,581
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>18,520</b>

**9 FINANCIAL INVESTMENTS**

As at

		<b>Company</b>	
		<b>September-2017</b>	<b>Dec-2016</b>
		<b>Rs. '000</b>	<b>Rs. '000</b>
		<b>Audited</b>	<b>Audited</b>
Held to Maturity (HTM)	<b>Note 9.1</b>	233,381	233,041
Loans and Receivables (L & R)	<b>Note 9.2</b>	3,159,284	482,521
Available - for - Sale (AFS)	<b>Note 9.3</b>	4,684,712	6,973,740
Fair Value Through Profit or Loss (FVTPL)	<b>Note 9.4</b>	1,111,091	528,985
<b>Total Financial Investments</b>		<b>9,188,468</b>	<b>8,218,287</b>

As at

		<b>Company</b>	
		<b>September-2017</b>	<b>Dec-2016</b>
		<b>Rs. '000</b>	<b>Rs. '000</b>
		<b>Audited</b>	<b>Audited</b>
<b>9.1 Held to Maturity (HTM)</b>			
Treasury Bonds		233,381	233,041
		<b>233,381</b>	<b>233,041</b>
<b>9.2 Loans and Receivables (L &amp; R)</b>			
Debt Securities - Bank Deposits	<b>Note 9.2.a</b>	52,150	200,096
- Commercial Paper	<b>Note 9.2.b</b>	163,948	-
Debt Securities -Debentures			
- Quoted		1,529,071	-
- Un Quoted		102,126	-
Overnight Reverse Repo		1,311,990	282,425
		<b>3,159,284</b>	<b>482,521</b>
<b>9.2.a Bank Deposits (L&amp; R)</b>			
Licensed Commercial Banks		-	200,096
Sanasa Development Bank PLC		52,124	
Bank of Ceylon		26	
		<b>52,150</b>	<b>200,096</b>
<b>9.2.b Commercial Paper (L &amp; R)</b>			
First Capital Holdings PLC		163,948	-
		<b>163,948</b>	<b>-</b>
<b>9.3 Available - for - Sale (AFS)</b>			
Debt Securities			
- Debentures		-	1,554,430
Equity Securities			
- Quoted		1,245,431	1,428,296
- Un Quoted		369,700	369,700
Treasury Bonds		3,069,581	3,621,314
		<b>4,684,712</b>	<b>6,973,740</b>
<b>9.4 Fair Value Through Profit or Loss (FVTPL)</b>			
Equity Securities		646,753	528,985
Treasury Bonds		464,338	-
		<b>1,111,091</b>	<b>528,985</b>

**10 INSURANCE CONTRACT LIABILITIES**

As at		Company September-2017 Rs. '000 Audited	Company Dec-16 Rs. '000 Restated Audited
Insurance Contract Liabilities		5,635,333	1,814,822
Surplus Created due to Change in Valuation method from NPV to GPV	<b>10.2</b>	1,854,539	4,814,795
Unclaimed benefits		257,726	305,430
		<b>7,747,598</b>	<b>6,935,047</b>

The Company has reclassified its audited Insurance Contract Liability based on product level zeroed negative liability basis which is disclosed in Note 10.1 during period ended 30th September 2017, where as comparative figures for the year ended 31st December 2016 recorded on Non Zeroed Based which resulted reduction in One Off surplus from Rs. 4,814 mn to Rs. 1,854Mn (One off surplus in Non Participating fund reduced from Rs. 3,758 ,mn to Rs. 798mn and there is no change in one off surplus in participating fund).

**10.1 Re-Classification of Audited Opening Insurance Contract Liability in Current year**

	Previous Presentation as per Audited Financial Statements (Non Zeroed) Rs. '000	Re-arrangement Rs. '000	New Presentation (Zeroed at product level) Rs. '000
Insurance Contract Liabilities as at 31 December 2016	1,814,822	2,960,256	4,775,078
Surplus Created due to Change in Valuation method from NPV to GPV as at 31 December 2016	4,814,795	(2,960,256)	1,854,539
Unclaimed benefits as at 31 December 2016	305,430	-	305,430
	<b>6,935,047</b>	<b>-</b>	<b>6,935,047</b>

**10.2 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 of Rs. 1,855 Million based on the zeroed negative liability (product level) basis as disclosed in Note 10.2.a

The Insurance Regulatory Commission of Sri Lanka 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 Insurance Regulatory Commission of Sri Lanka.

**10.2.a 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>

No surplus was declared for the quarter ended 30th September 2017. However of Rs. 440 mn & Rs. 235 Mn was declared in Quarter ended 31st March 2017 & 30 June 2017 from Non Participating Fund, as approved by appointed Actuary Mr. Kunj Behari Maheshwari, Messrs. Wills Towers Watson subject to strict conditions of Insurance Regulatory Commission of Sri Lanka 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 Insurance Regulatory Commission of Sri Lanka. (This will not prevent Insurance Regulatory Commission of Sri Lanka 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> September 2017 were audited by Messrs, KPMG.

**10 INSURANCE CONTRACT LIABILITIES (Cont.)**

**10.3 Life Fund**

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

	<b>Participating Fund Rs'000'</b>	<b>Non-Participating Fund Rs'000'</b>	<b>Total Rs'000'</b>
Insurance Contract Liabilities	4,179,185	1,456,148	5,635,333
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>5,235,720</b>	<b>2,254,152</b>	<b>7,489,872</b>

**10.4** Retained earnings are restricted for further distribution.

**10.5 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 September 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.

**Life Insurance Taxation**

- b) The Company has received a tax assessments letter for Life Insurance taxation for the year 2010, 2011 and 2012. 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. 629 Million.
- c) The Company has received a notice of assessments letter for Life Insurance taxation for the years 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. 1,414 Million.

**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	
	30.09.2017	31.12.2016
<b>Net Assets Per Share (Rs)</b>	5.84	5.23
<b>Market Price Per Share</b>		
Last traded price as at 30 September 2017	22.00	20.50
Highest traded price per share for the Quarter (Jul-Sep)	23.50	23.90
Lowest traded price per share for the Quarter (Jul-Sep)	21.00	18.60

**15 STATED CAPITAL**

As at	Company	
	30.09.2017 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
	30.09.2017	30.09.2017	30.09.2016
Profit attributable to Ordinary Shareholders from Continuing Operation (Rs. 000)	754,852	909,314	909,314
Loss attributable to Ordinary Shareholders from Discontinuing Operation (Rs. 000)	-	-	(310,340)
Weighted Average No of shares as at 30th September	375,000,000	375,000,000	375,000,000
Basic/Diluted Earning per share - Continuing Operation (Rs.)	2.01	2.42	2.42
Basic/Diluted Loss per share - Discontinuing Operation (Rs.)	-	-	(0.83)

**18 TWENTY LARGEST SHAREHOLDERS**

Name of Shareholder	30.09.2017	
	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	1,899,216	0.51
5 Sandwave Limited	1,412,153	0.38
6 Mr. Goonetilleke Gajath Chrysantha	775,500	0.21
7 Mr. Ananda Rajapaksha Rathnayaka Sarath	615,950	0.16
8 Elgin Investments Limited.	335,197	0.09
9 Fuad Mushtaq Mohamed	308,975	0.08
10 Seylan Bank PLC/Mohamed Mushtaq fuad	283,349	0.08
11 Mr. Ekanayaka Nahimala Welegedara Senarath Bandara	205,000	0.05
12 Softlogic Holdings Plc	175,000	0.05
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 People'S Leasing & Finance Plc/Hi Line Towers (PVT) Ltd	108,300	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	371,325,952	99.04
<b>Total</b>	<b>375,000,000</b>	<b>100.00</b>

**19 PUBLIC SHAREHOLDING**

The percentage of shares held by the public as at 30 September 2017 was 2.77 % ( 31 December 2016 - 2.77 %) and a number of public shareholders as at 30 September 2017 was 955 ( 31 December 2016 - 1,060 ) .

**20 DIRECTORS' SHARE HOLDINGS**

As at 30 September Name of The Director	2017	
	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. 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 nine months ended 30 September	Company		Group
	2017 Rs.' 000	2016 Rs.' 000	2016 Rs.' 000
<b>Transactions with the Ultimate Parent &amp; Parent</b>			
Investments	55,559	55,921	55,921
Insurance Premiums	-	-	9,468
Rendering / Receiving of services	80,068	1,224	9,181
Interest & Maturity received	-	142,923	146,470
Other Income	-	12,235	12,235
Dividend Received	2,985	2,296	2,296
Dividend Paid	-	190,801	190,801
Expenses	817	-	-
Professional charges	-	52,251	52,251
Claims Paid	-	-	3,901
<b>Transactions with Subsidiary</b>			
Equity investment	-	1,400,000	1,400,000
Insurance Premiums	-	46,124	46,124
Transfer of assets and liabilities	-	66,055	66,055
Claims Paid	-	937	937
<b>Transactions with Companies under Common Control</b>			
Investments	156,750	62,874	62,874
Insurance Premiums	477	-	100,508
Rendering / Receiving of services	-	58,310	60,874
Purchases of property plant & equipment	40,310	6,914	7,363
Interest & Maturity received	-	88,721	88,721
Dividend received	2,750	2,376	2,376
Claims Paid	5,000	-	23,813
Other Income	-	-	3,400
Expenses	54,169	-	-
<b>Companies controlled / jointly controlled / significantly influenced by KMP and their close family members</b>			
Insurance Premiums	-	-	1,803
Rendering / Receiving of services	-	1,101	1,562
Claims Paid	-	-	1,219
Professional Charges	852	-	-
Expenses	-	-	-