

INTERIM FINANCIAL STATEMENTS

30th September 2016

softlogic
LiFE

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	Note	GROUP		COMPANY	
		30.9.2016 Rs. ' 000 Unaudited	31.12.2015 Rs. ' 000 Audited	30.9.2016 Rs. ' 000 Unaudited	31.12.2015 Rs. ' 000 Audited
Assets					
Intangible Assets		14,838	22,219	14,838	21,982
Property, Plant and Equipment		469,995	518,911	469,995	427,519
Investments in Subsidiary		-	-	-	800,000
Financial Investments	9	8,196,297	9,265,451	8,196,297	7,744,020
Loans to Life Policyholders and Others		153,217	145,314	153,217	143,640
Reinsurance Receivables		256,100	122,169	256,100	62,643
Premium Receivables		105,628	550,995	105,628	67,274
Amounts due from Related Companies		497	865	497	634
Other Assets		386,367	434,345	386,367	354,790
Insurance Contract - Deferred Expenses		-	125,922	-	-
Deferred Tax Assets		-	61,904	-	-
Cash and Cash Equivalents		260,984	223,936	260,984	192,118
Assets Held for Sale	10.1	2,965,569	-	1,400,000	-
Total Assets		12,809,492	11,472,031	11,243,923	9,814,620
Equity and Liabilities					
Equity					
Stated Capital		1,062,500	1,062,500	1,062,500	1,062,500
Other Reserves		(1,051,462)	(640,440)	(1,051,462)	(495,123)
Revaluation Reserve		24,903	24,903	24,903	24,903
Retained Earnings		2,175,309	1,776,361	2,554,969	1,845,655
Total Equity		2,211,250	2,223,324	2,590,910	2,437,935
Liabilities					
Insurance Contract Liabilities - Life	11	6,490,654	6,192,615	6,490,654	6,192,615
Insurance Contract Liabilities - General	10.2	-	1,322,011	-	-
Employee Benefits		55,014	63,358	55,014	45,796
Current Tax Liabilities		-	12,325	-	-
Reinsurance Payable		344,381	139,946	344,381	92,972
Insurance Contract - Deferred Revenue		-	10,738	-	-
Amounts due to Related Companies		-	-	-	31,603
Other Liabilities		501,059	496,966	501,059	382,735
Short Term Borrowings		839,475	269,700	839,475	269,700
Deferred Tax Liabilities		-	7,905	-	-
Bank Overdraft		422,430	733,143	422,430	361,264
Liabilities Held for Sale	10.2	1,945,229	-	-	-
Total Liabilities		10,598,242	9,248,707	8,653,013	7,376,685
Total Equity and Liabilities		12,809,492	11,472,031	11,243,923	9,814,620

Net Asset per Share 5.90 5.93 6.91 6.50

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

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

(Sgd.)

Dilan Christostom

Chief Financial Officer

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

Signed and on behalf of the Board;

(Sgd.)

Director

Colombo

29th November 2016

(Sgd.)

Director

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the nine months ended 30 September	Note	GROUP		COMPANY		CHANGE
		2016	2015	2016	2015	%
		Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	
Continuing Operations						
Gross Written Premium	5	4,145,998	2,924,798	4,145,998	2,924,798	42%
Premiums ceded to Reinsurers		(433,789)	(363,994)	(433,789)	(363,994)	19%
Net Earned Premium		3,712,209	2,560,804	3,712,209	2,560,804	45%
Other Revenue						
Finance Income		486,265	421,059	486,265	421,059	15%
Net Realized Gains		73,529	57,751	73,529	57,751	27%
Net Fair value (Losses)/Gains		(42,342)	115,807	(42,342)	115,807	-137%
Other Operating Income		-	(1,638)	-	(1,638)	-100%
		517,452	592,979	517,452	592,979	-13%
Total Net Revenue	6	4,229,661	3,153,783	4,229,661	3,153,783	34%
Benefits, Claims and Expenses						
Net Insurance Benefits and Claims		(762,026)	(301,251)	(762,026)	(301,251)	153%
Increase in Life Fund		(204,754)	(990,131)	(204,754)	(990,131)	-79%
Underwriting and net Acquisition Cost		(1,205,366)	(718,229)	(1,205,366)	(718,229)	68%
Other Operating and Administration Expenses		(1,130,750)	(755,018)	(1,130,750)	(755,018)	50%
Finance Cost		(17,451)	(20,159)	(17,451)	(20,159)	-13%
Total Benefits, Losses and Expenses		(3,320,347)	(2,784,788)	(3,320,347)	(2,784,788)	19%
Profit Before Taxation	7	909,314	368,995	909,314	368,995	146%
Income Tax Expenses		-	-	-	-	
Profit for the Period from Continuing Operations		909,314	368,995	909,314	368,995	146%
Discontinued Operations						
Profit for the Period from Discontinued Operations (Net of Tax)	8.1	(310,340)	(10,111)	-	-	2969%
Profit for the Period		598,974	358,883	909,314	368,995	67%
Profit from Continuing Operations Attributable To;						
Owners of the Parent		909,314	368,995	909,314	368,995	146%
Non Controlling Interest		-	-	-	-	
		909,314	368,995	909,314	368,995	146%
Profit from Discontinued Operations Attributable To;						
Owners of the Parent		(310,340)	(10,111)	-	-	2969%
Non Controlling Interest		-	-	-	-	
		(310,340)	(10,111)	-	-	2969%
Basic/Diluted Earnings Per Share						
Continuing Operations	17	2.42	0.98	2.42	0.98	
Discontinued Operations		(0.83)	(0.03)	-	-	

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

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

For the nine months ended 30 September	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period	598,974	358,883	909,314	368,995
<u>Other Comprehensive Income</u>				
Items that are or may be reclassified to profit or loss				
Available for sale financial asset - net change in fair value	(149,932)	(237,625)	(149,932)	(237,625)
Available for sale financial asset - net change in fair value -Life fund	(397,583)	(462,326)	(397,583)	(462,326)
Available for sale financial assets reclassified to income statement	(8,824)	(57,751)	(8,824)	(57,751)
Other Comprehensive Income from Continuing Operations, net of tax	(556,339)	(757,702)	(556,339)	(757,702)
Other Comprehensive Income from Discontinued Operations, net of tax	145,317	(110,596)	-	-
Total comprehensive income for the period	187,952	(509,415)	352,975	(388,707)
Total comprehensive income attributable to:				
Owners of the Company	187,952	(509,415)	352,975	(388,707)
Non - controlling interests	-	-	-	-
	187,952	(509,415)	352,975	(388,707)

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the three months ended 30 September	GROUP		COMPANY		CHANGE
	2016	2015	2016	2015	
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	%
	Unaudited	Unaudited	Unaudited	Unaudited	
Continuing Operations					
Gross Written Premium	1,381,158	1,032,999	1,381,158	1,032,999	34%
Premiums ceded to Reinsurers	(151,865)	(125,454)	(151,865)	(125,454)	21%
Net Earned Premium	1,229,293	907,545	1,229,293	907,545	35%
Other Revenue					
Finance Income	166,137	140,390	166,137	140,390	18%
Net Realized Gains	45,270	16,904	45,270	16,904	168%
Net Fair value (Losses)/Gains	38,325	82,790	38,325	82,790	-54%
Other Operating Income	-	(51)	-	(51)	-100%
	249,732	240,033	249,732	240,033	4%
Total Net Revenue	1,479,025	1,147,578	1,479,025	1,147,578	29%
Benefits, Claims and Expenses					
Net Insurance Benefits and Claims	(317,545)	(119,313)	(317,545)	(119,313)	166%
Increase in Life Fund	15,221	(401,265)	15,221	(401,265)	-104%
Underwriting and net Acquisition Cost	(409,948)	(268,658)	(409,948)	(268,658)	53%
Other Operating and Administration Expenses	(425,168)	(286,411)	(425,168)	(286,411)	48%
Finance Cost	(11,765)	(5,965)	(11,765)	(5,965)	97%
Total Benefits, Losses and Expenses	(1,149,205)	(1,081,612)	(1,149,205)	(1,081,612)	6%
Profit Before Taxation	329,820	65,966	329,820	65,966	400%
Income Tax Expenses	-	-	-	-	
Profit for the Period from Continuing Operations	329,820	65,966	329,820	65,966	400%
Discontinued Operations					
Profit for the Period from Discontinued Operations (Net of Tax)	(177,075)	40,255	-	-	-540%
Profit for the Period	152,745	106,220	329,820	65,966	44%
Profit from Continuing Operations Attributable To;					
Owners of the Parent	329,820	65,966	329,820	65,966	400%
Non Controlling Interest	-	-	-	-	
	329,820	65,966	329,820	65,966	400%
Profit from Discontinued Operations Attributable To;					
Owners of the Parent	(177,075)	40,255	-	-	-540%
Non Controlling Interest	-	-	-	-	
	(177,075)	40,255	-	-	-540%
Basic/Diluted Earnings Per Share					
Continuing Operations	0.88	0.18	0.88	0.18	
Discontinued Operations	(0.47)	0.11	-	-	

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

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

For the three months ended 30 September	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period	329,820	65,966	329,820	65,966
<u>Other Comprehensive Income</u>				
Items that are or may be reclassified to profit or loss				
Available for sale financial asset - net change in fair value	(37,719)	(236,726)	(37,719)	(236,726)
Available for sale financial asset - net change in fair value -Life fund	66,763	(319,686)	66,763	(319,686)
Available for sale financial assets reclassified to income statement	(12,924)	(16,904)	(12,924)	(16,904)
Other Comprehensive Income from Continuing Operations, net of tax	16,120	(573,316)	16,120	(573,316)
Other Comprehensive Income from Discontinued Operations, net of tax	209,021	(101,269)	-	-
Total comprehensive income for the period	554,961	(608,619)	345,940	(507,350)
Total comprehensive income attributable to:				
Owners of the Company	554,961	(608,619)	345,940	(507,350)
Non - controlling interests	-	-	-	-
	554,961	(608,619)	345,940	(507,350)

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 reserves	Total
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Balance as at 01 January 2015	1,062,500	455,472	-	855,693	2,373,665
Profit for the Period	-	-	-	358,883	358,883
<u>Other Comprehensive Income for the Period</u>					
Available for sale financial asset -net change in fair value	-	(237,625)	-	-	(237,625)
Available for sale financial asset - net change in fair value - Life fund	-	(462,326)	-	-	(462,326)
Available for sale financial assets reclassified to income statement	-	(57,751)	-	-	(57,751)
Other Comprehensive Income from Continuing Operations	-	(757,702)	-	-	(757,702)
Other Comprehensive Income from Discontinued Operations, net of tax	-	(110,596)	-	-	(110,596)
Total Other Comprehensive income	-	(868,298)	-	-	(868,298)
Total Comprehensive income for the period	-	(868,298)	-	358,883	(509,415)
Unaudited Balance as at 30 September 2015	1,062,500	(412,826)	-	1,214,576	1,864,250
Profit for the Period	-	-	-	565,426	565,426
<u>Other Comprehensive Income for the Period</u>					
Available for sale financial asset -net change in fair value	-	(126,673)	-	-	(126,673)
Available for sale financial asset - net change in fair value - Life fund	-	(53,197)	-	-	(53,197)
Available for sale financial assets reclassified to income statement	-	(10,756)	-	-	(10,756)
Remeasurement of Defined Benefit (liability)/asset	-	-	-	71	71
Revaluation gain on Land and Buildings	-	-	24,903	-	24,903
Other Comprehensive Income from Continuing Operations	-	(190,626)	24,903	71	(165,652)
Other Comprehensive Income from Discontinued Operations, net of tax	-	(36,988)	-	(3,712)	(40,700)
Total Comprehensive income for the period	-	(227,614)	24,903	561,785	359,074
Audited Balance as at 31 December 2015	1,062,500	(640,440)	24,903	1,776,361	2,223,324
Balance as at 01 January 2016	1,062,500	(640,440)	24,903	1,776,361	2,223,324
Profit for the Period	-	-	-	598,974	598,974
<u>Other Comprehensive Income for the Period</u>					
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)
Other Comprehensive Income from Continuing Operations	-	(556,339)	-	-	(556,339)
Other Comprehensive Income from Discontinued Operations, net of tax	-	145,317	-	-	145,317
Total Comprehensive income for the period	-	(411,022)	-	598,974	187,952
Transaction with the owners of the Company, recognised directly in equity					
Interim Dividend	-	-	-	(200,000)	(200,000)
Share issue transaction cost	-	-	-	(26)	(26)
Unaudited Balance as at 30 September 2016	1,062,500	(1,051,462)	24,903	2,175,309	2,211,250

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY

For the nine months ended 30 September	Stated Capital	Available for sale reserve	Revaluation reserves	Retained reserves	Total
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Balance as at 01 January 2015	1,062,500	453,205	-	853,022	2,368,727
Profit for the Period	-	-	-	368,995	368,995
Other Comprehensive Income for the Period					
Available for sale financial asset -net change in fair value	-	(237,625)	-	-	(237,625)
Available for sale financial asset - net change in fair value - Life fund	-	(462,326)	-	-	(462,326)
Available for sale financial assets reclassified to income statement	-	(57,751)	-	-	(57,751)
Total Other Comprehensive income	-	(757,702)	-	-	(757,702)
Total Comprehensive income for the period	-	(757,702)	-	368,995	(388,707)
Unaudited Balance as at 30 September 2015	1,062,500	(304,497)	-	1,222,017	1,980,020
Profit for the Period	-	-	-	623,567	623,567
Other Comprehensive Income for the Period					
Available for sale financial asset -net change in fair value	-	(126,673)	-	-	(126,673)
Available for sale financial asset - net change in fair value - Life fund	-	(53,197)	-	-	(53,197)
Available for sale financial assets reclassified to income statement	-	(10,756)	-	-	(10,756)
Remeasurement of Defined Benefit (liability)/asset	-	-	-	71	71
Revaluation gain on Land and Buildings	-	-	24,903	-	24,903
Total Other Comprehensive income	-	(190,626)	24,903	71	(165,652)
Total Comprehensive income for the period	-	(190,626)	24,903	623,638	457,915
Audited Balance as at 31 December 2015	1,062,500	(495,123)	24,903	1,845,655	2,437,935
Balance as at 01 January 2016	1,062,500	(495,123)	24,903	1,845,655	2,437,935
Profit for the Period	-	-	-	909,314	909,314
Other Comprehensive Income for the Period					
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)
Total other Comprehensive income net of tax	-	(556,339)	-	-	(556,339)
Total Comprehensive income for the period	-	(556,339)	-	909,314	352,975
Transaction with the owners of the Company, recognised directly in equity					
Interim Dividend	-	-	-	(200,000)	(200,000)
Unaudited Balance as at 30 September 2016	1,062,500	(1,051,462)	24,903	2,554,969	2,590,910

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the nine months ended 30 September	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited	Rs. ' 000 Unaudited
Cash Flows Operating Activities				
Profit before Taxation	909,314	368,995	909,314	368,995
Adjustments for :				
Notional tax Income	(34,651)	(26,715)	(34,651)	(26,715)
Depreciation of Property, Plant and Equipments	52,259	36,304	52,259	36,304
Amortization of Intangible Assets	7,161	6,536	7,161	6,536
Provision for Employee Benefits	9,817	8,024	9,817	8,024
Net Realized (Gains)	(73,529)	(57,751)	(73,529)	(57,751)
Net Fair value Losses/(Gains)	42,342	(115,807)	42,342	(115,807)
	912,713	219,587	912,713	219,587
Change in Operating Assets	(272,828)	385,787	(272,828)	385,787
Change in Operating Liabilities	636,169	554,915	636,169	554,915
Cashflows from Operating Activities	1,276,054	1,160,288	1,276,054	1,160,288
Gratuity paid	(599)	(6,983)	(599)	(6,983)
Income tax paid	-	-	-	-
Net Cash Generated from Operating Activities	1,275,455	1,153,305	1,275,455	1,153,305
Cash Flows Investing Activities				
Acquisition of Subsidiary	(600,000)	(700,000)	(600,000)	(700,000)
Net Acquisition of Financial Securities	(956,870)	(125,364)	(956,870)	(125,364)
Net Acquisition / Capitalization of of Property, Plant and Equipment	(97,512)	(136,959)	(97,512)	(136,959)
Acquisition of of Intangible Assets	(3,148)	-	(3,148)	-
Net Cash (used in)/ Generated from Investing Activities	(1,657,530)	(962,323)	(1,657,530)	(962,323)
Cash Flows Financing Activities				
Dividend Paid	(180,000)	(168,750)	(180,000)	(168,750)
Net Short Term Borrowings	569,775	(80,922)	569,775	(80,922)
Net Cash (used in) / Generated from Financing Activities	389,775	(249,672)	389,775	(249,672)
Net Increase / (Decrease) in Cash and Cash Equivalents	7,700	(58,690)	7,700	(58,690)
Net cash and cash equivalents as at the Beginning of the year	(169,146)	(52,072)	(169,146)	(52,072)
Net cash and cash equivalents as at the end of the year - Continued Operation	(161,446)	(302,822)	(161,446)	(110,762)
Net Cashflows from Discontinued Operations (Note 8.2)	18,520	(192,060)	-	-
Notes to the Cashflow Statement				
A. Change in Operating Assets				
(Increase) / Decrease in Loans to Life Policyholders	(9,577)	(9,873)	(9,577)	(9,873)
(Increase) / Decrease in Reinsurance Receivables	(193,457)	42,953	(193,457)	42,953
(Increase) / Decrease in Premium Receivables	(38,354)	365,725	(38,354)	365,725
(Increase) / Decrease in Receivable and Other Assets	(31,440)	(13,019)	(31,440)	(13,019)
	(272,828)	385,787	(272,828)	385,787
B. Change in Operating Liabilities				
Increase / (Decrease) in Insurance Contract Liabilities - Life	298,039	981,295	298,039	981,295
Increase / (Decrease) in Reinsurance Payables	251,409	49,315	251,409	49,315
Increase / (Decrease) in Other Liabilities	86,721	(475,695)	86,721	(475,695)
	636,169	554,915	636,169	554,915
C. Increase in Cash and Cash Equivalents				
Cash and Cash Equivalents	260,984	147,122	260,984	147,122
Bank overdrafts	(422,430)	(257,884)	(422,430)	(257,884)
Net cash and cash equivalents as at 30th September	(161,446)	(110,762)	(161,446)	(110,762)
Net cash and cash equivalents as at the Beginning of the period	(169,146)	(52,072)	(169,146)	(52,072)
Increase / (Decrease) in Cash and Cash Equivalents	7,700	(58,690)	7,700	(58,690)

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

As at	30.9.2016	31.12.2015
	Rs. ' 000	Rs. ' 000
	Unaudited	Audited
Assets		
Intangible Assets	8,611	11,210
Property, Plant and Equipment	405,506	401,763
Financial Investments	6,799,602	6,856,537
Loans to Life Policyholders and Others	150,107	141,595
Reinsurance Receivables	256,100	62,643
Premium Receivables	105,643	67,290
Other Assets	456,284	312,159
Cash and Cash Equivalents	252,820	190,685
Total Assets	8,434,673	8,043,882
Equity and Liabilities		
Equity		
Other Reserves	(541,227)	(134,820)
Revaluation Reserve	24,903	24,903
Total Equity	(516,324)	(109,917)
Liabilities		
Insurance Contract Liabilities - Life	6,490,654	6,192,615
Employee Benefits	34,931	28,267
Reinsurance Payable	344,381	92,972
Other Liabilities	819,126	1,244,020
Short Term Borrowings	839,475	269,700
Bank Overdraft	422,430	326,225
Total Liabilities	8,950,997	8,153,799
Total Equity and Liabilities	8,434,673	8,043,882

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 2016 were authorised for issue by the Board of Directors on 29th November 2016

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 2015.

The same Accounting Policies and methods of computation as stated in the Annual Financial Statements - 2015 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.

Measurement of Insurance Contact Liabilities-Life

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

Asset Held for Sale and Discontinued Operations (Refer Note 8)

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 2016 are provisional and unaudited .

5 GROSS WRITTEN PREMIUM

For the period ended 30 September

Continuing Operations-Life Insurance

	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
	Unaudited	Unaudited	Unaudited	Unaudited
First Year Premium	1,539,729	939,998	1,539,729	939,998
Renewal Premium	2,449,720	1,887,780	2,449,720	1,887,780
Group Life Premium	149,947	93,349	149,947	93,349
Single Premium	6,602	3,671	6,602	3,671
Total Life Insurance Gross Written Premium	4,145,998	2,924,798	4,145,998	2,924,798

6 TOTAL NET REVENUE

For the period ended 30 September

	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Continuing Operations-Life Insurance	4,229,661	3,153,783	4,229,661	3,153,783
Net Revenue	4,229,661	3,153,783	4,229,661	3,153,783

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

7 PROFIT BEFORE TAXATION

For the period ended 30 September

	GROUP		COMPANY	
	2016	2015	2016	2015
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
	Unaudited	Unaudited	Unaudited	Unaudited
Continuing Operations-Life Insurance	909,314	368,995	909,314	368,995
Total	909,314	368,995	909,314	368,995

8 DISCONTINUED OPERATIONS

Based on the Share Sale and Purchase agreement on 24th June 2016, for the sale of all the shares that it holds in Asian Alliance General Insurance Limited to Fairfax Asia Limited the Company divested its 100% stake in Asian Alliance General Insurance Limited to Fairfax Asia Limited with effect from 3rd October 2016.

Although the sale to a third party occurred subsequent to the reporting date, these Interim Financial Statement have been prepared to reflect the impact of the discontinuation of a significant business segment (i.e. General Insurance) as required by SLFRS - 5 " Non Current Asset Held for Sale and Discontinued Operations".

The General Insurance Business segment was not previously classified as Held For Sale or Discontinued Operation. The comparative Statements of Profit or Loss and Other Comprehensive Income have been re stated. The disclosures required by SLFRS 5 as given below.

Disclosure Required	Presentation
Result of discontinued operation	Note 8.1
Cash flows from/(used in) discontinued operations	Note 8.2
Effect of Disposal on the Financial Position of the Group	Not applicable since the sale to Fairfax Asia Limited (Union Assurance General Ltd) was not completed as at reporting date.

8.1 Summserised Income Statement of Discontinued Operation

For the nine months ended 30 September	Rs. '000' 2016	Rs. '000' 2015
Gross Written Premium	1,784,967	1,457,854
Net Earned Premium	1,362,405	1,177,995
Investment Income and Other Income	(2,398)	114,998
Total Net Revenue	<u>1,360,007</u>	<u>1,292,993</u>
Net Insurance Benefits and Claims	(993,806)	(843,648)
Underwriting and net Acquisition Cost	(199,471)	(72,198)
Other Operating ,Administration and Finance Expenses	(472,741)	(379,174)
Profit Before Taxation	<u>(306,011)</u>	<u>(2,027)</u>
Income Tax Expenses	(4,329)	(8,085)
(Loss) from Discontinued Operations	<u>(310,340)</u>	<u>(10,111)</u>
Other Comprehensive Income		
Available for sale financial asset -net change in fair value	6,664	(111,285)
Available for sale financial assets reclassified to income statement	148,040	689
Tax on Other Comprehensive Income	(9,387)	-
Total other Comprehensive income net of tax	<u>145,317</u>	<u>(110,596)</u>
Total Comprehensive income for the period	<u>(165,023)</u>	<u>(120,708)</u>

8.2 Summserised Cashflow Statement of Discontinued Operation

For the nine months ended 30 September	Rs. '000' 2016	Rs. '000' 2015
Net Cash Generated from Operating Activities	112,946	(227,644)
Net Cash (used in)/ Generated from Investing Activities	(354,365)	172,534
Net Cash (used in) / Generated from Financing Activities	600,000	-
	<u>358,581</u>	<u>(55,110)</u>
Net cash and cash equivalents as at the Beginning of the year	(340,061)	(136,950)
Net cash and cash equivalents as at the end of the year	<u>18,520</u>	<u>(192,060)</u>

9 FINANCIAL INVESTMENTS

As at		GROUP		COMPANY	
		Sep-2016	Dec-2015	Sep-2016	Dec-2015
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
		Unaudited	Audited	Unaudited	Audited
Held to Maturity (HTM)	Note 9.1	227,749	227,727	227,749	227,727
Loans and Receivables (L & R)	Note 9.2	363,153	781,297	363,153	522,610
Available - for - Sale (AFS)	Note 9.3	7,075,482	7,481,233	7,075,482	6,374,199
Fair Value Through Profit or Loss (FVTPL)	Note 9.4	529,913	775,194	529,913	619,484
Total Financial Investments		8,196,297	9,265,451	8,196,297	7,744,020

As at		GROUP		COMPANY	
		Sep-2016	Dec-2015	Sep-2016	Dec-2015
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
		Unaudited	Audited	Unaudited	Audited
9.1 Held to Maturity (HTM)					
Treasury Bonds		227,749	227,727	227,749	227,727
		227,749	227,727	227,749	227,727
9.2 Loans and Receivables (L & R)					
Debt Securities - Bank Deposits	Note 9.2.a	26	40,762	26	-
- Debentures	Note 9.2.b	-	111,431	-	90,713
Overnight Reverse Repo		363,127	629,104	363,127	431,897
		363,153	781,297	363,153	522,610
9.2.a Bank Deposits (L& R)					
Licensed Commercial Banks		26	40,762	26	-
		26	40,762	26	-
9.2.b Debentures (L & R)					
Unlisted		-	111,431	-	90,713
		-	111,431	-	90,713
9.3 Available - for - Sale (AFS)					
Debt Securities					
- Debentures		1,365,308	1,227,459	1,365,308	1,127,542
Equity Securities					
- Quoted		1,518,997	1,714,245	1,518,997	1,423,095
- Un Quoted		369,700	369,700	369,700	319,700
Treasury Bonds		3,821,476	4,169,829	3,821,476	3,503,862
		7,075,482	7,481,233	7,075,482	6,374,199
9.4 Fair Value Through Profit or Loss (FVTPL)					
Equity Securities		529,913	624,763	529,913	600,146
Unit Trust		-	64,898	-	19,338
Debenture		-	85,533	-	-
		529,913	775,194	529,913	619,484

10 DISPOSAL GROUPS HELD FOR SALE

As described in Note 8 to these Interim Financial Statement the Company divested its 100% stake in Asian Alliance General Insurance Limited to Fairfax Asia Limited (Union Assurance General Ltd) with effect from 3rd October 2016.

Although the sale to a third party occurred subsequent to the reporting date, these Interim Financial Statement have been prepared to reflect the impact of the discontinuation of a significant business segment (i.e. General Insurance) as required by SLFRS - 5 " Non Current Asset Held for Sale and Discontinued Operations".

Consequent to the above, the assets and liabilities relating to the General Segment have been classified as assets/liabilities held for sale including Investment in Subsidiary.

As at 30 September 2016, the disposal group was stated at fair value and comprise the following assets and liabilities.

10.1 ASSET HELD FOR SALE

As at 30 September	Rs. '000' 2016
Intangible Assets	200
Property, Plant and Equipment	43,774
Financial Investments	1,937,644
Other Loans	436
Reinsurance Receivables	71,534
Premium Receivables	561,530
Other Assets	100,451
Insurance Contract - Deferred Expenses	148,081
Deferred Tax Assets	52,676
Cash and Cash Equivalents	49,243
Total Assets Held for Sale	<u><u>2,965,569</u></u>

10.2 LIABILITIES HELD FOR SALE

As at 30 September	Rs. '000' 2016
Insurance Contract Liabilities - General	1,613,006
Employee Benefits	18,127
Current Tax Liabilities	23,709
Reinsurance Payable	63,233
Insurance Contract - Deferred Revenue	12,435
Other Liabilities	183,756
Deferred Tax Liabilities	240
Bank Overdraft	30,723
Total Liabilities Held for Sale	<u><u>1,945,229</u></u>

11 INSURANCE CONTRACT LIABILITIES - LIFE

As at	Sep-2016 Rs.' 000 Unaudited	Dec-2015 Rs.' 000 Audited
Insurance Contract Liabilities	6,170,768	5,966,015
Unclaimed benefits	319,886	226,600
	<u><u>6,490,654</u></u>	<u><u>6,192,615</u></u>

11.a Valuation of Life Insurance Fund

An amount of Rs 330 Million has been transferred from the Non-Participating Fund to the Shareholders Fund subject to complying with following conditions for the quarter ended 30th September 2016,

- the Company shall reverse any amount of the surpluses (transferred as at 31 March, 30 June and 30 September 2016) back to the Life Fund from Shareholders Fund if required so by IBSL having examined the independent certifications.
- the Company shall retain such surpluses and not distribute same as dividend or otherwise without the written approval of IBSL.

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

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

12 CAPITAL COMMITMENTS AND CONTINGENCIES**12.1 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.

12.2 Contingencies - Group & Company

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

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

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

Life Insurance Taxation

- b) The Company has received a tax assessments letter for Life Insurance taxation for the year 2010. The Company is of the strong view that no additional tax liability is arising and also we have filed a response highlighting our view, which was done in consultation with Tax Consultants. Further even if this would materialized against the Company, no additional tax liabilities are required for the Company due to carried forward taxable losses and credits. However, the accumulated tax losses of Life business will come down by Rs. 237 Million.
- c) The Company has received a notice of assessments letter for Life Insurance taxation for the years 2011, 2012 and 2013. 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. 952 Million.

12.3 Pending Litigations

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

13 EVENTS AFTER THE REPORTING PERIOD

Based on the Share Sale and Purchase agreement on 24th June 2016, for the sale of all the shares that it holds in Asian Alliance General Insurance Limited to Fairfax Asia Limited (Union Assurance General Ltd) the Company divested its 100% stake in Asian Alliance General Insurance Limited to Fairfax Asia Limited with effect from 3rd October 2016.

At the Extraordinary General Meeting held on 11th October 2016 a special resolution was unanimously passed for the purpose of changing the Company name from Asian Allaince Insurance PLC to Softlogic Life Insurance PLC . The Registrar General of Companies has given the apporoval on 24th October 2016 by re-issuing new incorporation certificate complying with section 8 of the Company's Act no 7 of 2007.

In terms of section 8 of Listing Rules Mr. Ramal Jasinghe (Non Executive Director) has resigned as Director from the Board of Directors of the Company w.e.f 3rd October 2016

14 COMPARATIVE INFORMATION

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

15 SHARE INFORMATION

	Group		Company	
	30.9.2016	31.12.2015	30.9.2016	31.12.2015
Net Assets Per Share (Rs)	5.90	5.93	6.91	6.50
Dividend Per Share (Rs)	0.53	-	0.53	-
<u>Market Price Per Share</u>				
Last traded price as at 30 September 2016				23.00
Highest traded price per share for the Quarter (July-Sep)				23.90
Lowest traded price per share for the Quarter (July-Sep)				19.80

16 STATED CAPITAL

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

17 BASIC & DILUTED EARNING PER SHARE (EPS)

	Group		Company	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
Profit attributable to Ordinary Shareholders from Continuing Operations (Rs. 000)	909,314	368,995	909,314	368,995
Profit attributable to Ordinary Shareholders from Discontinued Operations (Rs. 000)	(310,340)	(10,111)	-	-
Weighted Average No of shares as at 30 September	375,000,000	375,000,000	375,000,000	375,000,000
Basic/Diluted Earning per share - Continuing Operations (Rs.)	2.42	0.98	2.42	0.98
Basic/Diluted Earning per share - Discontinued Operations (Rs.)	(0.83)	(0.03)	-	-

18 TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	As at 30 September 2016	
	No. of Shares	%
1 Softlogic Capital PLC	221,952,810	59.19%
2 HSBC Intl Nom Ltd-State Street Munich C/O Ssbt-Deg-Deutsche Investitions-Und Entwicklungsgesellschaft	71,250,000	19%
3 Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	71,250,000	19%
4 Sandwave Limited	1,428,889	0.38%
5 Waldock Mackenzie Ltd/ Mr.S.N.P.Palihena And Mrs. A.S.Palihena	1,000,000	0.27%
6 Mr. Goonetilleke	775,500	0.21%
7 Mr. Ananda	615,950	0.16%
8 United Motors Lanka PLC	394,030	0.11%
9 Citizens Development Business Finance PLC/D.S.J.Wickramaratne And D.J.Wickramaratne	250,000	0.07%
10 Mr. Ekanayaka	205,000	0.05%
11 People'S Leasing & Finance Plc/Mr.D.M.P.Disanayake	200,003	0.05%
12 Mr. Kumara	200,000	0.05%
13 Softlogic Holdings PLC	175,550	0.05%
14 Waldock Mackenzie Ltd/Mr. M.Z.M. Wafik	156,190	0.04%
15 Mr. Fuad	141,251	0.04%
16 Mrs. Hanifa	123,237	0.03%
17 Mr. Kandedgedara	101,000	0.03%
18 Mr. Wickramaratne	100,000	0.03%
19 Union Investments Private Ltd	100,000	0.03%
20 Mr. Gunatunga	100,000	0.03%
Others	370,519,410	98.82%
Total	4,480,590	1.18%
	375,000,000	100%

19 PUBLIC SHAREHOLDING

The percentage of shares held by the public as at 30 September 2016 was 2.76 % (30 September 2015 - 2.77 %) and a number of public shareholders as at 30 September 2016 was 1,046.

20 DIRECTORS' SHARE HOLDINGS

As at 30 September Name of The Director	2016	
	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. Ramal . G. Jasinghe - Director (Resigned w.e.f 3rd October 2016)	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) 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	GROUP		COMPANY	
	2016 Rs.' 000	2015 Rs.' 000	2016 Rs.' 000	2015 Rs.' 000
Transactions with the Ultimate Parent & Parent				
Investments	55,921	185,921	55,921	155,921
Insurance Premiums	9,468	23,980	-	-
Rendering / Receiving of services	9,181	20,592	1,224	770
Interest & Maturity received	146,470	19,284	142,923	15,750
Other Income	12,235	-	12,235	-
Dividend received	2,296	1,148	2,296	1,148
Dividend Paid	190,801	-	190,801	-
Professional Charges	52,251	82,703	52,251	82,703
Claims Paid	3,901	6,087	-	-
Transactions with Subsidiary				
Equity investment	1,400,000	800,000	1,400,000	800,000
Insurance Premiums	46,124	82,755	46,124	82,755
Transfer of assets and liabilities	66,055	-	66,055	-
Claims Paid	937	3,948	937	3,948
Transactions with Companies under Common Control				
Investments	62,874	242,874	62,874	222,874
Insurance Premiums	100,508	89,296	-	-
Rendering Receiving of services	60,874	59,976	58,310	57,204
Sales /Purchases of property plant & equipment	7,363	29,903	6,914	23,989
Interest & Maturity received /Given	88,721	8,690	88,721	8,690
Dividend received	2,376	12,018	2,376	12,018
Other Income	3,400	3,400	-	-
Claims Paid	23,813	44,749	-	-
Companies controlled / jointly controlled / significantly influenced by KMP and their close family members				
Insurance Premiums	1,803	1,858	-	-
Rendering / Receiving of services	1,562	555	1,101	435
Claims Paid	1,219	1,233	-	-
Professional Charges	-	61	-	61