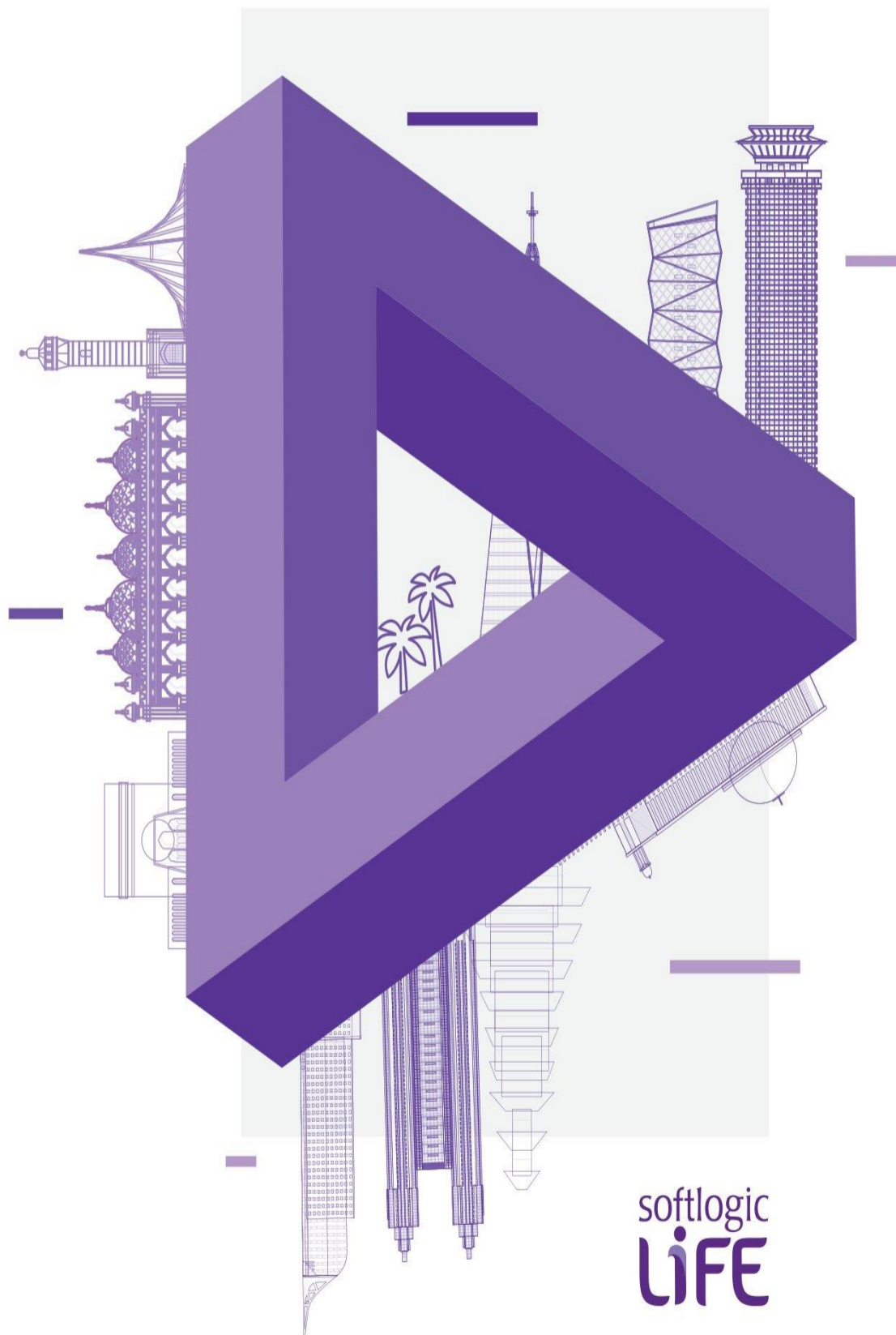


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INTERIM FINANCIAL STATEMENTS - FOR THE PERIOD ENDED 31ST MARCH 2023

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the three months ended 31 March	Note	2023 Rs. ' 000 Audited	2022 Rs. ' 000 Audited	Change %
Gross written premiums	5	5,984,618	5,803,596	3
Premiums ceded to reinsurers		(639,612)	(512,526)	25
Net written premiums		5,345,006	5,291,070	1
Other revenue				
Net finance income		1,732,591	737,325	135
Net realised gains / (losses)		39	(26,798)	(100)
Net fair value Gain / (losses)		207,236	(127,377)	(263)
Other operating income		2,562	2,755	(7)
Total other revenue		1,942,428	585,905	232
Total net revenue	6	7,287,434	5,876,975	24
Net benefits, claims and expenses				
Net insurance benefits and claims paid		(3,188,942)	(1,724,312)	85
Net change in insurance claims outstanding		47,830	(27,701)	(273)
Change in insurance contracts liabilities		65,026	(1,695,599)	(104)
Underwriting and net acquisition cost (Net of reinsurance)		(1,371,103)	(1,329,438)	3
Other operating and administration expenses		(1,261,235)	(1,052,795)	20
Impairment (provision) on financial investments		(156,114)	(680,692)	77
Finance (cost) / gains	7	(602,136)	1,353,414	(144)
Total benefits, claims and expenses		(6,466,674)	(5,157,123)	25
Profit before tax	8	820,760	719,852	14
Income tax expenses	9	(319,124)	(218,086)	46
Profit for the period		501,636	501,766	(0)
Profit attributable to;				
Owners of the Company		501,636	501,766	(0)
Non controlling interest		-	-	
		501,636	501,766	(0)
Earnings per share				
Basic earnings per share (Rs.)	17	1.34	1.34	27
Diluted earnings per share (Rs.)	17	1.34	1.34	27

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 31 March	2023 Rs. ' 000 Audited	2022 Rs. ' 000 Audited	Change %
Profit for the period	501,636	501,766	(0)
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	206,864	(190,321)	
Equity investments at FVOCI - net change in fair value - Life fund	(15,462)	(31,121)	
Related tax / deferred tax	-	-	
	191,402	(221,442)	(186)
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	64	(28,265)	
Debt investments at FVOCI - net change in fair value - Life fund	17,495	(235,410)	
Debt investments at FVOCI - reclassified to income statement	221	185	
Related tax / deferred tax	-	-	
	17,780	(263,490)	(107)
Total other comprehensive income for the period, net of tax	209,182	(484,932)	(143)
Total comprehensive income for the period, net of tax	710,818	16,834	4,123
Total comprehensive income attributable to:			
Owners of the Company	710,818	16,834	
Non - controlling interests	-	-	
	710,818	16,834	4,123

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

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	Note	31.03.2023 Rs. ' 000 Audited	31.12.2022 Rs. ' 000 Audited
Assets			
Intangible assets		2,397	2,566
Property, plant and equipment		608,412	579,357
Right of use assets		590,504	556,915
Financial investments	10	41,398,435	42,599,855
Loans to life policyholders		274,514	265,060
Reinsurance receivables		712,690	568,379
Premium receivables		1,560,314	1,763,388
Receivables and other assets		1,311,977	1,172,879
Cash and cash equivalents		909,436	739,944
Total assets		47,368,679	48,248,343
Equity and liabilities			
Equity			
Stated capital		1,062,500	1,062,500
Retained earnings		11,301,811	12,112,675
Restricted regulatory reserve		798,004	798,004
Other reserves		(2,891,073)	(3,100,255)
Total equity		10,271,242	10,872,924
Liabilities			
Insurance contract liabilities	11	25,294,564	25,338,502
Employee benefit liabilities		219,163	208,959
Loans and borrowings		5,190,804	5,643,918
Reinsurance payables		2,461,441	2,246,237
Other liabilities		3,494,937	3,629,485
Bank overdraft		436,528	308,318
Total liabilities		37,097,437	37,375,419
Total equity and liabilities		47,368,679	48,248,343
Net asset per share (Rs.)		27.39	28.99

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 07 of 2007.

Sgd.

Nuwan Withanage

Chief Financial Officer

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

Approved and signed for and on behalf of the Board.

Sgd.

Ashok Pathirage

Chairman

Sgd.

Iftikar Ahamed

Managing Director

Colombo

08th May 2023

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY

	Stated capital	Retained earnings	Restricted regulatory reserve	Other reserve		Total
	Fair value reserve	Revaluation reserves				
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Balance as at 01 January 2022	1,062,500	10,453,584	798,004	(1,855,391)	129,733	10,588,430
Profit for the period	-	501,766	-	-	-	501,766
Other Comprehensive Income for the Period						
Equity investments at FVOCI - net change in fair value	-	-	-	(190,321)	-	(190,321)
Equity investments at FVOCI - net change in fair value - Life fund	-	-	-	(31,121)	-	(31,121)
Debt investments at FVOCI - net change in fair value	-	-	-	(28,265)	-	(28,265)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	-	(235,410)	-	(235,410)
Debt investments at FVOCI - reclassified to income statement	-	-	-	185	-	185
Total other comprehensive income, net of tax	-	-	-	(484,932)	-	(484,932)
Total comprehensive income for the period	-	501,766	-	(484,932)	-	16,834
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2021	-	(1,050,000)	-	-	-	(1,050,000)
Total transactions with owners of the Company	-	(1,050,000)	-	-	-	(1,050,000)
Balance as at 31 March 2022	1,062,500	9,905,350	798,004	(2,340,323)	129,733	9,555,264
Profit for the period	-	2,181,110	-	-	-	2,181,110
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	-	(371,130)	-	(371,130)
Equity investments at FVOCI - net change in fair value - Life fund	-	-	-	(244,574)	-	(244,574)
Debt investments at FVOCI - net change in fair value	-	-	-	(23,424)	-	(23,424)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	-	(251,169)	-	(251,169)
Debt investments at FVOCI - reclassified to income statement	-	-	-	632	-	632
Re-measurement gains on defined benefit liabilities	-	26,215	-	-	-	26,215
Total other comprehensive income, net of tax	-	26,215	-	(889,665)	-	(863,450)
Total comprehensive income for the period	-	2,207,325	-	(889,665)	-	1,317,660
Balance as at 31 December 2022	1,062,500	12,112,675	798,004	(3,229,988)	129,733	10,872,924
Profit for the period	-	501,636	-	-	-	501,636
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	-	206,864	-	206,864
Equity investments at FVOCI - net change in fair value - Life fund	-	-	-	(15,462)	-	(15,462)
Debt investments at FVOCI - net change in fair value	-	-	-	64	-	64
Debt investments at FVOCI - net change in fair value - Life fund	-	-	-	17,495	-	17,495
Debt investments at FVOCI - reclassified to income statement	-	-	-	221	-	221
Total other comprehensive income, net of tax	-	-	-	209,182	-	209,182
Total comprehensive income for the period	-	501,636	-	209,182	-	710,818
Transaction with owners of the Company						
Contribution and distribution						
Interim Dividend- 2022	-	(1,312,500)	-	-	-	(1,312,500)
Total transaction with owners of the Company	-	(1,312,500)	-	-	-	(1,312,500)
Balance as at 31 March 2023	1,062,500	11,301,811	798,004	(3,020,806)	129,733	10,271,242

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the three months ended 31 March	2023 Rs. ' 000 Audited	2022 Rs. ' 000 Audited
Cash flows from operating activities		
Profit before taxation	820,760	719,852
Adjustments for :		
Depreciation of property, plant and equipment	31,478	33,638
Amortisation of intangible assets	170	91
Depreciation of right of use asset	73,597	62,191
Interest expenses on lease liabilities and loans and borrowings	185,530	81,101
Provision for employee benefit liabilities	11,843	10,381
Net realised gains	(39)	26,798
Net fair value losses / (Gains)	(207,236)	127,377
Net unrealised (gain) on foreign currency transactions	381,968	(1,456,829)
Net amortisation of financial investments	(338,567)	(236,109)
Provision / (reversal) for impairment losses on financial investments	156,114	680,692
	1,115,618	49,183
Change in operating assets		
Decrease in loans to life policyholders	(9,454)	7
Increase in reinsurance receivables	(144,311)	(180,942)
(Increase) / Decrease in premium receivables	203,075	(198,316)
Increase in receivables and other assets	(155,366)	(263,261)
	(106,056)	(642,512)
Change in operating liabilities		
Increase in insurance contract liabilities	(43,938)	1,682,760
Increase in reinsurance payables	343,180	689,528
Increase / (Decrease) in other liabilities	(255,736)	(391,927)
	43,506	1,980,361
Net cash generated from operations	1,053,068	1,387,032
Gratuity paid	(1,640)	(320)
Tax Paid	(188,614)	-
Net cash generated from operating activities	862,814	1,386,712
Cash flows from investing activities		
Acquisition of investment securities	(13,640,614)	(9,708,613)
Proceeds from sale of investment securities	14,336,698	9,423,139
Acquisition of property, plant and equipment	(60,533)	(19,288)
Net Acquisition of ROU Asset	(36,951)	(14,846)
Proceeds from the sale of property, plant and equipment	-	65
Net cash flows used in investing activities	598,600	(319,543)
Cash flows from financing activities		
Dividend paid to equity holders	(1,312,500)	(1,050,000)
Payment of lease liabilities	(107,632)	(86,343)
Net cash used in financing activities	(1,420,132)	(1,136,343)
Net increase / (Decrease) in cash and cash equivalents	41,282	(69,174)
Net cash and cash equivalents as at 1 January	431,626	406,370
Net cash and cash equivalents as at 31 December	472,908	337,196
Analysis of cash and cash equivalents		
Cash in hand and at bank	909,436	660,158
Bank overdrafts	(436,528)	(322,962)
Total cash and cash equivalents as at 31 December	472,908	337,196

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

As at	Note	31.03.2023 Rs. ' 000 Audited	31.12.2022 Rs. ' 000 Audited
Assets			
Property, plant and equipment		275,096	277,674
Right of use assets		574,754	539,477
Financial investments		30,671,303	30,249,843
Loans to life policyholders		274,514	265,060
Reinsurance receivables		712,690	568,379
Premium receivables		1,560,314	1,763,388
Receivables and other assets		1,072,707	1,000,613
Cash and cash equivalents		817,125	734,634
Total assets		35,958,503	35,399,068
Equity and liabilities			
Equity			
Other reserves		(1,139,736)	(1,141,990)
Total equity		(1,139,736)	(1,141,990)
Liabilities			
Insurance contract liabilities	11	25,294,564	25,338,502
Employee benefit liabilities		219,163	208,959
Reinsurance payables		2,461,441	2,246,237
Other liabilities		8,686,543	8,439,041
Bank overdraft		436,528	308,319
Total liabilities		37,098,239	36,541,058
Total equity and liabilities		35,958,503	35,399,068

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 REPORTING ENTITY

Softlogic Life Insurance PLC (“the Company”) is a public limited liability company incorporated and domiciled in Sri Lanka. The Company is regulated under the Insurance Industry Act No. 43 of 2000 and amendments thereto. The Company was re – registered under the Companies Act No. 07 of 2007 and the registered office is situated at Level 16, One Galle Face Tower, Colombo - 02. The ordinary shares of the Company have a primary listing on the CSE.

2 APPROVAL OF FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS

The interim condensed Financial Statements for the period ended 31 March 2023 were authorised for issue by the Board of Directors on 08th May 2023.

3 BASIS OF PREPARATION

The interim condensed Financial Statements for the period ended 31 March 2023 have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed Financial Statements do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022. 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 condensed Financial Statements. The same Accounting Policies and methods of computation as stated in the Annual Financial Statements - 2022 have been followed in preparing these interim condensed Financial Statements.

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual Financial statements.

New SLFRS and Interpretations issued but not yet effective have not been early adopted during the period.

4 Fair value measurement and related fair value disclosures

During the period there were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income. As at the reporting date, fair value would not significantly change if one or more of the inputs of financial assets classified at level 3 were changed.

5 GROSS WRITTEN PREMIUM

For the three months ended 31 March	2023	2022
	Rs. ' 000	Rs. ' 000
	Audited	Audited
First Year Premium	1,555,822	1,183,916
Renewal Premium	3,154,980	2,702,711
Group Life Premium	1,229,185	835,123
Single Premium	44,631	1,081,846
Total Gross Written Premium	5,984,618	5,803,596

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

6 TOTAL NET REVENUE

For the three months ended 31 March	2023 Rs. ' 000 Audited	2022 Rs. ' 000 Audited
Net written premiums	5,345,006	5,291,070
Other Revenue	1,942,428	585,905
Total Net Revenue	7,287,434	5,876,975

7 FINANCE COST

For the three months ended 31 March	2023 Rs. ' 000 Audited	2022 Rs. ' 000 Audited
Interest expenses on lease liabilities and loans and borrowings	(185,530)	(81,101)
Net exchange (losses) / gains	(381,968)	1,456,829
Other finance cost	(34,638)	(22,314)
Total Finance (Cost) / Gains	(602,136)	1,353,414

8 PROFIT BEFORE TAXATION

For the three months ended 31 March	2023 Rs. ' 000 Audited	2022 Rs. ' 000 Audited
Profit Before Taxation	820,760	719,852
Total	820,760	719,852

The Company transferred Rs.730 Mn from Non participating fund to shareholder fund as surplus transfer for the period ended 31 March 2023 (2022- 845 Mn).

9 INCOME TAX EXPENSE

The gains and profits from the Life Insurance Business are ascertained in terms of Section 67 of the Inland Revenue Act No. 24 of 2017. Accordingly, gains and profits on which tax is payable is the aggregate of;

Taxable Income Source	Applicable Tax Rate
Surplus distributed to shareholders from the Life Insurance policyholders fund as certified by the actuary	30%
Investment income of the shareholder fund less any expenses incurred in the production of such income	30%
Surplus distributed to a Life insurance policyholder who shares the profits of a person engaged in the business of life insurance	30%

Dividend paid out of profit recorded in shareholder fund 15%

For the three months ended 31 March	2023 Rs. ' 000 Audited	2022 Rs. ' 000 Audited
Current tax expenses	319,124	218,086
Total	319,124	218,086

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

10 FINANCIAL INVESTMENTS

As at	Note	31.03.2023 Rs. ' 000 Audited	31.12.2022 Rs. ' 000 Audited
Amortised Cost (AC)	10.1	35,382,849	37,065,567
Fair Value through Other Comprehensive Income (FVOCI)	10.2	2,275,583	2,082,779
Fair Value Through Profit or Loss (FVTPL)	10.3	3,740,003	3,451,509
Total Financial Investments		41,398,435	42,599,855

10.1 Amortised Cost (AC)

Treasury Bonds		16,964,241	12,980,040
Treasury Bills		-	1,099,884
Sri Lanka Development Bonds		2,136,572	6,221,129
International Sovereign Bonds		4,168,886	4,830,774
Bank Deposits		653,802	522,007
Commercial Papers		1,466,905	2,368,757
Securitized Papers		810,473	790,246
Quoted Debentures		6,855,825	7,070,479
Unquoted Debentures		307,909	301,333
Reverse Repo		2,018,236	880,918
		35,382,849	37,065,567

10.2 Fair Value through Other Comprehensive Income (FVOCI)

Equity Securities			
Quoted		1,350,237	1,171,337
Unquoted		278,236	265,734
Treasury Bonds		647,110	645,708
		2,275,583	2,082,779

10.3 Fair Value Through Profit or Loss (FVTPL)

Treasury Bonds		158,750	90,974
Unlisted Perpetual Debenture		800,164	782,067
Unit Trust		2,747,592	2,578,400
Derivative Asset		33,497	68
		3,740,003	3,451,509

11 INSURANCE CONTRACT LIABILITIES

As at	Note	31.03.2023 Rs. ' 000 Audited	31.12.2022 Rs. ' 000 Audited
Insurance Contract Liabilities		23,405,558	23,412,163
Surplus Created due to Change in Valuation method from NPV to GPV	11.1 & 11.2	1,056,535	1,056,535
Claim Payables		832,471	869,804
		25,294,564	25,338,502

11.1 Transfer of One-off Surplus from Policyholder Fund to Shareholder Fund

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has issued a Direction No 16 on 20th March 2018 on “Guidelines/ Directions for Identification and Treatment of One-off Surplus” and has instructed all Life Insurance Companies to comply with the new direction. Based on the new guidelines Life Insurance Companies are directed to transfer One-off surplus attributable to Policyholder Non-Participating Fund to shareholder fund as at the reporting year ended 31st December 2017. The transfer has been presented as a separate line item in the Income Statement as “Change in contract liability due to transfer of One-off surplus” and as a separate reserve in the Statement of Financial Position as “Restricted Regulatory Reserve” under Equity in accordance with above Direction. As required by the said Direction, the Company received the approval for this transfer on 29th March 2018.

Further distribution of One-off Surplus to shareholders, held as part of the Restricted Regulatory Reserve, is subject to meeting governance requirements stipulated by the IRCSL and can only be released as dividends upon receiving approval from the IRCSL. The One-off Surplus in the shareholder fund will remain invested in government debt securities and deposits as disclosed in Note 11.2 as per the directions of the IRCSL”.

One-off surplus in respect of participating business is held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholder fund by means of bonuses to policyholders in line with Section 38 of the “Regulation of Insurance Industry Act.

Movement of One-off Surplus After Transfer	Participating Fund	Non-Participating Fund	Total
	Rs. ' 000	Rs. ' 000	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	1,674,571	4,484,816
Surplus Created due to Change in Valuation method from NPV to GPV- One off Surplus as at 1st January 2016	1,056,535	798,004	1,854,539
Transfer of One-off Surplus from long term fund to Restricted Regulatory Reserve.	-	(798,004)	(798,004)
Surplus created due to Change in Valuation Method - One-off Surplus as at 31st March 2023	1,056,535	-	1,056,535

The distribution of One-off surplus to Shareholders as dividends shall remain restricted until the Company develops appropriate policies and procedures for effective management of its business.

11.2 Composition of Investments Supporting the Restricted Regulatory Reserve as at 31 March 2023

Asset Category	ISIN No	As at 31 March 2023	
		Face Value Rs.	Market Value Rs. ' 000
Government Securities			
Treasury Bond	LKB00628A153	100,000,000	82,063
	LKB00628A153	110,000,000	90,270
	LKB00628A153	100,000,000	82,063
	LKB00628A153	100,000,000	82,063
	LKB00931E153	100,000,000	81,530
	LKB00931E153	100,000,000	81,530
	LKB00931E153	120,000,000	97,836
	LKB00931E153	100,000,000	81,530
	LKB00931E153	100,000,000	81,530
	LKB00931E153	100,000,000	81,530
	LKB01528I017	100,000,000	60,529
Total Market Value of the Assets			902,474
Restricted Regulatory Reserve			798,004

11.3 Valuation of Life Insurance Fund -(Zeroed Basis of Negative Liabilities at Product Level) as at 31 March 2023

The valuation of life insurance fund as at 31 March 2023 was made by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, of Messrs. Willis Towers Watson India Private Limited, who approved to transfer from Non-Participating Life Insurance fund / insurance contract liabilities to the Shareholders fund as surplus transfer as disclosed below.

For the quarter ended 31 March 2022 – Rs. 730 million (2022 - 845 million)

The financial statements as at 31 March 2023 were audited by Messrs. KPMG for surplus declaration purpose.

11.4 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 are carried out annually.

12 CAPITAL COMMITMENTS AND CONTINGENCIES

12.1 Capital Commitments

The capital commitments approved and contracted as at the reporting date were Rs. 31.04 million.

12.2 Contingencies

The Contingent Liability of the Company as at 31 March 2023, relates to the followings;

Assessment in Respect of Value Added Tax (VAT)

1)The Company has been issued with VAT assessments by the Department of Inland Revenue for the taxable period 2010 and was determined by the Tax Appeal Commissions on 22nd August 2019. Out of total 11 assessments, 08 assessments were determined in favor of Commissioner General of Inland Revenue amounting to Rs. 46.5 Million including the penalty and 03 assessments were determined in favor of Softlogic Life Insurance PLC amounting to Rs. 24.8 Million including the penalty.

The Company transmitted the case to the Court of Appeal being dissatisfied with the determination which determined in favor of the Commissioner General of Inland Revenue and case is stated for the opinion of the Honorable Court of Appeal. The Total tax exposure of this appeal is Rs. 46.5 million including the penalty.

The Commissioner General of Inland Revenue, transmitted the case to the Court of Appeal being dissatisfied with the determination which determined in favor of Softlogic Life Insurance PLC and case is stated for the opinion of the Honorable Court of Appeal. The Total tax exposure of this appeal is Rs. 24.8 million including the penalty.

Assessment in Respect of Value Added Tax on Financial Services (VAT on FS)

2) The Commissioner General of Inland Revenue issued its determination on the appeal filed by the Company relating to the assessment raised for Y/A 2014/15, 2016/17 and 2017/18 under the Value Added Tax Act amounting to Rs. 68.7 Million, Rs. 28.0 Million and Rs. 102.4 Million respectively, in favor of the Commissioner General of Inland Revenue. The Company is in the process of hearing the appeals with Tax Appeals Commission, on the basis that the underlying computation includes items which are out of scope of the VAT Act.

3) The Company has been issued with an assessment by the Department of Inland Revenue under the Value Added Tax Act, in relation to the Y/A 2018/19 and 2019 /20 amounting to Rs. 72.6 Million and 147.7 Million respectively. The Company has filed an appeal in relation to 2018/19 to the Commissioner General of Inland Revenue on the basis that the underlying computation includes items which are out of scope of the VAT Act and filled an objection letter and the Company is awaiting the CGIR determination. The company has requested administration review for the assessment issued for the Y/A 2019/20

12 CAPITAL COMMITMENTS AND CONTINGENCIES (Cont.)

12.2 Contingencies (Cont.)

Assessment in Respect of Nation Building Tax on Financial Services (NBT on FS)

4) The Commissioner General of Inland Revenue issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2017/18 under the Nation Building Tax Act amounting to Rs. 13.7 Million, in favor of the Commissioner General of Inland Revenue. The Company is in the process of hearing the appeals with Tax Appeals Commission, on the basis that the underlying computation includes items which are out of scope of the NBT Act.

5) The Company has been issued with an assessment by the Department of Inland Revenue under the Nation Building Tax Act, in relation to the Y/A 2018/19 amounting to Rs. 9.7 Million. The Company has filed an appeal to the Commissioner General of Inland Revenue on the basis that the underlying computation includes items which are out of scope of the NBT Act and preference notice to appealing to TAC was made. The Company is awaiting the CGIR reason for determination.

Economic Service Charge (ESC)

6) The Company has been issued with an assessment by the Department of Inland Revenue on 27 August 2020 under the Economic Service Charge Act, in relation to the taxable period ending 31 December 2017 amounting to Rs. 7.3 Million.

The Commissioner General of Inland Revenue issued its determination on the appeal filed by the Company relating to the assessment in favour of the the commissioner General of Inland Revenue. The company is in the process of hearing the appeals with Tax Appeals Commission, on the basis that the underlying computation includes items which are out of scope of the ESC Act and CGIR shall write off the ESC assessed.

Life Insurance Taxation

7) The Tax Appeals Commission issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2010/11 amounting to Rs. 679,000/- , in favor of the Softlogic Life Insurance PLC and The Commissioner General of Inland Revenue has transmitted this case to the Court of Appeal being dissatisfied with the said determination of Tax Appeals Commission and case is stated for the opinion of the Honorable Court of Appeal. The Company is awaiting the decision of the Court of appeal.

8)The Tax Appeals Commission issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2011/12 and 2012/13 amounting to Rs.10.1 Million and Rs. 12.4 Million respectively, in favor of CGIR and The Company has transmitted this case to the Court of Appeal being dissatisfied with the said determination of Tax Appeals Commission and case is stated for the opinion of the Honorable Court of Appeal. The Company is awaiting the decision of the Court of appeal.

9) The Commissioner General of Inland Revenue issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2014/15, 2015/16, 2016/17 and 2017/18 amounting to Rs. 681.7 Million along with penalty, in favor of the Commissioner General of Inland Revenue. The Company is in the process of hearing the appeals with Tax Appeals Commission.

10) The Company has been issued with an assessment under the Income Tax act by the Department of Inland Revenue in relation to the year of assessment 2018, amounting to Rs. 533.4 Million including penalty and interest. The Company has filed an appeal to the Commissioner General of Inland Revenue and awaiting the CGIR determination.

Directors are of the view that it has followed due process and acted in accordance with the prevailing laws in its tax submission and therefore, the probability of company having to settle any of this tax assessments are very low.

13 EVENTS AFTER THE REPORTING PERIOD

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

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

14 COMPARATIVE INFORMATION

The presentation and classification in the financial statements are amended where appropriate to ensure comparability with the current period.

15 SHARE INFORMATION

15.1 Net Assets Per Share

As at	31.03.2023	31.12.2022
	Rs.	Rs.
Net Assets Per Share	27.39	28.99
Net Asset per Share - Excluding One-off Surplus	25.26	26.87

15.2 Market Price Per Share

For the quarter ended 31 March	2023	2022
	Rs	Rs
Last traded price (Last trade date - 31st March 2023)	84.40	43.40
Highest traded price per share for the quarter	136.00	249.00
Lowest traded price per share for the quarter	82.00	38.50

16 STATED CAPITAL

As at	31.03.2023	31.12.2022
Stated Capital (Rs.' 000)	1,062,500	1,062,500
No of Ordinary Shares	375,000,000	375,000,000

17 BASIC & DILUTED EARNING PER SHARE (EPS)

For the three months ended 31 March	2023	2022
Profit attributable to Ordinary Shareholders (Rs. 000)	501,636	501,766
Weighted Average No of shares as at 31 March	375,000,000	375,000,000
Basic / Diluted Earning per share (Rs.)	1.34	1.34

18 TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	31.03.2023	
	No. of Shares	%
1 Softlogic Capital PLC	193,945,760	51.72
2 Milford Ceylon (Pvt) Ltd	71,250,000	19.00
3 Dalvik Inclusion Private Limited	71,250,000	19.00
4 Commercial bank of Ceylon PLC/W. Jinadasa	1,231,734	0.33
5 Mr. G.C Goonetilleke	979,765	0.26
6 MR. L.A.J.F. Morais	765,000	0.20
7 Mrs. H.N.R Bharati	626,729	0.17
8 Mr. A.P.P.M. Abeyrathne	519,647	0.14
9 Seylan Bank PLC/Karagoda Loku Gamage Udayananda	470,725	0.13
10 Mr. J.H.M.L. Fernando	468,131	0.12
11 Mr. S.H. Jayasuriya	440,400	0.12
12 Mr. G.B.D. Tilakarathne	412,284	0.11
13 Mr.J.M.I Jayaweera	388,427	0.10
14 Mr. R.S.P. Samaranayake	374,991	0.10
15 J.B. Cocoshell (PVT) LTD	374,885	0.10
16 Maskeliya Tea Exports (PVT) LTD	350,000	0.09
17 Mr. W.A.A.T.M Jayawickrama	335,000	0.09
18 Seylan Bank PLC/Shermal Hemaka Jayasuriya	334,503	0.09
19 Mr. M.K. De Livera	330,002	0.09
20 Mr.A.N Lokukalutota	320,000	0.09
	345,167,983	92.05
Others	29,832,017	7.95
Total	375,000,000	100.00

19 PUBLIC SHAREHOLDING

The percentage of shares held by the public as at 31 March 2023 was 10.23% (31 December 2022 - 10.23%) and a number of public shareholders as at 31 March 2023 was 4,787. (31 December 2022 - 5,551).

Public Holding percentage - Ordinary Non-Voting Shares as at 31 March 2023 - Nil

Float Adjusted Market Capitalisation

Float Adjusted Market Capitalisation is Rs.3,237,795,000/- as at 31 March 2023.

The Company is comply with minimum public holding requirement as at the reporting date based on "Option 1" of CSE listing Rule 7.13.1.b .

20 DIRECTORS' SHARE HOLDINGS

As at 31 March Name of The Director	2023	
	No. of Shares	%
Mr. A. K. Pathirage (Chairman)	Nil	Nil
Mr. T. M. I. Ahamed (Managing Director / CEO)	Nil	Nil
Mr. H.K.Kaimal - Director	Nil	Nil
Ms. Fernanda Lima - Director	Nil	Nil
Mr. V. Govindasamy - Director	Nil	Nil
Mr. R . Snyder - Director	Nil	Nil
Mr. P.L.P. Withana - Director	Nil	Nil
Mr. S.W. Mohottala - Director	Nil	Nil

21 RELATED PARTY DISCLOSURES

The nature of the related parties in the current period and terms and conditions of transactions with related parties are similar to those reported in the audited Financial Statements for the year ended 31 December 2022.

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 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 31 March	2023	2022
	Rs.' 000	Rs.' 000
Transactions with the Ultimate Parent & Parent		
Investments	514,591	505,125
Receiving of services	50,136	42,725
Expenses	708	7
Dividend Paid	679,425	543,540
Interest Income	37,358	13,789
Net Premiums	264	101
Transactions with Companies under Common Control		
Investments	494,793	708,350
Purchases of property plant & equipment	12,225	3,444
Expenses	68,331	66,283
Claims Paid	-	141
Net Premiums	4,965	30,027
Transactions, Arrangements and Agreements Involving KMP and their Close Family Members (CFM)		
	Nil	Nil