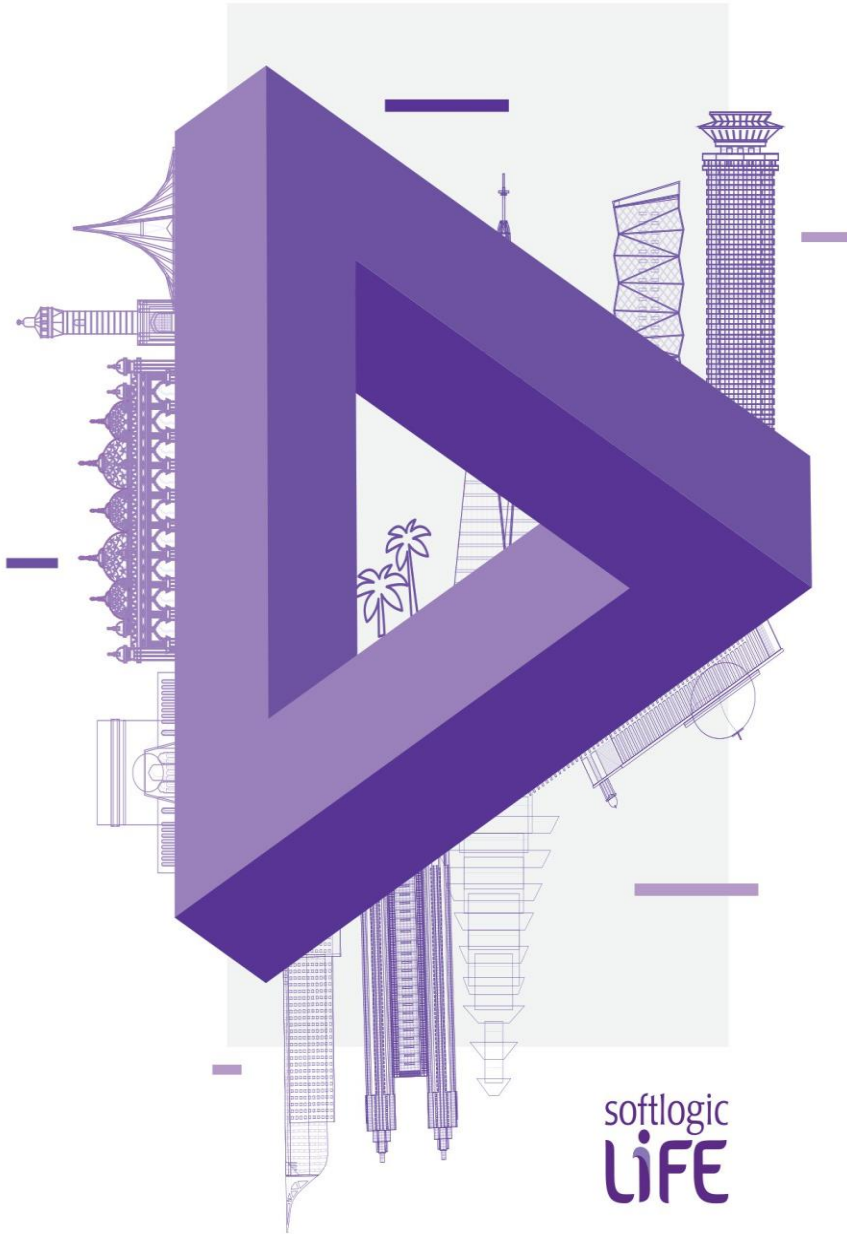


Reimagining



softlogic
LIFE

INTERIM FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31ST DECEMBER 2023

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the year ended 31 December	Note	2023 Rs. ' 000 Un-Audited	2022 Rs. ' 000 Audited	Change %
Gross written premiums	5	26,341,321	23,083,425	14
Premiums ceded to reinsurers		(2,490,889)	(2,678,803)	(7)
Net written premiums		23,850,432	20,404,622	17
Other revenue				
Net finance income		6,977,443	4,991,145	40
Net realised gains		227,391	169,908	34
Net fair value gain / (losses)		733,445	(51,101)	1,535
Other operating income		9,885	10,239	(3)
Total other revenue		7,948,164	5,120,191	55
Total net revenue	6	31,798,596	25,524,813	25
Net benefits, claims and expenses				
Net insurance benefits and claims paid		(12,898,161)	(8,264,286)	56
Net change in insurance claims outstanding		54,823	(129,299)	(142)
Change in insurance contracts liabilities		(2,828,082)	(3,717,074)	(24)
Underwriting and net acquisition cost (Net of reinsurance)		(5,486,207)	(4,955,888)	11
Other operating and administration expenses		(5,111,111)	(4,356,879)	17
Impairment provision on financial investments		(1,081,777)	(2,138,790)	(49)
Finance (cost) / gains	7	(1,250,909)	2,067,787	(160)
Total benefits, claims and expenses		(28,601,424)	(21,494,429)	33
Profit before tax	8	3,197,172	4,030,384	(21)
Income tax expenses		(358,768)	(1,347,508)	(73)
Profit for the period		2,838,404	2,682,876	6
Profit attributable to;				
Owners of the Company		2,838,404	2,682,876	6
Non controlling interest		-	-	
		2,838,404	2,682,876	6
Earnings per share				
Basic earnings per share (Rs.)	17	7.57	7.15	6
Diluted earnings per share (Rs.)	17	7.57	7.15	6

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the three months ended 31 December	2023 Rs. ' 000 Un-Audited	2022 Rs. ' 000 Audited	Change %
Gross written premiums	7,792,235	6,407,945	22
Premiums ceded to reinsurers	(610,916)	(770,285)	(21)
Net earned premiums	7,181,319	5,637,660	27
Other revenue			
Net finance income	1,768,490	1,603,285	10
Net realised gains	124,418	117,762	6
Net fair value gains	13,485	23,977	(44)
Other operating income	2,975	689	332
Total other revenue	1,909,368	1,745,713	9
Total net revenue	9,090,687	7,383,373	23
Net benefits, claims and expenses			
Net insurance benefits and claims paid	(3,365,385)	(2,488,428)	35
Net change in insurance claims outstanding	107,203	(117,851)	(191)
Change in insurance contracts liabilities	(1,457,538)	(254,431)	473
Underwriting and net acquisition cost (Net of reinsurance)	(1,456,903)	(1,152,640)	26
Other operating and administration expenses	(1,149,407)	(1,275,665)	(10)
Impairment provision on financial investments	(846,790)	(589,582)	44
Finance cost	(204,094)	(228,725)	(11)
Total benefits, claims and expenses	(8,372,914)	(6,107,322)	37
Profit before tax	717,773	1,276,051	(44)
Income tax expenses	413,107	(547,994)	(175)
Profit for the period	1,130,880	728,057	55
Profit attributable to;			
Owners of the Company	1,130,880	728,057	55
Non controlling interest	-	-	
	1,130,880	728,057	55
Earnings per share			
Basic earnings per share (Rs.)	3.02	1.94	55
Diluted earnings per share (Rs.)	3.02	1.94	55

The Notes form an integral part of these Financial Statements.

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

For the year ended 31 December	2023 Rs. ' 000 Un-Audited	2022 Rs. ' 000 Audited	Change %
Profit for the period	2,838,404	2,682,876	6
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	606,708	(561,451)	
Equity investments at FVOCI - net change in fair value - Life fund	43,133	(275,695)	
Re-measurement (losses) / gains on defined benefit liabilities	(20,845)	26,215	
Revaluation of Land and Building	43,783	-	
Related tax / deferred tax	-	-	
	672,779	(810,931)	(183)
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	42,641	(51,689)	
Debt investments at FVOCI - net change in fair value - Life fund	218,387	(486,579)	
Debt investments at FVOCI - reclassified to income statement	711	817	
Related tax / deferred tax	-	-	
	261,739	(537,451)	(149)
Total other comprehensive income for the period, net of tax	934,518	(1,348,382)	(169)
Total comprehensive income for the period, net of tax	3,772,922	1,334,494	183
Total comprehensive income attributable to:			
Owners of the Company	3,772,922	1,334,494	
Non - controlling interests	-	-	
	3,772,922	1,334,494	183

The Notes form an integral part of these Financial Statements.

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

For the three months ended 31 December	2023 Rs. ' 000 Un-Audited	2022 Rs. ' 000 Audited	Change %
Profit for the Period	1,130,880	728,057	55
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	(31,975)	(159,617)	
Equity investments at FVOCI - net change in fair value - life fund	(97,782)	(37,126)	
Re-measurement (losses) / gains on defined benefit liabilities	(20,845)	26,215	
Revaluation of Land and Buildings	43,783	-	
Related tax / deferred tax	-	-	
	(106,819)	(170,528)	(37)
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	(4,262)	(7,233)	
Debt investments at FVOCI - net change in fair value - life fund	(226,463)	(37,829)	
Debt investments at FVOCI - reclassified to income statement	41	216	
Related tax / deferred tax	-	-	
	(230,684)	(44,846)	414
Total other comprehensive income for the period, net of tax	(337,503)	(215,374)	57
Total comprehensive income for the period, net of tax	793,377	512,683	55
Total comprehensive income attributable to:			
Owners of the Company	793,377	512,683	
Non - controlling interests	-	-	
	793,377	512,683	55

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	Note	31.12.2023 Rs. ' 000 Un-Audited	31.12.2022 Rs. ' 000 Audited
Assets			
Intangible assets		2,364	2,566
Property, plant and equipment		707,427	579,357
Right of use assets		611,661	556,915
Deferred Tax Assets		838,938	-
Financial investments	10	43,500,215	42,599,855
Loans to life policyholders		331,301	265,060
Reinsurance receivables		465,211	568,379
Premium receivables		2,449,089	1,763,388
Receivables and other assets		1,333,537	1,172,879
Cash and cash equivalents		1,099,679	739,944
Total assets		51,339,422	48,248,343
Equity and liabilities			
Equity			
Stated capital	16	1,062,500	1,062,500
Retained earnings		13,617,734	12,112,675
Restricted regulatory reserve		798,004	798,004
Other reserves		(2,144,892)	(3,100,255)
Total equity		13,333,346	10,872,924
Liabilities			
Insurance contract liabilities	11	27,925,474	25,338,502
Employee benefit liabilities		276,302	208,959
Loans and borrowings		5,014,997	5,643,918
Reinsurance payables		718,855	2,246,237
Other liabilities		3,693,758	3,629,485
Bank overdraft		376,690	308,318
Total liabilities		38,006,076	37,375,419
Total equity and liabilities		51,339,422	48,248,343
Net asset per share (Rs.)	15	35.56	28.99

The Notes form an integral part of these 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

12 February 2024

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December	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	-	2,682,876	-	-	-	2,682,876
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	-	(561,451)	-	(561,451)
Equity investments at FVOCI - net change in fair value - Life fund	-	-	-	(275,695)	-	(275,695)
Debt investments at FVOCI - net change in fair value	-	-	-	(51,689)	-	(51,689)
Re-measurement Gain on defined benefit liabilities	-	26,215	-	-	-	26,215
Gain on revaluation of land and building	-	-	-	-	-	-
Debt investments at FVOCI - net change in fair value - Life fund	-	-	-	(486,579)	-	(486,579)
Debt investments at FVOCI - reclassified to income statement	-	-	-	817	-	817
Total other comprehensive income, net of tax	-	26,215	-	(1,374,597)	-	(1,348,382)
Total comprehensive income for the period	-	2,709,091	-	(1,374,597)	-	1,334,494
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 December 2022	1,062,500	12,112,675	798,004	(3,229,988)	129,733	10,872,924
Profit for the period	-	2,838,404	-	-	-	2,838,404
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	-	606,708	-	606,708
Equity investments at FVOCI - net change in fair value - Life fund	-	-	-	43,133	-	43,133
Debt investments at FVOCI - net change in fair value	-	-	-	42,641	-	42,641
Re-measurement losses on defined benefit liabilities	-	(20,845)	-	-	-	(20,845)
Gain on revaluation of land and building	-	-	-	-	43,783	43,783
Debt investments at FVOCI - net change in fair value - Life fund	-	-	-	218,387	-	218,387
Debt investments at FVOCI - reclassified to income statement	-	-	-	711	-	711
Total other comprehensive income, net of tax	-	(20,845)	-	911,580	43,783	934,518
Total comprehensive income for the period	-	2,817,559	-	911,580	43,783	3,772,922
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 December 2023	1,062,500	13,617,734	798,004	(2,318,408)	173,516	13,333,346

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the year ended 31 December	2023 Rs. ' 000 Un-Audited	2022 Rs. ' 000 Audited
Cash flows from operating activities		
Profit before taxation	3,197,172	4,030,384
Adjustments for :		
Depreciation of property, plant and equipment	133,393	133,058
Amortisation of intangible assets	722	590
Depreciation of right of use asset	270,646	289,667
Interest expenses on lease liabilities and loans and borrowings	759,654	552,775
Provision for employee benefit liabilities	67,029	50,714
Gain on sale of property, plant and equipment	(18)	(135)
Net realised Gains	(227,391)	(169,908)
Net fair value (Gains)/ losses	(733,445)	51,101
Net unrealised losses /(gain) on foreign currency transactions	402,348	(2,721,540)
Net amortisation of financial investments	(1,931,198)	(2,463,163)
Provision for impairment losses on financial investments	1,081,777	2,138,820
	3,020,689	1,892,363
Change in operating assets		
Decrease in loans to life policyholders	(66,241)	(40,862)
Increase in reinsurance receivables	103,168	(336,792)
(Increase) / Decrease in premium receivables	(685,701)	(779,731)
Increase in receivables and other assets	(257,297)	(93,712)
	(906,071)	(1,251,097)
Change in operating liabilities		
Increase in insurance contract liabilities	2,742,320	3,170,581
Increase in reinsurance payables	(1,371,949)	663,617
Increase / (Decrease) in other liabilities	(78,347)	1,107,509
	1,292,024	4,941,707
Net cash generated from operations	3,406,642	5,582,973
Gratuity paid	(20,532)	(8,169)
Tax Paid	(1,101,542)	-
Interest Paid	(599,383)	(450,446)
Net cash generated from operating activities	1,685,185	5,124,358
Cash flows from investing activities		
Acquisition of investment securities	(41,704,138)	(44,374,186)
Proceeds from sale of investment securities	42,293,266	40,811,604
Acquisition of property, plant and equipment	(217,679)	(94,882)
Net Acquisition of ROU Asset	(76,152)	(39,152)
Acquisition of intangible assets	(520)	(1,800)
Proceeds from the sale of property, plant and equipment	18	347
Net cash flows used in investing activities	294,795	(3,698,069)
Cash flows from financing activities		
Dividend paid to equity holders	(1,312,500)	(1,050,000)
Payment of lease liabilities	(376,117)	(351,033)
Net cash used in financing activities	(1,688,617)	(1,401,033)
Net increase / (Decrease) in cash and cash equivalents	291,363	25,256
Net cash and cash equivalents as at 1 January	431,626	406,370
Net cash and cash equivalents as at 31 December	722,989	431,626
Analysis of cash and cash equivalents		
Cash in hand and at bank	1,099,679	739,944
Bank overdrafts	(376,690)	(308,318)
Total cash and cash equivalents as at 31 December	722,989	431,626

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

As at	Note	31.12.2023 Rs. ' 000 Un-Audited	31.12.2022 Rs. ' 000 Audited
Assets			
Property, plant and equipment		311,000	277,674
Right of use assets		600,974	539,477
Financial investments		33,092,231	30,249,843
Loans to life policyholders		331,301	265,060
Reinsurance receivables		465,211	568,379
Premium receivables		2,449,089	1,763,388
Receivables and other assets		1,063,438	1,000,613
Cash and cash equivalents		1,087,058	734,634
Total assets		39,400,302	35,399,068
Equity and liabilities			
Equity			
Other reserves		(856,820)	(1,141,990)
Total equity		(856,820)	(1,141,990)
Liabilities			
Insurance contract liabilities	11	27,925,474	25,338,502
Employee benefit liabilities		276,302	208,959
Reinsurance payables		718,855	2,246,237
Other liabilities		10,959,801	8,439,041
Bank overdraft		376,690	308,319
Total liabilities		40,257,122	36,541,058
Total equity and liabilities		39,400,302	35,399,068

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 year ended 31 December 2023 were authorised for issue by the Board of Directors on 12 February 2024.

3 BASIS OF PREPARATION

The interim condensed Financial Statements for the year ended 31 December 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 year ended 31 December	2023	2022
	Rs. ' 000	Rs. ' 000
	Un-Audited	Audited
First Year Premium	6,366,477	5,226,525
Renewal Premium	13,181,096	11,334,841
Group Life Premium	6,140,540	4,755,029
Single Premium	653,208	1,767,030
Total Gross Written Premium	26,341,321	23,083,425

6 TOTAL NET REVENUE

For the year ended 31 December	2023	2022
	Rs. ' 000	Rs. ' 000
	Un-Audited	Audited
Net written premiums	23,850,432	20,404,622
Other Revenue	7,948,164	5,120,191
Total Net Revenue	31,798,596	25,524,813

7 FINANCE COST

For the year ended 31 December	2023	2022
	Rs. ' 000	Rs. ' 000
	Un-Audited	Audited
Interest expenses on lease liabilities and loans and borrowings	(759,654)	(552,775)
Net exchange (losses) / gains	(402,348)	2,721,540
Other finance cost	(88,907)	(100,978)
Total Finance (Cost) / Gains	(1,250,909)	2,067,787

8 PROFIT BEFORE TAXATION

For the year ended 31 December	2023	2022
	Rs. ' 000	Rs. ' 000
	Un-Audited	Audited
Profit Before Taxation	3,197,172	4,030,384
Total	3,197,172	4,030,384

The Company transferred Rs.3,015 Mn from Non participating fund to shareholder fund as surplus transfer for the year ended 31 December 2023 (2022- 4,378 Mn). For the quarter ended 31 December 2023 - 1,235Mn (2022 - 1,545Mn).

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 are subject to income tax at 15%.

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

10 FINANCIAL INVESTMENTS

As at	Note	31.12.2023 Rs. ' 000 Un-Audited	31.12.2022 Rs. ' 000 Audited
Amortised Cost (AC)	10.1	33,698,659	37,065,567
Fair Value through Other Comprehensive Income (FVOCI)	10.2	5,174,882	2,082,779
Fair Value Through Profit or Loss (FVTPL)	10.3	4,626,674	3,451,509
Total Financial Investments		43,500,215	42,599,855

10.1 Amortised Cost (AC)

Treasury Bonds		18,408,368	12,980,040
Treasury Bills		553,716	1,099,884
Sri Lanka Development Bonds		-	6,221,129
International Sovereign Bonds		3,928,615	4,830,774
Bank Deposits		919,403	522,007
Commercial Papers		1,713,352	2,368,757
Securitized Papers		577,371	790,246
Quoted Debentures		6,251,253	7,070,479
Unquoted Debentures		301,493	301,333
Reverse Repo		1,045,088	880,918
		33,698,659	37,065,567

10.2 Fair Value through Other Comprehensive Income (FVOCI)

Equity Securities:			
Quoted		1,759,999	1,171,337
Unquoted		326,914	265,734
Treasury Bonds		3,087,969	645,708
		5,174,882	2,082,779

10.3 Fair Value Through Profit or Loss (FVTPL)

Treasury Bonds		318,208	90,974
Unlisted Perpetual Debenture		794,476	782,067
Unit Trust		3,513,990	2,578,400
Derivative Asset		-	68
		4,626,674	3,451,509

11 INSURANCE CONTRACT LIABILITIES

As at	Note	31.12.2023 Rs. ' 000 Un-Audited	31.12.2022 Rs. ' 000 Audited
Insurance Contract Liabilities		26,145,333	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		723,606	869,804
		27,925,474	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 31 st December 2015	3,866,780	2,472,575	6,339,355
Value of Insurance Contract Liability based on Independent Actuary-GPV as at 31 st 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 31 December 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 December 2023

Asset Category	ISIN No	As at 31 December 2023	
		Face Value Rs.	Market Value Rs. ' 000
Government Securities			
Treasury Bond	LKB00628A153	100,000,000	120,562
	LKB00628A153	110,000,000	132,618
	LKB00628A153	100,000,000	120,562
	LKB00628A153	100,000,000	120,562
	LKB00931E153	100,000,000	121,988
	LKB00931E153	100,000,000	121,988
	LKB00931E153	120,000,000	146,386
	LKB00931E153	100,000,000	121,988
	LKB00931E153	100,000,000	121,988
	LKB00931E153	100,000,000	121,988
Total Market Value of the Assets			1,250,630
Restricted Regulatory Reserve			798,004

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

The valuation of life insurance fund as at 31 December 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 December 2023 – Rs.1,235 Mn (2022 - 1,545 Mn)

For the Twelve months period ended 31 December 2023 - Rs. 3,015 Mn (2022 - Rs. 4,378 Mn)

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. 53.5 million.

12.2 Contingencies

The Contingent liabilities of the company as at 31 December 2023, relates to the followings;

Assessment in Respect of Value Added Tax (VAT)

1) VAT assessments have been issued by the Department of Inland Revenue for the taxable period 2010 and was determined by the Tax Appeal Commission (TAC) 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 favour of Softlogic Life Insurance PLC amounting to Rs. 24.8 Million including the penalty.

The Company transmitted the former case to the Court of Appeal being dissatisfied with the determination which determined in favour 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 latter case to the Court of Appeal being dissatisfied with the determination which determined in favour of Softlogic Life Insurance PLC and case is stated for the opinion of the Honorable Court of Appeal.

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 favour 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) Assessments have been issued for the Company 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. Further, the company has requested administration review for the assessment issued for the Y/A 2019/20.

Economic Service Charge (ESC)

4) An assessment has been issued by the Department of Inland Revenue under the Economic Service Charge Act, in relation to the taxable period ending 31 December 2017 amounting to Rs. 7.3 Million.

While the Company is in the process of hearing the appeal with Tax Appeals Commission, on the basis that the underlying computation includes items which are out of scope of the ESC Act; the Department of Inland Revenue has directed the Company to claim for relief through writing off the tax due under the Finance Act for which the Company has duly submitted an affidavit.

12 CAPITAL COMMITMENTS AND CONTINGENCIES (Cont.)

12.2 Contingencies (Cont.)

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

5) 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 favour of the Commissioner General of Inland Revenue. The Department of Inland Revenue has confirmed that the amount of tax in default along with the penalty has been written off as per the provisions in the Finance Act.

6) An assessment has been issued 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. The Company is awaiting the CGIR's determination.

7) An assessment has been issued by the Department of Inland Revenue under the Nation Building Tax, in relation to the Y/A 2019/20 amounting Rs. 18 Million including penalty. 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 NBT Act. Since it is a mandatory requirement in law to communicate the CGIR's decision on the request for administrative review in writing to the taxpayer, the company intend to make an appeal once the decision of the CGIR is served to the company.

Life Insurance Taxation

8) 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. 0.68 Million, in favour 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.

9)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 favour 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.

10) 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.

11) An assessment has been issued under the Income Tax Act by the Department of Inland Revenue in relation to the Y/A 2018/19, 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.

12)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 2019/20 amounting to Rs. 1,114 Million along with penalty, in favour of the Commissioner General of Inland Revenue. The Company is in the process of submitting a petition of appeal with Tax Appeals Commission.

13) The Company has received an Assessment on PAYE Tax for the Y/A 2016/17 amounting to Rs. 0.9 Million along with penalty for which company has submitted an appeal.

14) An assessment has been issued under the Income Tax Act by the Department of Inland Revenue in relation to the Y/A 2020/21, amounting to Rs. 931.23 Million including penalty and interest. The Company is in the process of filing an appeal to the Commissioner General of Inland Revenue.

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.

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

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.

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	31.12.2023 Rs.	31.12.2022 Rs.
Net Assets Per Share	35.56	28.99
Net Asset per Share - Excluding One-off Surplus	33.43	26.87

15.2 Market Price Per Share

For the quarter ended 31 December	2023 Rs	2022 Rs
Last traded price (Last trade date - 29 th December 2023)	53.80	86.60
Highest traded price per share for the quarter	74.90	94.50
Lowest traded price per share for the quarter	53.50	44.00

16 STATED CAPITAL

As at	31.12.2023	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 AND DILUTED EARNING PER SHARE (EPS)

For the year ended 31 December	2023	2022
Profit attributable to Ordinary Shareholders (Rs. 000)	2,838,404	2,682,876
Weighted Average No: of shares as at 31 December	375,000,000	375,000,000
Basic / Diluted EPS (Rs.)	7.57	7.15

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

18 TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	31.12.2023	
	No. of Shares	%
1 Softlogic Capital PLC	193,945,760	51.72
3 Dalvik Inclusion Private Limited	71,250,000	19.00
2 Milford Ceylon (Pvt) Ltd	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	764,980	0.20
7 Mrs. H.N.R Bharati	625,000	0.17
8 Mr. A.P.P.M. Abeyrathne	519,647	0.14
9 Emfi Capital Limited	517,707	0.14
10 Seylan Bank PLC/Eagle Crest (pvt) Ltd	412,500	0.11
11 People's Leasing & Finance PLC/Mrs.H.A.J.Wickramasena	403,787	0.11
12 Mr. J.M.I Jayaweera	388,427	0.10
13 Seylan Bank PLC/Shermal Hemaka Jayasuriya	375,603	0.10
14 Assetline Finance Limited/R.S.P.Samaranayake	374,991	0.10
15 Mr. M.K. De Livera	370,003	0.10
16 Hatton National Bank PLC- HNB retirement pension fund	362,602	0.10
17 Dialog Finance PLC/D.S.Nakandala	356,760	0.10
18 Mr. J.A.D.K.R. Jayasuriya	342,690	0.09
19 Mr. S.H. Jayasuriya	329,000	0.09
20 Mr. W.A.A.T.M. Jayawickrama	328,570	0.09
	345,129,526	92.05
Others	29,870,474	7.95
Total	375,000,000	100.00

19 PUBLIC SHAREHOLDING

The percentage of shares held by the public, the number of public shareholders and the float adjusted market capitalization are as given below:

As at	2023	2022
	Rs	Rs
Public shareholding (%) - Compliant under Option 1 of CSE listing Rule 7.13.1.b	10.23	10.23
Public shareholders .	4,903	5,551
Float Adjusted Market Capitalisation (Rs.' 000)	2,063,903	3,323,492

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

20 DIRECTORS' SHARE HOLDINGS

As at 31 December 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 year ended 31 December	2023	2022
	Rs.' 000	Rs.' 000
Transactions with the Ultimate Parent and Parent		
Investments	500,762	511,610
Receiving of services	270,266	187,898
Expenses	1,840	7
Dividend Paid	679,425	543,540
Interest Income	126,268	112,842
Net Premiums	6,449	11,526
Insurance premium receivable	8	10,847
Transactions with Companies under Common Control		
Investments	460,499	561,666
Purchases of property plant and equipment	31,573	18,712
Dividend received	-	17,948
Expenses	350,660	243,663
Claims Paid	5,000	2,154
Net Premiums	91,646	177,227
Insurance premium receivable	45,149	235,386
Transactions, Arrangements and Agreements Involving KMP and their Close Family Members (CFM)		
Net Premiums	2,089	1,790