



softlogic
LiFE

SOFTLOGIC LIFE INSURANCE PLC

INTERIM FINANCIAL STATEMENTS - FOR THE PERIOD ENDED 30TH SEPTEMBER 2024

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the Period ended 30 September	Note	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Un-Audited	Change %
Gross written premiums	5	21,954,727	18,549,086	18
Premiums ceded to reinsurers		(1,934,221)	(1,879,973)	3
Net written premiums		20,020,506	16,669,113	20
Other revenue				
Net finance income		4,950,423	5,208,953	(5)
Net realised gains		2,865,120	102,973	2,682
Net fair value gains / (losses)		(359,294)	719,960	150
Other operating income		4,799	6,910	(31)
Total other revenue		7,461,048	6,038,796	24
Total net revenue	6	27,481,554	22,707,909	21
Net benefits, claims and expenses				
Net insurance benefits and claims paid		(10,423,463)	(9,532,776)	9
Net change in insurance claims outstanding		(58,126)	(52,380)	11
Change in insurance contracts liabilities		(3,111,301)	(1,370,544)	127
Underwriting and net acquisition cost (Net of reinsurance)		(4,405,059)	(4,029,304)	9
Other operating and administration expenses		(4,500,390)	(3,961,704)	14
Impairment reversal / (provision) on financial investments		(100,342)	(234,987)	(57)
Finance cost	7	(849,913)	(1,046,815)	(19)
Total benefits, claims and expenses		(23,448,594)	(20,228,510)	16
Profit before tax	8	4,032,960	2,479,399	63
Income tax expenses		(1,183,293)	(771,875)	53
Profit for the period		2,849,667	1,707,524	67
Profit attributable to;				
Owners of the Company		2,849,667	1,707,524	67
Non controlling interest		-	-	
		2,849,667	1,707,524	67
Earnings per share				
Basic earnings per share (Rs.)	17	7.65	4.55	68
Diluted earnings per share (Rs.)	17	7.65	4.55	68

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 Period ended 30 September	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Un-Audited	Change %
Profit for the period	2,849,667	1,707,524	67
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	194,425	638,683	
Equity investments at FVOCI - net change in fair value - Life fund	151,597	140,915	
Related tax / deferred tax	-	-	
	346,022	779,598	(56)
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	(1,204)	46,903	
Debt investments at FVOCI - net change in fair value - Life fund	111,860	444,850	
Debt investments at FVOCI - reclassified to income statement	-	670	
Related tax / deferred tax	-	-	
	110,656	492,423	(78)
Total other comprehensive income for the period, net of tax	456,678	1,272,021	(64)
Total comprehensive income for the period, net of tax	3,306,345	2,979,545	11
Total comprehensive income attributable to:			
Owners of the Company	3,306,345	2,979,545	
Non - controlling interests	-	-	
	3,306,345	2,979,545	11

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the three months ended 30 September	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Un-Audited	Change %
Gross written premiums	7,418,230	6,076,894	22
Premiums ceded to reinsurers	(647,327)	(597,671)	8
Net earned premiums	6,770,903	5,479,223	24
Other revenue			
Net finance income	1,522,207	1,743,799	(13)
Net realised gains	1,007,076	88,383	1,039
Net fair value gains	66,648	234,405	(72)
Other operating income	1,632	1,832	(11)
Total other revenue	2,597,563	2,068,419	26
Total net revenue	9,368,466	7,547,642	24
Net benefits, claims and expenses			
Net insurance benefits and claims paid	(3,658,023)	(3,116,593)	17
Net change in insurance claims outstanding	26,373	(64,388)	(141)
Change in insurance contracts liabilities	(1,178,190)	(531,579)	122
Underwriting and net acquisition cost (Net of reinsurance)	(1,486,495)	(1,348,381)	10
Other operating and administration expenses	(1,631,119)	(1,347,631)	21
Impairment provision on financial investments	(37,927)	(131,687)	(71)
Finance cost	(289,967)	(57,888)	401
Total benefits, claims and expenses	(8,255,348)	(6,598,147)	25
Profit before tax	1,113,118	949,495	17
Income tax expenses	(319,659)	(249,020)	28
Profit for the period	793,459	700,475	13
Profit attributable to;			
Owners of the Company	793,459	700,475	13
Non controlling interest	-	-	
	793,459	700,475	13
Earnings per share			
Basic earnings per share (Rs.)	2.13	1.87	14
Diluted earnings per share (Rs.)	2.13	1.87	14

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 30 September	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Un-Audited	Change %
Profit for the Period	793,459	700,475	13
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	(51,587)	309,407	
Equity investments at FVOCI - net change in fair value - life fund	(25,117)	159,313	
Related tax / deferred tax	-	-	
	(76,704)	468,720	(116)
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	(1,424)	23,036	
Debt investments at FVOCI - net change in fair value - life fund	100,362	225,167	
Debt investments at FVOCI - reclassified to income statement	-	205	
Related tax / deferred tax	-	-	
	98,938	248,408	(60)
Total other comprehensive income for the period, net of tax	22,234	717,128	(97)
Total comprehensive income for the period, net of tax	815,693	1,417,603	(42)
Total comprehensive income attributable to:			
Owners of the Company	815,693	1,417,603	
Non - controlling interests	-	-	
	815,693	1,417,603	(42)

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	Note	30.09.2024 Rs. ' 000 Audited	31.12.2023 Rs. ' 000 Audited
Assets			
Intangible assets		2,950	2,364
Property, plant and equipment		693,021	707,427
Right of use assets		585,341	611,661
Deferred Tax Assets		846,699	838,938
Financial investments	10	42,994,002	43,500,215
Loans to life policyholders		335,849	331,301
Reinsurance receivables		414,151	465,211
Premium receivables		1,393,332	2,449,089
Receivables and other assets		1,401,229	1,333,537
Cash and cash equivalents		1,460,549	1,099,679
Total assets		50,127,123	51,339,422
Equity and liabilities			
Equity			
Stated capital	16	1,062,500	1,062,500
Restricted regulatory reserve		798,004	798,004
Other reserves		(1,688,214)	(2,144,892)
Retained earnings		9,061,151	13,617,734
Total equity		9,233,441	13,333,346
Liabilities			
Insurance contract liabilities	11	31,203,237	27,925,474
Employee benefit liabilities		291,516	276,302
Loans and borrowings		4,760,153	5,014,997
Reinsurance payables		504,378	718,855
Other liabilities		3,851,652	3,693,758
Bank overdraft		282,746	376,690
Total liabilities		40,893,682	38,006,076
Total equity and liabilities		50,127,123	51,339,422
Net asset per share (Rs.)	15	29.18	35.56

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

08 November 2024

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY

For the Period ended 30 September	Stated capital	Restricted regulatory reserve	Other reserve		Retained earnings	Total
			Fair value reserve	Revaluation reserves		
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Balance as at 01 January 2023	1,062,500	798,004	(3,229,988)	129,733	12,112,675	10,872,924
Profit for the period	-	-	-	-	1,707,524	1,707,524
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	638,683	-	-	638,683
Equity investments at FVOCI - net change in fair value - Life fund	-	-	140,915	-	-	140,915
Debt investments at FVOCI - net change in fair value	-	-	46,903	-	-	46,903
Re-measurement Gain on defined benefit liabilities	-	-	-	-	-	-
Gain on revaluation of land and building	-	-	-	-	-	-
Debt investments at FVOCI - net change in fair value - Life fund	-	-	444,850	-	-	444,850
Debt investments at FVOCI - reclassified to income statement	-	-	670	-	-	670
Total other comprehensive income, net of tax	-	-	1,272,021	-	-	1,272,021
Total comprehensive income for the period	-	-	1,272,021	-	1,707,524	2,979,545
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2022	-	-	-	-	(1,312,500)	(1,312,500)
Total transactions with owners of the Company	-	-	-	-	(1,312,500)	(1,312,500)
Balance as at 30 September 2023	1,062,500	798,004	(1,957,967)	129,733	12,507,699	12,539,969
Profit for the period	-	-	-	-	1,130,880	1,130,880
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	(31,975)	-	-	(31,975)
Equity investments at FVOCI - net change in fair value - Life fund	-	-	(97,782)	-	-	(97,782)
Debt investments at FVOCI - net change in fair value	-	-	(4,262)	-	-	(4,262)
Re-measurement Gain 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	-	-	(226,463)	-	-	(226,463)
Debt investments at FVOCI - reclassified to income statement	-	-	41	-	-	41
Total other comprehensive income, net of tax	-	-	(360,441)	43,783	(20,845)	(337,503)
Total comprehensive income for the period	-	-	(360,441)	43,783	1,110,035	793,377
Balance as at 31 December 2023	1,062,500	798,004	(2,318,408)	173,516	13,617,734	13,333,346
Profit for the period	-	-	-	-	2,849,667	2,849,667
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	194,425	-	-	194,425
Equity investments at FVOCI - net change in fair value - Life fund	-	-	151,597	-	-	151,597
Debt investments at FVOCI - net change in fair value	-	-	(1,204)	-	-	(1,204)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	111,860	-	-	111,860
Debt investments at FVOCI - reclassified to income statement	-	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	456,678	-	-	456,678
Total comprehensive income for the period	-	-	456,678	-	2,849,667	3,306,345
Transaction with owners of the Company						
Contribution and distribution						
Interim Dividend - 2023	-	-	-	-	(1,406,250)	(1,406,250)
Repurchase of Shares	-	-	-	-	(6,000,000)	(6,000,000)
Total transactions with owners of the Company	-	-	-	-	(7,406,250)	(7,406,250)
Balance as at 30 September 2024	1,062,500	798,004	(1,861,730)	173,516	9,061,151	9,233,441

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the Period ended 30 September	2024	2023
	Rs. ' 000 Audited	Rs. ' 000 Un-Audited
Cash flows from operating activities		
Profit before taxation	4,032,960	2,479,399
Adjustments for :		
Depreciation of property, plant and equipment	105,740	87,500
Amortisation of intangible assets	614	523
Depreciation of right of use asset	272,026	225,647
Interest expenses on lease liabilities and loans and borrowings	535,780	540,002
Provision for employee benefit liabilities	38,901	35,530
Gain on sale of property, plant and equipment	(90)	(18)
Net realised Gains	(2,865,120)	(102,973)
Net fair value (Gains)/ losses	359,294	(719,960)
Net unrealised losses on foreign currency transactions	217,444	417,428
Net amortisation of financial investments	(1,155,458)	(1,323,557)
Provision for impairment (Reversal) /losses on financial investments	100,342	234,987
	1,642,433	1,874,508
Change in operating assets		
Decrease / (Increase) in loans to life policyholders	(4,548)	(35,104)
Increase in reinsurance receivables	51,060	(1,754)
Decrease in premium receivables	1,055,757	521,123
Increase in receivables and other assets	(111,828)	(241,064)
	990,441	243,201
Change in operating liabilities		
Increase / (Decrease) in insurance contract liabilities	3,277,763	1,490,132
Increase in reinsurance payables	(200,617)	(1,021,028)
Increase / (Decrease) in other liabilities	240,209	(69,396)
	3,317,355	399,708
Net cash generated from operations	5,950,229	2,517,417
Tax Paid	(1,195,665)	(885,543)
Interest Paid	(300,729)	(290,650)
Gratuity paid	(23,687)	(12,395)
Net cash generated from operating activities	4,430,148	1,328,829
Cash flows from investing activities		
Acquisition of investment securities	(54,391,780)	(31,640,011)
Proceeds from sale of investment securities	58,265,406	32,331,083
Acquisition of property, plant and equipment	(91,393)	(159,176)
Net Acquisition of ROU Asset	(47,294)	(62,379)
Acquisition of intangible assets	(1,200)	(520)
Proceeds from the sale of property, plant and equipment	150	18
Net cash flows used in investing activities	3,733,889	469,015
Cash flows from financing activities		
Repurchase of ordinary voting shares	(6,000,000)	-
Dividend paid to equity holders	(1,406,250)	(1,312,500)
Payment of lease liabilities	(302,973)	(295,010)
Net cash used in financing activities	(7,709,223)	(1,607,510)
Net increase / (Decrease) in cash and cash equivalents	454,814	190,334
Net cash and cash equivalents as at 1 January	722,989	431,626
Net cash and cash equivalents as at 30 September	1,177,803	621,960
Analysis of cash and cash equivalents		
Cash in hand and at bank	1,460,549	1,040,889
Bank overdrafts	(282,746)	(418,929)
Total cash and cash equivalents as at 30 September	1,177,803	621,960

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

As at	Note	30.09.2024 Rs. ' 000 Audited	31.12.2023 Rs. ' 000 Audited
Assets			
Property, plant and equipment		301,408	311,000
Right of use assets		579,716	600,973
Financial investments		32,471,350	33,092,231
Loans to life policyholders		335,849	331,301
Reinsurance receivables		414,151	465,211
Premium receivables		1,393,332	2,449,089
Receivables and other assets		1,082,667	1,063,438
Cash and cash equivalents		1,416,842	1,087,058
Total assets		37,995,315	39,400,301
Equity and liabilities			
Equity			
Other reserves		(593,363)	(856,820)
Total equity		(593,363)	(856,820)
Liabilities			
Insurance contract liabilities	11	31,203,237	27,925,474
Employee benefit liabilities		291,516	276,302
Reinsurance payables		504,378	718,855
Other liabilities		6,306,801	10,959,800
Bank overdraft		282,746	376,690
Total liabilities		38,588,678	40,257,121
Total equity and liabilities		37,995,315	39,400,301

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 quarter ended 30 September 2024 were authorised for issue by the Board of Directors on 08 November 2024.

3 BASIS OF PREPARATION

The interim condensed Financial Statements for the quarter ended 30 September 2024 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 2023. 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 - 2023 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 Period ended 30 September	2024	2023
	Rs. ' 000	Rs. ' 000
	Audited	Un-Audited
First Year Premium	4,823,426	4,733,847
Renewal Premium	11,632,850	9,619,804
Group Life Premium	4,659,136	3,734,851
Single Premium	839,315	460,584
Total Gross Written Premium	21,954,727	18,549,086

6 TOTAL NET REVENUE

For the Period ended 30 September	2024	2023
	Rs. ' 000	Rs. ' 000
	Audited	Un-Audited
Net written premiums	20,020,506	16,669,113
Other Revenue	7,461,048	6,038,796
Total Net Revenue	27,481,554	22,707,909

7 FINANCE COST

For the Period ended 30 September	2024	2023
	Rs. ' 000	Rs. ' 000
	Audited	Un-Audited
Interest expenses on lease liabilities, loans and borrowings	(535,691)	(540,002)
Net exchange (losses) / gains	(217,444)	(417,428)
Other finance cost	(96,778)	(89,385)
Total Finance (Cost) / Gains	(849,913)	(1,046,815)

8 PROFIT BEFORE TAXATION

For the Period ended 30 September	2024	2023
	Rs. ' 000	Rs. ' 000
	Audited	Un-Audited
Profit Before Taxation	4,032,960	2,479,399
Total	4,032,960	2,479,399

The Company transferred Rs. 3,417 Mn from Non participating fund to shareholder fund as surplus transfer for the period ended 30 September 2024 (2023- 1,780 Mn). The Company transferred Rs.900 Mn from Non participating fund to shareholder fund as surplus transfer for the quarter ended 30 September 2024 (2023 - 643 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 are subject to income tax at 15%.

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

10 FINANCIAL INVESTMENTS

As at	Note	30.09.2024 Rs. ' 000 Audited	31.12.2023 Rs. ' 000 Audited
Amortised Cost (AC)	10.1	28,573,356	33,698,659
Fair Value through Other Comprehensive Income (FVOCI)	10.2	9,389,003	5,174,882
Fair Value Through Profit or Loss (FVTPL)	10.3	5,031,643	4,626,674
Total Financial Investments		42,994,002	43,500,215

10.1 Amortised Cost (AC)

Treasury Bonds		13,999,486	18,408,368
Treasury Bills		623,775	553,716
International Sovereign Bonds		4,049,874	3,928,615
Bank Deposits		655,999	919,403
Commercial Papers		2,122,876	1,713,352
Securitized Papers		102,491	577,371
Quoted Debentures		5,620,126	6,251,253
Unquoted Debentures		294,960	301,493
Reverse Repo		1,103,769	1,045,088
		28,573,356	33,698,659

10.2 Fair Value through Other Comprehensive Income (FVOCI)

Equity Securities:			
Quoted		3,064,270	1,759,999
Unquoted		-	326,914
Treasury Bonds		3,431,690	3,087,969
Treasury Bills		2,893,043	-
		9,389,003	5,174,882

10.3 Fair Value Through Profit or Loss (FVTPL)

Treasury Bonds		332,607	318,208
Unlisted Perpetual Debenture		821,365	794,476
Unit Trust		3,877,671	3,513,990
		5,031,643	4,626,674

11 INSURANCE CONTRACT LIABILITIES

As at	Note	30.09.2024 Rs. ' 000 Audited	31.12.2023 Rs. ' 000 Audited
Insurance Contract Liabilities		29,256,634	26,145,333
Surplus Created due to Change in Valuation method from NPV to GPV	11.1 & 11.2	1,056,535	1,056,535
Claim Payables		890,068	723,606
		31,203,237	27,925,474

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 Rs. ' 000	Non- Participating Fund Rs. ' 000	Total 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 30 September 2024	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 30 September 2024

Asset Category	ISIN No	As at 30 September 2024	
		Face Value Rs.	Market Value Rs. ' 000
Government Securities			
Treasury Bond	LKB00628A153	100,000,000	119,087
	LKB00628A153	110,000,000	130,995
	LKB00628A153	100,000,000	119,087
	LKB00628A153	100,000,000	119,087
	LKB00931E153	100,000,000	129,272
	LKB00931E153	100,000,000	129,272
	LKB00931E153	120,000,000	155,126
	LKB00931E153	100,000,000	129,272
	LKB00931E153	100,000,000	129,272
	LKB00931E153	100,000,000	129,272
Total Market Value of the Assets			1,289,742
Restricted Regulatory Reserve			798,004

11.3 Valuation of Life Insurance Fund - (Zeroed Basis of Negative Liabilities at Product Level) as at 30 September 2024

The valuation of life insurance fund as at 30 September 2024 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.

The Company transferred Rs. 3,417 Mn from Non participating fund to shareholder fund as surplus transfer for the Nine months ended 30 September 2024 (2023 - Rs. 1,780 Mn). Surplus transfer for the quarter ended 30 September 2024 was Rs.900 Mn (2023 - Rs. 643 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. 5.43 million.

12.2 Contingencies

The Contingent liabilities of the company as at 30 September 2024, 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) in 2019. Out of total 11 assessments, 08 assessments were determined in favour of Commissioner General of Inland Revenue (CGIR) amounting to Rs. 46.5 Million including the penalty and 03 assessments were determined in favour of the Company 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 CGIR 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 CGIR, transmitted the latter case to the Court of Appeal being dissatisfied with the determination which determined in favour of the Company and the 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 CGIR 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 Million and Rs. 102.4 Million respectively, in favour of the CGIR.

For the Y/A 2014/15 and 2017/18, the Company has received the determinations of the Tax Appeals Commission also in favour of the Company. However, the CGIR has transmitted the said cases to the Court of Appeal being dissatisfied with the determinations which determined in favour of the Company and cases are stated for the opinion of the Honorable Court of Appeal.

The Company is in the process of hearing the other appeal with Tax Appeals Commission, on the basis that the underlying computation includes items which are out of scope of the VAT Act.

3) Assessment has been issued for the Company under the Value Added Tax Act, in relation to the Y/A 2019/20 amounting to Rs. 147.7 Million. The company has appealed for the assessment issued for the Y/A 2019/20 on the same basis as above and is awaiting the CGIR determination.

12 CAPITAL COMMITMENTS AND CONTINGENCIES (Cont.)

12.2 Contingencies (Cont.)

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

4) 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 CGIR 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.

Life Insurance Taxation

5) The TAC 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 Company and the CGIR has transmitted this case to the Court of Appeal being dissatisfied with the said determination of TAC and case is stated for the opinion of the Honorable Court of Appeal. The Company is awaiting the decision of the Court of appeal.

6)The TAC 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 the cases to the Court of Appeal being dissatisfied with the said determination of TAC and cases are stated for the opinion of the Honorable Court of Appeal. The Company is awaiting the decisions of the Court of appeal.

7) The CGIR issued its determination on the appeal filed by the Company relating to the assessments raised for the Y/A 2014/15, 2015/16, 2016/17 and 2017/18 amounting to Rs. 681.7 Million along with penalty, in favour of the CGIR.

For the Y/A 2014/15 and 2017/18, the Company has received the determinations of the TAC in favour of the Company. However, cases are stated and applications had been filed in the Honorable Court of Appeal by the CGIR.

The Company is in the process of hearing the appeals with Tax Appeals Commission for the Y/A 2015/16 and 2016/17.

8) An assessment has been issued under the Income Tax Act by the Department of Inland Revenue in relation to the Y/A 2018/19 and 2020/21, amounting to Rs. 533.4 Million and 931.2 Million respectively including penalty and interest. The Company has filed appeals to the CGIR and awaiting the CGIR determination.

9)The CGIR 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 CGIR. The Company has submitted a petition of appeal with TAC.

10) 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 duly submitted an appeal.

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. In addition, there are no litigations and claims involving the Company that may have a material effect on the financial statements in the Directors' view.

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	30.09.2024	31.12.2023
	Rs.	Rs.
Net Assets Per Share	29.18	35.56
Net Asset per Share - Excluding One-off Surplus	26.66	33.43

15.2 Market Price Per Share

For the quarter ended 30 September	2024	2023
	Rs	Rs
Last traded price (Last trade date - 30 th September 2024)	59.10	74.00
Highest traded price per share for the quarter	69.20	88.50
Lowest traded price per share for the quarter	53.10	71.40

16 STATED CAPITAL

As at	30.09.2024	31.12.2023
Stated Capital (Rs.' 000)	1,062,500	1,062,500
No: of Ordinary Shares	316,406,250	375,000,000

16.1 As approved by the Board of Directors and then by the shareholders at an Extraordinary General Meeting held on 17 July 2024, the share repurchase was completed on 20 September 2024, with the company acquiring 58,593,750 ordinary voting shares at a price of Rs. 102.40 per share, totaling up to Rs. 6 billion. Following the repurchase, the total number of outstanding shares decreased from 375,000,000 to 316,406,250 shares.

The accounting treatment and presentation of this transaction is complied with Sri Lanka Accounting Standards LKAS 1 – Presentation of Financial Statements and LKAS 33 – Earnings per Share, reflecting its impact on basic and diluted earnings per share. The transaction was carried out in compliance with Section 64 and Section 529 of the Companies Act No. 7 of 2007; CSE Listing Rule No. 7.10.1 and Article 4 of the Articles of Association of the Company.

17 BASIC AND DILUTED EARNING PER SHARE (EPS)

The basic and diluted EPS for the current reporting period has been determined using the weighted average number of shares for the reporting period in compliance with Sri Lanka Accounting Standards LKAS 33.

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

18 TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	30.09.2024	
	No. of Shares	%
1 Softlogic Capital PLC	163,641,735	51.72
2 Dalvik Inclusion Private Limited	59,531,790	18.81
3 Milford Ceylon (Pvt) Ltd	59,531,790	18.81
4 Commercial Bank Of Ceylon PLC/W. Jinadasa	1,039,276	0.33
5 Seylan Bank PLC/Eagle Crest (pvt) Ltd	1,020,784	0.32
6 People's Leasing & Finance PLC/Mrs. H.A.J.Wickramasena	964,000	0.30
7 Mr. G.C. Goonetilleke	893,629	0.28
8 Senkadagala Finance PLC/L.A.J.F.Morais	778,764	0.25
9 Mr. W.A.A.T.M. Jayawickrama	616,563	0.19
10 Mr. A.P.P.M. Abeyrathne	434,185	0.14
11 Mr. D. Balasundaram	421,771	0.13
12 Hatton National Bank PLC A/C No. 4 (HNB retirement pension fund)	370,188	0.12
13 Dialog Finance PLC/D.S.Nakandala	356,760	0.11
14 Mr. P. Muthulingam	344,701	0.11
15 Mr. J.M.I. Jayaweera	324,545	0.10
16 Mr. J.A.D.K.R. Jayasuriya	313,551	0.10
17 Assetline Finance Limited/R.S.P.Samaranayake	313,319	0.10
18 Mr. C.J Perera , Christopher Jayan	299,918	0.09
19 Sampath Bank PLC/Mr. H.W.K. Hettiarachchi	254,036	0.08
20 Maskeliya Tea Exports (Pvt) Ltd	253,125	0.08
	291,704,430	92.17
Others	24,701,820	7.83
Total	316,406,250	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	2024 Rs	2023 Rs
Public shareholding (%) - Compliant under Option 1 of CSE listing Rule 7.13.1.b	10.60	10.23
Public shareholders	4,863	4,903
Float Adjusted Market Capitalisation (Rs.' 000)	1,982,159	2,063,903

Public Holding percentage - Ordinary Non-Voting Shares as at 30 September 2024 - Nil

20 DIRECTORS' SHARE HOLDINGS

As at 30 September	2024	
Name of The Director	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. Snyders - 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 2023.

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 Period ended 30 September	2024	2023
	Rs.' 000	Rs.' 000
Transactions with the Ultimate Parent and Parent		
<i>Recorded in the Income Statement:</i>		
Receiving of services	251,766	164,407
Expenses	1,192	1,840
Interest Income	53,359	100,335
Net Premiums	8,138	3,755
<i>Recorded in the Statement of Changes in Equity and Statement of Financial Position:</i>		
Investments	502,095	504,923
Dividend Paid	727,955	679,425
Insurance premium receivable	93	7,276
Interest Income receivable	14,384	-
Repurchase of Shares	3,105,941	-
Transactions with Other Related Entities		
<i>Recorded in the Income Statement:</i>		
Claim Expenses	7,900	-
Net Premiums	118,294	69,930
Other Expenses	314,850	272,752
<i>Recorded in the Statement of Changes in Equity and Statement of Financial Position:</i>		
Investments	436,714	542,362
Purchases of property plant and equipment	-	19,643
Insurance premium receivable	18,378	100,120
Commission receivable	55,013	5,436