

CHANGE MAKER



SOFTLOGIC LIFE INSURANCE PLC

INTERIM FINANCIAL STATEMENTS - FOR THE PERIOD ENDED 30TH JUNE 2025

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the Period ended 30 June	Note	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited	Change %
Gross written premiums	5	18,729,968	14,536,497	29
Premiums ceded to reinsurers		(1,407,192)	(1,286,894)	9
Net written premiums		17,322,776	13,249,603	31
Other revenue				
Net finance income		2,628,924	3,428,216	(23)
Net realised gains		871,656	1,858,044	(53)
Net fair value gains / (losses)		140,913	(425,942)	133
Other operating income		3,000	3,167	(5)
Total other revenue		3,644,493	4,863,485	(25)
Total net revenue	6	20,967,269	18,113,088	16
Net benefits, claims and expenses				
Net insurance benefits and claims paid		(9,101,698)	(6,765,440)	35
Net change in insurance claims outstanding		(17,778)	(84,499)	(79)
Change in insurance contracts liabilities		(3,311,199)	(1,933,111)	71
Underwriting and net acquisition cost (Net of reinsurance)		(3,425,723)	(2,918,564)	17
Other operating and administration expenses		(3,085,126)	(2,869,271)	8
Impairment reversal / (provision) on financial investments		622	(62,415)	(101)
Finance cost	7	(286,652)	(559,946)	(49)
Total benefits, claims and expenses		(19,227,554)	(15,193,246)	27
Profit before tax	8	1,739,715	2,919,842	(40)
Income tax expenses		(518,569)	(863,634)	(40)
Profit for the period		1,221,146	2,056,208	(41)
Profit attributable to;				
Owners of the Company		1,221,146	2,056,208	(41)
Non controlling interest		-	-	-
		1,221,146	2,056,208	(41)
Earnings per share				
Basic earnings per share (Rs.)	17	3.86	5.48	(30)
Diluted earnings per share (Rs.)	17	3.86	5.48	(30)

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 June	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited	Change %
Profit for the period	1,221,146	2,056,208	(41)
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI – reclassified to retained earnings	15,426	-	
Equity investments at FVOCI - net change in fair value	227,481	246,012	
Equity investments at FVOCI - net change in fair value - Life fund	199,839	176,714	
Related tax / deferred tax	-	-	
	442,746	422,726	5
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	(158,003)	220	
Debt investments at FVOCI - net change in fair value - Life fund	91,101	11,498	
Related tax / deferred tax	-	-	
	(66,902)	11,718	(671)
Total other comprehensive income for the period, net of tax	375,844	434,444	(13)
Total comprehensive income for the period, net of tax	1,596,990	2,490,652	(36)
Total comprehensive income attributable to:			
Owners of the Company	1,596,990	2,490,652	
Non - controlling interests	-	-	
	1,596,990	2,490,652	(36)

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the three months period ended 30 June	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited	Change %
Gross written premiums	9,747,606	7,373,670	32
Premiums ceded to reinsurers	(730,597)	(651,254)	12
Net earned premiums	9,017,009	6,722,416	34
Other revenue			
Net finance income	1,273,768	1,663,506	(23)
Net realised gains	856,153	1,276,344	(33)
Net fair value gains	55,491	1,141	4,763
Other operating income	1,617	1,222	32
Total other revenue	2,187,029	2,942,213	(26)
Total net revenue	11,204,038	9,664,629	16
Net benefits, claims and expenses			
Net insurance benefits and claims paid	(4,812,407)	(3,397,714)	42
Net change in insurance claims outstanding	(33,440)	(27,083)	23
Change in insurance contracts liabilities	(1,930,335)	(1,375,849)	40
Underwriting and net acquisition cost (Net of reinsurance)	(1,691,825)	(1,427,852)	18
Other operating and administration expenses	(1,511,116)	(1,373,572)	10
Impairment (reversal) / provision on financial investments	3,595	(180,293)	(102)
Finance cost	(156,935)	(158,596)	(1)
Total benefits, claims and expenses	(10,132,463)	(7,940,959)	28
Profit before tax	1,071,575	1,723,670	(38)
Income tax expenses	(328,048)	(521,075)	(37)
Profit for the period	743,527	1,202,595	(38)
Profit attributable to;			
Owners of the Company	743,527	1,202,595	(38)
Non controlling interest	-	-	
	743,527	1,202,595	(38)
Earnings per share			
Basic earnings per share (Rs.)	2.35	3.21	(27)
Diluted earnings per share (Rs.)	2.35	3.21	(27)

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 period ended 30 June	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited	Change %
Profit for the Period	743,527	1,202,595	(38)
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI – reclassified to retained earnings	15,426	-	
Equity investments at FVOCI - net change in fair value	312,639	301,439	
Equity investments at FVOCI - net change in fair value - life fund	247,771	138,841	
Related tax / deferred tax	-	-	
	575,836	440,280	31
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	268,972	1,406	
Debt investments at FVOCI - net change in fair value - life fund	86,013	6,787	
Related tax / deferred tax	-	-	
	354,985	8,193	4,233
Total other comprehensive income for the period, net of tax	930,821	448,473	108
Total comprehensive income for the period, net of tax	1,674,348	1,651,068	1
Total comprehensive income attributable to:			
Owners of the Company	1,674,348	1,651,068	
Non - controlling interests	-	-	
	1,674,348	1,651,068	1

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	Note	30.06.2025 Rs. ' 000 Audited	31.12.2024 Rs. ' 000 Audited
Assets			
Intangible assets		7,080	3,955
Property, plant and equipment		672,759	689,233
Right of use assets		1,164,385	1,193,764
Deferred tax assets		462,612	468,263
Financial investments	10	48,701,934	43,938,018
Loans to life policyholders		395,725	350,134
Reinsurance receivables		636,312	518,316
Premium receivables		1,971,948	2,904,513
Receivables and other assets		1,666,302	1,658,300
Cash and cash equivalents		2,415,898	1,869,652
Total assets		58,094,955	53,594,148
Equity and liabilities			
Equity			
Stated capital	16	1,062,500	1,062,500
Restricted regulatory reserve		798,004	798,004
Other reserves		(388,418)	(764,262)
Retained earnings		10,464,032	9,258,312
Total equity		11,936,118	10,354,554
Liabilities			
Insurance contract liabilities	11	36,558,040	33,290,278
Employee benefit liabilities		399,099	372,315
Loans and borrowings		3,087,052	3,016,443
Reinsurance payables		979,874	754,059
Other liabilities		4,744,859	5,438,184
Bank overdraft		389,913	368,315
Total liabilities		46,158,837	43,239,594
Total equity and liabilities		58,094,955	53,594,148
Net asset per share (Rs.)	15	37.72	32.73

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

07 August 2025

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY

For the Period ended 30 June	Stated capital	Restricted regulatory reserve	Other reserves		Retained earnings	Total
			Fair value reserve	Revaluation reserve		
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Balance as at 01 January 2024	1,062,500	798,004	(2,318,408)	173,516	13,617,734	13,333,346
Profit for the period	-	-	-	-	2,056,208	2,056,208
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	246,012	-	-	246,012
Equity investments at FVOCI - net change in fair value - Life fund	-	-	176,714	-	-	176,714
Debt investments at FVOCI - net change in fair value	-	-	220	-	-	220
Debt investments at FVOCI - net change in fair value - Life fund	-	-	11,498	-	-	11,498
Debt investments at FVOCI - reclassified to income statement	-	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	434,444	-	-	434,444
Total comprehensive income for the period	-	-	434,444	-	2,056,208	2,490,652
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2023	-	-	-	-	(1,406,250)	(1,406,250)
Total transactions with owners of the Company	-	-	-	-	(1,406,250)	(1,406,250)
Balance as at 30 June 2024	1,062,500	798,004	(1,883,964)	173,516	14,267,692	14,417,748
Profit for the period	-	-	-	-	2,465,589	2,465,589
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	679,316	-	-	679,316
Equity investments at FVOCI - net change in fair value - Life fund	-	-	394,604	-	-	394,604
Debt investments at FVOCI - net change in fair value	-	-	(405,132)	-	-	(405,132)
Re-measurement Gain on defined benefit liabilities	-	-	-	-	(51,141)	(51,141)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	277,166	-	-	277,166
Debt investments at FVOCI - reclassified to income statement	-	-	232	-	-	232
Total other comprehensive income, net of tax	-	-	946,186	-	(51,141)	895,045
Total comprehensive income for the period	-	-	946,186	-	2,414,448	3,360,634
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2024	-	-	-	-	(1,423,828)	(1,423,828)
Repurchase of Shares	-	-	-	-	(6,000,000)	(6,000,000)
Balance as at 31 December 2024	1,062,500	798,004	(937,778)	173,516	9,258,312	10,354,554
Profit for the period	-	-	-	-	1,221,146	1,221,146
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	227,481	-	-	227,481
Equity investments at FVOCI - net change in fair value - Life fund	-	-	199,839	-	-	199,839
Equity investments at FVOCI – reclassified to retained earnings	-	-	15,426	-	(15,426)	-
Debt investments at FVOCI - net change in fair value	-	-	(158,003)	-	-	(158,003)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	91,101	-	-	91,101
Total other comprehensive income, net of tax	-	-	375,844	-	(15,426)	360,418
Total comprehensive income for the period	-	-	375,844	-	1,205,720	1,581,564
Balance as at 30 June 2025	1,062,500	798,004	(561,934)	173,516	10,464,032	11,936,118

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the Period ended 30 June	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited
Cash flows from operating activities		
Profit before taxation	1,739,715	2,919,842
Adjustments for :		
Depreciation of property, plant and equipment	88,899	70,407
Amortisation of intangible assets	800	394
Depreciation of right of use asset	173,572	179,979
Interest expenses on lease liabilities and loans and borrowings	249,541	360,059
Provision for employee benefit liabilities	28,690	25,933
Net realised gains	(871,656)	(1,858,044)
Net fair value (gains)/ losses	(140,913)	425,943
Net unrealised losses on foreign currency transactions	(31,998)	137,984
Net amortisation of financial investments	(441,101)	(991,806)
Provision for impairment (reversal) /losses on financial investments	(622)	62,415
	794,927	1,333,106
Change in operating assets		
Decrease / (increase) in loans to life policyholders	(45,591)	(5,462)
Increase in reinsurance receivables	(117,996)	(158,107)
Decrease in premium receivables	932,565	415,780
Increase in receivables and other assets	4,034	(258,944)
	773,012	(6,733)
Change in operating liabilities		
Increase / (decrease) in insurance contract liabilities	3,267,762	2,134,720
Increase in reinsurance payables	223,715	303,466
Increase / (decrease) in other liabilities	(568,279)	31,706
	2,923,198	2,469,892
Net cash generated from operations	4,491,137	3,796,264
Tax Paid	(642,000)	(432,000)
Interest Paid	(178,924)	(300,729)
Gratuity paid	(1,906)	(14,972)
Net cash generated from operating activities	3,668,307	3,048,564
Cash flows from investing activities		
Acquisition of investment securities	(22,993,050)	(30,359,017)
Proceeds from sale of investment securities	20,140,433	29,257,430
Acquisition of property, plant and equipment	(72,425)	(67,081)
Net acquisition of ROU asset	(17,745)	(33,706)
Acquisition of intangible assets	(3,925)	-
Net cash flows used in investing activities	(2,946,712)	(1,202,374)
Cash flows from financing activities		
Dividend paid to equity holders	-	(1,406,250)
Principal Payment of lease liabilities	(196,947)	(195,114)
Net cash used in financing activities	(196,947)	(1,601,364)
Net increase / (Decrease) in cash and cash equivalents	524,648	244,826
Net cash and cash equivalents as at 1 January	1,501,337	722,989
Net cash and cash equivalents as at 30 June	2,025,985	967,815
Analysis of cash and cash equivalents		
Cash in hand and at bank	2,415,898	1,379,651
Bank overdraft	(389,913)	(411,836)
Total cash and cash equivalents as at 30 June	2,025,985	967,815

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

As at	Note	30.06.2025 Rs. ' 000 Audited	31.12.2024 Rs. ' 000 Audited
Assets			
Property, plant and equipment		291,816	298,187
Right of use assets		1,164,385	1,189,826
Financial investments		35,280,891	31,721,103
Loans to life policyholders		395,725	350,134
Reinsurance receivables		636,312	518,316
Premium receivables		1,971,948	2,904,513
Receivables and other assets		1,462,476	1,078,748
Cash and cash equivalents		2,401,831	1,865,751
Total assets		43,605,384	39,926,578
Equity and liabilities			
Equity			
Other reserves		243,176	(47,764)
Total equity		243,176	(47,764)
Liabilities			
Insurance contract liabilities	11	36,558,040	33,290,278
Employee benefit liabilities		399,099	372,315
Reinsurance payables		979,874	754,059
Other liabilities		5,035,282	5,189,375
Bank overdraft		389,913	368,315
Total liabilities		43,362,208	39,974,342
Total equity and liabilities		43,605,384	39,926,578

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, and is a licensed life insurer under the regulation of the Insurance Regulatory Commission of Sri Lanka (IRCSL). 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 30 June 2025 were authorised for issue by the Board of Directors on 07 August 2025.

3 BASIS OF PREPARATION

The interim condensed Financial Statements for the period ended 30 June 2025 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 2024. 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 - 2024 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 June	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited
First year premium	3,753,984	3,235,895
Renewal premium	9,416,525	7,561,636
Group life Premium	4,112,570	3,274,911
Single premium	1,446,889	464,055
Total Gross Written Premium	18,729,968	14,536,497

6 TOTAL NET REVENUE

For the Period ended 30 June	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited
Net written premiums	17,322,776	13,249,603
Other Revenue	3,644,493	4,863,485
Total Net Revenue	20,967,269	18,113,088

7 FINANCE COST

For the Period ended 30 June	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited
Interest expenses on lease liabilities, loans and borrowings	249,541	360,059
Net exchange losses / (gains)	(31,998)	137,984
Other finance cost	69,109	61,903
Total Finance Cost / (Gains)	286,652	559,946

8 PROFIT BEFORE TAXATION

For the Period ended 30 June	2025 Rs. ' 000 Audited	2024 Rs. ' 000 Audited
Profit before taxation	1,739,715	2,919,842
Total	1,739,715	2,919,842

Refer Note 11.3 for the details on the surplus transfer from the Non participating fund to shareholder fund during the quarter.

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	30.06.2025 Rs. ' 000 Audited	31.12.2024 Rs. ' 000 Audited
Treasury bonds		20,794,623	20,673,471
Treasury bills		2,617,726	704,527
Fixed deposits		1,340,143	733,467
Commercial papers		2,256,604	2,206,628
Quoted debentures		5,379,688	5,687,364
Unquoted debentures		314,933	301,541
Repo		4,005,104	1,140,922
Equity Securities		4,607,606	4,214,895
International sovereign bonds		3,217,869	3,378,691
Unlisted perpetual debenture		735,761	722,416
Commercial papers		185,346	175,755
Unit trust		3,246,531	3,998,341
		48,701,934	43,938,018

11 INSURANCE CONTRACT LIABILITIES

As at	Note	30.06.2025 Rs. ' 000 Audited	31.12.2024 Rs. ' 000 Audited
Insurance contract liabilities		34,544,864	31,233,665
Surplus created due to change in valuation method from NPV to GPV	11.1 & 11.2	1,056,535	1,056,535
Claim payables		956,641	1,000,078
		36,558,040	33,290,278

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 30 June 2025	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 June 2025

Asset Category	ISIN No	As at 30 June 2025	
		Face Value Rs.	Market Value Rs. ' 000
Government securities			
Treasury bonds	LKB00628A153	100,000,000	128,963
	LKB00628A153	110,000,000	141,859
	LKB00628A153	100,000,000	128,963
	LKB00628A153	100,000,000	128,963
	LKB00931E153	100,000,000	135,801
	LKB00931E153	100,000,000	135,801
	LKB00931E153	120,000,000	162,961
	LKB00931E153	100,000,000	135,801
	LKB00931E153	100,000,000	135,801
	LKB00931E153	100,000,000	135,801
Total Market Value of the Assets			1,370,714
Restricted Regulatory Reserve			798,004

11.3 Valuation of Life Insurance Fund - (Zeroed Basis of Negative Liabilities at Product Level) as at 30 June 2025

The valuation of life insurance fund as at 30 June 2025 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.

Accordingly, the Company transferred Rs.913 Mn from Non participating fund to shareholder fund as surplus transfer for the quarter ended 30 June 2025 (2024 - Rs. 1,585 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. 2.16 million.

12.2 Contingencies

The Contingent liabilities of the company as at 30 June 2025, 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 Honourable 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 Honourable 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 TAC 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 Honourable Court of Appeal.

The Company is in the process of hearing the other appeal on the Y/A 2016/17 with TAC, 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 and 2021/22 amounting to Rs. 433.16 Million including the penalty. For the Y/A 2019/20, the Company has appealed to TAC upon the receipt of the CGIR determination. For the other case, the company has appealed on the same basis as stated above and is awaiting for 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 Honourable 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 Honourable 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 in the Honourable 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) The CGIR issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2018/19, 2019/20 and 2020/21 amounting to Rs. 2,180.47 Million along with penalty, in favour of the CGIR. The Company has submitted petition of appeals with TAC.

9) Assessment has been issued by the CGIR in relation to the Y/A 2021/22 amounting to Rs.688.97 Million including the penalty. The Company has submitted an appeal requesting an administration review on the same.

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.

The 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 other than the following:

Further to the disclosure made on 26th March 2025, approval was received from the Insurance Regulatory Commission of Sri Lanka (IRCSL), via letter dated 2nd July 2025, for the acquisition of all shares (representing 100% of the issued and paid-up share capital) of Allianz Life Insurance Lanka Limited by Softlogic Life Insurance PLC from Allianz SE.

The transaction was completed on 11th July 2025, and the purchase consideration was duly paid.

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	30.06.2025 Rs.	31.12.2024 Rs.
Net assets per share	37.72	32.73
Net Asset per Share - Excluding One-off Surplus	35.20	30.20

15.2 Market Price Per Share

For the quarter ended 30 June	2025 Rs	2024 Rs
Last traded price (Last trade date - 30 th June 2025)	73.00	67.00
Highest traded price per share for the quarter	74.00	72.80
Lowest traded price per share for the quarter	64.00	60.50

16 STATED CAPITAL

As at	30.06.2025	31.12.2024
Stated capital (Rs.' 000)	1,062,500	1,062,500
No: of Ordinary Shares	316,406,250	316,406,250

17 BASIC AND DILUTED EARNING PER SHARE (EPS)

For the Period ended 30 June	2025	2024
Profit attributable to ordinary shareholders (Rs. 000)	1,221,146	2,056,208
Weighted average no: of shares as at 30 June	316,406,250	375,000,000
Basic / Diluted EPS (Rs.)	3.86	5.48

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

18 TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	30.06.2025	
	No. of Shares	%
1 Softlogic Capital PLC	161,367,187	51.00
2 Dalvik Inclusion Private Limited	59,531,790	18.81
3 Milford Ceylon (Pvt) Ltd	59,531,790	18.81
4 Seylan Bank PLC/G.A.Bhanuka Harischandra	1,848,503	0.58
5 People'S Leasing & Finance PLC/Mrs.H.A.J.Wickramasena	1,200,000	0.38
6 Commercial Bank Of Ceylon PLC/W. Jinadasa	1,039,276	0.33
7 Seylan Bank PLC/Eagle Crest (Pvt) Ltd	951,250	0.30
8 Mr. G.C. Goonetilleke	893,629	0.28
9 Senkadagala Finance PLC/L.A.J.F.Morais	666,773	0.21
10 Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	484,523	0.15
11 Mr. D. Balasundaram	472,245	0.15
12 Mr. A.P.P.M. Abeyrathne	434,185	0.14
13 People'S Leasing & Finance PLC/Mr.D.M.P.Disanayake	367,829	0.12
14 Dialog Finance PLC/D.S.Nakandala	356,760	0.11
15 Assetline Finance Limited/R.S.P.Samaranayake	328,682	0.11
16 Mr. J.M.I. Jayaweera	324,545	0.10
17 Seylan Bank PLC/Anuja Chamila Jayasinghe	323,971	0.10
18 Mr. J.A.D.K.R. Jayasuriya	313,551	0.10
19 Mr. W.A.A.T.M. Jayawickrama	275,427	0.09
20 DFCC Bank PLC/A.S. Hathiramani	260,241	0.08
	290,972,157	91.95
Others	25,434,093	8.05
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	2025 Rs	2024 Rs
Public shareholding (%) - Compliant under Option 1 of CSE listing Rule 7.13.1.b	11.32	11.32
Public shareholders	5,254	4,841
Float adjusted market capitalisation (Rs.' 000)	2,615,348	2,468,458

Public Holding percentage - Ordinary Non-Voting Shares as at 30 June 2025 - Nil

20 DIRECTORS' SHARE HOLDINGS

As at 30 June	2025	
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 2024.

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 June	2025 Rs.' 000	2024 Rs.' 000
Transactions with the Ultimate Parent and Parent		
<i>Recorded in the Income Statement:</i>		
Net premiums	5,693	5,438
Interest income	24,684	37,022
Expenses	1,010	1,192
Receiving of services	57,214	218,076
<i>Recorded in the Statement of Changes in Equity and Statement of Financial Position:</i>		
Insurance premium receivable	93	259
Investments	180,837	496,767
Interest income receivable	1,000	-
Dividend paid	-	727,955
Transactions with Other Related Entities		
<i>Recorded in the Income Statement:</i>		
Net premiums	81,984	74,066
Expenses	221,267	201,162
<i>Recorded in the Statement of Changes in Equity and Statement of Financial Position:</i>		
Insurance premium receivable	16,419	37,952
Investments	571,253	441,201
Commission receivable	45,816	-