

CHANGE MAKER

softlogic
LIFE

SOFTLOGIC LIFE INSURANCE PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31ST DECEMBER 2025

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the Year ended 31 December	Note	Group	Company	
		2025	2025	2024
		Rs. ' 000	Rs. ' 000	Rs. ' 000
		Un-audited	Un-audited	Audited
Gross written premiums	6	40,075,495	38,331,485	31,573,467
Premiums ceded to reinsurers		(2,737,583)	(2,719,952)	(2,509,698)
Net written premiums		37,337,912	35,611,533	29,063,769
Other revenue				
Net finance income		6,026,212	5,133,482	6,790,924
Net realised gains		1,245,304	1,245,304	2,938,156
Net fair value gains / (losses)		267,447	267,447	(354,957)
Other operating income		32,138	31,937	6,548
Total other revenue		7,571,101	6,678,170	9,380,671
Total net revenue	7	44,909,013	42,289,703	38,444,440
Net benefits, claims and expenses				
Net insurance benefits and claims paid		(19,318,180)	(18,314,685)	(14,187,893)
Net change in insurance claims outstanding		(78,076)	(81,322)	(61,820)
Change in insurance contracts liabilities		(4,292,556)	(4,556,947)	(5,270,740)
Underwriting and net acquisition cost (Net of reinsurance)		(7,239,551)	(6,829,572)	(5,790,389)
Other operating and administration expenses		(7,012,855)	(6,513,826)	(6,440,335)
Derecognition loss on restructuring of ISB/SLDB		-	-	(2,237,532)
Impairment reversal / (provision) on financial investments		60,313	60,313	3,004,984
Finance cost	8	(412,273)	(404,880)	(1,128,396)
Total benefits, claims and expenses		(38,293,178)	(36,640,919)	(32,112,121)
Profit before tax	9	6,615,835	5,648,784	6,332,319
Income tax expenses		(1,935,443)	(1,645,306)	(1,810,522)
Profit for the period		4,680,392	4,003,478	4,521,797
Profit attributable to;				
Owners of the Company		4,680,392	4,003,478	4,521,797
Non controlling interest		-	-	-
		4,680,392	4,003,478	4,521,797
Earnings per share				
Basic earnings per share (Rs.)	18	14.79	12.65	12.61
Diluted earnings per share (Rs.)	18	14.79	12.65	12.61

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 Year ended 31 December	Group	Company	
	2025	2025	2024
	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Un-audited	Un-audited	Audited
Profit for the period	4,680,392	4,003,478	4,521,797
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	594,477	594,477	925,328
Equity investments at FVOCI - net change in fair value - Life fund	362,868	362,868	571,318
Equity investments at FVOCI – reclassified to retained earnings	(596,005)	(596,005)	-
Re-measurement loss on defined benefit liabilities	(102,004)	(97,694)	(51,141)
Gain on revaluation of land and building	47,591	47,591	-
Related tax / deferred tax	-	-	-
	306,927	311,237	1,445,505
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	(540,471)	(272,822)	(404,912)
Debt investments at FVOCI - net change in fair value - Life fund	75,653	75,652	288,664
Debt investments at FVOCI - reclassified to income statement	-	-	232
Related tax / deferred tax	-	-	-
	(464,818)	(197,170)	(116,016)
Total other comprehensive income for the period, net of tax	(157,891)	114,067	1,329,489
Total comprehensive income for the period, net of tax	4,522,501	4,117,545	5,851,286
Total comprehensive income attributable to:			
Owners of the Company	4,522,501	4,117,545	5,851,286
Non - controlling interest	-	-	-
	4,522,501	4,117,545	5,851,286

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the three months ended 31 December	Group	Company	
	2025	2025	2024
	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Un-audited	Un-audited	Audited
Gross written premiums	10,968,969	10,093,065	9,618,740
Premiums ceded to reinsurers	(624,172)	(625,982)	(575,477)
Net earned premiums	10,344,797	9,467,083	9,043,263
Other revenue			
Net finance income	1,918,674	1,259,442	1,840,501
Net realised gains	276,718	276,718	73,036
Net fair value gains	48,983	48,983	4,337
Other operating income	(23,481)	1,689	1,749
Total other revenue	2,220,894	1,586,832	1,919,623
Total net revenue	12,565,691	11,053,915	10,962,886
Net benefits, claims and expenses			
Net insurance benefits and claims paid	(5,245,297)	(4,815,878)	(3,764,430)
Net change in insurance claims outstanding	(28,739)	(31,196)	(3,694)
Change in insurance contracts liabilities	(25,665)	(453,258)	(2,159,439)
Underwriting and net acquisition cost (Net of reinsurance)	(1,850,165)	(1,612,177)	(1,385,330)
Other operating and administration expenses	(2,168,820)	(1,868,845)	(1,939,945)
Derecognition loss on restructuring of ISB/SLDB	-	-	(2,237,532)
Impairment reversal / (provision) on financial investments	58,611	58,611	3,105,326
Finance cost	30,500	37,893	(278,483)
Total benefits, claims and expenses	(9,229,575)	(8,684,850)	(8,663,527)
Profit before tax	3,336,116	2,369,065	2,299,359
Income tax expenses	(946,916)	(656,779)	(627,229)
Profit for the period	2,389,200	1,712,286	1,672,130
Profit attributable to;			
Owners of the Company	2,389,200	1,712,286	1,672,130
Non controlling interest	-	-	-
	2,389,200	1,712,286	1,672,130
Earnings per share			
Basic earnings per share (Rs.)	7.55	5.41	4.66
Diluted earnings per share (Rs.)	7.55	5.41	4.46

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	Group		Company	
	2025		2025	
	Rs. ' 000		Rs. ' 000	
	Un-audited	Un-audited	Un-audited	Audited
Profit for the Period	2,389,200	1,712,286	1,672,130	
Other comprehensive income				
Items that will not be reclassified to income statement				
Equity investments at FVOCI - net change in fair value	3,389	3,389	730,903	
Equity investments at FVOCI - net change in fair value - Life fund	(100,137)	(100,137)	419,721	
Equity investments at FVOCI – reclassified to retained earnings	42,926	42,926	-	
Re-measurement loss on defined benefit liabilities	(97,694)	(97,694)	(51,141)	
Gain on revaluation of land and building	47,591	47,591	-	
Related tax / deferred tax	-	-	-	
	(103,925)	(103,925)	1,099,483	
Items that are or may be reclassified subsequently to income statement				
Debt investments at FVOCI - net change in fair value	(311,394)	(58,111)	(403,708)	
Debt investments at FVOCI - net change in fair value - life fund	121,695	121,694	176,804	
Debt investments at FVOCI - reclassified to income statement	-	-	232	
Related tax / deferred tax	-	-	-	
	(189,699)	63,583	(226,672)	
Total other comprehensive income for the period, net of tax	(293,624)	(40,342)	872,811	
Total comprehensive income for the period, net of tax	2,095,576	1,671,944	2,544,941	
Total comprehensive income attributable to:				
Owners of the Company	2,095,576	1,671,944	2,544,941	
Non - controlling interest	-	-	-	
	2,095,576	1,671,944	2,544,941	

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Note	Group	Company	
		31.12.2025	31.12.2025	31.12.2024
		Rs. ' 000	Rs. ' 000	Rs. ' 000
		Un-audited	Un-audited	Audited
Assets				
Intangible assets		472,379	6,082	3,955
Investment in subsidiary		-	1,426,349	-
Property, plant and equipment		854,727	832,546	689,233
Right of use assets		1,428,321	1,269,713	1,193,764
Deferred tax assets		715,134	454,262	468,263
Financial investments	11	56,962,074	47,072,299	43,938,018
Loans to life policyholders		412,829	412,829	350,134
Reinsurance receivables		524,933	482,477	518,316
Premium receivables		1,991,824	1,918,988	2,904,513
Receivables and other assets		2,123,050	2,193,603	1,658,300
Cash and cash equivalents		3,099,838	2,717,805	1,869,652
Total assets		68,585,109	58,786,953	53,594,148
Equity and liabilities				
Equity				
Stated capital	17	1,062,500	1,062,500	1,062,500
Restricted regulatory reserve		1,515,796	798,004	798,004
Other reserves		(820,149)	(552,501)	(764,262)
Retained earnings		11,909,472	11,954,660	9,258,312
Total equity		13,667,619	13,262,663	10,354,554
Liabilities				
Insurance contract liabilities	12	46,611,447	38,040,296	33,290,278
Employee benefit liabilities		582,975	580,331	372,315
Loans and borrowings		-	-	3,016,443
Reinsurance payables		721,114	668,426	754,059
Other liabilities		6,614,666	5,847,949	5,438,184
Bank overdraft		387,288	387,288	368,315
Total liabilities		54,917,490	45,524,290	43,239,594
Total equity and liabilities		68,585,109	58,786,953	53,594,148
Net asset per share (Rs.)	16.1	43.20	41.92	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

11 February 2026

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY

For the Year ended 31 December	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	-	-	-	-	4,521,797	4,521,797
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	925,328	-	-	925,328
Equity investments at FVOCI - net change in fair value - Life fund	-	-	571,318	-	-	571,318
Debt investments at FVOCI - net change in fair value	-	-	(404,912)	-	-	(404,912)
Re-measurement Gain on defined benefit liabilities	-	-	-	-	(51,141)	(51,141)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	288,664	-	-	288,664
Debt investments at FVOCI - reclassified to income statement	-	-	232	-	-	232
Total other comprehensive income, net of tax	-	-	1,380,630	-	(51,141)	1,329,489
Total comprehensive income for the period	-	-	1,380,630	-	4,470,656	5,851,286
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2023	-	-	-	-	(1,406,250)	(1,406,250)
Interim dividend - 2024	-	-	-	-	(1,423,828)	(1,423,828)
Repurchase of Shares	-	-	-	-	(6,000,000)	(6,000,000)
Total transactions with owners of the Company	-	-	-	-	(8,830,078)	(8,830,078)
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	-	-	-	-	4,003,478	4,003,478
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	594,477	-	-	594,477
Equity investments at FVOCI - net change in fair value - Life fund	-	-	362,868	-	-	362,868
Equity investments at FVOCI – reclassified to retained earnings/Life Fund	-	-	(596,005)	-	214,392	(381,613)
Re-measurement loss on defined benefit liabilities	-	-	-	-	(97,694)	(97,694)
Gain on revaluation of land & building	-	-	-	47,591	-	47,591
Debt investments at FVOCI - net change in fair value	-	-	(272,822)	-	-	(272,822)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	75,652	-	-	75,652
Total other comprehensive income, net of tax	-	-	164,170	47,591	116,698	328,459
Total comprehensive income for the period	-	-	164,170	47,591	4,120,176	4,331,937
Transactions with owners of the Company						
Contribution and distribution						
Interim dividend - 2025	-	-	-	-	(1,423,828)	(1,423,828)
Total transactions with owners of the Company	-	-	-	-	(1,423,828)	(1,423,828)
Balance as at 31 December 2025	1,062,500	798,004	(773,608)	221,107	11,954,660	13,262,663

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY -GROUP

For the Period ended 31 December	Group					
	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	-	-	-	-	4,521,797	4,521,797
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	925,328	-	-	925,328
Equity investments at FVOCI - net change in fair value - Life fur	-	-	571,318	-	-	571,318
Debt investments at FVOCI - net change in fair value	-	-	(404,912)	-	-	(404,912)
Re-measurement Gain on defined benefit liabilities	-	-	-	-	(51,141)	(51,141)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	288,664	-	-	288,664
Debt investments at FVOCI - reclassified to income statement	-	-	232	-	-	232
Total other comprehensive income, net of tax	-	-	1,380,630	-	(51,141)	1,329,489
Total comprehensive income for the period	-	-	1,380,630	-	4,470,656	5,851,286
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2023	-	-	-	-	(1,406,250)	(1,406,250)
Interim dividend - 2024	-	-	-	-	(1,423,828)	(1,423,828)
Repurchase of Shares	-	-	-	-	(6,000,000)	(6,000,000)
Total transactions with owners of the Company	-	-	-	-	(8,830,078)	(8,830,078)
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	-	717,792	-	-	3,962,600	4,680,392
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	594,477	-	-	594,477
Equity investments at FVOCI - net change in fair value - Life fur	-	-	362,868	-	-	362,868
Equity investments at FVOCI – reclassified to retained earnings/Life Fund	-	-	(596,005)	-	214,392	(381,613)
Re-measurement loss on defined benefit liabilities	-	-	-	-	(102,004)	(102,004)
Gain on revaluation of land & building	-	-	-	47,591	-	47,591
Debt investments at FVOCI - net change in fair value	-	-	(540,471)	-	-	(540,471)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	75,653	-	-	75,653
Total other comprehensive income, net of tax	-	-	(103,478)	47,591	112,388	56,501
Total comprehensive income for the period	-	717,792	(103,478)	47,591	4,074,988	4,736,893
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2025	-	-	-	-	(1,423,828)	(1,423,828)
Total transactions with owners of the Company	-	-	-	-	(1,423,828)	(1,423,828)
Balance as at 31 December 2025	1,062,500	1,515,796	(1,041,256)	221,107	11,909,472	13,667,619

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the Year ended 31 December	Group	Company	
	2025	2025	2024
	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Un-audited	Un-audited	Audited
Cash flows from operating activities			
Profit before taxation	6,615,835	5,648,784	6,332,319
Adjustments for :			
Depreciation of property, plant and equipment	140,328	128,459	139,075
Amortisation of intangible assets	6,445	1,798	859
Impairment of intangible assets	194,977	-	-
Depreciation of right of use asset	415,679	384,413	372,655
Derecognition of ROU asset/ liabilities	(3,961)	(3,961)	-
Interest expenses on lease liabilities and loans and borrowings	429,141	422,957	692,050
Provision for employee benefit liabilities	97,397	95,756	72,318
Gain on sale of property, plant and equipment	(26,000)	(26,000)	(90)
Net realised gains	(1,513,642)	(1,245,304)	(2,938,156)
Net fair value (gains)/ losses	(355,586)	(267,447)	354,957
Net unrealised losses on foreign currency transactions	(155,205)	(153,865)	300,593
Net amortisation of financial investments	(804,064)	(844,762)	(2,056,433)
Derecognition loss on restructuring of ISB/SLDB	-	-	2,237,532
Provision for impairment (reversal) /losses on financial investments	(60,313)	(60,313)	(3,004,984)
	4,981,031	4,080,515	2,502,695
Change in operating assets			
Decrease / (increase) in loans to life policyholders	(62,695)	(62,695)	(18,833)
Increase in reinsurance receivables	246,576	35,839	(53,105)
Decrease in premium receivables	978,653	985,525	(455,424)
Increase in receivables and other assets	(556,531)	(496,269)	(366,784)
	606,003	462,400	(894,146)
Change in operating liabilities			
Increase / (decrease) in insurance contract liabilities	4,265,796	4,966,816	5,546,939
Increase in reinsurance payables	(265,638)	(94,205)	48,884
Increase / (decrease) in other liabilities	(243,857)	(17,299)	1,108,009
	3,756,301	4,855,312	6,703,832
Net cash generated from operations	9,343,335	9,398,227	8,312,380
Tax Paid	(1,592,241)	(1,592,241)	(1,516,665)
Interest Paid	(369,895)	(369,415)	(621,210)
Gratuity paid	(25,958)	(7,436)	(27,446)
Net cash generated from operating activities	7,355,241	7,429,135	6,147,060
Cash flows from investing activities			
Acquisition of investment securities	(70,734,981)	(49,331,348)	(84,856,891)
Proceeds from sale of investment securities	70,956,126	49,239,922	90,379,250
Acquisition of subsidiary	(1,180,242)	(1,426,349)	-
Acquisition of property, plant and equipment	(232,954)	(224,182)	(120,941)
Net acquisition of ROU asset	(31,379)	(25,246)	(69,280)
Acquisition of intangible assets	(60,401)	(3,925)	(2,450)
Proceeds from the sale of property, plant and equipment	27,819	26,000	150
Net cash flows used in investing activities	(1,256,012)	(1,745,128)	5,329,838
Cash flows from financing activities			
Repurchase of ordinary voting shares	-	-	(6,000,000)
Repayment of long term borrowing	(3,017,627)	(3,017,627)	(1,454,000)
Dividend paid to equity holders	(1,423,828)	(1,423,828)	(2,830,078)
Principal Payment of lease liabilities	(446,561)	(413,372)	(414,472)
Net cash used in financing activities	(4,888,016)	(4,854,827)	(10,698,550)
Net increase / (Decrease) in cash and cash equivalents	1,211,213	829,180	778,348
Net cash and cash equivalents as at 1 January	1,501,337	1,501,337	722,989
Net cash and cash equivalents as at 31 December	2,712,550	2,330,517	1,501,337
Analysis of cash and cash equivalents			
Cash in hand and at bank	3,099,838	2,717,805	1,869,652
Bank overdraft	(387,288)	(387,288)	(368,315)
Total cash and cash equivalents as at 31 December	2,712,550	2,330,517	1,501,337

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

As at	Note	31.12.2025 Rs. ' 000 Un-audited	31.12.2024 Rs. ' 000 Audited
Assets			
Property, plant and equipment		333,000	298,187
Right of use assets		1,269,713	1,189,826
Financial investments		36,932,104	31,721,103
Loans to life policyholders		412,829	350,134
Reinsurance receivables		482,477	518,316
Premium receivables		1,918,988	2,904,513
Receivables and other assets		1,840,606	1,078,748
Cash and cash equivalents		2,689,436	1,865,751
Total assets		45,879,153	39,926,578
Equity and liabilities			
Equity			
Other reserves		(40,958)	(47,764)
Total equity		(40,958)	(47,764)
Liabilities			
Insurance contract liabilities	12	38,040,296	33,290,278
Employee benefit liabilities		580,331	372,315
Reinsurance payables		668,426	754,059
Other liabilities		6,243,770	5,189,375
Bank overdraft		387,288	368,315
Total liabilities		45,920,111	39,974,342
Total equity and liabilities		45,879,153	39,926,578

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 REPORTING ENTITY

Softlogic Life Insurance PLC (“the Company”) is a public limited liability company incorporated and domiciled in Sri Lanka. The Company is regulated under the Insurance Industry Act No. 43 of 2000 and amendments thereto, and is a licensed life insurer under the regulation of the Insurance Regulatory Commission of Sri Lanka (IRC SL). The Company was re-registered under the Companies Act No. 07 of 2007. 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 Colombo Stock Exchange (CSE).

2 APPROVAL OF FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS

The interim condensed Financial Statements of the Group and the Company for the period ended 31 December 2025 were authorised for issue by the Board of Directors on 11 February 2026.

3 BASIS OF PREPARATION

The interim condensed Financial Statements for the period ended 31 December 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.

The same accounting policies and methods of computation as stated in the Annual Financial Statements for 2024 have been followed in preparing these interim condensed Financial Statements, except for the impact of the acquisition of Softlogic Life Insurance Lanka Limited (formerly known as Allianz Life Insurance Lanka Limited) by Softlogic Life Insurance PLC, which is disclosed as a significant event. Further, the provisions of the Companies Act No. 7 of 2007, the Regulation of the Insurance Industry Act No. 43 of 2000, and the requirements of the CSE have been considered.

The interim period’s disclosures are in accordance with the provisions of SLFRS 3 - Business Combinations and SLFRS 12 - Disclosure of Interests in Other Entities. 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 SLFRSs and Interpretations issued but not yet effective have not been early adopted during the period.

4 EFFECT OF CHANGES IN COMPOSITION OF THE GROUP

4.1 Business Combination – Acquisition of Softlogic Life Insurance Lanka Limited

On 11 July 2025, Softlogic Life Insurance PLC acquired 100% of the issued and paid-up share capital of Softlogic Life Insurance Lanka Limited (“the Subsidiary”) from Allianz SE, following approval granted by the IRC SL via letter dated 2 July 2025. The purchase consideration of Rs. 1,426 Million was paid in cash. Following the acquisition, Allianz Life became a wholly-owned subsidiary of Softlogic Life. The Subsidiary will continue to operate as a separate licensed entity under the regulatory framework of the IRC SL until any future integration plans are approved.

The acquisition has been accounted for using the acquisition method in accordance with SLFRS 3 – Business Combinations and the Control of the Subsidiary was obtained on 11 July 2025. Management evaluated the financial impact of the Subsidiary for the period prior to the acquisition and concluded that the results and cash flows for this period were not material to the Group.

As at 11 July 2025, the Group recognised provisional amounts for the identifiable assets acquired and liabilities assumed, including goodwill, in accordance with SLFRS 3 Business Combinations. These provisional amounts are subject to adjustment during the measurement period (not exceeding twelve months from the acquisition date) if new information is obtained about facts and circumstances that existed at the acquisition date and would have affected the measurement of the amounts recognised.

Based on the preliminary purchase price allocation, the fair value of the identifiable assets acquired and liabilities assumed were Rs. 11,190 million and Rs.10,171 million respectively, with a total cash consideration of Rs. 1,426 million. Accordingly, a provisional intangible asset of Rs. 407 million has been recognised in the financial statements.

5 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.

6 GROSS WRITTEN PREMIUM

For the year ended 31 December	Group	Company	
	2025	2025	2024
	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Un-audited	Un-audited	Audited
First year premium	8,602,250	8,022,309	6,540,525
Renewal premium	19,942,298	18,983,838	16,006,226
Group life premium	7,752,560	7,692,079	7,632,722
Single premium	3,778,347	3,633,259	1,393,994
Total Gross Written Premium	40,075,455	38,331,485	31,573,467

7 TOTAL NET REVENUE

For the year ended 31 December	Group	Company	
	2025	2025	2024
	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Un-audited	Un-audited	Audited
Net written premium	37,337,912	35,611,533	29,063,769
Other Revenue	7,571,101	6,678,170	9,380,671
Total Net Revenue	44,909,013	42,289,703	38,444,440

8 FINANCE COST

For the year ended 31 December	Group	Company	
	2025	2025	2024
	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Un-audited	Un-audited	Audited
Interest expenses on lease liabilities, loans and borrowings	429,141	421,748	692,050
Net exchange losses / (gains)	(153,865)	(153,865)	300,593
Other finance cost	136,997	136,997	135,753
Total Finance Cost / (Gains)	412,273	404,880	1,128,396

9 PROFIT BEFORE TAXATION

For the year ended 31 December	Group	Company	
	2025	2025	2024
	Rs. ' 000	Rs. ' 000	Rs. ' 000
	Un-audited	Un-audited	Audited
Profit before taxation	6,615,835	5,648,784	6,332,319
Total	6,615,835	5,648,784	6,332,319

Refer Note 12.3 for the details on the surplus transfer from the Non participating fund to shareholder fund during the quarter.

10 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 for the Group
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%.

11 FINANCIAL INVESTMENTS

As at	Note	Group	Company	
		31.12.2025	31.12.2025	31.12.2024
		Rs. ' 000	Rs. ' 000	Rs. ' 000
		Un-audited	Un-audited	Audited
Treasury bonds		29,688,140	21,252,866	20,673,471
Treasury bills		391,214	-	704,527
Fixed deposits		1,872,087	1,753,811	733,467
Commercial papers		1,633,996	1,633,996	2,382,383
Quoted debentures		4,778,220	4,778,220	5,687,364
Unquoted debentures		301,555	301,555	301,541
Repo		9,918,186	9,664,743	1,140,922
Equity securities		1,162,645	536,559	4,214,895
International sovereign bonds		3,334,066	3,334,066	3,378,691
Unlisted perpetual debenture		719,932	719,932	722,416
Unit trust		3,116,173	3,096,551	3,998,341
Securitised papers		45,861	-	-
		56,962,074	47,072,299	43,938,018

12 INSURANCE CONTRACT LIABILITIES

As at	Note	Group	Company	
		31.12.2025	31.12.2025	31.12.2024
		Rs. ' 000	Rs. ' 000	Rs. ' 000
		Un-audited	Un-audited	Audited
Insurance contract liabilities		44,457,865	35,955,425	31,233,665
Surplus created due to change in valuation method from NPV to GPV	12.1	1,056,535	1,056,535	1,056,535
Claim payables		1,097,047	1,028,336	1,000,078
		46,611,447	38,040,296	33,290,278

12.1 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	Company		
	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 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.

12.2 Composition of Investments Supporting the Restricted Regulatory Reserve as at 31 December 2025

Asset Category	ISIN No	Group		Company	
		As at 31 December 2025		As at 31 December 2025	
		Face Value Rs.	Market Value Rs. ' 000	Face Value Rs.	Market Value Rs. ' 000
Government securities					
Treasury bonds	LKJ01236C152	240,920,679	190,093	240,920,679	190,093
	LKJ01337I155	240,920,679	186,343	240,920,679	186,343
	LKJ01438I151	240,920,679	184,209	240,920,679	184,209
	LKJ01539I156	240,920,679	182,327	240,920,679	182,327
	LKJ01640I152	240,920,679	180,668	240,920,679	180,668
	LKB01032G014	25,000,000	36,119	-	-
	LKB01534I155	275,000,000	276,289	-	-
	LKB02032J017	9,000,000	8,615	-	-
	LKB02033K013	397,000,000	369,649	-	-
Repo	LKB00528L152	22,663,000	21,608	-	-
	LKB00529L150	52,932,000	50,000	-	-
Total Market Value of the Assets		-	1,685,920	-	923,640
Restricted Regulatory Reserves		-	1,515,796	-	798,004

12.3 Valuation of Life Insurance Fund

Softlogic Life Insurance PLC:

The valuation of life insurance fund as at 31 December 2025 of the Softlogic life insurance PLC 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.4,388 Million from the non participating fund to shareholder fund as surplus transfer for the year ended 31 December 2025 (2024 - Rs. 4,287 Million). Surplus transfer for the quarter ended 31 December 2025 was Rs 1,800 Millon (2024 - Rs. 870 Million).

Softlogic Life Insurance Lanka Limited:

The valuation of the life insurance fund of the subsidiary was carried out by the Appointed Actuary, Mr. Sanyam Jain , FIA, FIAI, of Messrs .Willis Towers Watson India Private Limited. Based on this valuation, the Company transferred a surplus of Rs. 834 million in respect of the post-acquisition period of six months ended 31 December 2025.

12.4 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 by the Company / Group.

13 CAPITAL COMMITMENTS AND CONTINGENCIES

The capital commitments approved and contracted as at the reporting date amounted to Rs. 180.61 million for the Group and Rs. 40.25 million for the

13.2 Contingencies

The Contingent liabilities of the company as at 31 December 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.

13.2 Contingencies (Cont.)

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.

4) The Company has received an Assessment for the Y/A 2022/23 amounting to Rs.643.54 Million including the penalty and in the process of appealing for an administrative review.

5) 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

6) 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.

7) 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.

8) 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. 662.9 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.

9) 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, 2020/21 and 2021/22 amounting to Rs. 3,007.24 Million along with penalty, in favour of the CGIR. The Company has submitted petition of appeals 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.

The Directors are of the view that the Company has followed due process and complied with the prevailing tax laws in its tax submissions. Accordingly, the likelihood of the Company being required to settle any of these tax assessments is considered to be remote. In addition, in the opinion of the Directors, there are no litigations or claims involving the Company that may have a material effect on the financial statements. Other than those disclosed above, the Group does not have any contingencies that require disclosure in the financial statements.

14 EVENTS AFTER THE REPORTING PERIOD

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

15 COMPARATIVE INFORMATION

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

16 SHARE INFORMATION

16.1 Net Assets Per Share

As at	Group 2025	Company 2025	2024
Net assets per share	43.20	41.92	32.73
Net Asset per Share - Excluding One-off Surplus	38.41	39.39	30.20

16.2 Market Price Per Share of the Company

For the quarter ended 31 December	Company 2025 Rs	2024 Rs
Last traded price (Last trade date - 31st December 2025)	77.60	68.90
Highest traded price per share for the quarter	82.40	74.10
Lowest traded price per share for the quarter	69.00	57.90

17

STATED CAPITAL

As at	Company 31.12.2025	31.12.2024
Stated capital (Rs.' 000)	1,062,500	1,062,500
No: of Ordinary Shares	316,406,250	316,406,250

18 BASIC AND DILUTED EARNING PER SHARE (EPS)

For the Year ended 31 December	Group 2025	Company 2025	2024
shareholders (Rs. 000)	4,680,392	4,003,478	4,521,797
December	316,406,250	316,406,250	358,510,502
Basic / Diluted EPS (Rs.)	14.79	12.65	12.61

19 TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	Company	
	As at 31.12.2025	
	No. of Shares	%
1 Softlogic Capital PLC	158,714,972	50.16
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	2,166,882	0.68
5 People'S Leasing & Finance PLC/Mrs.H.A.J.Wickramasena	1,685,000	0.53
6 Mr. G. Anuragavan Govindasamy	1,493,569	0.47
7 Bansei Securities Capital (Pvt) Ltd/I.S.P Perera	1,088,258	0.34
8 Commercial Bank Of Ceylon PLC/W. Jinadasa	1,039,276	0.33
9 Mr. L.R.Y. Waidyaratne	1,000,000	0.32
10 Mr. G.C. Goonetilleke	893,629	0.28
11 DFCC Bank PLC/Mr.P.Pranavan	630,000	0.20
12 Mr. P.G.N.D. Gunathilake	602,500	0.19
13 Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	569,523	0.18
14 Mr. D. Balasundaram	472,245	0.15
15 Mr. A.P.P.M. Abeyrathne	434,185	0.14
16 Senkadagala Finance PLC/L.A.J.F.Morais	428,614	0.14
17 Seylan Bank PLC/Anuja Chamila Jayasinghe	391,894	0.12
18 Dialog Finance PLC/D.S.Nakandala	356,760	0.11
19 Assetline Finance Limited/R.S.P.Samaranayake	328,682	0.10
20 DFCC Bank PLC/A.S. Hathiramani	300,000	0.09
	291,659,569	92.15
Others	24,746,681	7.85
Total	316,406,250	100.00

20 PUBLIC SHAREHOLDING

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

As at	Company	
	2025	2024
	Rs	Rs
Public shareholding (%) - Compliant under Option 1 of CSE listing Rule 7.13.1.b	12.16	11.32
Public shareholders	5,639	4,841
Float adjusted market capitalisation (Rs.' 000)	2,985,906	2,468,458

Public Holding percentage - Ordinary Non-Voting Shares as at 31 December 2025 - Nil

21 DIRECTORS' SHARE HOLDINGS

As at 31 December	2025	
	No. of Shares	%
Name of The Director		
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

22 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.

22.1 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	Group	Company	
	2025	2025	2024
	Rs.' 000	Rs.' 000	Rs.' 000
Transactions with the Ultimate Parent and Parent			
<i>Recorded in the Income Statement:</i>			
Net premium	9,453	9,453	11,674
Interest income	46,536	46,536	69,317
Expenses	1,010	1,010	1,192
Receiving of services	114,385	114,385	305,137
<i>Recorded in the Statement of Changes in Equity and Statement of Financial Position:</i>			
Insurance premium receivable	61	61	134
Investments	331,497	331,497	400,137
Interest income receivable	-	-	12,466
Repurchase of shares	-	-	3,105,941
Dividend paid	726,152	726,152	1,465,009
Other Payable	3,156	3,156	-
Transactions with Other Related Entities			
<i>Recorded in the Income Statement:</i>			
Net premium	132,611	132,611	178,439
Dividend Income	-	-	22,435
Expenses	527,632	527,632	432,432
<i>Recorded in the Statement of Changes in Equity and Statement of Financial Position:</i>			
Insurance premium receivable	14,616	14,616	36,443
Investments	536,559	536,559	476,951
Other Receivable	22,887	179,306	46,625
Other Payable	15,062	15,062	-
Transactions, Arrangements and Agreements Involving KMP and their Close Family Members (CFM)			
<i>Recorded in the Income Statement:</i>			
Net Premiums	1,236	1,236	6,671