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SOFTLOGIC LIFE INSURANCE PLC

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

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the Period ended 30 June	Note	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Audited	Change %
Gross written premiums	5	14,536,497	12,472,192	17
Premiums ceded to reinsurers		(1,286,894)	(1,282,302)	0
Net written premiums		13,249,603	11,189,890	18
Other revenue				
Net finance income		3,428,216	3,465,154	(1)
Net realised gains		1,858,044	14,590	12,635
Net fair value gains / (losses)		(425,942)	485,555	188
Other operating income		3,167	5,078	(38)
Total other revenue		4,863,485	3,970,377	22
Total net revenue	6	18,113,088	15,160,267	19
Net benefits, claims and expenses				
Net insurance benefits and claims paid		(6,765,440)	(6,416,183)	5
Net change in insurance claims outstanding		(84,499)	12,008	(804)
Change in insurance contracts liabilities		(1,933,111)	(838,965)	130
Underwriting and net acquisition cost (Net of reinsurance)		(2,918,564)	(2,680,923)	9
Other operating and administration expenses		(2,869,271)	(2,614,073)	10
Impairment reversal / (provision) on financial investments		(62,415)	(103,300)	(40)
Finance cost	7	(559,946)	(988,927)	(43)
Total benefits, claims and expenses		(15,193,246)	(13,630,363)	11
Profit before tax	8	2,919,842	1,529,904	91
Income tax expenses		(863,634)	(522,855)	65
Profit for the period		2,056,208	1,007,049	104
Profit attributable to;				
Owners of the Company		2,056,208	1,007,049	104
Non controlling interest		-	-	
		2,056,208	1,007,049	104
Earnings per share				
Basic earnings per share (Rs.)	17	5.48	2.69	104
Diluted earnings per share (Rs.)	17	5.48	2.69	104

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	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Audited	Change %
Profit for the period	2,056,208	1,007,049	104
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	246,012	329,276	
Equity investments at FVOCI - net change in fair value - Life fund	176,714	(18,398)	
Related tax / deferred tax	-	-	
	422,726	310,878	36
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	220	23,867	
Debt investments at FVOCI - net change in fair value - Life fund	11,498	219,683	
Debt investments at FVOCI - reclassified to income statement	-	465	
Related tax / deferred tax	-	-	
	11,718	244,015	(95)
Total other comprehensive income for the period, net of tax	434,444	554,893	(22)
Total comprehensive income for the period, net of tax	2,490,652	1,561,942	59
Total comprehensive income attributable to:			
Owners of the Company	2,490,652	1,561,942	
Non - controlling interests	-	-	
	2,490,652	1,561,942	59

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the three months ended 30 June	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Audited	Change %
Gross written premiums	7,373,670	6,487,574	14
Premiums ceded to reinsurers	(651,254)	(642,690)	1
Net earned premiums	6,722,416	5,844,884	15
Other revenue			
Net finance income	1,663,506	1,732,563	(4)
Net realised gains	1,276,344	14,551	8,672
Net fair value gains	1,141	278,319	(100)
Other operating income	1,222	2,516	(51)
Total other revenue	2,942,213	2,027,949	45
Total net revenue	9,664,629	7,872,833	23
Net benefits, claims and expenses			
Net insurance benefits and claims paid	(3,397,714)	(3,227,241)	5
Net change in insurance claims outstanding	(27,083)	(35,822)	(24)
Change in insurance contracts liabilities	(1,375,849)	(903,991)	52
Underwriting and net acquisition cost (Net of reinsurance)	(1,427,852)	(1,309,820)	9
Other operating and administration expenses	(1,373,572)	(1,352,838)	2
Impairment provision on financial investments	(180,293)	52,814	(441)
Finance cost	(158,596)	(386,791)	(59)
Total benefits, claims and expenses	(7,940,959)	(7,163,689)	11
Profit before tax	1,723,670	709,144	143
Income tax expenses	(521,075)	(203,731)	156
Profit for the period	1,202,595	505,413	138
Profit attributable to;			
Owners of the Company	1,202,595	505,413	138
Non controlling interest	-	-	
	1,202,595	505,413	138
Earnings per share			
Basic earnings per share (Rs.)	3.21	1.35	138
Diluted earnings per share (Rs.)	3.21	1.35	138

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 June	2024	2023	Change
	Rs. ' 000	Rs. ' 000	%
	Audited	Audited	
Profit for the Period	1,202,595	505,413	138
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	301,439	122,412	
Equity investments at FVOCI - net change in fair value - life fund	138,841	(2,936)	
Related tax / deferred tax	-	-	
	440,280	119,476	269
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	1,406	23,803	
Debt investments at FVOCI - net change in fair value - life fund	6,787	202,188	
Debt investments at FVOCI - reclassified to income statement	-	244	
Related tax / deferred tax	-	-	
	8,193	226,235	(96)
Total other comprehensive income for the period, net of tax	448,473	345,711	30
Total comprehensive income for the period, net of tax	1,651,068	851,124	94
Total comprehensive income attributable to:			
Owners of the Company	1,651,068	851,124	
Non - controlling interests	-	-	
	1,651,068	851,124	94

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	Note	30.06.2024 Rs. ' 000 Audited	31.12.2023 Rs. ' 000 Audited
Assets			
Intangible assets		1,970	2,364
Property, plant and equipment		704,102	707,427
Right of use assets		609,992	611,661
Deferred Tax Assets		832,739	838,938
Financial investments	10	46,950,934	43,500,215
Loans to life policyholders		336,763	331,301
Reinsurance receivables		623,318	465,211
Premium receivables		2,033,309	2,449,089
Receivables and other assets		1,601,112	1,333,537
Cash and cash equivalents		1,379,651	1,099,679
Total assets		55,073,890	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		(1,710,448)	(2,144,892)
Retained earnings		14,267,692	13,617,734
Total equity		14,417,748	13,333,346
Liabilities			
Insurance contract liabilities	11	30,060,194	27,925,474
Employee benefit liabilities		287,263	276,302
Loans and borrowings		4,729,837	5,014,997
Reinsurance payables		1,012,190	718,855
Other liabilities		4,154,822	3,693,758
Bank overdraft		411,836	376,690
Total liabilities		40,656,142	38,006,076
Total equity and liabilities		55,073,890	51,339,422
Net asset per share (Rs.)	15	38.45	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 August 2024

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY

For the Period ended 30 June	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	-	-	-	-	1,007,049	1,007,049
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	329,276	-	-	329,276
Equity investments at FVOCI - net change in fair value - Life fund	-	-	(18,398)	-	-	(18,398)
Debt investments at FVOCI - net change in fair value	-	-	23,867	-	-	23,867
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	-	-	219,683	-	-	219,683
Debt investments at FVOCI - reclassified to income statement	-	-	465	-	-	465
Total other comprehensive income, net of tax	-	-	554,893	-	-	554,893
Total comprehensive income for the period	-	-	554,893	-	1,007,049	1,561,942
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 June 2023	1,062,500	798,004	(2,675,095)	129,733	11,807,224	11,122,366
Profit for the period	-	-	-	-	1,831,355	1,831,355
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	277,432	-	-	277,432
Equity investments at FVOCI - net change in fair value - Life fund	-	-	61,531	-	-	61,531
Debt investments at FVOCI - net change in fair value	-	-	18,774	-	-	18,774
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	-	-	(1,296)	-	-	(1,296)
Debt investments at FVOCI - reclassified to income statement	-	-	246	-	-	246
Total other comprehensive income, net of tax	-	-	356,687	43,783	(20,845)	379,625
Total comprehensive income for the period	-	-	356,687	43,783	1,810,510	2,210,980
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	-	-	-	-	2,056,208	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 transaction 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

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the Period ended 30 June	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Audited
Cash flows from operating activities		
Profit before taxation	2,919,842	1,529,904
Adjustments for :		
Depreciation of property, plant and equipment	70,407	64,362
Amortisation of intangible assets	394	341
Depreciation of right of use asset	179,979	148,228
Interest expenses on lease liabilities and loans and borrowings	360,059	355,146
Provision for employee benefit liabilities	25,933	23,687
Net realised Gains	(1,858,044)	(14,590)
Net fair value (Gains)/ losses	425,943	(485,555)
Net unrealised losses on foreign currency transactions	137,984	565,715
Net amortisation of financial investments	(991,806)	(1,034,284)
Provision for impairment (Reversal) /losses on financial investments	62,415	103,300
	1,333,106	1,256,254
Change in operating assets		
Decrease / (Increase) in loans to life policyholders	(5,462)	(20,905)
Increase in reinsurance receivables	(158,107)	13,092
Decrease in premium receivables	415,780	300,056
Increase in receivables and other assets	(258,944)	(121,895)
	(6,733)	170,348
Change in operating liabilities		
Increase / (Decrease) in insurance contract liabilities	2,134,720	855,755
Increase in reinsurance payables	303,466	(372,562)
Increase / (Decrease) in other liabilities	31,706	(236,434)
	2,469,892	246,759
Net cash generated from operations	3,796,265	1,673,361
Tax Paid	(432,000)	(377,228)
Interest Paid	(300,729)	(290,650)
Gratuity paid	(14,972)	(6,753)
Net cash generated from operating activities	3,048,564	998,730
Cash flows from investing activities		
Acquisition of investment securities	(30,359,017)	(21,504,877)
Proceeds from sale of investment securities	29,257,430	22,489,262
Acquisition of property, plant and equipment	(67,081)	(128,813)
Net Acquisition of ROU Asset	(33,706)	(48,194)
Net cash flows used in investing activities	(1,202,374)	807,378
Cash flows from financing activities		
Dividend paid to equity holders	(1,406,250)	(1,312,500)
Payment of lease liabilities	(195,114)	(199,206)
Net cash used in financing activities	(1,601,364)	(1,511,706)
Net increase / (Decrease) in cash and cash equivalents	244,826	294,402
Net cash and cash equivalents as at 1 January	722,989	431,626
Net cash and cash equivalents as at 30 June	967,815	726,028
Analysis of cash and cash equivalents		
Cash in hand and at bank	1,379,651	1,151,621
Bank overdrafts	(411,836)	(425,593)
Total cash and cash equivalents as at 30 June	967,815	726,028

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

As at	Note	30.06.2024 Rs. ' 000 Audited	31.12.2023 Rs. ' 000 Audited
Assets			
Property, plant and equipment		304,629	311,000
Right of use assets		602,680	600,973
Financial investments		31,137,571	33,092,231
Loans to life policyholders		336,763	331,301
Reinsurance receivables		623,318	465,211
Premium receivables		2,033,309	2,449,089
Receivables and other assets		1,315,957	1,063,438
Cash and cash equivalents		1,374,425	1,087,058
Total assets		37,728,652	39,400,301
Equity and liabilities			
Equity			
Other reserves		(668,608)	(856,820)
Total equity		(668,608)	(856,820)
Liabilities			
Insurance contract liabilities	11	30,060,194	27,925,474
Employee benefit liabilities		287,263	276,302
Reinsurance payables		1,012,190	718,855
Other liabilities		6,625,777	10,959,800
Bank overdraft		411,836	376,690
Total liabilities		38,397,260	40,257,121
Total equity and liabilities		37,728,652	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 June 2024 were authorised for issue by the Board of Directors on 08 August 2024.

3 BASIS OF PREPARATION

The interim condensed Financial Statements for the quarter ended 30 June 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 June	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Audited
First Year Premium	3,235,895	3,139,548
Renewal Premium	7,561,636	6,315,765
Group Life Premium	3,274,911	2,683,537
Single Premium	464,055	333,342
Total Gross Written Premium	14,536,497	12,472,192

6 TOTAL NET REVENUE

For the Period ended 30 June	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Audited
Net written premiums	13,249,603	11,189,890
Other Revenue	4,863,485	3,970,377
Total Net Revenue	18,113,088	15,160,267

7 FINANCE COST

For the Period ended 30 June	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Audited
Interest expenses on lease liabilities, loans and borrowings	(360,059)	(355,146)
Net exchange (losses) / gains	(137,984)	(565,715)
Other finance cost	(61,903)	(68,066)
Total Finance (Cost) / Gains	(559,946)	(988,927)

8 PROFIT BEFORE TAXATION

For the Period ended 30 June	2024 Rs. ' 000 Audited	2023 Rs. ' 000 Audited
Profit Before Taxation	2,919,842	1,529,904
Total	2,919,842	1,529,904

The Company transferred Rs.1,585 Mn from Non participating fund to shareholder fund as surplus transfer for the quarter ended 30 June 2024 (2023 - 1,137 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	30.06.2024 Rs. ' 000 Audited	31.12.2023 Rs. ' 000 Audited
Amortised Cost (AC)	10.1	35,319,447	33,698,659
Fair Value through Other Comprehensive Income (FVOCI)	10.2	6,248,750	5,174,882
Fair Value Through Profit or Loss (FVTPL)	10.3	5,382,737	4,626,674
Total Financial Investments		46,950,934	43,500,215

10.1 Amortised Cost (AC)

Treasury Bonds		16,484,408	18,408,368
Treasury Bills		22,780	553,716
International Sovereign Bonds		3,999,399	3,928,615
Bank Deposits		571,341	919,403
Commercial Papers		2,439,504	1,713,352
Securitized Papers		298,440	577,371
Quoted Debentures		5,861,936	6,251,253
Unquoted Debentures		314,994	301,493
Reverse Repo		5,326,645	1,045,088
		35,319,447	33,698,659

10.2 Fair Value through Other Comprehensive Income (FVOCI)

Equity Securities:			
Quoted		3,140,975	1,759,999
Unquoted		-	326,914
Treasury Bonds		3,107,775	3,087,969
		6,248,750	5,174,882

10.3 Fair Value Through Profit or Loss (FVTPL)

Equity Securities		24,226	-
Treasury Bonds		343,112	318,208
Unlisted Perpetual Debenture		797,289	794,476
Unit Trust		4,218,110	3,513,990
		5,382,737	4,626,674

11 INSURANCE CONTRACT LIABILITIES

As at	Note	30.06.2024 Rs. ' 000 Audited	31.12.2023 Rs. ' 000 Audited
Insurance Contract Liabilities		28,078,445	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		925,214	723,606
		30,060,194	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 June 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 June 2024

Asset Category	ISIN No	As at 30 June 2024	
		Face Value	Market Value
		Rs.	Rs. ' 000
Government Securities			
Treasury Bond	LKB00628A153	100,000,000	126,674
	LKB00628A153	110,000,000	139,342
	LKB00628A153	100,000,000	126,674
	LKB00628A153	100,000,000	126,674
	LKB00931E153	100,000,000	127,718
	LKB00931E153	100,000,000	127,718
	LKB00931E153	120,000,000	153,261
	LKB00931E153	100,000,000	127,718
	LKB00931E153	100,000,000	127,718
	LKB00931E153	100,000,000	127,718
Total Market Value of the Assets			1,311,215
Restricted Regulatory Reserve			798,004

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

The valuation of life insurance fund as at 30 June 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. 2,517 Mn from Non participating fund to shareholder fund as surplus transfer for the six months ended 30 June 2024 (2023 - Rs. 1,137 Mn). Surplus transfer for the quarter ended 30 June 2024 was Rs. 1,585 Mn (2023 - Rs. 407 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. 7.27 million.

12.2 Contingencies

The Contingent liabilities of the company as at 30 June 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 favor of Commissioner General of Inland Revenue (CGIR) amounting to Rs. 46.5 Million including the penalty and 03 assessments were determined in favour of Softlogic Life Insurance PLC amounting to Rs. 24.8 Million including the penalty.

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

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

2) The 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 2017/18, the Company has received the determination of the Tax Appeals Commission in favour of the Company. The Company is in the process of hearing the other appeals 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 basis that the underlying computation includes items which are out of scope of the VAT Act 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 Tax Appeals Commission issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2010/11 amounting to Rs. 0.68 Million, in favour of the Softlogic Life Insurance PLC and the CGIR has transmitted this case to the Court of Appeal being dissatisfied with the said determination of Tax Appeals Commission and case is stated for the opinion of the Honorable Court of Appeal. The Company is awaiting the decision of the Court of appeal.

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

7) The CGIR issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2014/15, 2015/16, 2016/17 and 2017/18 amounting to Rs. 681.7 Million along with penalty, in favour of the CGIR. For the Y/A 2014/15 and 2017/18, the Company has received the determination of the Tax Appeals Commission in favour of the Company. However, case stated 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 Tax Appeals Commission.

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 other than disclosure made in Note 13.1 below.

13.1 Share Repurchase

On 11 June 2024, the Board of Directors of the Company resolved to undertake a share repurchase program to move towards efficient capital management and optimize shareholder value which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 17 July 2024. The maximum number of shares to be repurchased is 58,593,750 at a price of Rs. 102.40 per share, constituting a total value of up to Rs. 6 Billion. This represents a ratio of five (5) shares out of every thirty-two (32) shares held by the shareholders as at the Record Date.

The share repurchase will be conducted in compliance with Article 4 of the Articles of Association of the Company, Section 64 of the Companies Act No: 7 of 2007 and CSE Listing Rule No: 7.10.1. The acquisition of shares by the Company is considered a distribution in terms of Section 529 of the Companies Act No. 7 of 2007 and requires the approval of the shareholders at an Extraordinary General Meeting.

This share repurchase is considered a non-adjusting event as it reflects a decision made after the reporting period. Therefore, no adjustments have been made to the amounts recognised in the financial statements for the period ended 30 June 2024. The financial impact of the share repurchase will be reflected in the subsequent 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	30.06.2024 Rs.	31.12.2023 Rs.
Net Assets Per Share	38.45	35.56
Net Asset per Share - Excluding One-off Surplus	36.32	33.43

15.2 Market Price Per Share

For the quarter ended 30 June	2024 Rs	2023 Rs
Last traded price (Last trade date - 28 th June 2024)	67.00	80.60
Highest traded price per share for the quarter	72.80	87.90
Lowest traded price per share for the quarter	60.50	63.60

16 STATED CAPITAL

As at	30.06.2024	31.12.2023
Stated Capital (Rs.' 000)	1,062,500	1,062,500
No: of Ordinary Shares	375,000,000	375,000,000

17 BASIC AND DILUTED EARNING PER SHARE (EPS)

For the Period ended 30 June	2024	2023
Profit attributable to Ordinary Shareholders (Rs. 000)	2,056,208	1,007,049
Weighted Average No: of shares as at 30 June	375,000,000	375,000,000
Basic / Diluted EPS (Rs.)	5.48	2.69

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

18 TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	30.06.2024	
	No. of Shares	%
1 Softlogic Capital PLC	193,945,760	51.72
2 Dalvik Inclusion Private Limited	71,250,000	19.00
3 Milford Ceylon (Pvt) Ltd	71,250,000	19.00
4 Commercial Bank Of Ceylon PLC/W. Jinadasa	1,231,734	0.33
5 Seylan Bank PLC/Eagle Crest (pvt) Ltd	1,175,768	0.31
6 People's Leasing & Finance PLC/Mrs. H.A.J.Wickramasena	1,010,000	0.27
7 Mr. G.C. Goonetilleke	979,765	0.26
8 Senkadagala Finance PLC/L.A.J.F.Morais	836,918	0.22
9 Senkadagala Finance PLC/H.N.R.Bharati	625,000	0.17
10 Mr. A.P.P.M. Abeyrathne	519,647	0.14
11 Hatton National Bank PLC A/C No. 4 (HNB retirement pension fund)	425,102	0.11
12 Mr. D. Balasundaram	402,968	0.11
13 Mr. J.M.I. Jayaweera	388,427	0.10
14 Mr. W.A.A.T.M. Jayawickrama	375,000	0.10
15 Assetline Finance Limited/R.S.P.Samaranayake	374,991	0.10
16 Mr. J.A.D.K.R. Jayasuriya	371,616	0.10
17 Dialog Finance PLC/D.S.Nakandala	356,760	0.10
18 Mr. P. Muthulingam	352,708	0.09
19 Maskeliya Tea Exports (Pvt) Ltd	300,000	0.08
20 People s Leasing and Finance PLC/M.K.De Livera & M.D.De Livera	270,002	0.07
	346,442,166	92.38
Others	28,557,834	7.62
Total	375,000,000	100.00

19 PUBLIC SHAREHOLDING

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

As at	2024 Rs	2023 Rs
Public shareholding (%) - Compliant under Option 1 of CSE listing Rule 7.13.1.b	10.23	10.23
Public shareholders	4,910	4,903
Float Adjusted Market Capitalisation (Rs.' 000)	2,570,288	2,063,903

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

20 DIRECTORS' SHARE HOLDINGS

As at 30 June	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 June	2024 Rs.' 000	2023 Rs.' 000
Transactions with the Ultimate Parent and Parent		
Investments	496,767	502,960
Receiving of services	218,076	92,012
Expenses	1,192	1,840
Dividend Paid	727,955	679,425
Interest Income	37,022	71,785
Net Premiums	5,438	264
Insurance premium receivable	259	10,245
Transactions with Other Related Entities		
Investments	441,201	461,376
Purchases of property plant and equipment	-	16,499
Expenses	201,162	160,729
Net Premiums	74,066	31,698
Insurance premium receivable	37,952	161,252