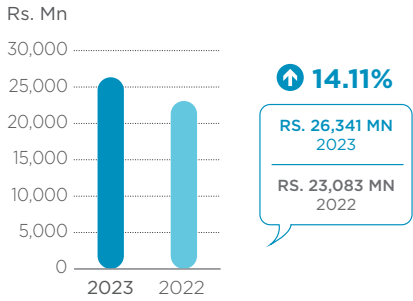
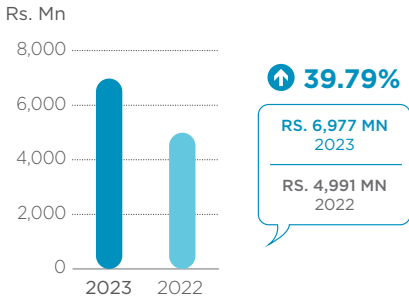


# FINANCIAL HIGHLIGHTS

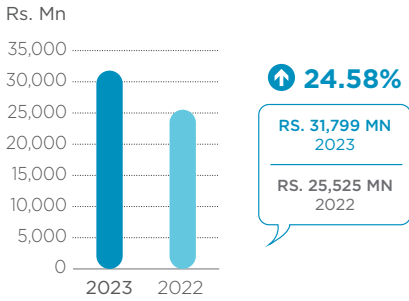
## GROSS WRITTEN PREMIUM



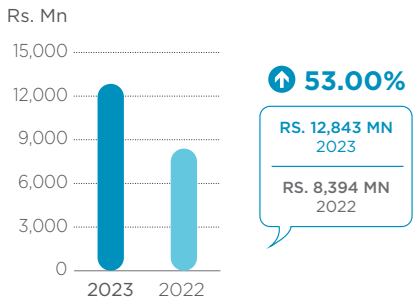
## FINANCE INCOME



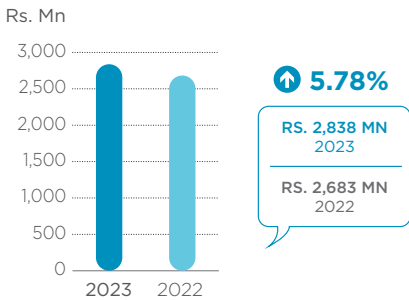
## TOTAL NET REVENUE



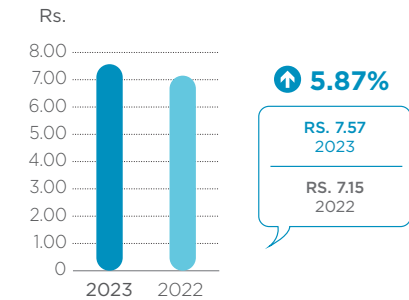
## NET INSURANCE BENEFITS & CLAIMS



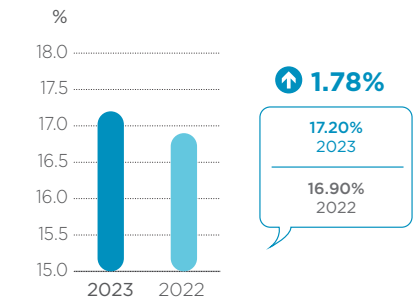
## PROFIT AFTER TAXATION



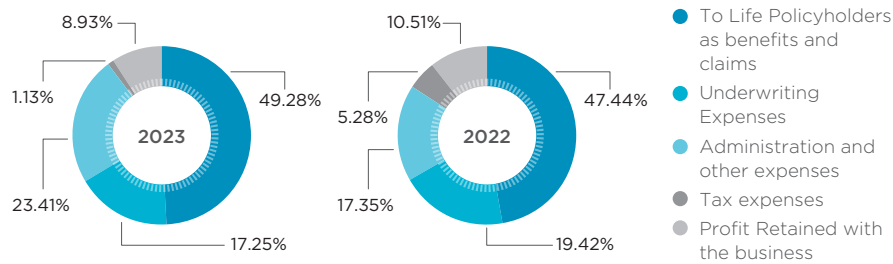
## EARNING PER SHARE



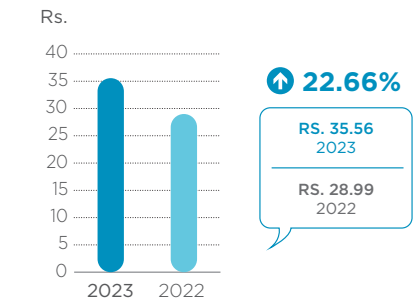
## MARKET SHARE



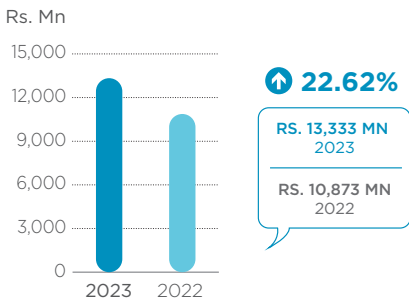
## UTILIZATION OF NET REVENUE INCOME



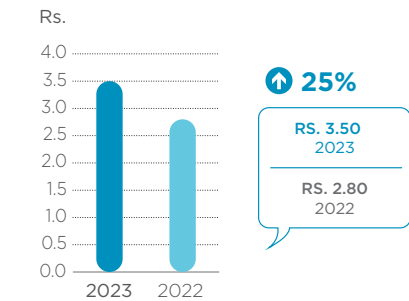
## NET ASSET PER SHARE



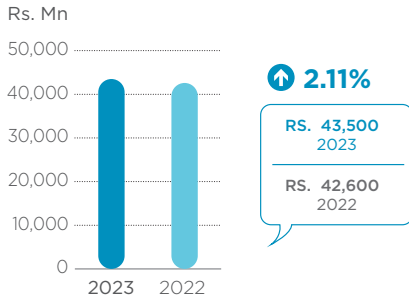
## TOTAL EQUITY



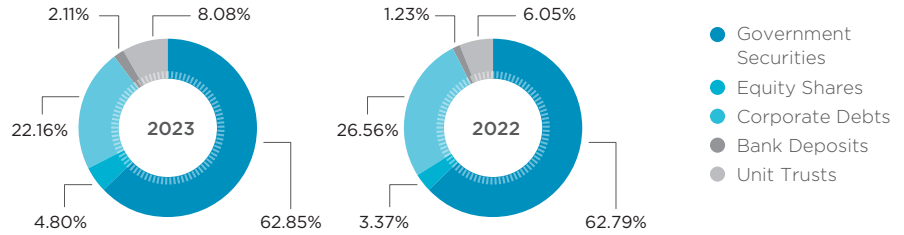
## DIVIDEND PER SHARE



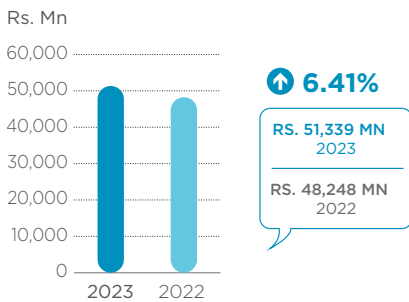
### FINANCIAL INVESTMENTS



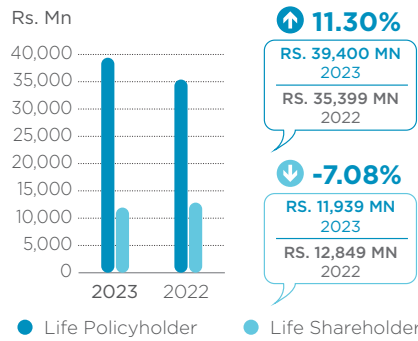
### FINANCIAL INVESTMENTS - ASSET CLASS WISE



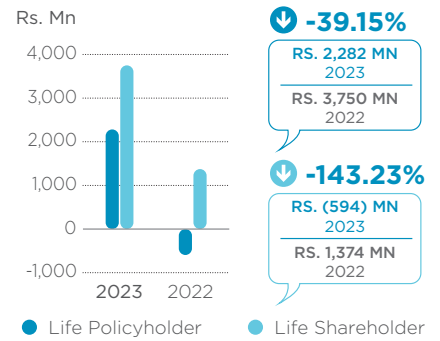
### TOTAL ASSETS



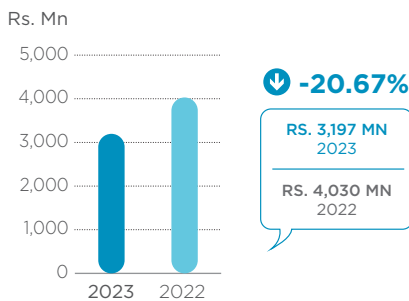
### SEGMENT TOTAL ASSETS



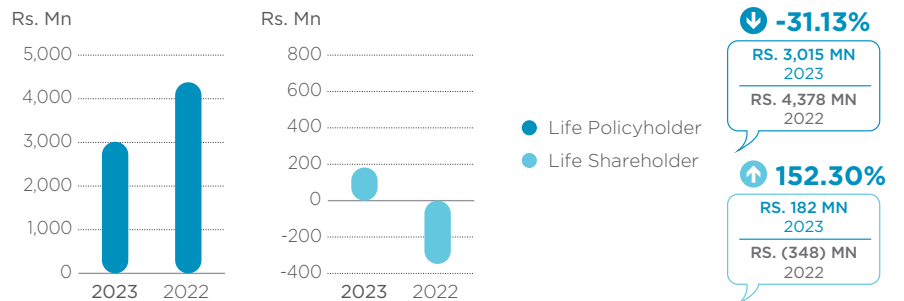
### SEGMENT OPERATING CASH FLOWS



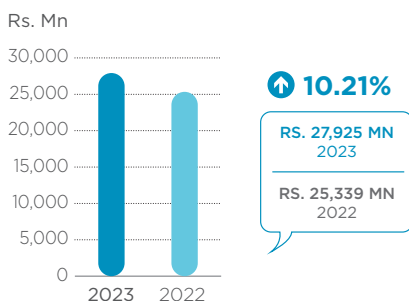
### PROFIT BEFORE TAXATION



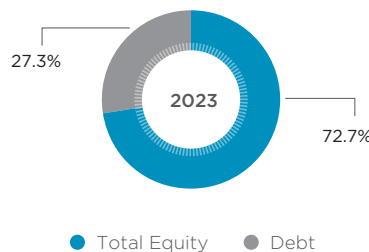
### SEGMENT PROFIT BEFORE TAXATION



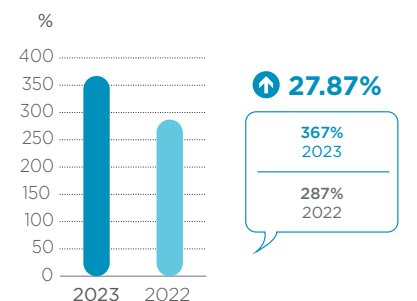
### INSURANCE CONTRACT LIABILITIES



### CAPITAL STRUCTURE



### CAPITAL ADEQUACY RATIO (CAR)



## ACTUARY'S REPORT

4<sup>th</sup> March 2024

The Board of Directors of Softlogic Life Insurance Plc  
Level 16, One Galle Face Tower,  
Colombo 02, Sri Lanka



### Certificate of the Actuary for the Actuarial valuation of the Long term Business

I, Kunj Behari Maheshwari, being the Actuary for the life insurance business, to the best of my knowledge certify the following:

- (a) that proper records have been kept by Softlogic Life Insurance Plc in conducting the valuation of liabilities for the purpose of Section 48 of the Regulation of Insurance Industry Act No. 43 of 2000, and the Solvency Margin (Risk Based Capital) Rules, 2015;
- (b) that I have taken all reasonable steps to ensure the accuracy and completeness of the records mentioned in item (a) above;
- (c) that I have complied with the provisions of the said act in item (a) above;
- (d) that I have complied with provisions of the Solvency Margin (Risk Based Capital) Rules, 2015 and guidance notes / guidelines prescribed by the IRCSL there under in the determination of the net amount of liabilities as at 31 December 2023;
- (e) that the Surplus amount distributed / approved to transfer from the non-participating fund to shareholder fund for the period 1 January 2023 to 31 December 2023 amounted to LKR 3,015 million; and
- (f) that the Surplus amount distributed to life insurance policyholders who share in the profits (with respect to reversionary bonus declared) as provided in the Regulation of Insurance Industry Act, No 43 of 2000, amounted to LKR 518 million as at 31 December 2023.

#### Name and address of actuary with phone number and e-mail:

Kunj Behari Maheshwari, FIA, FIAI  
Director, Insurance Consulting and Technology, India,  
WTW  
7th Floor, Unit 07-001, 2 2, Emaar Capital Towers

Mehrauli-Gurgaon Rd, Sector 26, Sikanderpur Ghosi,  
Gurugram, 122002, India  
Telephone: +91 124 432 2800  
Email: [kunj.maheshwari@willistowerswatson.com](mailto:kunj.maheshwari@willistowerswatson.com)

Signature:

Place:

Gurugram, India

Date:

4<sup>th</sup> March 2024

Willis Towers Watson India Private Limited

Registered Office:  
7th Floor, Unit 07-001,  
2 2, Emaar Capital Towers, Mehrauli-  
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CIN – U67190HR1996PTC051336

## REPORT ON THE LIABILITY ADEQUACY TEST (LAT)

4<sup>th</sup> March 2024

The Board of Directors of Softlogic Life Insurance Plc  
Level 16, One Galle Face Tower,  
Colombo 02,  
Sri Lanka



### Liability Adequacy Test

- 1.1. The Sri Lanka Accounting Standard 'SLFRS 4, Insurance Contracts' prescribes that an insurer shall assess at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash-flows under its insurance contracts. Willis Towers Watson has undertaken a liability adequacy test for long term insurance provisions maintained within the life fund of Softlogic Life Insurance Plc as contemplated by SLFRS 4.
- 1.2. In carrying out the liability adequacy test, we have compared the provisions held as per the audited accounts with the actuarial liability. For this purpose, the principles laid out within the risk-based capital framework as prescribed by the IRCSL, whereby liabilities are valued using a discounted cash-flow approach covering the full lifetime of all the cash in- and out-flows required to settle the obligations related to existing in-force insurance contracts are used as a starting point to assess the actuarial liability published by Softlogic Life in its financial statements. Adjustments made to and differences between the regulatory liability under the risk-based capital framework and the accounting liability under SLFRS basis have been suitably considered in providing this certification.
- 1.3. The projections are based on in-force policies and riders as at 31 December 2023.
- 1.4. Based on the checks undertaken, I certify:
  - that the valuation of actuarial liability is based on internationally accepted actuarial methods and adheres to the requirements under SLFRS 4;
  - that the assumptions used for such valuation are reasonable estimates based on available experience studies and after allowing for prescribed risk margins for adverse deviation; and
  - that the long term insurance provisions maintained within the life fund of Softlogic Life Insurance Plc as per the audited accounts of the Company for the year ended 31 December 2023 is in excess of the liabilities computed in the above mentioned manner.

Kunj Behari Maheshwari, FIA, FIAI  
Director, Insurance Consulting and Technology, India,  
WTW

Signature:

Place:

Date:

Gurugram, India

4<sup>th</sup> March 2024

Willis Towers Watson India Private Limited

Registered Office:  
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Tower-B, South City 1, Sector 41  
Gurgaon-122001  
India

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E: TW.Fin.India@wtwco.com  
W: www.wtwco.com  
CIN – U67190HR1996PTC051336

# FINANCIAL CALENDAR



**Annual Report and Accounts signed/to be signed**

For the year 2023  
On March 4, 2024

For the year 2024  
In March 2025



**Annual General Meeting to be held**

For the year 2023  
On March 28, 2024

For the year 2024  
In March 2025



	2023 Submitted on	2024 To be submitted
For the three months ended/ ending March 31	09-May-23	15-May-24
For the six months ended/ending June 30	09-Aug-23	15-Aug-24
For the nine months ended/ ending September 30	09-Nov-23	15-Nov-24
For the year ended/ending December 31	13-Feb-24	28-Feb-25



	2023	2024
First interim dividend for the year payable	In March 2024	In March 2025



Follow the link for Trilingual Executive Statements and Financial Statements

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# INDEPENDENT AUDITOR'S REPORT



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## TO THE SHAREHOLDERS OF SOFTLOGIC LIFE INSURANCE PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Softlogic Life Insurance PLC ("the Company"), which comprise the statement of financial position as at December 31, 2023, and the income statement, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on Pages 276 to 376.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Insurance Contract Liabilities

Refer to Note 3.2.1 (page 279) and Note 39 (page 357) to these financial statements.

#### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk Description	Our Response
<p>The Company has recognised insurance contract liabilities amounting to Rs. 27.925 billion as at 31st December 2023.</p> <p>The Company's insurance contract liabilities represent 73.5 per cent of the Company's total liabilities. This is an area that involves significant judgement over uncertain future outcomes, mainly the ultimate total settlement value of long-term policyholder liabilities. Economic assumptions, including discount rate, inflation, and operating assumptions including mortality, morbidity, future claims administration expenses, fund yield and persistency are key inputs used to estimate the long-term liabilities.</p>	<p><b>Our procedures among others included;</b></p> <ul style="list-style-type: none"> <li>Assessing the competence, capabilities, and objectivity of management's expert and company's staff involved in the policy holders liability valuation process.</li> <li>Assessing the controls adopted (including IT related controls) by the company in providing accurate and complete information to the independent appointed actuary for the purpose of the policy holders' liability valuation.</li> <li>Reconciling the movement in policyholder liabilities during the year with the movements in the financial results reported in separate funds.</li> <li>Testing management controls over the accuracy of data used in the life fund valuation and reconciling the data used to the underlying systems.</li> </ul>

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 R. H. Rajan FCA  
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T. J. S. Rajakarier FCA  
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 Ms. P. M. K. Sumanasekara FCA

W. W. J. C. Perera FCA  
 S. T. D. L. Perera FCA  
 Ms. B. K. D. T. N. Rodrigo FCA  
 Ms. C. T. K. N. Perera ACA  
 R. W. M. O. W. D. B. Rathnadiwakara FCA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law; H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT

Risk Description	Our Response
<p>These liabilities are measured on a market consistent basis with appropriate assumptions by the appointed actuary. This has been compounded by the uncertainty arising from the prevailing economic environment and the impact of these could have on various actuarial assumptions. Further, valuation of insurance contract liabilities depends on the accuracy of data used in calculating insurance liabilities or forming judgments over key assumptions, would have material impact on the valuation of insurance contract liabilities.</p> <p>Accordingly, due to the value of the liability balance relative to the total liabilities and subjectivity of the significant judgments involved and estimate uncertainty associated with the valuation, we considered Insurance contract liabilities as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• Reviewing the accuracy of methods and assumptions used in the valuation models by the Management appointed actuary, to determine the life fund balance.</li> <li>• Using KPMG specialists to Assess and challenge the key methods/ models and assumptions, used in driving the value of the insurance liabilities by,                         <ul style="list-style-type: none"> <li>• Comparing the assumptions used by the management to expectations based on, current trends, market observable data and our own industry knowledge,</li> <li>• Evaluating the level of prudence applied and compared this to prior periods,</li> <li>• Applying their industry knowledge to benchmark the Company’s reserving methodologies assumptions, and estimates of losses.</li> </ul> </li> <li>• Assessing the adequacy of the disclosures pertaining to insurance contract liabilities in the financial statements.</li> </ul>

#### Impairment for Financial Investments

Refer to Note 7.5 (page 318) and Note 29.2.3 (page 346) to these financial statements.

Risk Description	Our Response
<p>The impairment of financial assets measured at amortised cost – International Sovereign Bonds is where the application of level 2 valuation techniques are used, involve the exercise of judgment and the use of assumptions and estimates with a level of subjectivity.</p> <p>Impairment testing of these financial assets measured at amortised cost is considered to be a key audit matter due to the complexities involved in determining the inputs and assumptions based on market information relating to these instruments and level of judgement applied by us and significance of the impact on income.</p>	<p><b>Our audit procedures among others included.</b></p> <ul style="list-style-type: none"> <li>• Challenging the underlying assumptions used and the methodology adopted by the company to compute the impairment by working with our Financial Risk Management Specialists.</li> <li>• Assessing the reasonableness of key inputs and assumptions using comparable data in the market and available alternatives</li> <li>• Testing accuracy and consistency with company’s accounting policies and assessing the reasonableness of related disclosures in the annual report.</li> </ul>

#### IT Systems and controls

Risk Description	Our Response
<p>Many financial reporting controls of the Company depend on the correct functioning of operational and financial IT systems. For example interfaces between policy administration and financial reporting systems, or automated controls that prevent or detect inaccurate or incomplete transfers of financial information etc. If these systems or controls fail, a significant risk of error in reported financial information can arise from the failure to transfer data appropriately between systems and/or inappropriate changes being made to financial data or systems.</p> <p>Due to the dependency and complexity of the IT systems this is identified as a Key Audit Matter.</p>	<p><b>Our audit procedures among others included.</b></p> <p>We used our own IT audit specialists to assist us in performing procedures in this area which include:</p> <ul style="list-style-type: none"> <li>• Assessing the governance and high-level controls in place across the IT environment, including the approach to policy design, review, awareness, and IT Risk management practices</li> <li>• Testing general IT controls involving restrictions on system access, permissions and responsibilities of the authorised users, process for approving changes to the systems etc.</li> <li>• Testing controls over specific application controls which are required to be operating effectively to mitigate the risk of misstatement in the financial statements.</li> <li>• Testing compensating controls, such as reconciliations between systems and other information sources and performed additional substantive testing such as using extended sample sizes and performing data analysis routines over the full population of transactions.</li> </ul>

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor’s report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.



## INDEPENDENT AUDITOR'S REPORT



Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

As required by Section 47(2) of the Regulation of Insurance Industry Act, No.43 of 2000 and amendments thereto, as far as appears from our examination, the accounting records of the Company have been maintained in the manner required by the rules issued by the Insurance Regulatory Commission of Sri Lanka, to clearly indicate the true and fair view of the financial position of the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1798.

Chartered Accountants  
Colombo, Sri Lanka

4<sup>th</sup> March 2024