

OUR FUTURE

Cautious action for Promising future

ECONOMIC OUTLOOK

Progress has been noted by the government regarding reforms outlined by the International Monetary Fund. This advancement is evidenced by improved foreign currency liquidity, enabling the lifting of many import controls. Although market interest rates have decreased, they persist in double digits. Consequently, the inflation forecast for the current year has been adjusted downwards compared to the previous year. Encouragingly, the growth recorded in the fourth quarter of 2023 across various sectors suggests an anticipated increase in economic activity throughout 2024. This momentum fuels expectations for growth in the upcoming year. The lifting of import controls, coupled with improved foreign currency liquidity, underscores a positive trajectory toward economic stability and expansion. As the government continues to implement reforms in line with international standards, the outlook for sustained economic growth appears promising, fostering optimism for the 2024.

INDUSTRY OUTLOOK

At present, several favourable indicators signal promising growth prospects within the Life Insurance sector. Nonetheless, there are areas of caution to consider, stemming from the escalating poverty line and the heightened occurrence of epidemics, which adversely affect the industry's attractiveness. Moreover, we remain vigilant regarding the potential challenges posed by intense competition, particularly if market expansion remains limited in 2024. These considerations underscore the importance of adopting a prudent and strategic approach within the Life Insurance industry, navigating through potential obstacles while capitalizing on emerging opportunities. It is imperative to adapt to the evolving economic landscape, ensuring resilience and sustainability in the face of uncertainty.

FUTURE OF SOFTLOGIC LIFE

We have completed our corporate planning cycle, which encompasses short- and medium-term strategies spanning from 2024 to 2026. Our strategies have been crafted, considering all pertinent market information available during the budget preparation phase. We have established robust strategies that consider the

needs and expectations of all our stakeholders. Our commitment to incorporating feedback and insights from our stakeholders remains steadfast as we navigate the dynamic business landscape. With a solid foundation and a forward-thinking mindset, we are poised to seize opportunities and overcome challenges in the pursuit of sustained growth and success.

We expect to create value for our shareholders by providing above 20% Return on Equity which we consistently maintained last five years. Our top line targets set in order to achieve this objective.

Employees and sales staff are pivotal to our value creation journey. To foster their motivation and loyalty, we have developed plans to conduct engagement activities. Additionally, we will offer skill development opportunities to prepare them to serve our diverse client base effectively. These initiatives, combined with attractive compensation packages, will enhance the value for our staff.

Our priority lies in creating value for our customers, which serves as the foundation of our value creation cycle. We will explore avenues to enhance customer satisfaction, placing a strong emphasis on leveraging technology. Our industry-leading systems and processes have already been implemented and will be continually updated to align with emerging needs and requirements.

We also planned actions on our business partners and society at large to enhance value creation to them.

Digitalization and innovation will serve as key pillars in all our value creation endeavours. We anticipate enhancing the digital experience within the organization, generating positive

impacts for our customers, employees, sales staff, and other stakeholders. Furthermore, we will leverage this as a competitive advantage to surpass our key competitors.

The future strategies for value creation are detailed under each capital as listed below.

| Capital Report | Page No |
|---------------------------------|---------|
| Financial Capital | 92 |
| Human Capital | 98 |
| Social and Relationship Capital | 112 |
| Intellectual Capital | 130 |
| Manufactured Capital | 138 |
| Natural Capital | 142 |

Our strategy's sustainability has been validated through tangible business results and a clear track record of success. Our future strategies are also designed sustainably, aligning them with our internal sustainability performance metrics and practices recommended by external authorities such as UNSDG, UN global compact and GRI standards.

ALIGNMENT OF STRATEGIC PILLARS

Our expectation on Short to medium and long term is provided under strategy discussion on page 82.

LEGAL AND REGULATORY COMPLIANCES

The Company's future outlook is provided above complies with existing legal and regulatory boundaries of SLI.

OUR PERFORMANCE IN 2023 VS TARGET 2024

As we navigate the future, we will remain focused on key performance indicators set out for 2024 and beyond. The table below provides most critical KPIs which we are planning to achieve in 2024 while executing our strategy.

| | 2024 Target | 2023 Actual | 2023 Target | Achievement |
|--|-------------|---------------|-------------|-------------|
| Return on Equity | >20% | 23.5% | >20% | ● |
| GWP Performance (Rs Mn) | 31,609 | 26,341 | 28,780 | ● |
| Annualised New Business Premium (ANBP) | 7,500 | 6,000 | 7,000 | ● |
| Persistency (Year 1) % | 84 | 83 | 85 | ● |
| Market Share % | 17.9 | 17.2 | 17.2 | ● |