





















GRI - CONTENT INDEX

Statement of use	Softlogic Life Insurance PLC has reported the information cited in this GRI content index for the period 01 January 2023 to 31 December 2023 with reference to the GRI Standards
GRI 1 used	Foundation 2021

GRI Standards	Disclosure	SDG Goal	SDG Target	UN Global Compact	Location
The organisation and its reporting practices					
GRI 2_ General Disclosures 2021	2-1 Organisational details				
	2-2 Entities included in the organisation's sustainability reporting				15
	2-3 Reporting period, frequency and contact point				15,17
	2-4 Restatements of information				14
	2-5 External assurance				17
Activities and workers					
GRI 2_ General Disclosures 2021	2-6 Activities, value chain and other business relationships				28,29, 112-130
	2-7 Employees		8.5, 10.3		101-102
	2-8 Workers who are not employees		8.5		101
Governance					
Disclosure GRI 2_ General Disclosures 2021	2-9 Governance structure and composition		5.5, 16.7		155,160
	2-10 Nomination and selection of the highest governance body		5.5, 16.7		170
	2-11 Chair of the highest governance body		16.6		Non Executive Chairman is the Chair of the highest governance body
	2-12 Role of the highest governance body in overseeing the management of impacts		16.7		170
	2-13 Delegation of responsibility for managing impacts				233
	2-14 Role of the highest governance body in sustainability reporting				181
	2-15 Conflicts of interest				182
	2-16 Communication of critical concerns				171
	2-17 Collective knowledge of the highest governance body				155
	2-18 Evaluation of the performance of the highest governance body			6	172
2-19 Remuneration policies			6	172	
2-20 Process to determine remuneration			6	172	

GRI Standards	Disclosure	SDG Goal	SDG Target	UN Global Compact	Location
Strategy, policies and practices					
GRI 2_ General Disclosures 2021	2-22 Statement on sustainable development strategy				82
	2-23 Policy commitments		16.3	1,2	100,101, 127,146
	2-27 Compliance with laws and regulations				182
	2-28 Membership associations				124
Stakeholder engagement					
GRI 2_ General Disclosures 2021	2-29 Approach to stakeholder engagement				72-77
	2-30 Collective bargaining agreements		8.8	3	Not Available
Disclosures on material topics					
GRI 3_ Material Topics 2021	3-1 Process to determine material topics				78-81
	3-2 List of material topics				78-81
	3-3 Management of material topics				98-146
Topic Specific Disclosure					
GRI 201_ Economic Performance 2016	201-1 Direct economic value generated and distributed		8.1, 8.2, 9.1, 9.4		21
	201-2 Financial implications and other risks and opportunities due to climate change		13.1	7,8	69
	201-3 Defined benefit plan obligations and other retirement plans				103
	201-4 Financial assistance received from government				No assistance received
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community		8.5	6	101
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		16.5	10	127
	205-2 Communication and training about anti-corruption policies and procedures		16.5	10	100
	205-3 Confirmed incidents of corruption and actions taken		16.5	10	127
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		7.2, 7.3, 8.4, 12.2, 13.1	7,8	144
	302-2 Energy consumption outside of the organisation		7.2, 7.3, 8.4, 12.2, 13.1	7,8	144
	302-3 Energy intensity		7.3, 8.4, 12.4, 13.1	7,8	144
	302-4 Reduction of energy consumption		7.3, 8.4, 12.4, 13.1	7,8	144
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		6.3, 6.4, 12.4	7,8,9	144
	303-3 Water withdrawal		6.4	7,8	144
	303-5 Water consumption				144

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GRI Standards	Disclosure	SDG Goal	SDG Target	UN Global Compact	Location
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		6.1, 14.2, 15.1, 15.5	7,8,9	No premises is managed
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		3.9, 12.4, 13.1, 14.3, 15.2	7,8	146
	305-2 Energy indirect (Scope 2) GHG emissions		3.9, 12.4, 13.1, 14.3, 15.2	7,8	146
	305-4 GHG emissions intensity		13.1, 14.3, 15.2	7,8	146
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		5.1, 8.5, 10.3	6	104,105
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees		3.2, 5.2, 8.5	6	103
	401-3 Parental leave		5.1, 5.4, 8.5	1,6	108
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		4.3, 4.4, 4.5, 5.1, 8.1, 8.5, 10.3	6	106
	404-2 Programs for upgrading employee skills and transition assistance programs		8.2, 8.5	6	106
	404-3 Percentage of employees receiving regular performance and career development reviews		5.1, 8.5, 10.3	6	106
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		5.1, 5.5, 8.5	6	101,102
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		5.1, 8.8	6	100,108
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour		5.2, 8.7, 16.2	5	127
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		16.3, 16.10	1	118

GLOSSARY OF INSURANCE TERMS

A

Acquisition Expenses

Direct and indirect variable outlays incurred by an insurer at the time of selling or underwriting an insurance contract (both new and renewal). The costs may be in the form of brokerage, underwriting costs or medical expenses etc.

Actuary

An expert concerned with the application of probability and statistical theory to problems of insurance, investment, financial management and demography.

Actuarial Valuation

A determination by an actuary at a specific date of the value of a life insurance company's assets and its liabilities. The purpose of a valuation is to determine, if the Company holds adequate assets to fund the Company's liabilities.

Admissible Assets

Assets that may be included in determining an insurer's statutory solvency. Such assets are specified under the rules made by the Insurance Regulatory Commission of Sri Lanka under the Regulation of Insurance Industry Act No. 43 of 2000.

Annualised new business premium

The regular premium policies are annualised to allow comparisons of new business achieved in a specific period.

Annuity

A series of regular payments. Annuities include annuities certain, where payments are made at definite times, and life annuities, where payments depend on the survival of an annuitant. A life annuity is a contract that provides a regular payment typically monthly during the lifetime of the policyholder or a fixed period if less. If the payments start at the outset of the contract, it is an immediate annuity. If they start at some point in the future, it is a deferred annuity.

Average Premium per Policy

Measure of Total premium divided by number of policies. This is a measure to understand market segment that the company is accessing.

B

Beneficiary

A person named by the policyholder as the recipient of the sum insured and other benefits due in the event of a policyholder's death.

Bonus

Bonus is a method of distribution of surplus amongst the participating policyholders of a life insurance company. A bonus is an enhancement to the basic sum assured under a contract and is declared as a percentage of the sum assured.

C

Claim Outstanding

The amount provided to cover the estimated ultimate cost of settling claims arising out of events which have been notified by the reporting date being the sums due to beneficiaries together with claims handling expenses, less amounts already paid in respect of those claims.

Claim Ratio (Net loss ratio)

$$\frac{\text{Net claims incurred}}{\text{Net written premiums}}$$

Claims

The amount payable under a contract of insurance arising from the occurrence of an insured event such as destruction or damage of property and related death or injuries, the incurring of hospital or medical bills, death or disability of the insured and gratuity claims.

Claims Incurred

The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.

Clause

A section of a policy contract or endorsement dealing with a particular subject.

Commission

The part of an insurance premium paid by the insurer to an agent or broker for his services in procuring and servicing the insurance.

Combined Ratio

Measure of profitability used by an insurance company to gauge how well it is performing in its daily operations. or

Calculated by taking the sum of incurred losses and expenses and then dividing them by the earned premium.

D

Dividend Cover

Profits after tax divided by dividend. Measures the number of times dividends are covered by distributable profits for the period.

Determination Ratio

Life fund backed by admissible assets (Admissible assets classified as per IRCSL)

E

Earnings Per Share (EPS)

Profits of the Company after tax and after the transfer to life fund divided by the number of issued ordinary shares.

Embedded Value

The combination of the present value of the future profits of the existing book of business and net assets.

Endowment

Life insurance payable to the policyholder if living on the maturity date stated in the policy or to a beneficiary if the insured dies before that date.

Ex-Gratia Payment

A payment made to an insured where there is no liability to pay under the terms of the policy. In some cases, an insurer may feel there has been a mistake or a misunderstanding and it may pay claim, even though he does not appear to be liable.

GLOSSARY OF INSURANCE TERMS

Expense Ratio

Measure of profitability.

Calculated by dividing the expenses associated with acquiring, underwriting, and servicing premiums by the net premiums earned by the insurance company.

F

Facultative Reinsurance

Oldest form of reinsurance.

This is the reinsurance of an individual risk on terms and conditions agreed with the reinsurer specifically for that risk. Particulars of each risk are submitted by the ceding company to the reinsurer who may accept or decline at will. This is useful when dealing with risks outside the ceding company's treaty arrangements.

G

Gross Written Premium

Premium to which the insurer is contractually entitled and received in the accounting period.

Gross/Net

The terms gross and net mean before and after deduction of the portion attributable to business ceded in reinsurance. Instead of "net," the term "for own account" is sometimes used.

I

Insurance Contract

Insurance is a contract whereby one party the insurer, in return for a consideration i.e. the premium, undertakes to pay to the other party the insured sum of money or its equivalent in kind, upon the happening of a specified event that is contrary to the interest of the insured.

Insurance Provision - Long Term

The fund or funds to be maintained by an insurer in respect of its long term insurance business in accordance with the Regulation of Insurance Industry Act No 43 of 2000.

Investment Contract

A contract, which contains significant financial risk and may contain insignificant insurance risk, but does not meet the definition of insurance.

L

Lapsed Policy

A policy terminated at the end of the grace period because of non-payment of premiums.

Liability Adequacy Test

An annual assessment of the sufficiency of insurance and/or investment contract with liabilities, to cover future insurance obligations.

Life Fund

Net Assets kept to meet the obligation towards life policyholders.

Life Surplus

The Excess of the assets over the liabilities as determined by the actuary (taking into account solvency requirements) and after distribution of dividends to policyholders.

M

Market Capitalisation

Number of shares in issue multiplied by the market value of each share as at the Balance Sheet date.

Maturity

The time at which payment of the sum insured under a life insurance policy falls due at the end of its term.

Mortality

The ratio of deaths to the entire population or to a particular age group. It is globally expressed in numbers or rates and set out in mortality tables.

N

Net Assets Per Share

Net assets attributable to Shareholders' equity divided by the number of ordinary shares issued.

Net Combined Ratio

Net Claims Incurred + Other Expenses

Non-participating Business

Life Insurance business where policyholders are not entitled to share in the surplus of the relevant life fund.

P

Participating Business

Life Insurance business where the policy holders are contractually entitled to share in the surplus of the relevant life fund.

Persistency Ratio

The ratio of life insurance policies receiving timely premiums in the year and the number of net active policies.

Policy

The printed document issued to the policyholder by the company stating the terms of the insurance contract.

Premium

The payment or one of the regular periodic payments, that a policyholder makes to own an insurance policy.

Price Earning Ratio

Market price of a share divided by earnings per share.

Policy Loan

Under an insurance policy, the amount that can be borrowed on the security of the surrender value of a life insurance policy at a specific rate of interest from the issuing company by the policyholder, who used the value of the policy as collateral for the loan. In the event the policyholder dies with the debt partially or fully unpaid, the insurance Company deducts the amount borrowed, plus any accumulated interest, from the amount payable.

Premium Ceded to Reinsurers

The premium paid by the ceding Company to the reinsurer in consideration for all or part of the risk assumed by the reinsurer.

R

Reinsurance

Transfer of all or part of the risk assumed by an insurer under one or more insurances to another insurer, called the reinsurer.

Reinsurance Commission

Commission received or receivable in respect of premium paid or payable to a reinsurer.

Reinsurance Premium

The premium payable to the reinsurer. Reinsurance is an arrangement whereby one party (the reinsurer), in consideration for a premium, agrees to indemnify another party (the cedent) against part or all of the liability assumed by the cedent under a policy or policies of insurance.

Retention

That part of the risk assumed, which the insurer/reinsurer does not reinsure/retrocede, i.e. retained net for own account.

Rider

An amendment to an insurance policy that modifies the policy by expanding or restricting its benefits or excluding certain conditions from coverage.

Risk Based Capital (RBC)

Amount of required capital that the insurance company must maintain based on the inherent risks in the insurer's operations. These risks include asset depreciation risk, credit receivables risk, underwriting risk and off-balance-sheet risk.

Risk-based Capital Adequacy Ratio (CAR)

The CAR is a measurement of available capital expressed as a percentage of risk-weighted credit exposures.

$$\text{CAR} = (\text{Total Available Capital} / \text{Risk Based Capital Required}) * 100$$

S**Surrender**

Termination of an insurance policy by the insured before the expiry of its term (more common in the life insurance).

Surrender Value

The sum payable by an insurance Company upon the surrender of a life insurance policy before it has run its full course.

T**Total Available Capital (TAC)**

Measures the actual available capital held by an insurer eligible to calculate capital adequacy.

U**Underwriting**

The process of classifying applicants for insurance by identifying such characteristics as age, sex, health, occupation and hobbies. People with similar characteristics are grouped together and are charged a premium based on the group's level of risk. The process includes rejection of unacceptable risks.

Underwriting Margin

Consists of the earned premium remaining after claims/benefits have been paid and administrative expenses have been deducted. It does not include any investment income earned on held premiums.

SLFRS 17 IMPLEMENTATION EFFECT ON



EFFECTS ON THE STATEMENT OF FINANCIAL POSITION

MEASUREMENT OF INSURANCE CONTRACTS

SCENARIO			EXPECTED EFFECTS OF SLFRS 17	
			Insurance contract liabilities	Equity
Current or historical Assumptions	Currently used discount rate (i.e. historical rate)	If historical rate is lower than current rate	▼ Decrease	▲ Increase
		If historical rate is higher than current rate	▲ Increase	▼ Decrease
Risk Margins	Currently used Risk margin	If risk margin is higher than risk adjustment in SLFRS 17	▼ Decrease	▲ Increase
		If risk margin is lower than risk adjustment in SLFRS 17	▲ Increase	▼ Decrease
Financial options and guarantees	Current value of minimum interest rate guarantees	If doesn't fully reflect in measurement of insurance contracts	▲ Increase	▼ Decrease
		If fully reflects in measurement of insurance contracts	◀▶ Low effect	◀▶ Low effect
Acquisition Cost	Existing treatment on acquisition costs	If expensed as incurred (i.e. the current treatment)	▼ Decrease	▲ Increase
			Depends	Depends

General model (Building Block Approach - BBA)	Complex: requiring calculation of a Unearned Premium at a granular level at inception and tracked over life of the contract	Default approach for the measurement of insurance contracts
Premium allocation approach (PAA)	Simplified: similar to current accounting but with liability valuation based a model which is similar to discounting and risk margin	Generally, used for the contracts with duration of less than 12 months
Variable fee approach (VFA)	Similar to the general model, but with an obligation to pay policyholders an amount equal to the fair value of underlying items, less an insurer's fee which is variable.	Used for the contracts with direct participation features

PRESENTATION OF INSURANCE CONTRACTS

Indicator	Caption	SLFRS 4	SLFRS 17
◀▶	Insurance contract liabilities	Present separately	Present separately
	Reinsurance contract assets		
✓	Insurance contract assets	Net with insurance contract liabilities	Present separately on the Statement of Financial Position
	Reinsurance contract liabilities	Net with reinsurance contract assets	
X	Deferred acquisition costs	Present separately	Include under Insurance contract liabilities and provide a reconciliation from the opening to closing balances of insurance acquisition cash flows (CFS) as a disclosure note.
	Value of business acquired		Include in the measurement of insurance contracts and disclose value of contracts acquired on initial recognition. Subsequently, this value will be included within the contractual service margin.
	Policy loans		Include in the measurement of insurance contracts and disclose if they are a key metric for the company financial statement users.
	Premiums receivable	Present separately as financial assets	Include in the measurement of insurance contracts and disclose premiums received for insurance contracts issued in a reconciliation from the opening to closing balances of insurance contracts.
	Unearned premiums	Present separately for non-life insurance contracts	Include in the measurement of insurance contracts and are disclosed as specified in premium receivable.
	Claims payable	Present separately as financial liabilities	Include in the measurement of insurance contracts and disclose claims paid in a reconciliation from the opening to closing balances of insurance contracts.

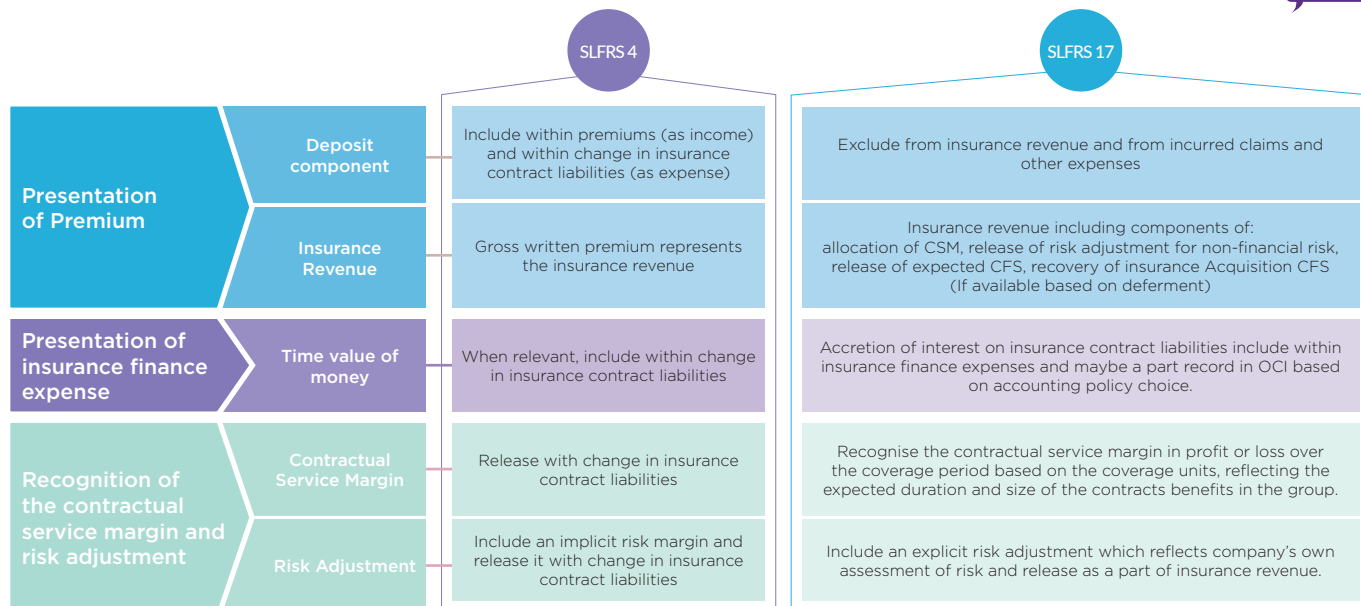
◀▶ Line items unchanged (for presentation purposes) ✓ Expected 'new' line items X Line items not required by either SLFRS 4 or SLFRS 17

COMPANY'S FINANCIAL STATEMENTS



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EFFECTS ON THE STATEMENT OF COMPREHENSIVE INCOME



Amount recognised in the Profit or Loss

Changes to the financial assumptions		
Effects of changes in discount rates	Scenarios	
	Increase in risk-free rate	Increase in asset default risk
Value of financial assets measured at fair value	▼ Decrease	▼ Decrease
Value of insurance contract liabilities	▼ Decrease	◀ ▶ No change
Effect on profit – SLFRS 4	▼ Decrease	▼ Decrease
Effect on profit – SLFRS 17	◀ ▶ No effect if matched	▼ Decrease
Treatment for estimation changes in fulfillment cash flows		
Effects of changes in estimation of fulfilment CFs	Initial Recognition	Subsequent Measurement
Results net outflow (onerous contracts)	Charge loss immediately to the Profit or Loss (P&L)	Recognise additional losses to the P&L
Results net inflow (Profitable and contracts can become onerous subsequently)	Recognise the contractual service margin and releases it to the P&L based on coverage units over the period.	Adjust contractual service margin and if it becomes zero, recognise the additional charge to P&L.

Illustration of Financial Statements

SLFRS 4	SLFRS 17
Premiums xx	Insurance revenue xx
Investment income xx	Incurred claims and expenses (xx)
Incurred claims and expenses (xx)	Insurance service result xx
Change in insurance contract liabilities xx	Investment income xx
Profit or loss for the year xx	Insurance finance expenses xx
Other comprehensive income xx	Net financial result xx
Total comprehensive income xx	Profit or loss for the year xx
	Other comprehensive income xx
	Total comprehensive income xx

SLFRS 17 IMPLEMENTATION EFFECT ON

EFFECTS ON DISCLOSURE NOTES



Disclosure requirements	What's new?
Insurance Contract Liabilities	
Reconciliation of the net carrying amounts of contracts analysed by: <ul style="list-style-type: none"> The net liabilities (assets) for remaining coverage excluding the loss component Any loss component The liabilities for incurred claims The estimates of the present value of the future cash flows The risk adjustment for non-financial risk The CSM 	●
Insurance Finance Income or Expense (IFI or IFE)	
Explanation of the relationship between insurance finance income or expenses and the investment return on assets	●
Assets for insurance acquisition cash flows	
Reconciliation of assets for insurance acquisition cash flows including: <ul style="list-style-type: none"> Recognition of impairment losses and reversals Quantitative disclosure of when the entity expects to derecognise an asset for insurance acquisition cash flows in appropriate time bands 	●
Contracts not measured under the PAA	
<ul style="list-style-type: none"> An analysis of insurance revenue An analysis of the effect of contracts initially recognised in the period Quantitative disclosure of when the entity expects to recognise the remaining CSM in profit or loss in appropriate time bands 	●
Direct participating contracts	
<ul style="list-style-type: none"> The composition of underlying items and their fair values The effect of the risk mitigation option For any change in the basis for disaggregating IFI or IFE (Why change is required, amount of adjustment, impact on carrying amount) 	●
Transition amounts	
For contracts measured under the modified retrospective approach or the fair value approach: <ul style="list-style-type: none"> Reconciliation of the CSM Amounts of insurance revenue separately under each approach How the entity determined the measurement of the contracts at the date of transition If IFI or IFE are disaggregated between P&L and OCI, a reconciliation of the cumulative amounts included in OCI for related financial assets at FVOCI 	●

EXPLANATION ON AMOUNT RECOGNISED IN FINANCIAL STATEMENTS

Disclosure requirements	What's new?
Estimation techniques	
<ul style="list-style-type: none"> Methods used to measure insurance contracts and processes for estimating the inputs to those methods Any changes in methods and processes for estimating inputs used to measure contracts, the reason for each change and the type of contracts affected Approach used to identify changes in discretionary cash flows for contracts without direct participation features 	●
<ul style="list-style-type: none"> If IFI or IFE are disaggregated between P&L and OCI, an explanation of the methods used to determine the amounts recognised in P&L. If a technique other than the confidence level technique is used to determine the risk adjustment for non-financial risk (RANFR), disclosure of the technique used and the confidence level that corresponds to the results of that technique 	●
Assumptions	
<ul style="list-style-type: none"> Determine the risk adjustment for non-financial risk, including whether changes therein are disaggregated into an insurance service component and an insurance finance component Determine discount rates Determine investment components Determine the relative weighting of the benefits provided by insurance coverage and investment services 	●
Inputs	
Yield curve (or range of yield curves) used to discount cash flows that do not vary based on the returns on underlying items	●
Confidence level used to determine the risk adjustment for non-financial risk	●

SIGNIFICANT JUDGEMENTS MADE WHEN APPLYING SLFRS 17

Disclosure requirements	What's new?
Information about the effect of the regulatory frameworks If contracts are included within the same group as a result of law or regulation	●
Information about risk concentrations	
For each type of risks:	
<ul style="list-style-type: none"> The exposures to risks, how they arise and changes therein The entity's objectives, policies and processes for managing the risks, methods used to measure the risks and changes therein Summary quantitative information about exposure to the risk at the reporting date, based on information provided internally to key management personnel or, when this is not provided, based on the specific disclosure requirements provided 	●
Insurance and market risks	
For insurance risk, a sensitivity analysis that shows the effect for insurance contracts issued, before and after risk mitigation by the reinsurance	
Methods and assumptions used in preparing the sensitivity analyses, changes therein and the reasons for such changes	●
If an entity discloses an alternative sensitivity analysis in place of any of those specified above, explanations of the method used and its objective, the main parameters and assumptions, and any limitations that may result in the information provided	
For each type of market risk, a sensitivity analysis that explains the relationship between the sensitivities from insurance contracts and those from financial assets	●

NATURE AND EXTENT OF RISKS ARISING FROM INSURANCE CONTRACTS

Disclosure requirements	What's new?
Insurance risk	
Claims development – i.e. actual claims compared with previous estimates of the undiscounted amount of the claims	●
Credit risk	
The entity's maximum exposure to credit risk	
Information about the credit quality of reinsurance contract assets	●
Liquidity risk	
A description of how liquidity risk is managed	●
Maturity analyses that show, as a minimum, net cash flows for each of the first five years after the reporting date and in aggregate beyond the first five years, which may be based on the estimated timing of: <ul style="list-style-type: none"> The remaining contractual undiscounted net cash flows; or The estimates of the present value of the future cash flows 	●
Amounts that are payable on demand and their relationship with the carrying amounts of the related portfolios of contracts	●

New disclosure ● Existing requirement ●

Expanded requirement - Similar disclosure more detailed or specific under SLFRS 17 ●

COMPANY'S FINANCIAL STATEMENTS

EFFECTS ON KEY FINANCIAL METRICS



Volume Metrics

Metric	Common method of calculation	Effects - SLFRS 17	Explanation
Earned premiums (SLFRS 4) and insurance revenue (SLFRS 17)	As reported in financial statements (measurement methods vary when applying SLFRS 4)	●	Depends on existing insurance accounting practices. For companies that currently include within earned premiums any deposit component on long-term insurance contracts, when they apply SLFRS 17, insurance revenue is expected to be significantly lower."
Gross premiums (or premiums written)	Premiums expected to be collected over the contracts' duration (ie not only premiums already received)	■	This metric could be disclosed in the notes to the financial statements, but is not permitted to be presented on the face of the statement of comprehensive income as a measure of insurance revenue.
Premiums due	Invoiced or receivable premiums, which are unconditionally due to the insurer	■	The premiums-due metric is similar to the premiums received in a period. When applying SLFRS 17, premiums received for insurance contracts issued are required to be disclosed in the notes to the financial statements, but are not permitted to be presented on the face of the statement of comprehensive income as a measure of insurance revenue.

Profitability Metrics

Contractual service margin added from new contracts	Contractual service margin initially recognised in the period	▲	This will be a new metric provided by all insurers in a consistent manner. SLFRS 17 requires its disclosure in the notes to the financial statements. This metric is similar to the value added from new business, a metric provided by some insurers within their embedded value reporting.
Insurance service result	As reported applying SLFRS 17	▲	This will be a new metric comprising insurance revenue less insurance service expenses.
Profit or loss	As reported applying SLFRS Standards	●	Depends on the existing insurance accounting practices applied by a company.
Return On Equity (ROE)	$\frac{\text{Profit or loss}}{\text{Equity}}$	●	Depends on the effects on profit or loss and on equity, which depend on the existing insurance accounting practices applied by a company.
Earnings Per Share (EPS)	$\frac{\text{Profit or loss}}{\text{Number of shares outstanding}}$	●	Depends on the effects on profit or loss, which depend on the existing insurance accounting practices applied by a company. SLFRS 17 does not change the denominator.
Net investment return	Investment return less insurance finance expenses	▲	The investment margin earned in the period will be presented in the statement of comprehensive income and will provide an important new profitability measure.
Operating profit and underlying profit	Various methods—earnings from ordinary activities before income taxes, excluding earnings from investments	●	The effects of applying SLFRS 17 will depend on the existing insurance accounting practices applied by a company and on the nature of the adjustments made to profit or loss reported applying SLFRS Standards.
Combined ratio	$\frac{\text{Incurred claims and other expenses}}{\text{Earned premiums}}$	●	Incurred claims will be reported discounted and adjusted for risk. The change in ratio will depend on particular facts and circumstances.

Liquidity Metrics

Net operating cash flow	Various methods—cash flow from operating activities does not include cash related to equity and borrowing	●	Insurers are expected to review the cash flow classification in their operating, financing and investing activities in the light of the changes introduced by SLFRS 17 in the presentation of information about insurance contracts in the statement of comprehensive income.
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▲ New metric ■ No change ● Depends

THE ESSENTIAL INSURANCE JARGONS

SLFRS 4	SLFRS 17	SLFRS 4	SLFRS 17	SLFRS 4	SLFRS 17
Claim or loss reserves	Liability for incurred claims-LIC	Value in force-VIF	Contractual service margin-CSM	Unearned premium reserves-UPR	Liability for remaining coverage-LRC
Underwriting profit	Insurance service result	New business profit	Contractual service margin-CSM	Experience variances -life	Experience adjustments and change in estimates
Earned premiums	Insurance revenue	Premiums due	Premiums received	Premiums written	Present value of new business premiums

INTEGRATED REPORTING - CONTENT INDEX

IR Reference	Para. No;	Description	Page No; / Note
1G	1.2	An integrated report should include a statement from those charged with governance	17
2B	2.4	Value created, preserved or eroded by an organisation over time manifests	26 - 27
2C	2.10	All organisations depend on various forms of capital for their success.	92 - 146
2D	2.20	The process through which value is created, preserved or eroded is depicted	28, 29
3A	3.3	Strategic focus and future orientation	72
3B	3.6	Connectivity of information	Connectivity of the information is maintained throughout the report
3C	3.10	Stakeholder relationships	72
3D	3.17	Materiality	78 - 81
	3.18	The materiality determination process	
	3.21	Identifying relevant matters	
	3.28	Prioritising important matters	
3E		Conciseness	Concise IR report is available on page 14 - 90
3F		Reliability and completeness	External Assurance on IR reporting is available on page 89
3G		Consistency and comparability	KPIs set last year evaluated on page 43 - 59
4A	4.4, 4.5, 4.6, 4.7	Organisational overview and external environment	19, 61
4B	4.8	Governance	152
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CORPORATE INFORMATION

GENERAL

Name of the Company

Softlogic Life Insurance PLC

Legal Form

A Public Limited Liability Company Incorporated and domiciled in Sri Lanka in 1999 and registered under Companies Act No. 7 of 2007. The Company regulated under the Insurance Act No 43 of 2000 and amendments thereto.

Company Registration Number

PQ 31

Tax Payer Identification Number (TIN)

134008202

Principal Activities

Life Insurance Business

Stock Exchange Listing

The Ordinary Shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange. Stock Exchange code for the Company share is "AAIC"

Accounting Year End

31st December

Board of Directors

Ashok Pathirage - Chairman - Non Executive Director

Iftikar Ahamed - Managing Director/ Executive Director

Haresh Kumar Kaimal - Non-Executive Director

Fernanda Lima - Non-Executive Director

Visvanathamoorthy Govindasamy - Independent Non-Executive Director

Raimund Synders - Non-Executive Director

Lalith Withana - Independent Non-Executive Director

Sanjaya Mohottala - Independent Non-Executive Director

BOARD SUB COMMITTEES

Board Audit Committee

Lalith Withana - Chairman - Independent Non - Executive Director

Raimund Synders

Visvanathamoorthy Govindasamy

Board Risk Committee

Raimund Snyder - Chairman - Non Executive Director

Fernanda Lima

Lalith Withana

Iftikar Ahamed

Board HR & Remuneration Committee

Visvanathamoorthy Govindasamy - Chairman - Independent Non-Executive Director

Ashok Pathirage

Lalith Withana

Board Investment Committee

Ashok Pathirage - Chairman - Non Executive Director

Iftikar Ahamed

Visvanathamoorthy Govindasamy

Fernanda Lima

Raimund Snyder

Sanjaya Mohottala

Board Related Party Transactions Review Committee

Lalith Withana - Chairman - Independent Non-Executive Director

Raimund Snyder

Visvanathamoorthy Govindasamy

Board Nomination and Governance Committee

Visvanathamoorthy Govindasamy - Chairman - Independent Non-Executive Director

Ashok Pathirage

Lalith Withana

Registered office and Principle Place of Business

Softlogic Life Insurance PLC, Head Office, Level 16, One Galle Face Tower, Colombo 02, Sri Lanka

Telephone : + 94112018800

Internet : www.softlogiclife.lk

Email : info@softlogiclife.lk

Actuaries

Messrs. Willis Towers Watson India Private Limited

Gratuity

Actuarial and Management Consultants (Pvt) Ltd.

Auditors

Messrs. KPMG (Chartered Accountants)

Secretaries

Softlogic Corporate Services (Pvt) Ltd.

Tax Consultant

Amerasekera & Co. Chartered Accountants

Principal Officer

T. M. Iftikar Ahamed

Chief Financial Officer

Nuwan Withanage

Specified Officer

Pranama Perera

Compliance Officer

Ruwantha Arukwatta

Lawyers

Paul Rathnayake Associates
Nithya Partners

Reinsurance Panel

Munich Re
SCOR Re
TOA Re
AXA PPP Healthcare Limited
Canopus

Bankers

Bank of Ceylon
Cargills Bank PLC
Commercial Bank PLC
DFCC Bank PLC
Hatton National Bank PLC
HDFC Bank
Merchant Bank of Sri Lanka & Finance PLC
National Development Bank PLC
National Savings Bank
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Regional Development Bank
Sampath Bank PLC
Sanasa Development Bank PLC
Seylan Bank PLC
State Mortgage and Investment Bank

For any clarification on this regard please write to;

Chief Financial Officer
Level 16, One Galle Face Tower,
Colombo 02, Sri Lanka
Telephone : + 94112018713
Fax : +94 11 2372937
E Mail : nuwan.withanage@softlogiclife.lk

NOTICE OF MEETING

NOTICE OF THE VIRTUAL 25TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Virtual Twenty Fifth (25th) Annual General Meeting of SOFTLOGIC LIFE INSURANCE PLC (the Company) will be held on **Thursday, 28th March 2024 at 10.00 a.m. via an online platform at Level 16, One Galle Face Tower (Shangri-La Office Tower)**, Colombo 02 for the following purposes;

AGENDA

1. To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Audited Accounts for the year ended 31st December 2023 and the Report of the Auditors thereon.
2. To re-elect **Mr. P.L.P. Withana** who retires by rotation in terms of Articles 98 (a) of the Articles of Association of the Company as a Director of the Company.
3. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS OF
SOFTLOGIC LIFE INSURANCE PLC

Sgd.

SOFTLOGIC CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries

At Colombo, this 04th March 2024

Notes:

- A shareholder entitled to attend and vote at the virtual meeting, is entitled to appoint a Proxy to attend and vote instead of him/her.
- A Proxy need not be a shareholder of the Company.
- A Form of Proxy accompanies this notice.
- The completed Form of Proxy must be forwarded via e mail to corporateservices@softlogic.lk or deposited at Softlogic Corporate Service (Pvt) Ltd, No.14, De Fonseka Place, Colombo 05 not less than forty- eight (48) hours before the time appointed for holding of the meeting.

FORM OF PROXY

Annexure 1

FORM OF PROXY- VIRTUAL 24TH ANNUAL GENERAL MEETING

I/We of being Member / Member* of the above named Company, hereby appoint (1) Of failing him / her.

- | | | | |
|------------------------------|----------------|-------------------------|----------------|
| (2) Mr. A. K. Pathirage | or failing him | (6) Mr. V. Govindasamy | or failing him |
| (3) Mr. T. M. Iftikar Ahamed | or failing him | (7) Mr. Raimund Snyders | or failing him |
| (4) Mr. H.K. Kaimal | or failing him | (8) Mr. P.L.P. Withana | or failing him |
| (5) Ms. Fernanda Lima | or failing her | (9) Mr. S.W. Mohottala | |

As my / our* Proxy to represent me / us* and vote and speak for me / us* on my / our* behalf at the **Virtual Twenty Fifth (25th) Annual General Meeting** of the Softlogic Life Insurance PLC to be held on **Thursday, 28th March 2024 at 10.00 a.m. via an online platform at Level 16, One Galle Face Tower (Shangri-La Office Tower), Colombo 02** and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

I / WE INDICATE MY/OUR VOTE ON THE RESOLUTIONS BELOW AS FOLLOWS;

	For	Against
1. To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Audited Accounts for the year ended 31st December 2023 and the Report of the Auditors thereon	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. P.L.P. Withana who retires by rotation in terms of Articles 98 (a) of the Articles of Association of the Company as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

.....
Signature of shareholder Signed this day of 2024.

Note:

- (i) Please delete the inappropriate words.
- (ii) Instructions for completion of Proxy are noted below.
- (iii) A Proxy need not be a shareholder of the Company.
- (iv) Please mark "X" in appropriate cages, to indicate your instructions as to voting.

FORM OF PROXY

Instructions as to completion

1. Kindly perfect the Form of Proxy by filing in legibly your Full name, National Identity Card/ Passport/ Company Registration Number, your address and your instructions as to voting and by signing in the space provided and filing in the date of signature. Please ensure that all details are legible.
2. Please mark "X" in appropriate cages, to indicate your instructions as to voting on each resolution. If no indication is given, the Proxy holder in his/her discretion will vote as he/her thinks fit.
3. To be valid, the completed Form of Proxy must be forwarded via e mail to **corporateservices@softlogic.lk** or deposited at Softlogic Corporate Services (Pvt) Ltd, No. 14, De Fonseka Place, Colombo 05, Sri Lanka on not less than **48 hours** before the time appointed for the holding of the meeting to ensure that the proxies reaches the Company's Registrars before the date of the AGM. No registration of proxies shall be accommodated after the deadline.
4. If you wish to appoint a person other than the Chairman (or failing him, one of the Directors) as your Proxy, please insert the relevant details (1) overleaf and initial against this entry.
5. In the case of a Company/Corporation, the Proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by Articles of Association/ Act of Incorporation.
6. In the case of a Proxy signed by an Attorney, a certified copy of the Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

INVESTOR/STAKEHOLDER FEEDBACK FORM

Annexure 2

To request information to submit a comment / query to the company, please provide the following details and return this page to -

Chief Financial Officer
Softlogic Life Insurance PLC
Level 16,
One Galle Face Tower,
Colombo 2,
Sri Lanka.

T - +94 (11) 2018713
F - +94 (11) 2327257

Email : investor.relations@softlogiclife.lk

Name :

Permanent Mailing Address :

Contact Number/s :

Tel :

Fax :

E-Mail :

Name of Company :
(If Applicable)

Designation (If Applicable) :

Company Address :
(If Applicable)

Queries / Comments

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INVESTOR/STAKEHOLDER FEEDBACK FORM

Your opinion matters. Please share your views with us.

Which stakeholder groups do you belong to?

(You may tick more than one)

- Employee Customer Shareholder
- Community Investor

Does the report address issues of greatest interest to you?

- Comprehensively Partially Not at all

Please identify any additional issues that you think should be reported on :

.....

.....

Do you have any additional comments on the report - or on Softlogic Life's performance in general?

.....

.....

Please tick here if we may include your comments in any future reports?

- Yes No

Would you like to be consulted when we prepare our next sustainability report?

- Yes No

Your name, email address and /or other contact details

.....

.....