

softlogic LIFE

SOFTLOGIC LIFE INSURANCE PLC

INTERIM FINANCIAL STATEMENTS - FOR THE PERIOD ENDED 31ST MARCH 2026

SOFTLOGIC LIFE INSURANCE PLC
INCOME STATEMENT

For the Period ended 31 March	Note	Group 2026 Rs. ' 000 Un-audited	Company 2026 Rs. ' 000 Audited	Company 2025 Rs. ' 000 Audited
Gross written premiums	6	12,335,363	11,689,479	8,982,362
Premiums ceded to reinsurers		(750,768)	(732,476)	(676,595)
Net written premiums		**11,584,595**	**10,957,003**	**8,305,767**
Other revenue				
Net finance income		1,527,200	1,274,775	1,355,156
Net realised gains		217,831	83,438	15,503
Net fair value gains / (losses)		(89,655)	(18,055)	85,422
Other operating income		4,282	1,243	1,383
Total other revenue		**1,659,658**	**1,341,401**	**1,457,464**
Total net revenue	7	**13,244,253**	**12,298,404**	**9,763,231**
Net benefits, claims and expenses				
Net insurance benefits and claims paid		(4,994,988)	(4,546,741)	(4,289,291)
Net change in insurance claims outstanding		7,966	7,707	15,662
Change in insurance contracts liabilities		(2,869,241)	(2,616,760)	(1,380,864)
Underwriting and net acquisition cost (Net of reinsurance)		(2,239,911)	(2,140,403)	(1,733,898)
Other operating and administration expenses		(2,174,220)	(2,123,289)	(1,574,010)
Impairment reversal / (provision) on financial investments		851	851	(2,973)
Finance cost	8	1,144	1,144	(129,717)
Total benefits, claims and expenses		**(12,268,399)**	**(11,417,491)**	**(9,095,091)**
Profit before tax	9	**975,854**	**880,913**	**668,140**
Income tax expenses		(307,764)	(256,865)	(190,521)
Profit for the period		**668,090**	**624,048**	**477,619**
Profit attributable to;				
Owners of the Company		668,090	624,048	477,619
Non controlling interest		-	-	-
		668,090	**624,048**	**477,619**
Earnings per share				
Basic earnings per share (Rs.)	18	2.11	1.97	1.51
Diluted earnings per share (Rs.)	18	2.11	1.97	1.51

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 31 March	Group	Company	
	2026 Rs. ' 000 Un-audited	2026 Rs. ' 000 Audited	2025 Rs. ' 000 Audited
Profit for the period	668,090	624,048	477,619
Other comprehensive income			
Items that will not be reclassified to income statement			
Equity investments at FVOCI - net change in fair value	-	-	(85,158)
Equity investments at FVOCI - net change in fair value - Life fund	19,883	19,883	(47,932)
Related tax / deferred tax	-	-	-
	19,883	**19,883**	**(133,090)**
Items that are or may be reclassified subsequently to income statement			
Debt investments at FVOCI - net change in fair value	(273,815)	(65,963)	(426,975)
Debt investments at FVOCI - net change in fair value - Life fund	(81,768)	(81,768)	5,088
Related tax / deferred tax	-	-	-
	(355,583)	**(147,731)**	**(421,887)**
Total other comprehensive income for the period, net of tax	**(335,700)**	**(127,848)**	**(554,977)**
Total comprehensive income for the period, net of tax	**332,390**	**496,200**	**(77,358)**
Total comprehensive income attributable to:			
Owners of the Company	332,390	496,200	(77,358)
Non - controlling interest	-	-	-
	332,390	**496,200**	**(77,358)**

The Notes form an integral part of these Financial Statements.

SOFTLOGIC LIFE INSURANCE PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Note	Group		Company	
		31.03.2026 Rs. ' 000 Un-audited	31.12.2025 Rs. ' 000 Audited	31.03.2026 Rs. ' 000 Audited	31.12.2025 Rs. ' 000 Audited
Assets					
Intangible assets		469,453	472,379	5,594	6,082
Investment in subsidiary		-	-	1,426,349	1,426,349
Property, plant and equipment		861,751	854,727	843,713	832,546
Right of use assets		1,535,466	1,428,321	1,535,466	1,269,713
Deferred tax assets		660,047	715,134	450,073	454,262
Financial investments	11	58,607,058	56,962,074	48,627,289	47,072,300
Loans to life policyholders		430,250	412,829	430,250	412,829
Reinsurance receivables		593,845	524,933	543,473	482,477
Premium receivables		2,572,958	1,991,824	2,506,908	1,918,988
Receivables and other assets		2,354,876	2,123,050	2,296,897	2,193,602
Cash and cash equivalents		7,881,171	3,099,838	7,648,909	2,717,805
Total assets		**75,966,875**	**68,585,109**	**66,314,921**	**58,786,953**
Equity and liabilities					
Equity					
Stated capital	17	1,062,500	1,062,500	1,062,500	1,062,500
Restricted regulatory reserve		1,515,796	1,515,796	798,004	798,004
Other reserves		(1,155,849)	(820,149)	(680,349)	(552,501)
Retained earnings		12,577,562	11,909,472	12,578,708	11,954,660
Total equity		**14,000,009**	**13,667,619**	**13,758,863**	**13,262,663**
Liabilities					
Insurance contract liabilities	12	49,556,524	46,611,447	40,723,029	38,040,296
Employee benefit liabilities		602,110	582,974	602,110	580,331
Loans and borrowings		4,734,348	-	4,734,348	-
Reinsurance payables		811,292	721,114	740,424	668,426
Other liabilities		5,878,202	6,614,667	5,371,757	5,847,949
Bank overdraft		384,390	387,288	384,390	387,288
Total liabilities		**61,966,866**	**54,917,490**	**52,556,058**	**45,524,290**
Total equity and liabilities		**75,966,875**	**68,585,109**	**66,314,921**	**58,786,953**
Net asset per share (Rs.)	16.1	44.25	44.25	43.48	41.92

The Notes form an integral part of these Financial Statements
These Financial Statements are in compliance with the requirements of the Companies Act No 07 of 2007.

Sgd.
Nuwan Withanage
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board.

Sgd.
Ashok Pathirage
Chairman

Sgd.
Iftikar Ahamed
Managing Director

Colombo
11 May 2026

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY-COMPANY

For the Period ended 31 March	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 2025	**1,062,500**	**798,004**	**(937,778)**	**173,516**	**9,258,312**	**10,354,554**
Profit for the period	-	-	-	-	477,619	477,619
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	(85,158)	-	-	(85,158)
Equity investments at FVOCI - net change in fair value - Life fund	-	-	(47,932)	-	-	(47,932)
Debt investments at FVOCI - net change in fair value	-	-	(426,975)	-	-	(426,975)
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	-	-	5,088	-	-	5,088
Debt investments at FVOCI - reclassified to income statement	-	-	-	-	-	-
Total other comprehensive income, net of tax	**-**	**-**	**(554,977)**	**-**	**-**	**(554,977)**
Total comprehensive income for the period	**-**	**-**	**(554,977)**	**-**	**477,619**	**(77,358)**
Balance as at 31 March 2025	**1,062,500**	**798,004**	**(1,492,755)**	**173,516**	**9,735,931**	**10,277,196**
Profit for the period	-	-	-	-	3,525,859	3,525,859
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	679,635	-	-	679,635
Equity investments at FVOCI - net change in fair value - Life fund	-	-	410,800	-	-	410,800
Equity investments at FVOCI – reclassified to retained earnings/Life Fund			(596,005)		214,392	(381,613)
Debt investments at FVOCI - net change in fair value	-	-	154,153	-	-	154,153
Re-measurement Gain on defined benefit liabilities	-	-	-	-	(97,694)	(97,694)
Gain on revaluation of land and building	-	-	-	47,591	-	47,591
Debt investments at FVOCI - net change in fair value - Life fund	-	-	70,564	-	-	70,564
Debt investments at FVOCI - reclassified to income statement	-	-	-	-	-	-
Total other comprehensive income, net of tax	**-**	**-**	**719,147**	**47,591**	**116,698**	**883,436**
Total comprehensive income for the period	**-**	**-**	**719,147**	**47,591**	**3,642,557**	**4,409,295**
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2025	-	-	-	-	(1,423,828)	(1,423,828)
Balance as at 31 December 2025	**1,062,500**	**798,004**	**(773,608)**	**221,107**	**11,954,660**	**13,262,663**
Profit for the period	-	-	-	-	624,048	624,048
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value - Life fund	-	-	19,883	-	-	19,883
Debt investments at FVOCI - net change in fair value	-	-	(65,963)	-	-	(65,963)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	(81,768)	-	-	(81,768)
Debt investments at FVOCI - reclassified to income statement	-	-	-	-	-	-
Total other comprehensive income, net of tax	**-**	**-**	**(127,848)**	**-**	**-**	**(127,848)**
Total comprehensive income for the period	**-**	**-**	**(127,848)**	**-**	**624,048**	**496,200**
Balance as at 31 March 2026	**1,062,500**	**798,004**	**(901,456)**	**221,107**	**12,578,708**	**13,758,863**

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY -GROUP

For the Period ended 31 March	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 2025	**1,062,500**	**798,004**	**(937,778)**	**173,516**	**9,258,312**	**10,354,554**
Profit for the period	-	-	-	-	853,613	853,613
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	(85,158)	-	-	(85,158)
Equity investments at FVOCI - net change in fair value - Life fund	-	-	(47,932)	-	-	(47,932)
Debt investments at FVOCI - net change in fair value	-	-	(426,975)	-	-	(426,975)
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	-	-	5,088	-	-	5,088
Debt investments at FVOCI - reclassified to income statement	-	-	-	-	-	-
Total other comprehensive income, net of tax	**-**	**-**	**(554,977)**	**-**	**-**	**(554,977)**
Total comprehensive income for the period	**-**	**-**	**(554,977)**	**-**	**853,613**	**298,636**
Balance as at 31 March 2025	**1,062,500**	**798,004**	**(1,492,755)**	**173,516**	**10,111,925**	**10,653,190**
Profit for the period	-	717,792	-	-	3,108,894	3,826,686
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	679,635	-	-	679,635
Equity investments at FVOCI - net change in fair value - Life fund	-	-	410,800	-	-	410,800
Equity investments at FVOCI – reclassified to retained earnings/Life Fund			(596,005)		214,392	(381,613)
Debt investments at FVOCI - net change in fair value	-	-	(170,531)	-	-	(170,531)
Re-measurement Gain on defined benefit liabilities	-	-	-	-	(101,911)	(101,911)
Gain on revaluation of land and building	-	-	-	47,591	-	47,591
Debt investments at FVOCI - net change in fair value - Life fund	-	-	(110,085)	-	-	(110,085)
Debt investments at FVOCI - reclassified to income statement	-	-	237,685	-	-	237,685
Total other comprehensive income, net of tax	**-**	**-**	**451,499**	**47,591**	**112,481**	**611,571**
Total comprehensive income for the period	**-**	**717,792**	**451,499**	**47,591**	**3,221,375**	**4,438,257**
Transaction with owners of the Company						
Contribution and distribution						
Interim dividend - 2025	-	-	-	-	(1,423,828)	(1,423,828)
Balance as at 31 December 2025	**1,062,500**	**1,515,796**	**(1,041,256)**	**221,107**	**11,909,472**	**13,667,619**
Profit for the period	-	-	-	-	668,090	668,090
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value - Life fund	-	-	19,883	-	-	19,883
Debt investments at FVOCI - net change in fair value	-	-	(273,815)	-	-	(273,815)
Debt investments at FVOCI - net change in fair value - Life fund	-	-	(81,768)	-	-	(81,768)
Debt investments at FVOCI - reclassified to income statement	-	-	-	-	-	-
Total other comprehensive income, net of tax	**-**	**-**	**(335,700)**	**-**	**-**	**(335,700)**
Total comprehensive income for the period	**-**	**-**	**(335,700)**	**-**	**668,090**	**332,390**
Balance as at 31 March 2026	**1,062,500**	**1,515,796**	**(1,376,956)**	**221,107**	**12,577,562**	**14,000,009**

SOFTLOGIC LIFE INSURANCE PLC
STATEMENT OF CASH FLOWS

For the Period ended 31 March	Group	Company	
	2026 Rs. ' 000 Un-audited	2026 Rs. ' 000 Audited	2025 Rs. ' 000 Audited
Cash flows from operating activities			
Profit before taxation	975,854	880,913	668,140
Adjustments for :			
Depreciation of property, plant and equipment	42,970	38,827	30,903
Amortisation of intangible assets	2,926	488	300
Depreciation of right of use asset	138,801	135,111	83,352
Derecognition of ROU asset/ liabilities	916	189	-
Interest expenses on lease liabilities and loans and borrowings	47,687	46,547	124,893
Provision for employee benefit liabilities	20,923	20,923	14,342
Net realised gains	(217,831)	(83,438)	(15,503)
Net fair value (gains)/ losses	89,655	18,055	(85,422)
Net unrealised losses on foreign currency transactions	(84,052)	(84,052)	(27,313)
Net amortisation of financial investments	(164,724)	(172,533)	164,891
Provision for impairment (reversal) /losses on financial investments	(851)	(851)	2,973
	852,274	**800,179**	**961,556**
Change in operating assets			
Decrease / (increase) in loans to life policyholders	(17,421)	(17,421)	(13,400)
Increase in reinsurance receivables	(68,912)	(60,996)	15,563
Decrease in premium receivables	(581,134)	(587,920)	822,333
Increase in receivables and other assets	(233,083)	(97,504)	(437,171)
	(900,550)	**(763,841)**	**387,325**
Change in operating liabilities			
Increase / (decrease) in insurance contract liabilities	2,945,077	2,682,733	1,411,583
Increase in reinsurance payables	87,472	69,292	(231,232)
Increase / (decrease) in other liabilities	(691,139)	(595,713)	43,928
	2,341,410	**2,156,312**	**1,224,279**
Net cash generated from operations	**2,293,134**	**2,192,650**	**2,573,159**
Tax Paid	(340,000)	(340,000)	(321,000)
Gratuity paid	(1,788)	(1,788)	(550)
Net cash generated from operating activities	**1,951,346**	**1,850,862**	**2,251,610**
Cash flows from investing activities			
Acquisition of investment securities	(13,237,271)	(10,630,233)	(10,249,206)
Proceeds from sale of investment securities	11,636,290	9,269,934	9,180,408
Acquisition of property, plant and equipment	(49,994)	(49,994)	(22,105)
Acquisition of intangible assets	-	-	(3,925)
Net cash flows used in investing activities	**(1,650,975)**	**(1,410,293)**	**(1,094,828)**
Cash flows from financing activities			
Proceeds from long term borrowing	4,732,926	4,732,926	-
Principal Payment of lease liabilities	(249,066)	(239,493)	(109,274)
Net cash used in financing activities	**4,483,860**	**4,493,433**	**(109,274)**
Net increase / (Decrease) in cash and cash equivalents	**4,784,231**	**4,934,002**	**1,047,508**
Net cash and cash equivalents as at 1 January	2,712,550	2,330,517	1,501,337
Net cash and cash equivalents as at 31 March	**7,496,781**	**7,264,519**	**2,548,845**
Analysis of cash and cash equivalents			
Cash in hand and at bank	7,881,171	7,648,909	2,936,057
Bank overdraft	(384,390)	(384,390)	(387,212)
Total cash and cash equivalents as at 31 March	**7,496,781**	**7,264,519**	**2,548,845**

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

As at	Note	Group		Company	
		31.03.2026 Rs. ' 000 Un-audited	31.12.2025 Rs. ' 000 Audited	31.03.2026 Rs. ' 000 Audited	31.12.2025 Rs. ' 000 Audited
Assets					
Property, plant and equipment		329,144	333,000	329,144	333,000
Right of use assets		1,473,310	1,428,321	1,473,310	1,269,713
Financial investments		46,563,786	46,059,598	37,338,940	36,932,104
Loans to life policyholders		430,250	412,829	430,250	412,829
Reinsurance receivables		593,845	524,933	543,473	482,477
Premium receivables		2,572,958	1,991,824	2,506,908	1,918,988
Receivables and other assets		1,992,574	1,900,612	1,932,369	1,840,606
Cash and cash equivalents		3,176,084	3,071,469	2,943,822	2,689,436
Total assets		**57,131,951**	**55,722,586**	**47,498,216**	**45,879,153**
Equity and liabilities					
Equity					
Other reserves		(116,854)	153,717	(102,843)	(40,958)
Total equity		**(116,854)**	**153,717**	**(102,843)**	**(40,958)**
Liabilities					
Insurance contract liabilities	**12**	49,556,524	46,611,447	40,723,029	38,040,296
Employee benefit liabilities		602,110	582,974	602,110	580,331
Reinsurance payables		811,292	721,114	740,424	668,426
Other liabilities		5,894,489	7,266,046	5,151,106	6,243,770
Bank overdraft		384,390	387,288	384,390	387,288
Total liabilities		**57,248,805**	**55,568,869**	**47,601,059**	**45,920,111**
Total equity and liabilities		**57,131,951**	**55,722,586**	**47,498,216**	**45,879,153**

SOFTLOGIC LIFE INSURANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 REPORTING ENTITY

Softlogic Life Insurance PLC ("the Company") is a public limited liability company incorporated and domiciled in Sri Lanka. The Company is regulated under the Insurance Industry Act No. 43 of 2000 and amendments thereto, and is a licensed life insurer under the regulation of the Insurance Regulatory Commission of Sri Lanka (IRCSL). The Company was re-registered under the Companies Act No. 07 of 2007. The registered office is situated at Level 16, One Galle Face Tower, Colombo - 02. The ordinary shares of the Company have a primary listing on the Colombo Stock Exchange (CSE).

2 APPROVAL OF FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS

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

3 BASIS OF PREPARATION

The interim condensed Financial Statements for the period ended 31 March 2026 have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting, together with the application of the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in relation to the initial adoption of SLFRS 17 Insurance Contracts and SLFRS 9 Financial Instruments for insurance entities as stated in Note 3.1. 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 2025.

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

The interim period's disclosures are in accordance with the provisions of SLFRS 3 - Business Combinations and SLFRS 12 - Disclosure of Interests in Other Entities. In preparing these condensed interim financial statements, management has made judgements and estimates that affect the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

New SLFRSs and Interpretations issued but not yet effective have not been early adopted during the period.

3.1 Application of SoAT on the Figures in the Interim Financial Statements

SLFRS 17 Insurance Contracts becomes effective for annual reporting periods commencing on or after 1 January 2026. Due to implementation challenges within the insurance industry, CA Sri Lanka has permitted insurers to continue applying SLFRS 4 Insurance Contracts for the first and second interim reporting periods of the initial year of adoption, provided that additional disclosures are made regarding the anticipated impact of SLFRS 17 and SLFRS 9.

Softlogic Life Insurance PLC has undertaken a structured, multi-year transformation to implement SLFRS 17, the new insurance accounting standard replacing SLFRS 4. The initiative began with early gap assessments and design phases, and has progressed through system development, policy formulation, and operational readiness. By early 2026, the Company had achieved key milestones, including the implementation of a dedicated SLFRS 17 calculation engine, ensuring that the front-end operational systems as well as accounting and actuarial developments in place, engagement of actuarial and accounting experts, and the refinement of accounting policies to enhance consistency and transparency in financial reporting. The Company remains on track for full compliance by the 1 January 2026 effective date, with parallel runs and transition financial statements forming part of the final implementation phase.

The implementation of SLFRS 17 at Softlogic Life Insurance PLC represents a fundamental shift from a largely premium-based accounting model under SLFRS 4 to a fulfilment cash flow (FCF) driven measurement framework. The Company has transitioned to a model that explicitly measures insurance contract liabilities as the sum of discounted probability-weighted future cash flows, a risk adjustment for non-financial risk, and the contractual service margin (CSM). For long-term life insurance portfolios, the General Measurement Model (GMM) has been predominantly applied, while simplified approaches such as the Premium Allocation Approach (PAA) and Variable Fee Approach (VFA) are used where eligibility criteria are met. This has required significant recalibration of actuarial methodologies, including assumptions relating to mortality, persistency, expenses, and discount rates, with increased emphasis on current estimates and explicit risk quantification.

A key technical focus area has been the operationalisation of the CSM, which defers unearned profits and releases them systematically over the coverage period based on service patterns. This introduces improved volatility management compared to legacy accounting, particularly through the separation of insurance service results from insurance finance income or expenses. The Company has also determined appropriate discount rate methodologies (top-down or bottom-up approaches) and defined portfolios and groups of contracts at a more granular level, in line with SLFRS 17 grouping requirements. These changes have necessitated the deployment of an integrated actuarial valuation engine and sub-ledger architecture capable of handling high-volume, policy-level data and producing multi-dimensional disclosures.

From a systems and data perspective, Softlogic Life has undertaken extensive data model redesign and integration across actuarial, finance, and IT systems to ensure consistency and auditability. The introduction of an SLFRS 17 sub-ledger enables automated postings, reconciliation with the general ledger, and the generation of required disclosures such as roll-forwards of insurance liabilities and CSM movements. Parallel run milestones are critical for validating measurement outputs against SLFRS 4 and identifying transition impacts, including the treatment of loss components for onerous contracts and the selection of transition approaches (full retrospective, modified retrospective, or fair value). Overall, the implementation enhances the granularity and economic relevance of financial reporting, while also introducing greater complexity in modelling, controls, and governance.

In accordance with the SoAT, the entity will not present the qualitative and quantitative disclosures with the first interim financial statements for the period ended 31 March 2026, due to the absence of sufficiently reliable and finalised results, as the implementation and validation of SLFRS 17 are still in progress. Stakeholders are encouraged to refer to the detailed expected/possible impact assessment and comprehensive disclosures presented in the Company’s Annual Report 2025, available in the Investor Relations section (pages 451 to 461), for an in-depth analysis of the financial, actuarial, and operational implications arising from the implementation.

4 EFFECT OF CHANGES IN COMPOSITION OF THE GROUP

4.1 Business Combination – Acquisition of Softlogic Life Insurance Lanka Limited

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

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

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

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

5 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

During the period, there were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income. As at the reporting date, fair value would not significantly change if one or more of the inputs of financial assets classified at level 3 were changed.

6 GROSS WRITTEN PREMIUM

For the year ended 31 March	Group	Company	
	2026 Rs. ' 000 Un-audited	2026 Rs. ' 000 Audited	2025 Rs. ' 000 Audited
First year premium	2,342,800	2,219,535	1,854,011
Renewal premium	5,863,665	5,344,595	4,592,052
Group life premium	2,829,386	2,826,320	1,965,237
Single premium	1,299,512	1,299,029	571,062
Total Gross Written Premium	**12,335,363**	**11,689,479**	**8,982,362**

7 TOTAL NET REVENUE

For the year ended 31 March	Group	Company	
	2026 Rs. ' 000 Un-audited	2026 Rs. ' 000 Audited	2025 Rs. ' 000 Audited
Net written premium	11,584,595	10,957,003	8,305,767
Other revenue	1,659,658	1,341,401	1,457,464
Total Net Revenue	**13,244,253**	**12,298,404**	**9,763,231**

8 FINANCE COST

For the year ended 31 March	Group	Company	
	2026 Rs. ' 000 Un-audited	2026 Rs. ' 000 Audited	2025 Rs. ' 000 Audited
Interest expenses on lease liabilities, loans and borrowings	47,687	46,547	124,893
Net exchange losses / (gains)	(84,052)	(84,052)	(27,313)
Other finance cost	35,221	36,361	32,137
Total Finance Cost / (Gains)	**(1,144)**	**(1,144)**	**129,717**

9 PROFIT BEFORE TAXATION

For the year ended 31 March	Group	Company	
	2026 Rs. ' 000 Un-audited	2026 Rs. ' 000 Audited	2025 Rs. ' 000 Audited
Profit before taxation	975,854	880,913	668,140
Total	**975,854**	**880,913**	**668,140**

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

10 INCOME TAX EXPENSE

The gains and profits from the Life Insurance Business are ascertained in terms of Section 67 of the Inland Revenue Act No. 24 of 2017. Accordingly, gains and profits on which tax is payable is the aggregate of:

Taxable Income Source	Applicable Tax Rate for the Group
Surplus distributed to shareholders from the Life Insurance policyholders fund as certified by the actuary	30%
Investment income of the shareholder fund less any expenses incurred in the production of such income	30%
Surplus distributed to a life insurance policyholder who shares the profits of a person engaged in the business of life insurance	30%

Dividend paid out of profit recorded in shareholder fund are subject to income tax at 15%.

11 FINANCIAL INVESTMENTS

As at	Note	Group		Company	
		31.03.2026 Rs. ' 000 Un-audited	31.12.2025 Rs. ' 000 Audited	31.03.2026 Rs. ' 000 Audited	31.12.2025 Rs. ' 000 Audited
Treasury bonds		38,091,024	29,688,140	20,880,836	21,252,866
Treasury bills		790,017	391,214	-	-
Fixed deposits		2,007,923	1,872,087	2,462,211	1,753,810
Commercial papers		1,633,996	1,633,996	1,991,109	1,633,996
Quoted debentures		4,778,220	4,778,220	4,538,350	4,778,220
Unquoted debentures		301,555	301,555	308,137	301,555
Repo		10,328,615	9,918,185	9,924,215	9,664,745
Equity securities		1,728,420	1,162,645	556,442	536,559
International sovereign bonds		3,334,066	3,334,066	3,394,226	3,334,066
Unlisted perpetual debenture		719,932	719,932	717,037	719932
Unit trust		3,135,564	3,116,173	3,854,726	3,096,551
Securitised papers		92,511	45,861	-	-
		66,941,843	**56,962,074**	**48,627,289**	**47,072,300**

12 INSURANCE CONTRACT LIABILITIES

As at	Note	Group		Company	
		31.03.2026 Rs. ' 000 Un-audited	31.12.2025 Rs. ' 000 Audited	31.03.2026 Rs. ' 000 Audited	31.12.2025 Rs. ' 000 Audited
Insurance contract liabilities		47,327,106	44,457,865	38,572,185	35,955,425
Surplus created due to change in valuation method from NPV to GPV	12.1	1,056,535	1,056,535	1,056,535	1,056,535
Claim payables		1,172,883	1,097,047	1,094,309	1,028,336
		49,556,524	**46,611,447**	**40,723,029**	**38,040,296**

12.1 Transfer of One-off Surplus from Policyholder Fund to Shareholder Fund

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has issued a Direction No 16 on 20th March 2018 on "Guidelines/ Directions for Identification and Treatment of One-off Surplus" and has instructed all Life Insurance Companies to comply with the new Direction. Based on the new guidelines, Life Insurance Companies are directed to transfer One-off surplus attributable to Policyholder Non-Participating Fund to shareholder fund as at the reporting year ended 31st December 2017. The transfer has been presented as a separate line item in the Income Statement as "Change in contract liability due to transfer of One-off surplus" and as a separate reserve in the Statement of Financial Position as "Restricted Regulatory Reserve" under Equity in accordance with above Direction. As required by the said Direction, the Company received the approval for this transfer on 29th March 2018.

Further distribution of One-off Surplus to shareholders, held as part of the Restricted Regulatory Reserve, is subject to meeting governance requirements stipulated by the IRCSL and can only be released as dividends upon receiving approval from the IRCSL. The One-off Surplus in the shareholder fund will remain invested in government debt securities and deposits as disclosed in Note 11.2 as per the Directions of the IRCSL.

One-off surplus in respect of participating business is held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholder fund by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry Act.

Movement of One-off Surplus After Transfer	**Company**		
	Participating Fund	**Non-Participating Fund**	**Total**
	Rs. ' 000	**Rs. ' 000**	**Rs. ' 000**
Value of insurance contract liability based on independent actuary-NPV as at 31st December 2015	3,866,780	2,472,575	6,339,355
Value of insurance contract liability based on independent actuary - GPV as at 31st December 2015	2,810,245	1,674,571	4,484,816
Surplus Created due to Change in Valuation method from NPV to GPV- One off Surplus as at 1st January 2016	1,056,535	798,004	1,854,539
Transfer of one-off surplus from long term fund to restricted regulatory reserve.	-	(798,004)	(798,004)
Surplus created due to Change in Valuation Method - One-off Surplus as at 31 March 2026	**1,056,535**	**-**	**1,056,535**

The distribution of One-off surplus to Shareholders as dividends shall remain restricted until the Company develops appropriate policies and procedures for effective management of its business.

12.2 Composition of Investments Supporting the Restricted Regulatory Reserve as at 31 March 2026

Asset Category	ISIN No	Group As at 31 March 2026		Company As at 31 March 2026	
		Face Value Rs.	Market Value Rs. ' 000	Face Value Rs.	Market Value Rs. ' 000
Government securities					
Treasury bonds	LKJ01236C152	240,920,679	185,524	240,920,679	185,524
	LKJ01337I155	240,920,679	181,655	240,920,679	181,655
	LKJ01438I151	240,920,679	179,453	240,920,679	179,453
	LKJ01539I156	240,920,679	177,512	240,920,679	177,512
	LKJ01640I152	240,920,679	175,800	240,920,679	175,800
	LKB01032G014	25,000,000	34,545		
	LKB02032J017	9,000,000	8,743		
	LKB02033K013	172,000,000	161,837		
	LKB02033K013	35,000,000	32,932		
	LKB01534I155	125,000,000	120,456		
	LKB02033K013	150,000,000	141,137		
	LKB01534I155	150,000,000	144,547		
	LKB01035F159	50,000,000	50,475		
Repo	LKB00730J158	61,335,000	60,251		
Total Market Value of the Assets		**-**	**1,654,867**	**-**	**899,944**
Restricted Regulatory Reserves		**-**	**1,515,796**	**-**	**798,004**

12.3 Valuation of Life Insurance Fund

Softlogic Life Insurance PLC:
The valuation of life insurance fund as at 31 March 2026 of the Softlogic life insurance PLC was made by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, of Messrs. Willis Towers Watson India Private Limited, who approved to transfer from Non-Participating Life Insurance fund / insurance contract liabilities to the Shareholders fund as surplus transfer.

Accordingly, the Company transferred Rs.720 Million from the non participating fund to shareholder fund as surplus transfer for the quarter ended 31 March 2026 (2025 - Rs. 420 Million).

Softlogic Life Insurance Lanka Limited:
The valuation of the life insurance fund of the subsidiary was carried out by the Appointed Actuary, Mr. Sanyam Jain , FIA, FIAI, of Messrs .Willis Towers Watson India Private Limited. Based on this valuation, the Company transferred Rs.75 Million from the non participating fund to shareholder fund as surplus transfer for the period ended 31 March 2026.

12.4 Liability Adequacy Test (LAT) - Life Insurance Contract Liabilities

Liability Adequacy Test (LAT) in respect of the Insurance Contract Liabilities as required by SLFRS 4 - Insurance Contracts are carried out annually by the Company / Group.

13 CAPITAL COMMITMENTS AND CONTINGENCIES

The capital commitments approved and contracted as at the reporting date amounted to Rs. 138.23 Million for the Group and Rs. 14.52 Million for the Company.

13.2 Contingencies

The Contingent liabilities of the company as at 31 March 2026, relates to the followings;

Assessment in Respect of Value Added Tax (VAT)
1)VAT assessments have been issued by the Department of Inland Revenue for the taxable period 2010 and was determined by the Tax Appeal Commission (TAC) in 2019. Out of total 11 assessments, 08 assessments were determined in favour of Commissioner General of Inland Revenue (CGIR) amounting to Rs. 46.5 Million including the penalty and 03 assessments were determined in favour of the Company amounting to Rs. 24.8 Million including the penalty.

The Company transmitted the former case to the Court of Appeal being dissatisfied with the determination which determined in favour of the CGIR and case is stated for the opinion of the Honourable Court of Appeal. The Total tax exposure of this appeal is Rs. 46.5 Million including the penalty.

The CGIR, transmitted the latter case to the Court of Appeal being dissatisfied with the determination which determined in favour of the Company and the case is stated for the opinion of the Honourable Court of Appeal.

13.2 Contingencies (Cont.)

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

2) The CGIR issued its determination on the appeal filed by the Company relating to the assessment raised for Y/A 2014/15, 2016/17 and 2017/18 under the Value Added Tax Act amounting to Rs. 68.7 Million, Rs. 28 Million and Rs. 102.4 Million respectively, in favour of the CGIR.

For the Y/A 2014/15 and 2017/18, the Company has received the determinations of the TAC also in favour of the Company. However, the CGIR has transmitted the said cases to the Court of Appeal being dissatisfied with the determinations which determined in favour of the Company and cases are stated for the opinion of the Honourable Court of Appeal.

The Company is in the process of hearing the other appeal on the Y/A 2016/17 with TAC, on the basis that the underlying computation includes items which are out of scope of the VAT Act.

3) Assessment has been issued for the Company under the Value Added Tax Act, in relation to the Y/A 2019/20 and 2021/22 amounting to Rs. 433.16 Million including the penalty. For the Y/A 2019/20, the Company has appealed to TAC upon the receipt of the CGIR determination. For the other case, the company has appealed on the same basis as stated above and is awaiting for the CGIR determination.

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

5) An assessment has been issued under the Nation Building Tax Act, in relation to the Y/A 2018/19 amounting to Rs. 9.7 Million. The Company has filed an appeal to the CGIR on the basis that the underlying computation includes items which are out of scope of the NBT Act. The Company is awaiting the CGIR's determination.

Life Insurance Taxation

6) The TAC issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2010/11 amounting to Rs. 0.68 Million, in favour of the Company and the CGIR has transmitted this case to the Court of Appeal being dissatisfied with the said determination of TAC and case is stated for the opinion of the Honourable Court of Appeal. The Company is awaiting the decision of the Court of appeal.

7) The TAC issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2011/12 and 2012/13 amounting to Rs.10.1 Million and Rs. 12.4 Million respectively, in favour of CGIR and The Company has transmitted the cases to the Court of Appeal being dissatisfied with the said determination of TAC and cases are stated for the opinion of the Honourable Court of Appeal. The Order has been delivered by the Court of Appeal in favour of the Company.

8) The CGIR issued its determination on the appeal filed by the Company relating to the assessments raised for the Y/A 2014/15, 2015/16, 2016/17 and 2017/18 amounting to Rs. 662.9 Million along with penalty, in favour of the CGIR. For the Y/A 2014/15 and 2017/18, the Company has received the determinations of the TAC in favour of the Company.

However, cases are stated in the Honourable Court of Appeal by the CGIR. The Company is in the process of hearing the appeals with Tax Appeals Commission for the Y/A 2015/16 and 2016/17.

9) The CGIR issued its determination on the appeal filed by the Company relating to the assessment raised for the Y/A 2018/19, 2019/20, 2020/21 and 2021/22 amounting to Rs. 3,007.24 Million along with penalty, in favour of the CGIR. The Company has submitted petition of appeals with TAC.

10) The Company has received an Assessment on PAYE Tax for the Y/A 2016/17 amounting to Rs. 0.9 Million along with penalty for which company has duly submitted an appeal.

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

14 EVENTS AFTER THE REPORTING PERIOD

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

15 COMPARATIVE INFORMATION

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

16 SHARE INFORMATION

16.1 Net Assets Per Share

As at	Group		Company	
	2026	2025	2026	2025
Net assets per share	44.25	43.20	43.48	41.92
Net Asset per Share - Excluding One-off Surplus	39.46	38.41	40.96	39.39

16.2 Market Price Per Share of the Company

For the quarter ended 31 March	Company	
	2026 Rs	2025 Rs
Last traded price (Last trade date - 31st March 2026)	81.40	72.40
Highest traded price per share for the quarter	98.00	83.60
Lowest traded price per share for the quarter	73.00	65.70

17 STATED CAPITAL

As at	Company	
	31.03.2026	31.12.2025
Stated capital (Rs.' 000)	1,062,500	1,062,500
No: of Ordinary Shares	316,406,250	316,406,250

18 BASIC AND DILUTED EARNING PER SHARE (EPS)

For the Period ended 31 March	Group	Company	
	2026	2026	2024
shareholders (Rs. 000)	668,090	624,048	477,619
Weighted average no: of shares as at 31 March	316,406,250	316,406,250	316,406,250
Basic / Diluted EPS (Rs.)	2.11	1.97	1.51

19 TWENTY LARGEST SHAREHOLDERS

	Name of Shareholder	Company As at 31.03.2026 No. of Shares	%
1	Softlogic Capital PLC	158,714,972	50.16
2	Dalvik Inclusion Private Limited	59,531,790	18.81
3	Milford Ceylon (Pvt) Ltd	59,531,790	18.81
4	People'S Leasing & Finance PLC/Mrs.H.A.J.Wickramasena	1,900,000	0.60
5	Invenco Capital (Private) Limited	1,386,359	0.44
6	Bansei Securities Capital (Pvt) Ltd/I.S.P Perera	1,082,230	0.34
7	Commercial Bank Of Ceylon PLC/W. Jinadasa	1,039,276	0.33
8	Mr. L.R.Y. Waidyaratne	1,000,000	0.32
9	Mr. G.C. Goonetilleke	893,629	0.28
10	Mr. P.G.N.D. Gunathilake	800,000	0.25
11	DFCC Bank PLC/Mr.P.Pranavan	627,500	0.20
12	Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	589,523	0.19
13	Mr. D. Balasundaram	518,548	0.16
14	Seylan Bank PLC / G.A. Bhanuka Harischandra	466,339	0.15
15	DFCC Bank PLC / A.S. Hathiramani	440,863	0.14
16	Mr. A.P.P.M. Abeyrathne	434,185	0.14
17	Seylan Bank PLC / Anuja Chamila Jayasinghe	413,376	0.13
18	Mr. M.A.H. Esufally	387,316	0.12
19	Senkadagala Finance PLC / L.A.J.F. Morais	380,251	0.12
20	Dialog Finance PLC / D.S. Nakandala	356,760	0.11
		290,494,707	91.8
	Others	25,911,543	8.20
	Total	**316,406,250**	**100.00**

20 PUBLIC SHAREHOLDING

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

As at	Company 2026 Rs	2025 Rs
Public shareholding (%) - Compliant under Option 1 of CSE listing Rule 7.13.1.b	12.16	11.32
Public shareholders	5,477	4,948
Float adjusted market capitalisation (Rs.' 000)	3,132,123	2,593,852

Public Holding percentage - Ordinary Non-Voting Shares as at 31 March 2026 - Nil

21 DIRECTORS' SHARE HOLDINGS

As at 31 March Name of The Director	2026 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

22 RELATED PARTY DISCLOSURES

The nature of the related parties in the current period and terms and conditions of transactions with related parties are similar to those reported in the audited Financial Statements for the year ended 31 December 2025.

22.1 Transactions with Key Management Personnel of the Company or its parent

According to Sri Lanka Accounting Standard - LKAS 24 Related Party Disclosure, Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors (including Executive and Non-Executive Directors) and their immediate family members have been classified as Key Management Personnel of the Company.

Immediate family member is defined as spouse or dependent. A dependent is defined as anyone who depends on the respective KMP for his/her financial needs.

For the Period ended 31 March	Group	Company	
	2026	2026	2025
	Rs.' 000	Rs.' 000	Rs.' 000
Transactions with the Ultimate Parent and Parent			
Recorded in the Income Statement:			
Net premium	1,663	1,663	2,718
Interest income	9,149	9,149	12,630
Expenses	-	-	1,010
Receiving of services	31,586	31,586	27,905
Recorded in the Statement of Changes in Equity and Statement of Financial Position:			
Insurance premium receivable	61	61	93
Investments	305,800	305,800	211,808
Interest income receivable	-	-	12,753
Other Receivable	467	467	-
Transactions with Other Related Entities			
Recorded in the Income Statement:			
Net premium	36,258	36,258	52,009
Expenses	140,229	140,229	85,066
Recorded in the Statement of Changes in Equity and Statement of Financial Position:			
Insurance premium receivable	10,065	10,065	20,968
Investments	556,442	556,442	470,603
Other Receivable	45,941	48,167	44,830
Other Payable	31,073	31,073	-