



THE CORE OF TRUST

CEYLINCO LIFE INSURANCE LIMITED
INTEGRATED ANNUAL REPORT 2023



Cover image-
*modern abstract
digital painting of
forest landscape*

THE CORE OF TRUST



IN 2023, CEYLINCO LIFE CELEBRATED ITS 35TH MILESTONE IN ITS JOURNEY OF SERVICING THE PEOPLE OF OUR NATION.

STANDING RESILIENT AS THE NO. 1 LIFE INSURER, WE RISE ABOVE AS A MAJESTIC TREE WITH INDOMITABLE STRENGTH STRONGLY ROOTED BY 19 YEARS OF MARKET LEADERSHIP.

OVER THE YEARS WE HAVE WEATHERED THROUGH CHALLENGES WITH RESILIENCE. EXPANDING OUR REACH.

WE HAVE ENHANCED OUR CANOPY OF TRUST TO PROTECT AND NURTURE OUR POLICYHOLDERS. AS MUCH AS THE LEAVES OF A TREE, WE HAVE GIVEN BACK TO THE COMMUNITIES THAT WE SERVE AND HAVE BEEN A FORCE FOR GOOD.

AS WE MOVE AHEAD TOWARDS NEW HORIZONS WITH RELENTLESS INNOVATION, UNWAVERING INTEGRITY AND A STEADFAST COMMITMENT TO OUR CORE VALUES WE STRIVE TO STAY AHEAD OF THE CURVE WHILST SERVING THE ASPIRATIONS OF OUR VALUED STAKEHOLDERS.

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Reflections from the Chairman

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"DEFYING THE CONVERGING CHALLENGES, DURING 2023 WE CONTINUED TO STRIKE GRACEFUL EQUILIBRIUM IN OUR PERFORMANCE, ENSURING THAT ALL OUR STAKEHOLDER INTERESTS ARE WELL LOOKED AFTER."



Chief Executive Officer's Review

PAGE

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"WE HAVE SET AN ANNUAL TARGET OF REDUCING OUR CARBON FOOT PRINT BY 5%, AND IN 2023, WE REDUCED OUR CARBON FOOTPRINT BY 9.33%, TO 3,337 TCO₂E, A COMMENDABLE ACHIEVEMENT ATTRIBUTABLE TO A WIDE RANGE OF INITIATIVES SUCH AS CONTINUOUS FOCUS AND MONITORING OF PAPER USAGE, ENERGY AND FUEL CONSUMPTION LEVELS."

The Roots of Trust

Safeguarding Values

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Canopy of Trust

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CORPORATE INFORMATION INNER BACK COVER



Safeguarding Values

About this Report

WELCOME TO THE 9TH ANNUAL INTEGRATED REPORT OF CEYLINCO LIFE INSURANCE LIMITED, THEMED 'THE CORE OF TRUST'.

The contents in this report outline Ceylinco Life's 35-year journey towards building and nurturing a core of trust to deliver sustainable value and serve its stakeholders for the foreseeable future.

SCOPE AND BOUNDARY

4

This integrated report serves as an account of the activities of Ceylinco Life Insurance Limited during the financial year spanning 1st January 2023 to 31st December 2023. This is also consistent with our usual annual reporting cycle for financial and sustainability reporting. The integrated Annual Report is consistent with the usual annual reporting cycle for financial and sustainability reporting. Its primary aim is to provide stakeholders with a concise, informative view of the company's strategy, performance, governance mechanisms and future prospects. All content is presented in the context of the organisation's operating environment and industry dynamics, while describing the process utilised in the creation, protection and erosion of value over time.

While financial aspects have been discussed from the perspective of the Group, non-financial aspects have been discussed from the perspective of the Company only.

To ensure that this report remains updated and relevant, significant events that occurred beyond this reporting period and until the date of sign-off of the report by the Board of Directors, i.e. 22 February 2024 have been stated herein.

The preceding year's report can be accessed via the company website on <http://www.ceylincolife.com>.

SIGNIFICANT CHANGES AND RESTATEMENTS

To reflect Ceylinco Life's organisation-wide commitment towards sustainability, the contents of this report have been revised to align with an ESG perspective. The previous report's six strategic pillars have been re-aligned under four correlated pillars, namely Financial Performance,



Reaching out to our stakeholders through different platforms

Scan the QR code for a quick and easy connect on your smart phone.



INTEGRATED REPORTING BOUNDARY

PURPOSE
(Page 11)

1

OPERATING CONTEXT
(Page 35-39)

2



3

MATERIAL MATTERS
(Page 57-62)

4

VALUE CREATION, PRESERVATION AND EROSION
(Page 69-74)

5

STRATEGY AND BUSINESS MODEL
(Page 63-68)

Information related to strategy and value creation encompasses fundamental risks, opportunities, outcomes and issues that are material to key stakeholders. As per the new report structure, governance mechanisms have been included within the value creation process.

The basis for defining material matters are defined on pages 57-62 of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Dear Stakeholder,

This integrated report outlines the strategies adopted during the year to successfully navigate the operating environment and their resulting qualitative and quantitative outcomes. While providing insights into our outlook and future perspective, this report presents a balanced view of our performance and all matters material to our stakeholders have been adequately disclosed.

All contents herein were prepared under the guidance and direction of the Corporate and Strategic Management teams and have been reviewed by both internal staff members and external consultants. The Board is confident that this report is compliant with applicable reporting frameworks, as outlined on page 6. The Board acknowledges that it holds the full and final responsibility for ensuring the integrity of the report and its contents. All information has been assessed by the Board for its accuracy, validity and its impact on decision-making.

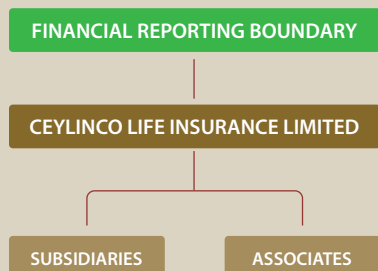
This report was approved by the Board of Directors on 22nd February 2024.

Signed for and on behalf of the Board by;

R Renganathan
Executive Chairman
22nd February 2024

E T L Ranasinghe
Managing Director/Chief Executive Officer

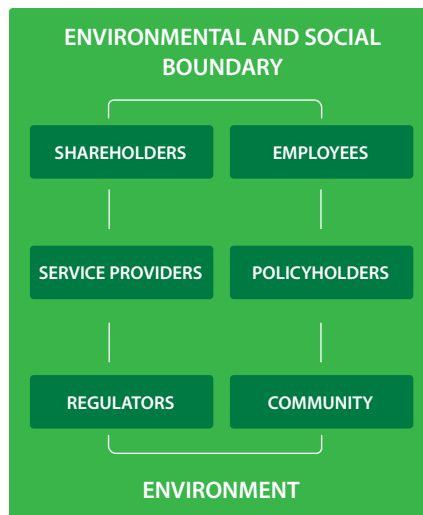
Pertains to the impact of operations within Sri Lanka. (Refer page 50-56 for information on key stakeholders)



Defined by controls and significant influence over associates and subsidiaries. (Refer page 12-13 for the group structure)

Environmental Sustainability, Social Responsibility and Governance. This approach introduces Governance as an integral component of the value creation process and provides a concise, holistic view of Ceylinco Life's integration of sustainability and good governance across its operations.

There were no re-statements nor non-financial changes with respect to the company's ownership or supply chain during the year.



As for the organisational structure, the company introduced two new positions in 2023, namely Chief Operating Officer and Deputy Chief Operating Officer. The purpose of this change is to drive the sales and business promotions of the company towards greater heights with the support of more streamlined business operations.

Refer pages 63-68 for more information on the four revised ESG Strategic Pillars

INTEGRATED REPORTING

The company's strategy is based on integrated thinking, which views value-creation as a linked, interdependent process that involves the use of the organisation's partnerships, workforce and resources to accomplish its purpose over time. This strategy is reflected in the report, which demonstrates how the company's resources, stakeholders, operational environment, risks and opportunities all play an essential role in creating and carrying out its strategy to realise its ultimate vision.

Refer pages 69-74 for more information on the value creation process

MATERIALITY

The contents herein primarily focus on the factors that are material to the organisation, i.e., the matters that pose a significant impact on business continuity and the ability to create, erode or preserve value over time. The company continues to rely on double materiality to determine its material topics — a procedure that assesses the importance of a topic from both an internal and external perspective.

Refer pages 57-62 for more information on the materiality process and topics

TAGS REPORTING

TRANSPARENCY

Reasonable measures have been taken to guarantee that all information relevant to support well-informed decision-making is included in the report. All outcomes have been reported accurately and without concealment, regardless of the resulting positive or negative outcome.

- Mandatory and voluntary adoption of reporting practices by the Board (page 6)
- Independent assurance (pages 206-209, 215-216)

ACCOUNTABILITY

Accountability is a key imperative owing to the organisation's role of managing policyholder risks which have been transferred to the company.

- Board responsibility for reported content (page 4)
- Accountability for financial reporting (page 202)

GOVERNANCE

High standards of Corporate Governance are maintained across the organisation.

- Chairman's perspective and commitment towards governance (page 154)
- Senior Independent Director's statement (page 155)
- Compliance with the Code of Best Practices on Corporate Governance (pages 171-175)
- Annual Report of the Board of Directors (pages 180-189)
- Risk management practices (pages 40-49)

SUSTAINABILITY

Sustainability is entrenched within the organisation and is integral towards ensuring the needs of the present are balanced with the company's ability to honour its commitments for the foreseeable future.

- Assurance on alignment with GRI Standards (pages 208-209)
- Chairman's perspective on sustainability practices (page 30)
- Sustainability-related policies (page 21-27)



Safeguarding Values About this Report

FORWARD LOOKING STATEMENTS




Statements regarding the company's outlook and future direction are included in this report. We are aware that the actual results could differ considerably from the objectives

and expectations detailed in this report due to a number of risks, uncertainties and other unknown variables originating within the external environment.

The Company does not undertake any responsibility to publicly update or disclose any revisions or amendments to these

forward-looking statements to reflect any disparities in events or circumstances after the date of this report, nor to reflect the occurrence of anticipated events.

REPORTING FRAMEWORKS

Reporting Framework	Guiding Principles	Internal Assurance	External Assurance
Financial Reporting, Governance & Risk Management 	Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka	Reporting to Board Audit Committee	Independent Auditor's Report (refer to page 215-216)
	Regulation of Insurance Industry Act No 43 of 2000 and amendments including Guidelines, Determinations, Circulations, Rules and Regulations issued by the IRCSL	Internal Audit	Appointed Actuary's Report (refer to page 214)
	Companies Act No. 7 of 2007	Internal control mechanisms	
	IRCSL Direction No. 2 of 2022 - Corporate Governance Framework for Insurers Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka		
Integrated Reporting 	International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework	Self-certification based on the IIRC framework	Independent Auditor's Report on Integrated Reporting (refer to page 206 -207)
	A Preparer's Guide to Integrated Corporate Reporting issued by CA Sri Lanka Handbook on Integrated Corporate Reporting issued by CA Sri Lanka		
Sustainability Reporting 	Global Reporting Initiative (GRI) Standards 2021 - Core option	Self-certification based on the GRI Standards	Independent Auditor's Report on Sustainability Reporting (refer to page 208-209)
	United Nations Sustainable Development Goals	Carbon footprint Assessment	
	Non-Financial Reporting Guideline of CA Sri Lanka The Ten Principles of the UN Global Compact		

PRECAUTIONARY PRINCIPLE

The organisation follows the precautionary principle with respect to social and environmental sustainability and has taken concrete action to reduce the dangers to the environment and nearby communities.



EXCELLENCE IN INTEGRATED REPORTING ANNUAL REPORT 2022

Joint Gold Award for Best Presented Annual Report in Life Insurance sector SAFA Awards 2023

Silver Award in Life Insurance sector at CA Sri Lanka TAGS Awards 2023

Among Top 10 Integrated Reports at CMA Sri Lanka Excellence in Integrated Reporting Awards 2023

For more details, refer to page 8-9



IMPROVEMENTS TO THE REPORT 2023

Content

- Introduced Executive Directors' ESG Outcomes (page 74)
- Restructured Non-financial Highlights under the ESG Approach (page 18-19)
- Improved the Value Creation Model to show the "value for the future" (page 71)
- Realigned the Strategic Pillars under the ESG framework (page 63)
- Introduced Key Board Discussions and Approvals in 2023 under Governance Highlights (page 19)

Interactive Presentation

- Applied a more colorful theme with a special focus on the company as a "core of trust"

Connectivity

- Minimised duplication of information through cross-references

Digital Presence

- Released a video version through the corporate website and social media
- Increased the user accessibility of the annual report via social media for the first time
- Linked QR codes for easy navigation

Reliability

- Aligned the governance disclosures with the new Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka (page 171-175)
- Aligned with the Ten Principles of the UN Global Impact (Pages 24-27)
- Improved the accountability of the internal staff by carrying their messages (e.g. page 96, 123 etc)

ADOPTION OF THE GUIDING PRINCIPLES OF THE <IR> FRAMEWORK

Strategic focus and future orientation	<ul style="list-style-type: none"> Value creation process shows the future value creation. Future direction over the short, medium and long term are discussed under Strategy Development and Integration. Each ESG Strategic Pillar shows the company's future direction under the Futurising section
Connectivity of information	<ul style="list-style-type: none"> Value Creation Model has connections to Capitals, Materiality Assessment, Business Process, Stakeholders and UN SDGs. Strategy Development and Integration has connections to Materiality Assessment. Materiality Assessment has connections to Stakeholder Engagement, ESG Strategic Pillars, Capitals and UN SDGs Cross references have been made in the content to avoid duplication of information as much as possible.
Stakeholder relationships	<ul style="list-style-type: none"> Stakeholder engagement process is disclosed. The relationship manager for each stakeholder is identified. The quality of engagement with each key stakeholder is assessed and disclosed in the report. Key stakeholder concerns and our responses are discussed. Key outcomes generated for each stakeholder are disclosed.
Materiality	<ul style="list-style-type: none"> Key matters that affect our value creation are identified and discussed in the report through our Materiality Assessment.
Conciseness	<ul style="list-style-type: none"> The number of pages in our report has been reduced by 12.
Reliability and completeness	<ul style="list-style-type: none"> Directors take responsibility for the integrity of the content in our report. Independent assurance is obtained for financial and non-financial information contained in the report. Different reporting frameworks on financial, non-financial and governance reporting are adhered to.
Consistency and comparability	<ul style="list-style-type: none"> Frameworks and models are applied consistently. Material accounting policy information is disclosed consistently. Comparative information and industry or sector information is provided, wherever possible, to improve comparability.

ICON GUIDE

CAPITALS



Financial Capital



Manufactured Capital



Human Capital



Intellectual Capital



Social and Relationship Capital



Natural Capital

STRATEGIC PILLARS



Financial Performance



Social Responsibility



Corporate Governance



Environmental Sustainability

STAKEHOLDERS



Policyholders



Community and environment



Employees



Shareholders



Regulators



Re-insurers



Information available in other parts of this Report

UN SDGs



FEEDBACK AND CONCERNS

We remain deeply committed towards improving the readability, relevance and content presented within this report year-on-year.

Please direct your feedback to:

Company Secretary,
Ceylinco Life Insurance Limited,
No. 106, Havelock Road,
Colombo 5, Sri Lanka

Telephone: **+94 11 246 1327**

E mail: **kushanw@ceylife.lk**

Web: **www.ceylincolife.com**



Inspiring Excellence Awards and Accolades



BRAND EXCELLENCE

- 1 GRAND SLAM - Brand of the Year (Second consecutive year) - Sri Lanka Institute of Marketing
- 11 GOLD - Service Brand Of The Year - Sri Lanka Institute of Marketing
- 9 GOLD - Local Brand of the Year - Sri Lanka Institute of Marketing
- 10 GOLD - Agile Brand of the Year - Sri Lanka Institute of Marketing
- 12 SILVER - CSR Brand of the Year - Sri Lanka Institute of Marketing
- 4 SLIM Kantar - Most Popular Life Insurance Brand of the Year – 2023 (17th Consecutive Year)



EXCELLENCE IN FINANCIAL REPORTING

- 2 GOLD - Best Presented Annual Report' in the Life Insurance sector - South Asian Federation of Accountants
- 7 SILVER - Annual Report at the TAGS Awards - 2022 - Insurance Category by Institute of Chartered Accountants of Sri Lanka
- 6 AMONG THE TOP 10 - Top 10 Integrated Reports of 2022 - CMA -The Institute of Certified Management Accountants (CMA) of Sri Lanka

Ceylinco Life has been recognised in the local and global arena, with many awards and accolades setting benchmarks of success. *These recognitions are a significant milestone in our continuous quest to lead the way by redefining new standards of excellence.*



SUSTAINABILITY REPORTING

- 8 WINNER - ACCA Sustainability Reporting Awards -2023 - Best in the 'Finance Services and Insurance' category - Association of Chartered Certified Accountants (ACCA)

OVERALL EXCELLENCE

- 5 WINNER - Best Life Insurance Company in Sri Lanka 2023 (10th Consecutive year) - World Finance Magazine
- 3 WINNER - 10 Most Admired Companies in Sri Lanka - ICCSL/AICPA & CIMA

HR PRACTICES

Great Place to Work Certifications



The Roots of Trust

As the roots of a tree anchor it firmly to the ground, Ceylinco Life's foundational principles and strong values have guided our path towards growth and financial stability. These strong roots have enabled us to rise majestically with unwavering strength as the premier life insurer.

*Safeguarding
Values*

Safeguarding Values

Ceylinco Life: 35 Years as the Core of Trust

Celebrating 35 years of stability and trust, Ceylinco Life reflects on a journey of timeless value creation. Rooted in a core of excellence and strong fundamentals, over the years Ceylinco Life has grown to be a canopy of protection that encompasses all its stakeholders. This report follows the vibrant story of an entity that channels life and prosperity across every facet of society, enabling sustainable growth across its sphere of influence.

VISION

"To take the message of Life Insurance and Retirement Planning to every Sri Lankan and protect every family."



PURPOSE

To become the most trusted, acclaimed and progressive life insurance company in Sri Lanka, by providing need-based life insurance solutions to our customers, recognising and rewarding our employees, creating successful partnerships with stakeholders and ensuring sustainable business practices for sustainable, responsible and profitable growth, while leaving a smaller carbon footprint on the planet.

PROFESSIONALISM in delivering life insurance and retirement planning solutions to meet the individual needs of our customers.

REWARDING customers, sales force and staff members for their dedication and loyalty

INTEGRITY in everything we do, individually and collectively

OUR VALUES

**P
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DEDICATION in communicating the importance of Life Insurance and Retirement Planning to every Sri Lankan

EXCELLENCE in customer service, product development, innovation and fulfilling our social responsibility

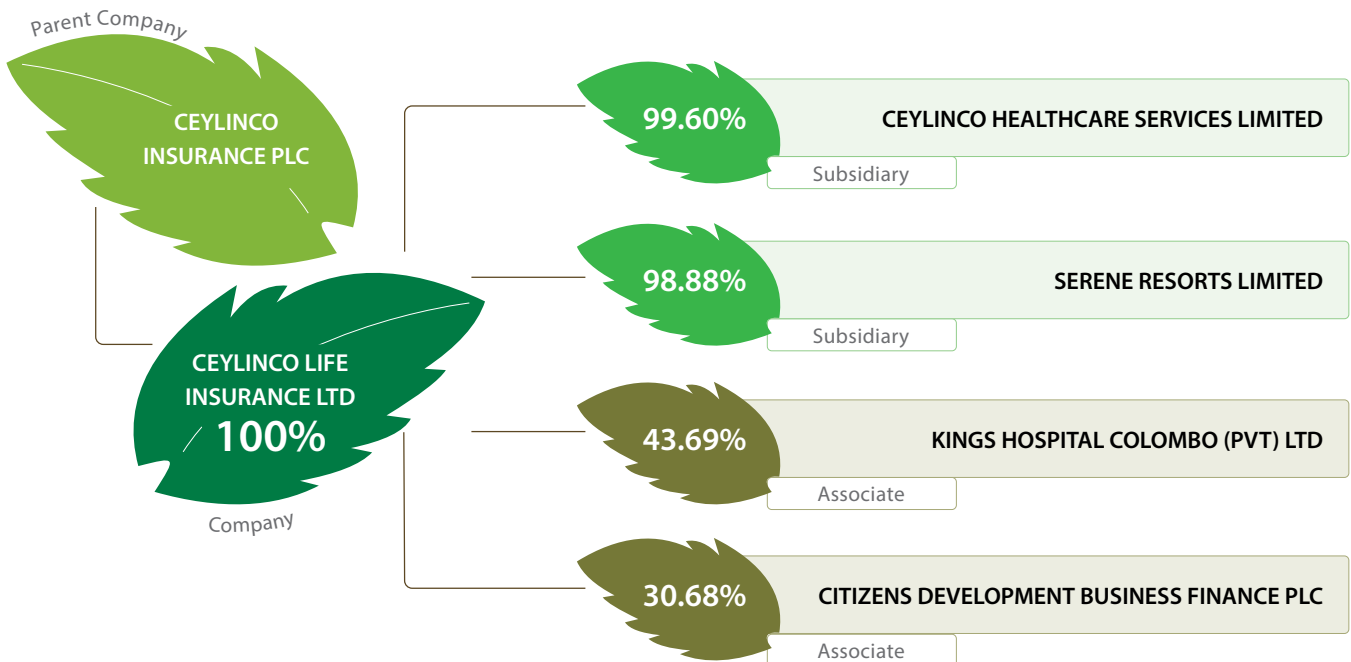
STRONG ROOTS

Ceylinco Life: 35 Years as the Core of Trust

A Solid Structure

Ceylinco Life Insurance Ltd (CLIL) is a fully-owned subsidiary of Ceylinco Insurance PLC (CIPLC). The organisation first commenced business operations in 1988 as the life insurance division of CIPLC. Subsequent to the mandatory segregation of life and general insurance businesses in accordance with Section 53 of the Regulation of the Insurance Industry (Amendment) Act No. 03 of 2011, Ceylinco Life Insurance Ltd was incorporated on 22nd April 2014 and began operations on 01st June 2015.

The structure of the business has since evolved and expanded steadily and presently spans a gamut of services that provide holistic protection. Ceylinco Life is built to safeguard its stakeholders in countless forms, by offering life insurance, healthcare solutions, financial services and retirement facilities designed to enhance livelihoods and secure their future.





CEYLINCO INSURANCE PLC

Ceylinco Insurance PLC is the parent company of Ceylinco Life Insurance Limited and owns 100% of our share capital.



CEYLINCO HEALTHCARE SERVICES LIMITED

Ceylinco Healthcare Services Limited (CHSL) is one of the most specialised private cancer care centres in the country, equipped with latest state-of-the-art equipment and services. CHSL offers a range of cancer treatment facilities, where Ceylinco Cancer Centre and Ceylinco Tomotherapy Centre are the main two services.



SERENE RESORTS LIMITED

Serene Resorts Limited owns and operates the nation's first retirement resort located in Uswetakiyyawa. This medium-sized resort comprises 28 single bedroom chalets and 16 two-bedroom chalets targeted at active and assisted living retirees. It possesses facilities such as a swimming pool, mini gym, library, restaurant, reading room, emergency alarm facilities and other amenities which provide a holistic living experience for senior citizens to enjoy their golden years.



KINGS HOSPITAL COLOMBO (PVT) LTD

Kings Hospital Colombo is an ultra-modern corporate hospital managed by clinical expertise and located within the 'Hospital Zone' of Narahenpita. The hospital is committed to providing compassionate and high-quality medical care of international standards with a focus on value-based healthcare to everyone with the best clinical outcomes at optimum cost. The hospital has 11 modular operating theatres and one of the largest surgery facilities in the country. The main services offered by the hospital include dental sciences, renal medicine, orthopaedics and joint replacement, paediatrics and neonatology, surgery, cardiology, respiratory medicine, urology, internal medicine, gynaecology and obstetrics and a Wellness Centre.



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC

Citizens Development Business Finance PLC (CDB) is a finance company licensed by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act no 42 of 2011 and registered under the Finance Leasing Act No. 56 of 2000. The main financial services offered by CDB include fixed deposits, savings accounts, leasing, personal loans, home loans, hire purchase financing, pawning, corporate and retail credit, credit card and debit card facilities backed by an island wide ATM network, foreign currency exchange and corporate financial services.

Safeguarding Values

A Journey of Evolution and Growth

2017

Won 'Best Life Insurer in Sri Lanka' by World Finance for the 4th consecutive year
Won 'People's Life Insurance Brand of the Year' by SLIM for the 11th consecutive year

2019

Named as one of the '10 Most Admired Companies in Sri Lanka' by ICCSL & CIMA UK

2020

Life Fund reached Rs. 106.7 Bn
Despite the outbreak of the COVID-19, the Company's GWP grew by 18%

2021

Won Gold Award for the 'Service Brand of the Year' at SLIM Brand Excellence Awards

GWP crossed the Rs. 25 Bn mark

2022

Won the 'Brand of the Year' at SLIM Brand Excellence Awards

2023

Marked the 35th anniversary with total assets over Rs. 200 Bn and equity over Rs. 50 Bn

Won the multiple awards including main award of the 'Brand of the Year' at SLIM Brand Excellence Awards

Won joint Gold Award for 'Best Presented Annual Report' in the life insurance sector at the South Asian Federation of Accountants (SAFA) Awards

1992

Life Division emerged as the leader in the life insurance segment among the private sector insurance companies in the country

1991

Launched the first critical illness insurance product in Sri Lanka branded as 'Ceylinco Life Digasiri'

1988

Ceylinco Insurance Co. Limited commenced operation on 14th January 1988 and listed on 21st April 1988, thus becoming Ceylinco Insurance PLC. The Life Division was set up as a separate business segment within Ceylinco Insurance PLC

1987

Ceylinco Limited became the leading principal agent of the National Insurance Company when the insurance sector was liberalised

1980

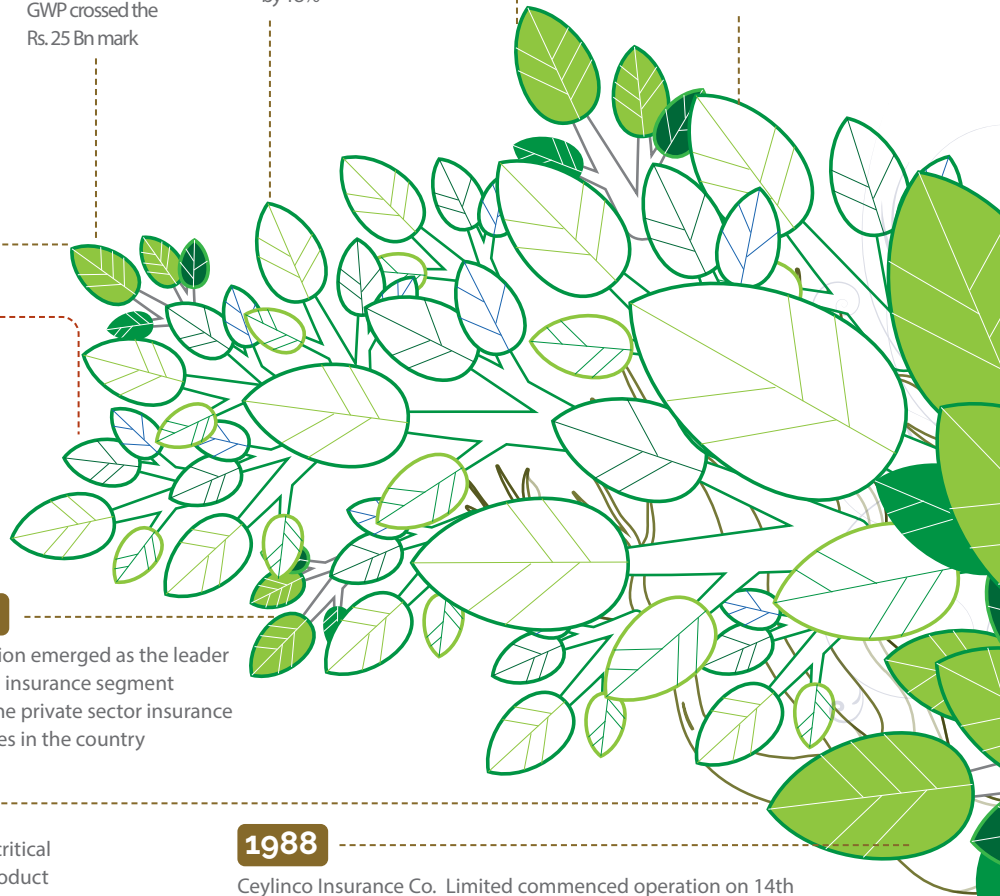
Ceylinco Insurance Company Limited was incorporated

1962

Ceylinco Insurance Company was recognised as the leading insurer in Sri Lanka prior to the nationalisation of the insurance industry

1939

Ceylon Insurance Company Limited, the forerunner of Ceylinco Insurance PLC, became the first Sri Lankan public company to be registered in British-ruled Ceylon



2016

Unveiled the new brand identity with a new tagline 'Relationship for Life' reflecting the Company's confidence and progression

2015

Ceylinco Life Insurance Limited was incorporated on 22nd April 2014 after the segregation of the life insurance businesses of Ceylinco Insurance PLC by setting up a separate legal entity.

Ceylinco Life Insurance Limited commenced business on 1st June 2015 after taking over the business of the Life Division of Ceylinco Insurance PLC

2014

Recognised as the 'Best Company in Sri Lanka' by World Finance

2010

Ceylinco Life moved to its new corporate head office at No. 106, Havelock Road, Colombo 05.

Won the 'Social Marketing Award' by the World Brand Congress

2005

First ever CSR Award for an insurance company in the Asia Pacific Region won by the Life Division at the 9th Asian Insurance Industry Awards in Singapore

2004

Recognised as the 'No. 1 Service Brand in Sri Lanka' at SLIM Brand Excellence Awards

2001

Launched Pragma Scholarships for the first time

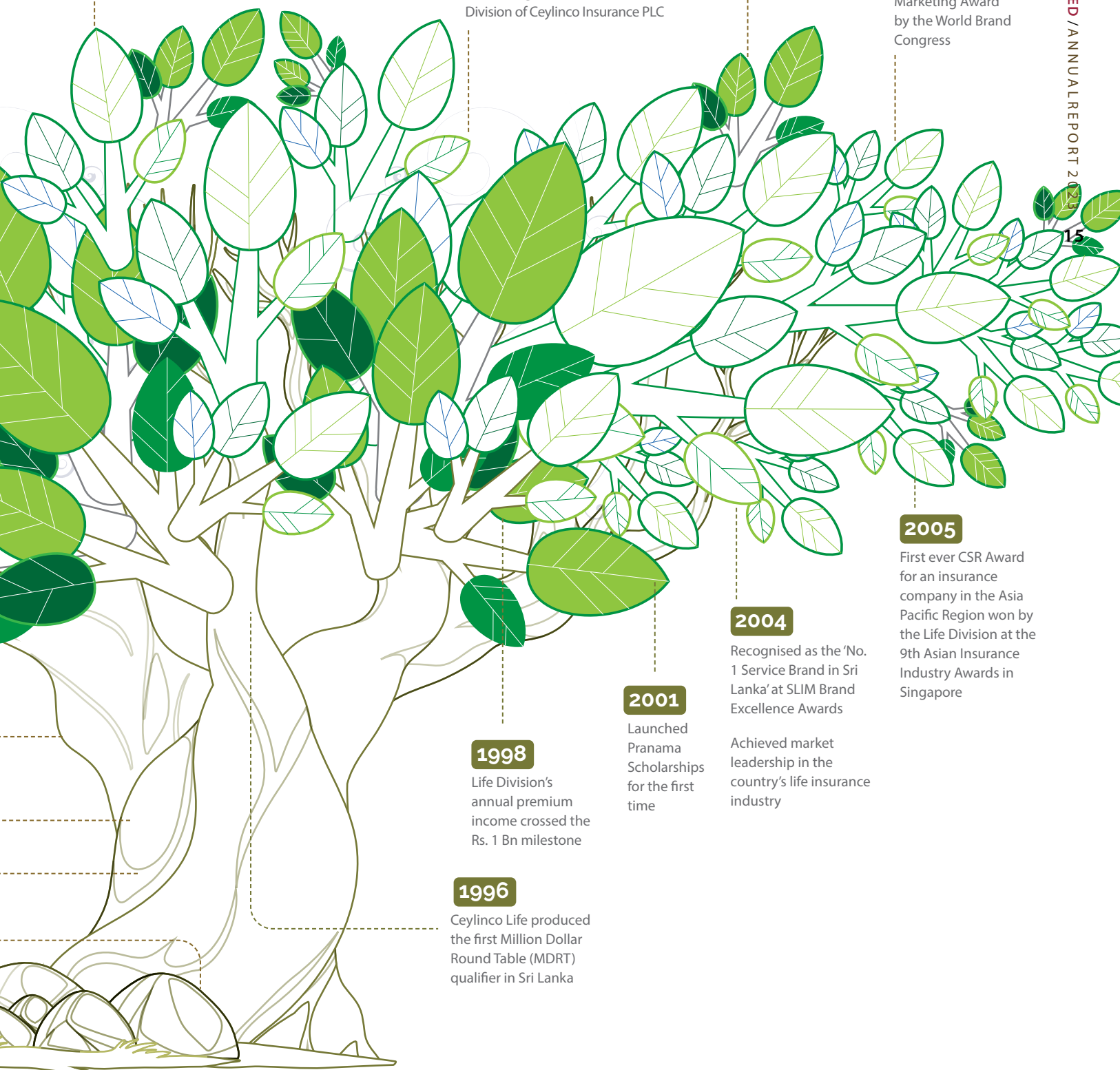
Achieved market leadership in the country's life insurance industry

1998

Life Division's annual premium income crossed the Rs. 1 Bn milestone

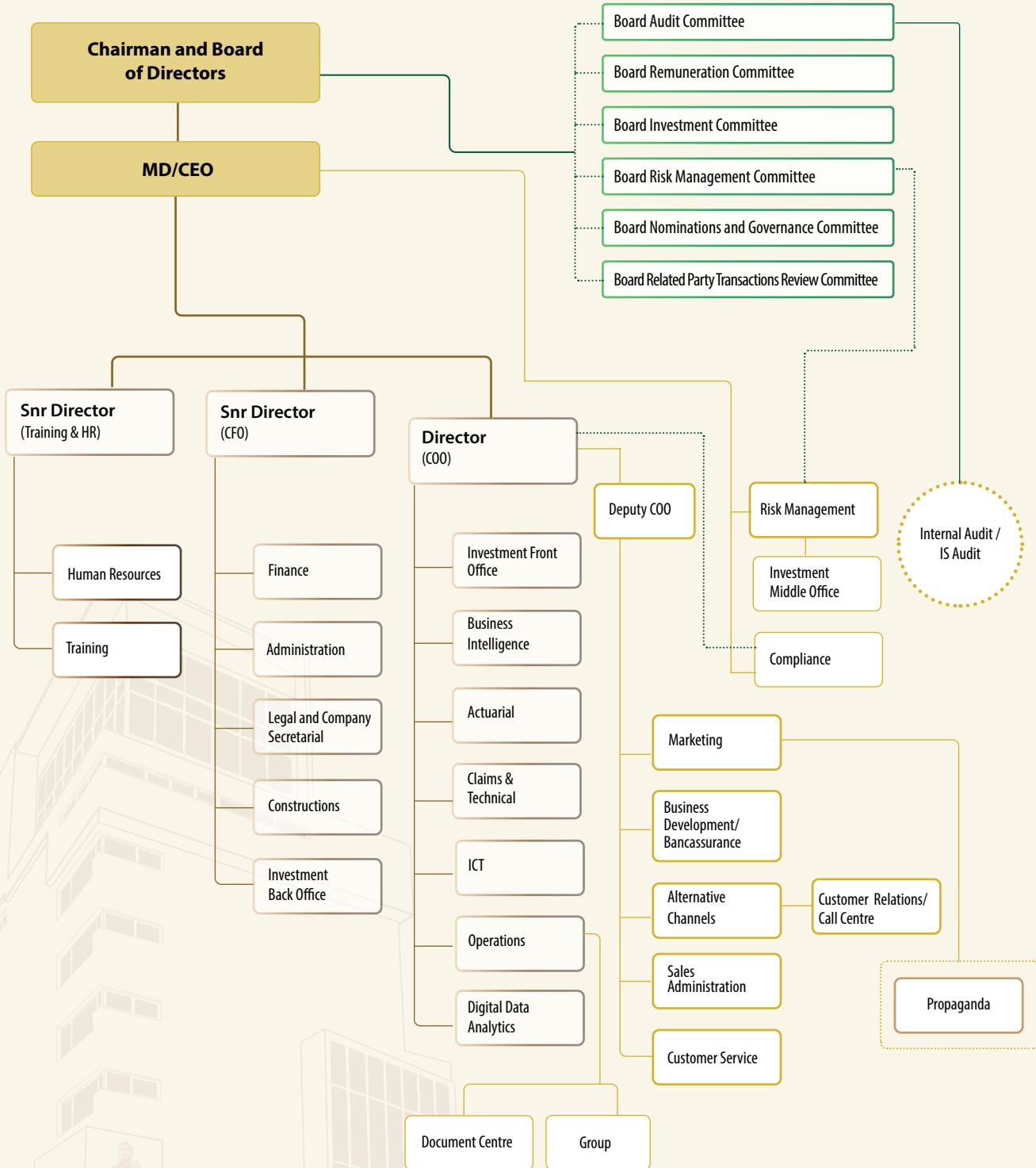
1996

Ceylinco Life produced the first Million Dollar Round Table (MDRT) qualifier in Sri Lanka



CEYLINCO LIFE INSURANCE LIMITED

Organisation Structure



Financial Highlights

Year Ended 31 December	2023 Rs.'000	2022 Rs.'000	Change %
Results for the Year			
Gross Written Premium	33,411,394	29,160,164	14.58
Net Claims / Net Benefits	23,135,049	18,969,266	21.96
Increase in the Long Term Insurance Fund	23,015,741	13,375,957	72.07
Investments and Other Income	27,991,108	20,071,237	39.46
Shareholder Transfer	1,977,222	4,828,763	(59.05)
Profit Before Taxation	8,439,753	9,911,580	(14.85)
Profit After Taxation	5,801,833	7,631,777	(23.98)
Position at the Year End			
Shareholder's Equity	54,373,319	49,399,013	10.07
Long Term Insurance Fund	157,537,917	134,885,839	16.79
Investments	198,100,434	165,906,315	19.40
Total Assets	224,746,296	191,531,940	17.34
Per Ordinary Share			
Earnings (Basic) (Rs.)	116.04	152.64	(23.98)
Final Dividends - Proposed (Rs.)	15.00	18.25	(17.81)
Final Dividends - Paid (Rs.)	18.25	15.75	15.86
Net Assets (Rs.)	1,087.47	987.98	10.07
Ratios			
Return on Total Assets %	2.58	3.98	(35.21)
Return on Equity %	10.67	15.45	(30.93)
Dividend Cover on Proposed Dividend (Times)	6.36	9.69	(34.39)
Dividend Payout Ratio on Proposed Dividend (%)	12.93	11.96	8.12
Capital Adequacy Ratio			
Total Available Capital (TAC)	90,077,271	68,497,323	31.50
Risk Based Capital Requirement (RCR)	26,174,282	22,632,282	15.65
Risk-based Capital Adequacy Ratio (CAR)	344%	303%	13.71
Minimum CAR (%) Required by Regulator	120%	120%	

Non- Financial Highlights

Environment	GRI Relevance	Unit of Measure	2023	2022
Electricity consumption	302-1	MWh	1479	1,465
Fuel Consumption	302-1	Liters	165,996	176,645
Water Withdrawal	303-3	Liters	23,704	22,539
Direct GHG emissions (Scope 1)	305-1	tCO ₂ e	320	380
Energy indirect GHG emissions (Scope 2)	305-2	tCO ₂ e	634	789
Other indirect GHG emissions-(Scope 3)	305-3	tCO ₂ e	2,016	2,148
Indirect GHG Emissions from Products Used by the Organisation (Scope 4)		tCO ₂ e	57	91
Total GHG emissions		tCO ₂ e	3,090	3,406
Weight of Waste recycled through 3rd Party contractors	306-2	Kg	11,739	44,388
Significant environmental fines		Rs.Mn	Nil	Nil

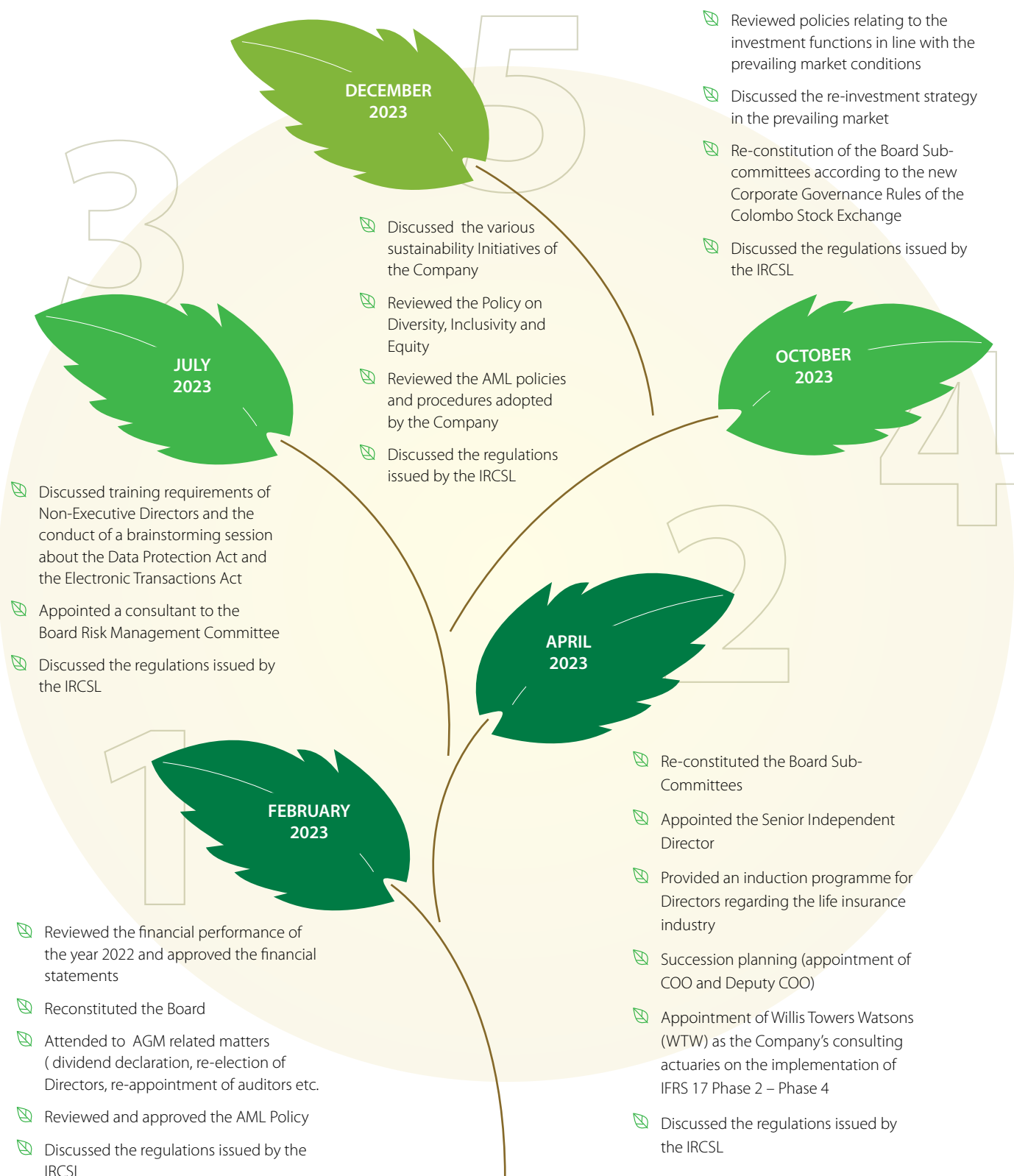
Social	GRI Relevance	Unit of Measure	2023	2022
Inclusive Protection and Solutions				
Sustained complaints on breach of customer privacy and loss of customer data	418-1	Count	Nil	Nil
Incidents of non compliance concerning product and service information and labelling.	417-2	Count	Nil	Nil
Incidents on non-compliance related to marketing communications	417-3	Count	Nil	Nil
Customer complaints as a percentage of active policies		%	0.04	0.05
Empowering People				
New employees	401-1	Count	85	46
Employee turnover	401-1	Count	96	89
Total Employees	401-1	Count	740	752
Estimated Value of Defined Benefit Plans	201-3	Rs.Mn	1,695	1112
Work-related injuries	403-9	Count	Nil	Nil
Work-related ill health	403-10	Count	Nil	Nil
Incidents of child labour	408-1	Count	Nil	Nil
Average hours of training per employee	404-1	%	18.7	19.1
Employees receiving regular performance and career development reviews	404-3	%	100	100
Incidents of discrimination	406-1	Count	Nil	Nil
Incidents of forced or compulsory labor	409-1	Count	Nil	Nil
Trusted Partnerships				
Number of Pragma Scholarship recipients		Count	152	147
Value of Pragma Scholarship granted		Rs.Mn	22.2	11
Number of sales agents		Count	2939	2868
Female representation in agency force		%	55	51
Number of MDRT qualifiers		Count	302	161
Premium ceded to re-insurers		Rs.Mn	640	472
Number of new policies Issued		Count	79,636	108,285
Resilient Communities				
Number of Waidya Hamuwa programmes conducted	203-1	Count	10	7
Number of classrooms developed		Count	2	2

Governance	GRI Relevance	Unit of Measure	2023	2022
Direct Economic Value Added	201-1	Rs. Bn	61	49
Incidents of violation of corporate code of conduct and ethics	205-3	Count	Nil	Nil
Non-compliance with social and economic laws and regulations	418-1	Count	Nil	Nil
Non Executive Directors : Executive Directors		Ratio	10:5	10:5
Female representation in the Board		%	13.3	6.7
Reported incidents of corruption		Count	Nil	Nil

Safeguarding Values

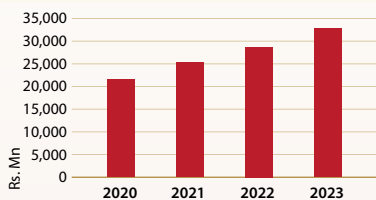
Non- Financial Highlights

KEY BOARD DISCUSSIONS AND APPROVALS DURING 2023

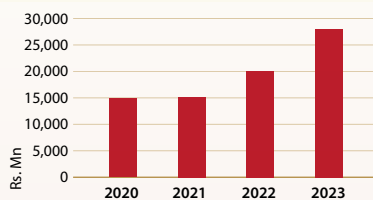


Value Added Statement

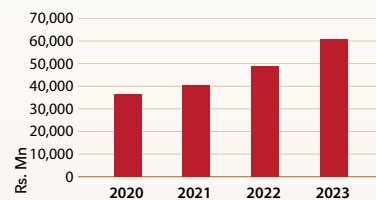
NET EARNED PREMIUM



INVESTMENT & OTHER INCOME



TOTAL VALUE ADDED



Net Earned Premium

Rs.32.7 Bn



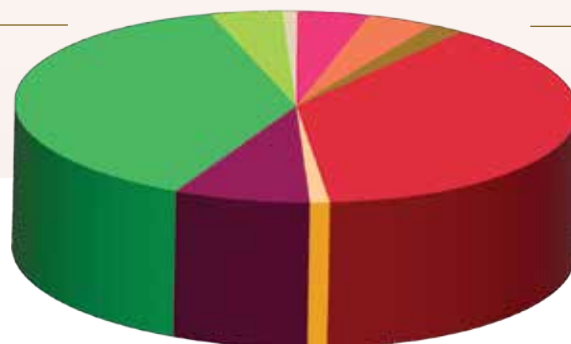
Investment & Other income

Rs.28 Bn



Value Added

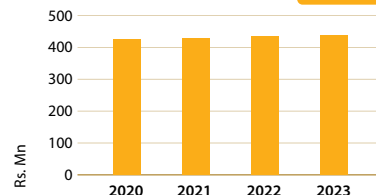
Rs.60.7 Bn



- Remuneration to Employees
- Commission to Intermediaries
- Taxes to the Government
- Dividend to the Shareholder
- Increase in Life Fund Insurance Fund
- Retained as Depreciation & Amortisation
- Retained as Reserves for Growth
- Net Claims and Benefit to Policyholders
- Other Expenditures

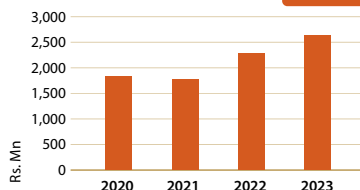
RETAINED AS DEPRECIATION & AMORTISATION

1%



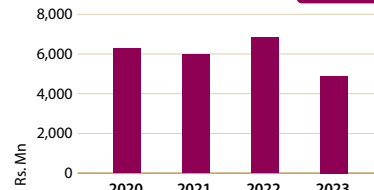
TAXES TO GOVERNMENT

4%



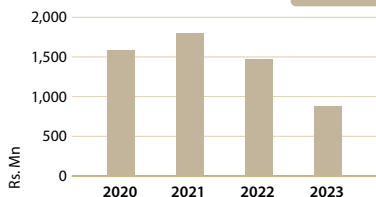
RETAINED AS RESERVES FOR GROWTH

8%



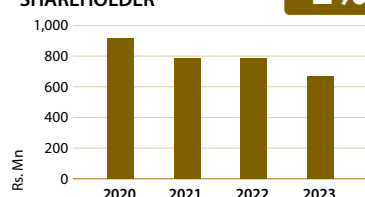
REMUNERATION TO EMPLOYEES

1%



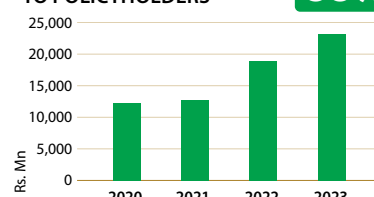
DIVIDEND TO SHAREHOLDER

2%



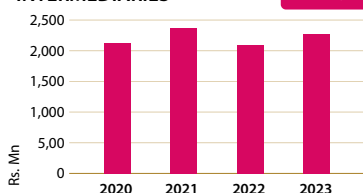
NET CLAIMS AND BENEFITS TO POLICYHOLDERS

38%



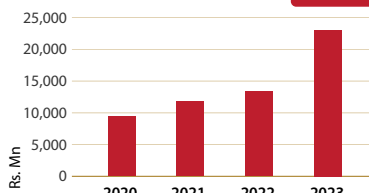
COMMISSION TO INTERMEDIARIES

4%



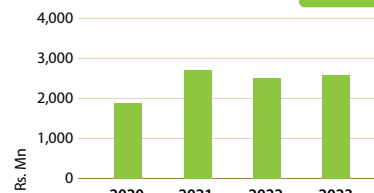
INCREASE IN LIFE FUND INSURANCE FUND

38%



OTHER EXPENDITURES

4%



Safeguarding Values ESG Policy



"As we navigate the complex challenges and opportunities ahead, we remain steadfast in our commitment to ESG principles. We recognise that our success is intrinsically linked to our ability to create value for all stakeholders while safeguarding the planet and upholding the highest standards of governance. By integrating ESG considerations into our business strategy, we are poised to deliver sustainable growth and make a positive difference in the world."

R RENGANATHAN
Executive Chairman

Ceylinco Life has long been rooted in a foundation of sustainability that has enabled the organisation to remain steadfast and resilient against the headwinds that prevailed during the year.

In order to secure long-term growth and empower the stakeholders under its canopy of care, the organisation focused on a holistic approach towards driving sustainable progress, enabling Ceylinco Life to de-risk the lives and livelihoods of its valued stakeholders, even amid a particularly tumultuous year.

Ceylinco Life's goal to create sustainable, long-lasting communities is closely linked to its vision to take the message of life insurance and retirement planning to every Sri Lankan and provide protection to every family. As

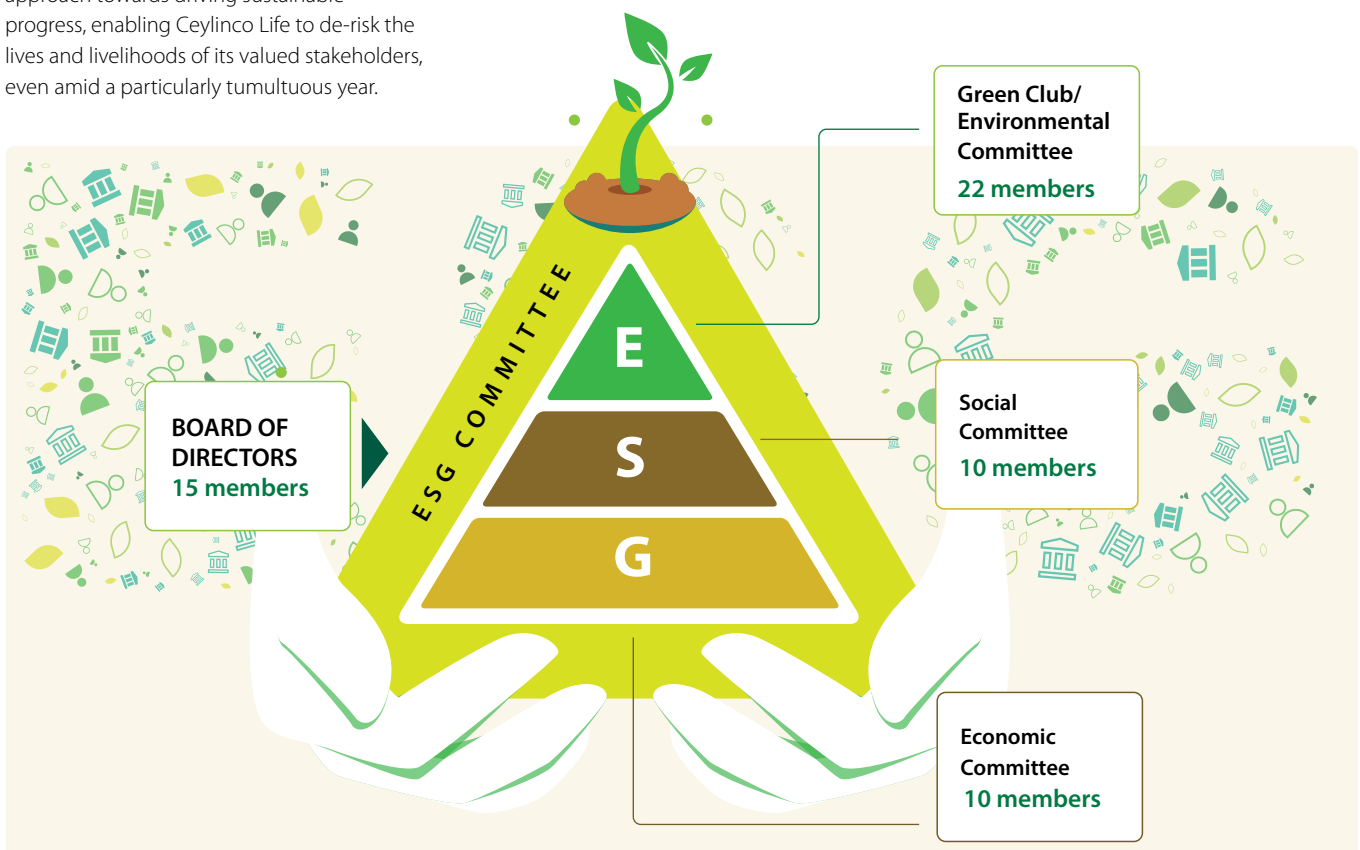
a result, sustainability continues to be an overarching commitment integrated into the organisation's strategy, which in turn drives Ceylinco Life's overall corporate performance and success.

ESG GOVERNANCE

In determination of our ESG commitment, we have aligned our ESG Policy with the United Nations Sustainable Development Goals (UNSDGs) and the United Nations Global Impact Ten Principles (refer page 22).



Ceylinco Life's ESG strategy is directly linked with its risk process. Each pillar's relevant risks are outlined on page 42 of this report

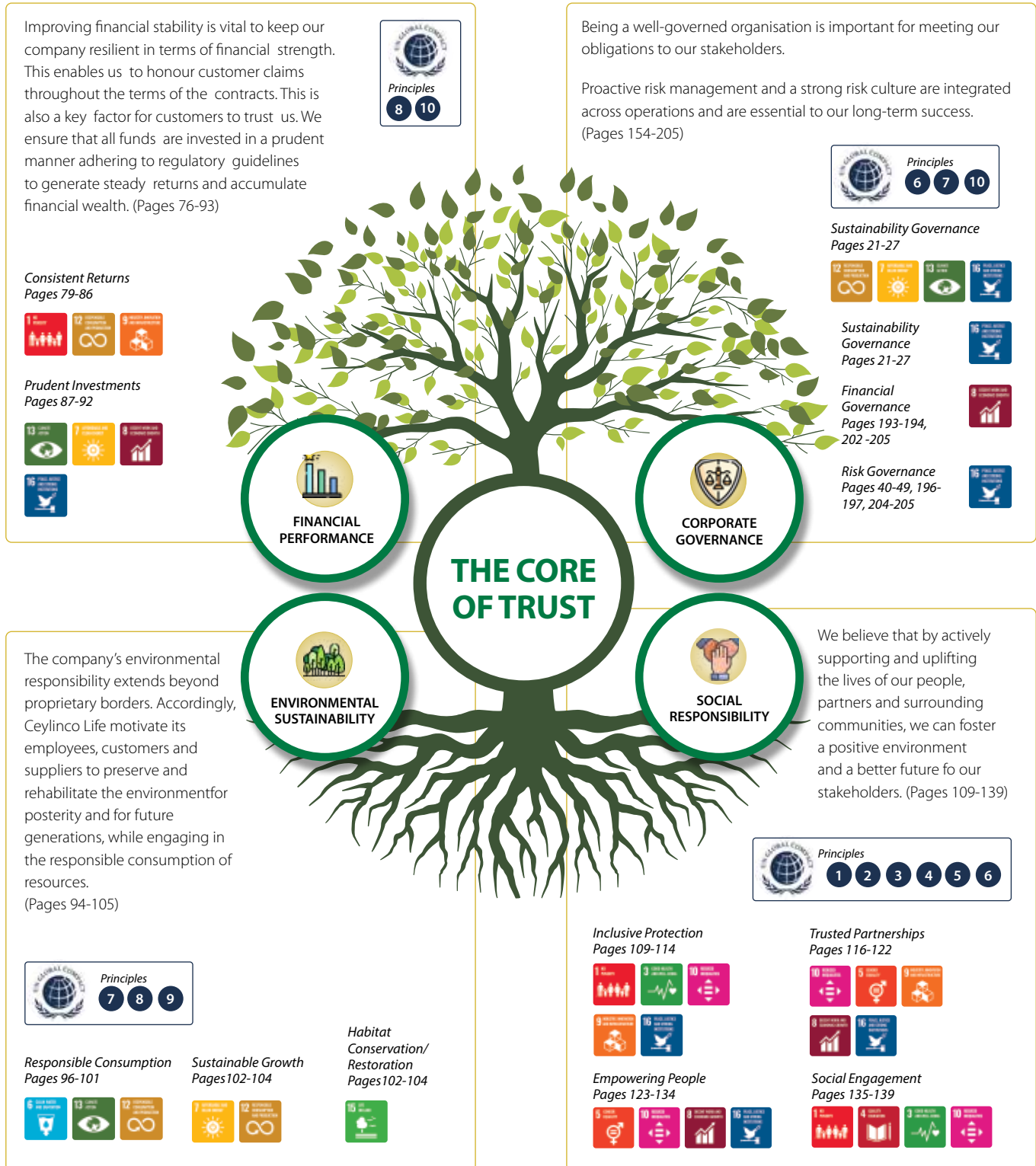


Safeguarding Values

ESG Policy

SUSTAINABILITY STRATEGY

Ceylinco Life's sustainability strategy is based on a four-pillar approach endorsed by the Board of Directors and is established on the principles outlined.





DEVELOPING THE SUSTAINABILITY STRATEGY

Understanding the Operating Context and Stakeholder Needs

Ceylinco Life's sustainability strategy involves monitoring its environment, incorporating emerging trends and understanding diverse stakeholders' needs to ensure a comprehensive and sustainable approach.

Refer pages 35-39 for details on Ceylinco Life's assessment of its operating context.

Ceylinco Life is empowered to engage in business development, forge strong relationships and adapt to shifting needs with the support of inclusive engagements and open lines of communication. The company considers those parties with the ability to directly or indirectly impact, be influenced by,

or have an interest in its business operations to be the primary stakeholders relevant to sustainability.

Refer pages 50-56 for details on Ceylinco Life's approach to stakeholder engagement

Determining Material Topics

Ceylinco Life relies on a range of Material Topics to derive its sustainability strategy and reporting content. With the support of the organisation's ongoing stakeholder engagement process and an annual materiality assessment, Ceylinco Life identifies, prioritises and validates key issues or concerns to ensure they are addressed in a timely and effective manner.

Refer pages 57-62 for details on Ceylinco Life's material topics and the assessment process.

With the ambition of creating a universally applicable, purposeful and impactful sustainable development agenda, the UN Sustainable Development Goals provide a framework for development priorities focused at eradicating poverty, safeguarding the environment and guaranteeing prosperity for all.










CEYLINCO LIFE'S COMMITMENT TO SUSTAINABLE DEVELOPMENT










SDG & Ten Principles	Priority	Potential Impact	Our Status	Future Plans	ESG Strategic Pillar
 Principles 		<p>Improving financial security of the public by providing financial protection against eventualities</p> <p>Generation of opportunities for communities to improve their livelihoods</p>	<ul style="list-style-type: none"> More than 800,000 policies in force Rs. 23.4 Bn claims and benefits paid to policyholders Annual salary increments Consistent bonuses and incentives 	<p>Special focus on generation of employment opportunities in rural areas</p> <p>Engaging small-scale suppliers and helping them to grow</p>	<p>Financial Performance - on page 76-93</p> <p>Social Responsibility - Empowering People on page 123-134</p> <p>Social Responsibility - Supply Chain and Business Partners on page 120-122</p>

Safeguarding Values

ESG Policy

CEYLINCO LIFE'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

SDG & Ten Principles	Priority	Potential Impact	Our Status	Future Plans	ESG Strategic Pillar
 		<p>Providing financial security by protecting lives against eventualities</p> <p>Promoting good health and wellness through our CSR activities and Company specific medical and insurance covers</p>	<ul style="list-style-type: none"> 10 Waidya Hamuwa health camps for the community Donating Surgical High Dependency Units to national hospitals Providing specialised healthcare services for cancer through Ceylinco Healthcare Services Ltd Health checkups for policyholders and employees at concessionary rates Group medical insurance cover for staff and families Fully equipped gymnasium for staff members Promoting healthcare facilities through Kings Hospital Colombo (Pvt.) Ltd. 	<p>Creating awareness about impact of non communicable diseases (NDC's) and educating communities about NCD's preventive and control measures. Promotion of organic gardening in company premises</p>	<p>Social Responsibility – Resilient Communities on page 135-139</p> <p>Social Responsibility – Policyholder Partnerships on page 116-117</p>
 		<p>Supporting Primary and Secondary Education</p>	<ul style="list-style-type: none"> "Ceylinco Pranam" scholarship scheme Class room development projects in rural areas (87 classrooms) Free Year Five scholarship seminars for candidates and parents 3,186 Beneficiaries 	<p>Maintenance and upkeep of donated classrooms</p> <p>Promotion of education a captive market for insurance</p>	<p>Social Responsibility – Resilient Communities on page 135-139</p> <p>Social Responsibility – Policyholder Partnerships on page 116-117</p>
 		<p>Promotion of gender balance in the workplace and society</p>	<ul style="list-style-type: none"> Female representation in the sale force increased to 55% (2022: 51%) "Liya Saviya" hotline for women for voicing their grievances Females representation in the permanent cadre increased to 21% (2022: 19%) 	<p>Special focus on female recruitments</p> <p>Increasing engagement with women in the workforce through special corporate events</p> <p>Promotion of insurance covers specially designed for women</p>	<p>Social Responsibility – Empowering People on page 123-134</p> <p>Social Responsibility – Partnering with Sales Agents on page 117-120</p> <p>Social Responsibility – Inclusive Protection on page 109-114</p>










SDG & Ten Principles	Priority	Potential Impact	Our Status	Future Plans	ESG Strategic Pillar
 		Minimising the water wastage while expanding water harvesting and increasing water recycling	<ul style="list-style-type: none"> Rain water harvesting and sewerage water recycling for gardening purposes 	<p>Expanding sewerage recycling plants</p> <p>Encouraging staff to follow eco-practices to preserve water</p>	Environmental Sustainability on page 94-105
 		Reducing our usage of non-renewable energy in the business operations	<ul style="list-style-type: none"> Head Office generated 83.26 MWh in solar energy in 2023 The organisation generated 1,001 Mwh in solar energy in 2023 	Adding 4 new buildings to generate 120 Mwh	Environmental Sustainability on page 94-105
 		<p>Offering a best-in-class workplace for individuals to promote personal and professional growth</p> <p>Support economic growth of the Country throughout the value chain of the Company</p>	<ul style="list-style-type: none"> Accredited as a Great Place to Work Substantial investments in government securities Commitment to anti-corruption and non-discriminatory practices Substantial investments in banking sector Partnerships with small-scale suppliers 		<p>Social Responsibility – Empowering People on page 123-134</p> <p>Financial Performance on page 76-93</p> <p>Social Responsibility – Supply Chain and Business Partners on page 120-122</p>

Safeguarding Values

ESG Policy

CEYLINCO LIFE'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

SDG & Ten Principles	Priority	Potential Impact	Our Status	Future Plans	ESG Strategic Pillar
 		Investing in the largest and most geographically spread branch network and leading the life insurance sector	<ul style="list-style-type: none"> • 20 years of market leadership • Largest branch network in the industry • Contribution of 27% of total assets in the industry • Launching awareness campaigns to improve penetration 	Expansion of owned branches Special focus on digitally-enabled insurance solutions and operations	Social Responsibility – Inclusive Protection on page 109-114 Environmental Sustainability on page 94-105
 		Providing equitable opportunities for all regardless of race, gender, religion or caste	<ul style="list-style-type: none"> • Transparent performance appraisals to staff at all levels • Merit-based recruitments • Merit-based promotions • Female representation in new recruits maintained above 50% • Promotions in each gender in proportionate to the total gender count are maintained at similar levels 	Alignment of HR policies to improve diversity and inclusion Special focus on generation of employment opportunities in regional areas Engaging small-scale suppliers and helping them to grow	Social Responsibility – Empowering Our People on page 123-134 Social Responsibility – Partnering with Sales Agents on page 117-120 Social Responsibility – Supply Chain and Business Partners on page 120-122
 		Reducing consumption of natural resources and management of waste	<ul style="list-style-type: none"> • Introduced e-submission of insurance proposal • Introduced e-KYC system for customer profiling • Introduced SMS receipts to eliminate manual receipts • Collection of waste and e-waste for re-cycling 	More focus on eco-friendly initiatives in supplier evaluation All correspondences to be converted into electronic forms. Increased monitoring of resource utilisation across the branch network	Environmental Sustainability on page 94-105

SDG & Ten Principles	Priority	Potential Impact	Our Status	Future Plans	ESG Strategic Pillar
 		Installing solar powered units in our branch network	<ul style="list-style-type: none"> 11,739 kg of waste paper used through recycling. Reduced fuel consumption by 10,649 Litres. 	<p>Increasing awareness of staff on eco-practices</p> <p>Transforming in to new Green Branches</p> <p>More focus on eco-friendly initiatives in supplier evaluation</p>	Environmental Sustainability on page 94-105
 		Improving the company's carbon footprint	<ul style="list-style-type: none"> Planting 10,000 plants over 2 acres. 	Planting 10,000 trees across 10 acres within the Rajavaka forest reserve in the Balangoda Region by the end of 31st December 2024.	Environmental Sustainability on page 94-105
 		Promoting ethical, corruption-free business practices and a culture of conformance	<ul style="list-style-type: none"> Establishing the right tone at the Board level Internal controls on prevention of bribery, corruption and money laundering Code of ethics and business conduct Compliance with applicable laws and regulations Strong risk management framework 	<p>Increasing awareness of ethics and best practices</p> <p>System improvements to monitor and report on compliance</p>	<p>Social Responsibility – Supply Chain and Business Partners on page 120-122</p> <p>Governance on page 154-205</p> <p>Enterprise Risk Management on page 40-49</p>



Safeguarding Values

Reflections from the Chairman

Dear Stakeholders,

It is my immense pleasure to reach out to you at a pivotal point in our journey, that of marking thirty-five years of excellence in trusted protection and instilling lasting positive change in millions of lives. The year marking such milestones was also one laden with distinct challenges, which nonetheless proved the proficiency of Ceylinco Life in resilience and stability. I welcome you to the ninth integrated annual report of Ceylinco Life Insurance Limited together with the consolidated financial statements for the financial year ended 31 December 2023 which is a compelling reflection of our unstinting value creation for all connected stakeholders.

EXTERNAL DYNAMICS

The year under review demanded renewed vigour and agility from corporate leadership the world over, as global economic recovery from the COVID-19 pandemic and geopolitical tensions remained slow and uneven. The armed conflict in Israel and Palestine escalated such tension with marked impact on numerous economies whilst they were already grappling with more cyclical forces such as tightening monetary policies to curb high inflation, withdrawal of fiscal support in debt rationalisation and erratic weather patterns.

At home in Sri Lanka, statistically, economic indicators largely improved in response to coordinated fiscal and monetary policy measures aimed at restoring inflation at mid-single digit levels and enabling the economy to gather momentum. Year-on-year headline inflation dipped to as low as 1.30% in September 2023, whilst market interest rates also adjusted downwards, with average prime lending rate reducing by around 15% during the year. External sector performance demonstrated gradual recovery, with improvement in gross official reserves, bolstered by improving foreign exchange inflows in to the country predominantly from worker remittances, tourism income and inflows from the International Monetary Fund as a part of its Extended Fund Facility.

However, in our assessment, the ground realities remained steeply challenging. The high cost of living together with additional taxes introduced against a backdrop of subdued economic activity affecting household revenue severely affected people's spending capacities. The effects of same on our business were dire, rendering both acquisition of new business and receipt of renewals ever more challenging, as our target markets represented the worst affected segments within the economy.

IT IS WITH IMMENSE PLEASURE THAT I REACH OUT TO YOU ON COMPLETING 35 YEARS OF PROVIDING PROTECTION TO CITIZENS OF THIS COUNTRY. THE YEAR 2023 WAS ONE LADEN WITH DEFINITE CHALLENGES WHICH CEYLINCO LIFE OVERCAME THROUGH ITS RESILIENCE AND STABILITY.

REFINING OUR STRATEGY

We remained well cognisant of the evolving challenges in the external environment and their potential impact on the performance of the Company. We continued to be guided by our five-pronged strategy comprising Profitability, Customer-centricity, IT roadmap, Employees and Planet & community, which where necessary, was refined and recalibrated to ensure the best course of action at all times. Emphasis was placed on Gross Written Premium (GWP), capital adequacy and profitability throughout the year, which constitute the key attributes that ensure the Company's agility, stability and resilience and also our undisputed market leadership status. Empathy towards our stakeholders deepened in the disposition of our efforts and resources as we aimed towards delivering enhanced results to our stakeholders who were grappling with challenges unique to them. Amidst the volatilities and uncertainties, there was a notable shift in policyholder appetite towards policies with relatively shorter terms around five years and we swiftly attuned our product portfolio accordingly.

As previously mentioned, whilst market rates plunged in response to policy rate cuts by the Central Bank of Sri Lanka netting 650bps

during the year, some volatility was seen in medium to long term rates compromising their predictability. This asset and liability matching and investment posed a challenge, necessitating us to take a more prudent and short term view, towards the ultimate objectives of balancing risk and securing commensurate and meaningful returns.

ENDURING PERFORMANCE

Our sights firmly set on the targets for the year enabled us to achieve them despite the turbulences in the external environment. Gross Written Premium (GWP) for the year recorded an impressive year-on-year (YoY) growth of 14.6% to Rs.33.4 Bn, affirming the trust and preference the policyholders associate with Ceylinco Life. This compared with life insurance sector GWP YoY growth of 12.9%. Risk based capital adequacy ratio – an objective indication of Ceylinco Life's outstanding strength and corporate stamina improved to 344%, well above the regulator stipulated minimum ratio of 120%. Pre-tax profitability for the year was Rs. 8.4 Bn, although this reflected a decline of 14.8% compared to 2022. Our revenue optimisation, cost rationalisation and judicious investment strategies enabled us to generate sound returns to our shareholders. A detailed analysis

of the Company's financial performance is available in the Chief Executive Officer's Review on page 31-33.

DECISIVE LEADERSHIP & GOOD GOVERNANCE

The acumen, ethics and versatility of Ceylinco Life's leadership over the years have enabled the Company to forge ahead, charting a unique course in the life insurance sector in Sri Lanka through its three and a half decades of presence. During the year, the Board of Directors invested considerable time in assessing the evolving external complexities and devising effective action plans towards preserving wide-ranging stakeholder values. Impact on premiums in the backdrop of eroding spending capacity of citizens, preserving profitability, enhancing balance-sheet resilience and capital augmentation were key focus areas for Board deliberations. The Board of Directors and the senior management team continued to function in cohesion, thereby efficiently operationalising bold initiatives and driving results.

Our governance structure perfected over the years with regulatory compliance and voluntary adoption of best practices proved as an effective conduit through which our processes, policies and procedures were

Reflections from the Chairman

actioned at the highest level of compliance. The Board also comprehensively assessed the adequacy of such a governance structure, including key policies such as anti-bribery and corruption and internal control mechanisms with fortifications introduced where necessary. I am proud to note that there were no lapses in our processes and that we were fully compliant with all laws and regulations applicable to our business.

UNCOMPROMISED EQUILIBRIUM

Ceylinco Life's performance is distinct for its dynamism and far reaching impressions it creates on a wider ecosystem comprising multiple stakeholders. Defying the converging challenges, during 2023 we continued to strike a graceful equilibrium in our performance, ensuring that all our stakeholder interests are well looked after. Our shareholders were compensated with enhanced profitability and resultant increase in retained earnings, alongside a proposed dividend of Rs. 15 per share. On the employee front, we did feel some pressure stemming from mass migration of labour from the country, particularly in our agents cadre. This was managed through re-purposing their job roles more efficiently and the deployment of various automations for greater productivity. We placed at core, all-round wellbeing of our employees across, financial, physical and psychological aspects and attuned employee related initiatives to ensure same.

Our customers continued to be rewarded through Ceylinco Life Family Savari, the largest consumer promotion and loyalty programme in life insurance benefiting over 265 customers together with their families, for the 17th consecutive year. Furthering Ceylinco Life's spirit in creating lasting impact in the community, we continued the Ceylinco Life Pranam scholarship programme, bringing the total number of beneficiaries to 3186 and the cumulative disbursement to over Rs. 200 Mn since its inception in 2001. Our actions in combatting climate change took an elevated step during the year, as we partnered with the Department of Forest Conservation towards a reforestation project of 10,000 trees spanning 10 acres in Rajawaka, Balangoda of

Ratnapura District. We have also made plans to establish an environment protection fund in the near future. This fund will be utilised to support our green initiatives in the future. Details about all initiatives we carried out are found in the Chief Executive Officer's Review and Capital Reports.

I am happy to note that we have successfully mapped our sustainability agenda to the United Nations Global Impact Ten Principles (pages 24-27). We have also made substantial progress towards the implementation of SLFRS 9 and 17 issued by CA Sri Lanka. Initial awareness sessions have been conducted about IFRS S1 and S2, new sustainability standards, which will be adopted by CA Sri Lanka in the years to come.

The numerous awards we won during the year stand as strong external testimony to the excellence of our existence and we draw deep inspiration from them to better ourselves. We are proud to have been chosen as one of the Most Admired Corporates in Sri Lanka as adjudged by the International Chamber of Commerce and CIMA Sri Lanka for the 4th consecutive year. Ceylinco Life was also chosen as the Brand of the Year 2023 by Sri Lanka Institute of Marketing (SLIM) awards.

EMBRACING REALITIES

Based on our assessment, the road ahead for the country and the people is all but rosy. Whilst it is indeed gratifying to note the positive movements within the economy, regaining pre-crisis normalcy remains a distant goal, given the magnitude and the breadth of the economic crisis that the country suffered. The authorities face some challenging milestones to be achieved as part of ongoing reforms in areas such as debt sustainability and fiscal revenue. It is imperative that such targets are pursued whilst ensuring the well-being of the more vulnerable, with adequate investments in social safety nets. With elections just ahead of us which will decide the leadership of the country for the ensuing years, we firmly hope that whichever leadership that comes to power will remain committed to the necessary policy reforms and uphold good governance in steering the

country towards much yearned prosperity.

In such context, we at Ceylinco Life are bracing for more daunting times in 2024. The trust that we have earned from our valued customers and stakeholders over the years energises us to reinvent ourselves with relevance in providing them the protection and confidence to achieve more. With that prime purpose at the core of all that we do, we will remain agile to evolving challenges in the near term, whilst calibrating our strategies and tactics in ensuring our long term growth.

APPRECIATIONS

With our sights set on a year of further resilience and recovery, together with the Board of Directors I take this opportunity to extend my appreciation to the persevering commitment of the MD/CEO Mr. Thushara Ranasinghe and the corporate management team for guiding the Company through the many hardships. All our employees spread across the country also deserve much appreciation for taking the message of life insurance and the promise and power of Ceylinco Life to the citizenry. Our esteemed policyholders are also remembered with equal gratitude, for providing us with the inspiration for 35 years and beyond. My appreciation also goes out to our parent company Ceylinco Insurance PLC and our subsidiaries, which together drive the versatility of the Ceylinco brand in Sri Lanka.

I also extend my appreciation to the Insurance Regulatory Commission of Sri Lanka, our reinsurers, all advisors, consulting firms and all other stakeholders for the value they bring to Ceylinco Life's illustrious journey.



R. Renganathan
Executive Chairman

22 February 2024
Colombo



Safeguarding Values

Chief Executive Officer's Review

Dear Stakeholders,

Ceylinco Life faced a unique set of challenges in 2023. However, our leadership's awareness of evolving conditions, a well-articulated strategy and a versatile team committed to delivering on the brand promise allowed us to overcome these obstacles. Despite the national economy contracting, Ceylinco Life achieved impressive results. On the top line, our Gross Written Premium grew by 14.6%, while our bottom line was remarkable with Rs. 8.4 Bn in pre-tax profits and Rs. 5.8 Bn in after-tax profits.

IMPLICATIONS ON THE SRI LANKAN LIFE INSURANCE SECTOR

Macro-economic developments together with changing dynamic of the Sri Lankan populace translated in to sector-specific implications which required deft maneuvering of our policies and processes. Decrease in disposable income, shifting of more families in to lower income category and migration of current and potential policy holders had a direct negative impact on life insurance business, as reflected in a 19% decline in number of policies sold in year 2023 when

compared with year 2022. The exorbitant increase in medical expenses also posed a major challenge. Demographically, Sri Lanka is experiencing a continuous reduction in the birth rate, causing potential contraction effects on the future life insurance market.

It is gratifying to note, that amidst the challenges, Sri Lankan life insurance sector progressed, due to the collective resilience of the life insurance providers and proactive actions of the regulator, Insurance Regulatory Commission of Sri Lanka (IRCSL). At sector level, gross life insurance premiums posted a YoY increase of 12.9% in 2023 to Rs. 153 Bn, whilst capital levels grew up to Rs. 182 Bn, a notable upward movement of 31%. Pre-tax profitability moved in tandem, recording a 30.6% increase to Rs. 30.6 Bn.

PERFORMANCE EXCELLENCE

Ceylinco Life recorded a solid financial performance during the year, generating sound returns to shareholders. Top contributors to income, Gross Written Premiums of Rs. 33.4 Bn and investment and other income of Rs. 28 Bn grew by 14.58% and 39.46% respectively.

Safeguarding Values

Chief Executive Officer's Review

The popularity of our short term to medium term endowment products saw greater traction driving premiums. Given the marked downward trend in interest rates, commencing mid-June 2023 in response to monetary policy relaxations introduced by the Central Bank of Sri Lanka (CBSL) and relative volatility that rendered long-term planning a challenge, our Investment Committee exercised extra diligence in channeling our funds to meaningful investments that bolstered both income, liquidity and met internal risk appetite thresholds. For a second consecutive year, our operating and administrative expenses recorded a year-on-year (YoY) decrease of 11% to Rs. 3.82 Bn. Continued investments in new technology aimed at making our processes leaner with enhanced efficiencies and the conscious shift to sustainability practices enabled such favourable reduction in costs. Installation of solar panels at our own branch premises across the island stood us in good stead in the backdrop of escalating energy costs. Selling expenses saw an increase as we drove brand awareness and the significance of life insurance through numerous brand building initiatives. The Balance Sheet strengthened during the year, with total assets increasing by 17.3% to Rs. 224.75Bn. Insurance contract liabilities (Life Fund) increased by 16.79% to Rs. 157.54 Bn, indicating Ceylinco Life's financial strength and stability and continued to be the life insurance sector's largest Life Fund amongst private life insurers. Shareholder equity netted Rs. 54.37 Bn, again an increase of 10%, benefiting from enhanced profitability and transfers from the Life Fund, among other contributors.

POWERING OUR POTENTIAL

Over the years, Ceylinco Life has integrated in to a robust and meaningful trajectory of deploying technology across its operations. Robotic Process Automation (RPA) and work flow solutions have been instrumental in driving efficiencies and enabling swifter services to our customers. During the year we made initial steps towards the migration to a next generation core IT system, which is set to power our potential in achieving future development. Additionally, we ensured our readiness for potential stresses to our

WE INTRODUCED MARKET ADJUSTED SALARY REVISIONS FOR ALL EMPLOYEES AND OTHER BENEFITS, WHICH CONTRIBUTED TO THEIR OVERALL WELL-BEING.

operations and systems, by conducting regular disaster recovery drills and further investing to enhance capabilities.

THE PEOPLE FACTOR

At the heart of the successful corporate Ceylinco Life, lies its people. Our illustrious journey of 35 years has been nurtured by the passion, perseverance and will of thousands of employees across all grades, who are remembered with much gratitude and love as we cross this milestone. In recognition of their contribution, we have launched 35th anniversary retirement benefit scheme to our employees. Our firm commitment to their betterment was reflected in Ceylinco Life being certified as a Great Place To Work for the fourth consecutive year, a rigorous assessment that precedes the certification covering multiple aspects of employee work environment and work-life balance. In a bid to create rewarding and progressive work environment and in accordance with our succession planning, two new designations were formed in our leadership hierarchy. Mr Ranga Abeynayake was appointed as Chief Operating Officer and Mr Samitha Hemachandra as Deputy Chief Operating Officer. Both are long standing, experienced members of the senior management team, who have contributed significantly to the company's progress during the last two decades. Ceylinco Life also experienced

increased attrition on account of increased migration, which we compensated for via multiple means. Process efficiencies achieved through automation eliminated the need for one-to-one replacement of staff, which led to a reduction in the total headcount while improving on productivity. This approach facilitated enhanced scope for our staff members and empowering them to greater achievements. We afforded the opportunity of entering the field of insurance to a number of fresh graduates under our internship programme. As financial challenges persisted, we introduced market adjusted salary revisions for all employees and other benefits, which contributed to their overall well-being. Additionally, we partnered with the Sri Lanka Institute of Marketing (SLIM) to conduct their Diploma in Financial Sales Management for a second batch of sales professionals from the Company. A group of 30 Ceylinco Life sales personnel graduated in early 2023 as the first batch to complete this tailor-made Diploma for the Sri Lankan life insurance industry by SLIM.

CONNECTED TO THE COMMUNITY

Our efforts towards empowering the community and making the world a better place for our fellow citizens featured numerous initiatives. Donations to the national health system addressing acute shortages in medical equipment and facilities continued throughout the year, a highlight being the investment of Rs. 12.3 Mn made by Ceylinco Life to build a pipe network that connects the Matale District General Hospital's central oxygen concentrator with over 300 ward beds. A total number of 10 "Waidya Hamuwa" programmes were conducted, targeting the rural communities who lack access to medical personnel and facilities. Gifting a purpose-built classroom to a needy school continued during the year with two class rooms donated in remote locations in the Uva province, taking the total number of classrooms donated to 87.

PRESERVING THE PLANET

Stemming from a deep sense of duty to the planet, we are committed to be accountable for the impact of our operations

on the environment by consistently taking steps to measure, manage and reduce our impact on the environment” as set forth in our Sustainability Policy. Marking another milestone in our green efforts, in 2023, we opened four of our own branch buildings, out of which Matale, Ja-Ela and Minuwangoda buildings were newly constructed and the fourth at Mathugama have been redesigned while preserving the core structure of the existing building. All these buildings conform to our green building concept. These branches are powered by solar power with a battery back up system to minimise dependency on the national grid and are complete with their own rainwater harvesting facility and waste-water recycling systems, minimising the use of pipe-borne water. The buildings are purpose-designed to make optimal use of natural light and natural ventilation and are fitted with energy-efficient artificial lighting and air conditioning systems. The precast construction method used at Minuwangoda branch building minimised the use of timber in the construction. We hope this branch will serve as a prototype and inspiration for all corporates to follow, in their respective endeavors towards reducing carbon footprint.

We have set an annual target of reducing our carbon footprint by 5%, and in 2023, we reduced our carbon footprint by 9.33%, to 3,337 tCO₂e, a commendable achievement attributable to a wide range of initiatives such as continuous focus and monitoring of paper usage, energy and fuel consumption levels. We also launched a special reforestation initiative in Rajawaka Forest Reserve area in Balangoda, under which 10 acres of degraded forest will be re-planted with 10,000 trees and maintained for five years, with an investment of Rs. 5.7 Mn.

Our dedicated Sustainability Committee, functioning with Board oversight guides the entire team, in ensuring that the journey of Ceylinco Life is one that is sustainable and aligned with our corporate objectives.

A WINNING MATTER

In addition to the awards highlighted by the Chairman in his message, Ceylinco Life went on to secure numerous other awards during

the year across multiple performance aspects. Affirming our undisputed market leadership, we were recognised as the Best Life Insurer in Sri Lanka by World Finance in their Insurance Awards category for the impressive 10th consecutive year. Our corporate reporting efforts were recognised, with our 2022 Annual Report winning Gold at the South Asian Federation of Accountants (SAFA) Awards for the ‘Best Presented Annual Report’ in the Life Insurance sector and Silver in the Life Insurance category at the CA Sri Lanka ‘TAGS’ Awards. Reaffirming the strength of our brand, Ceylinco Life was ranked the most valuable brand in Sri Lanka’s insurance industry across both Life and General Insurance categories in the country’s top 100 brands published by Brand Finance, the world’s leading independent brand valuation consultancy, with Rs. 3.5 Bn assigned as our brand value. Firmly establishing the level of standard in services that we offer to our clientele, Ceylinco Life retained the top position for service excellence in Sri Lanka’s life insurance sector in an online survey conducted by LMD and was voted as the most popular entity for customer service in its category for the second consecutive year. Ceylinco Life won the ACCA sustainability reporting award for the high standard maintained with regard to sustainability in its annual report for 2022. The awards list continues and we draw deep inspiration from them to deliver greater results to all our stakeholders.

WAY FORWARD

Even though the challenges in the macro-economic environment will intensify in the near term, we foresee signs of positivity and recovery. The tourism sector recording marked growth, gradual increase in credit to private sector and an end to six consecutive quarters of negative GDP growth in Q3 2023 with a growth rate of 1.6% all indicate towards same. We earnestly hope this growth momentum will be consistent and translate into tangible improvements in people’s economic and living conditions. In such hope, we remain well placed to empower our citizenry with the protection of life insurance, health and retirement planning thereby incentivising them to pursue their ambitions boldly. We will also channel our efforts in enhancing the resilience and dynamism of our financial

position, diversifying our income sources and bolstering our position in the market as the undisputed leader in life insurance.

We have also strategised in driving synergies among our subsidiaries engaged in complementing businesses viz. Ceylinco Healthcare Services Limited and Serene Resorts Limited. We enjoy a unique proposition within the Sri Lankan insurance space as we afford our policy holders extended and dignified options in ensuring quality of life under the trusted excellence of Ceylinco Life.

We will also endeavor to take the message of life insurance, retirement planning and health to deeper and wider segments including Gen Z and the ever increasing elderly population in Sri Lanka. Innovations in our product features are aligned to evolving policy holder expectations and changing demographics, ensuring Ceylinco Life’s relevance and acceptance.

APPRECIATION

In reflection of yet another successful year gone by, I take this opportunity to thank Ceylinco Life’s Board of Directors and Advisors, led by the Executive Chairman Mr. R Renganathan for the vision and valuable counsel. The Ceylinco Life Team of 740 staff members and over 2,900 strong agency force spread across the country, functioning in unison towards Ceylinco Life’s promise of protection to all is commended for their untiring efforts. We thank our policy holders for their enduring trust in us and for being a constant source of inspiration for us to push the boundaries. Our parent company Ceylinco Insurance PLC, Reinsurance partners, other business partners and the regulator Insurance Regulatory Commission of Sri Lanka are also extended our heart-felt gratitude for their contribution.



Thushara Ranasinghe
Chief Executive Officer

22 February 2024
Colombo



The Process of Trust

Just as a tree requires fertile soil rich in nutrients to grow, a life insurance company needs a conducive market environment to thrive. This includes economic stability, regulatory framework, customer demand and technological advancements.

*Nurturing
Strategy*

Operating Context



THE GLOBAL ECONOMY IN 2023 - A YEAR OF SLOWDOWN AND SHIFTING LANDSCAPES

The year 2023 was marked by tepid economic growth for the world. While initial estimates projected slightly higher figures, the final picture revealed a slowdown compared to previous years. Global growth levels increased moderately at 2.8% falling short of the historical average of 3.8%. This slowdown was primarily driven by rising interest rates, geopolitical tension and slow down in China's economy. Central banks around the world implemented tighter monetary policies to combat inflation, which dampened economic activity. The war in Ukraine and the tensions in Gaza disrupted supply chains, caused energy price hikes and contributed to food insecurity, impacting global trade and investment.

Emerging market and developing economies (EMDEs), while experiencing a modest decline in growth compared to 2022, fared better than advanced economies. This can be attributed to factors such as relatively strong domestic demand in some EMDEs and commodity price booms benefiting resource-rich countries.

Inflation remained a major concern throughout the year, though it peaked in the first half and showed signs of gradual decline towards the end. The International Monetary Fund (IMF) estimated global inflation to be around 6.9% in 2023, significantly higher than pre-pandemic levels.

LOOKING AHEAD

In essence, while the global economy is expected to experience slow but positive growth in the near future, geopolitical tensions pose a significant threat to this trajectory. Closely monitoring these tensions and working towards peaceful resolutions are crucial steps towards a more stable and prosperous global economy.

Overall, 2023 was a year of challenge and adaptation for the global economy. While growth slowed and inflation posed significant problems, the world also witnessed resilience and a shift in economic landscapes. As we move forward, navigating these complexities and mitigating risks will be crucial for achieving sustainable and inclusive growth in the future. The International Monetary Fund (IMF) predicts modest global growth in 2024 and 2025, but warns that geopolitical risks remain a significant downside factor.

The ongoing war in Ukraine remains a major source of geopolitical tension and its repercussions are still being felt globally. The war has disrupted supply chains, contributed to rising energy and food prices and created uncertainty in the market, all of which are dampening global growth prospects.

The IMF's October 2023 forecast predicts a slight uptick in global growth to 2.9% in 2024, with continued regional discrepancies.

SRI LANKA'S ECONOMY IN 2023 - A YEAR OF CRISIS AND TRANSITION

The year 2023 was marked by significant challenges and transition for the Sri Lankan economy.

Sri Lanka faced its worst economic crisis since independence in 2022 and 2023. Characterised by severe foreign exchange shortages: This led to a lack of essential goods, including fuel, food and medicine. Soaring inflation levels which peaked to 70% in September 2022 significantly eroded purchasing power. Following an economic contraction in 2022 by 7.8% in 2022 the country's negative economic trajectory continued to the first half of 2023.

In March 2023, the International Monetary Fund (IMF) approved a USD 2.9 billion bailout package which turned the tide paving the way towards economic recovery and revival.

This loan was contingent on implementing economic reforms aimed at fiscal consolidation, debt restructuring and improving transparency. Sri Lanka also engaged in debt restructuring negotiations with its creditors, including China and the Paris Club.

By the end of 2023, the economy showed positive signs with inflation declining sharply in November 2023 to 4%. Foreign exchange reserves showed some improvement by reaching USD 2 Billion in October 2023. Shortages of essentials was eased.

Nurturing Strategy

Operating Context

36

LOOKING AHEAD

Overall, 2023 was a difficult year for Sri Lanka's economy. However, the country made significant strides towards achieving stabilization. The road to sustainable recovery will require continued commitment to sound economic policies, political stability and inclusive development.

Despite these positive developments, Sri Lanka's economic recovery remains fragile. The country still faces high levels of debt and needs to continue implementing structural reforms. Political instability and social unrest pose additional challenges to sustained economic growth.

The success of Sri Lanka's recovery hinges on its ability to:

- 📌 Adhere to IMF programme requirements and continue debt restructuring.
- 📌 Promote political stability and ensure inclusive economic growth that benefits all citizens.
- 📌 Develop new economic sectors like tourism and technology to diversify the economy and reduce vulnerabilities.

INSURANCE INDUSTRY OF SRI LANKA

Overall, the life insurance industry in Sri Lanka is likely to face headwinds in the near future due to the economic challenges. However, by focusing on protection-oriented products, tapping into the under-insured market and leveraging digitalisation, insurers can navigate these challenges and progress towards sustainable growth.

The success of the government's economic recovery programme will significantly impact the overall business environment and consumer confidence, which in turn, will influence the life insurance industry. Regulatory changes and government initiatives to promote financial inclusion could also play a role in shaping the future of the life insurance sector.

INSURANCE INDUSTRY OUTLOOK

The life insurance industry in Sri Lanka faces a complex outlook, shaped by both challenges and potential opportunities amidst the ongoing economic difficulties.

Challenges:

- 📌 **Low disposable income:** With rising inflation and economic uncertainty, many Sri Lankans have less disposable income to invest in life insurance. This could lead to stagnant or even declining premium collections.
- 📌 **Increased claims:** The economic situation could lead to a potential rise in death claims and critical illness claims, putting pressure on insurers' profitability.
- 📌 **Investment climate:** High inflation and volatile markets could make it challenging for insurers to manage their investment portfolios and generate sustainable returns.

Opportunities:

- 📌 **Heightened risk awareness:** The economic hardship could increase awareness of the importance of financial security, leading to a potential shift towards protection-oriented life insurance products like term life and critical illness coverage.
- 📌 **Untapped potential:** The insurance penetration rate in Sri Lanka remains significantly lower compared to regional peers. This presents an opportunity for insurers to expand their reach through innovative products and distribution channels, particularly targeting underserved segments.

Sri Lanka's low insurance penetration rate provides a significant opportunity for growth. Insurers can expand their reach by:

- **Targeting under-served segments:** This could include individuals in rural areas, young professionals and women.
- **Developing micro-insurance products:** These are affordable and tailored to meet the specific needs of low-income individuals.

📌 **Digital transformation:** Embracing digital technologies can help insurers improve efficiency, reduce costs and enhance customer experience, making insurance more accessible and affordable.

- **Reduce costs:** Through streamlined processes and automated tasks.
- **Improve customer experience:** By providing convenient access to information, policy management tools and online claims filing.
- **Reach a wider audience:** Particularly those in remote areas or with limited access to traditional distribution channels.

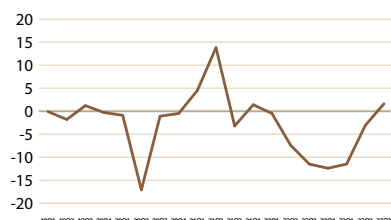
📌 **Protection-oriented products:** The economic hardships faced by a larger cross section of the population could increase awareness of the need for financial security. Life insurers can capitalise on this by offering affordable term life insurance, critical illness coverage and income protection plans.

📌 **Ageing population :** Sri Lanka is recognised as possessing the fastest ageing population in Asia with 17.6% of Sri Lanka's population over 60 years old. This proportion is expected to increase significantly in decades reaching 27% in 2050. This makes Sri Lanka one of the fastest growing elderly populations in Asia surpassing Japan and Singapore. The implications of this phenomena poses multi- facted opprtunities for insurance companies.

📌 **Develop Sharia-compliant products:** This caters to the growing Muslim population in Sri Lanka.

📌 **Partner with microfinance institutions and non-governmental organizations (NGOs):** This can help reach low-income communities and offer them access to life insurance.

📌 **Focus on financial literacy and education:** By raising awareness about the benefits of life insurance, insurers can encourage individuals to invest in their future.

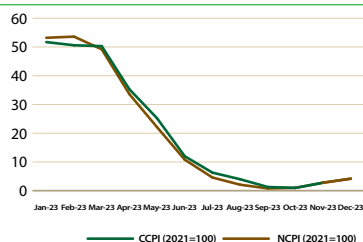
GDP growth**QUARTERLY REAL GDP GROWTH****Change in 2024**

After six consecutive quarters of negative growth, Sri Lanka's real GDP finally recorded a positive growth of 1.6% in the third quarter of 2023. This marks a turning point and demonstrates the initial effectiveness of the reform programme.

Overall, 2023's GDP growth is a positive sign for Sri Lanka's economic trajectory following the IMF intervention. However, it's crucial to acknowledge the modest growth, address remaining challenges and maintain the reform momentum to ensure a sustainable and inclusive recovery.

Response by Ceylinco Life

We took a renewed approach in our business planning, considering likely subdued GDP growth in the future and fine-tuned our business strategy to tap into the largely unpenetrated market segments.

Stakeholders affected**Stabilising inflationary conditions****INFLATION: Y-O-Y % CHANGE IN CCPI AND NCPI**

Monetary and fiscal policy changes introduced resulted in managing consumer demand, softening of food and energy prices and the improvement in domestic supply with the increase in economic activity, supported to curb inflation which peaked at over 70% in September 2022. As at end of 2023 inflation was at 4%. Inflation is expected to remain at single digits amid weak demand and reach the targeted 5.0% level. However, inflation levels have shown an increase in the commencement of 2024 due to the increase in VAT.

Ceylinco Life focused on cost optimisation strategies across its business operations in order to manage and curtail expenses. The gradual reduction of inflation levels enabled Ceylinco Life to manage its cost to income ratio. Declining inflationary levels enhances disposable income levels of prospective policyholders which augurs well for the uptake in new insurance policies.

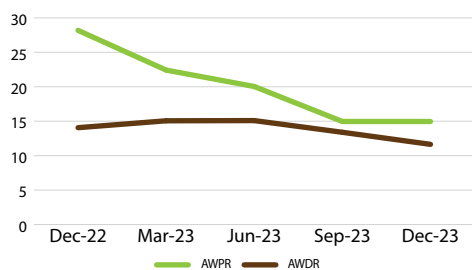


Nurturing Strategy

Operating Context

Declining interest rates

AGE WISE



Change in 2024

The CBSL relaxed monetary policy from June 2023 with policy rates reducing by 550 basis points during the second half of 2023. These initiatives were taken in response to the completion of the domestic debt restructuring programme and the successful management of inflationary conditions.

The SDFR and SLFR stood at 9.00% and 10.00%, respectively, as of end of 2023 while 12-month treasury bill rate and average weighted prime lending rate moved from 29.27% and 27.24% at the beginning of the year to 12.93% and 12.13% respectively by end December 2023.

Response by Ceylinco Life

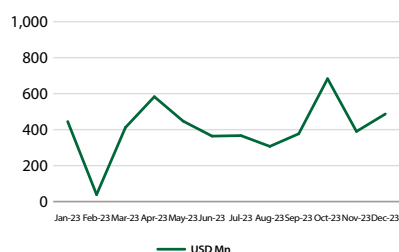
The investment portfolio was optimised in a proactive manner to achieve target investment yields despite the declining interest rates. The investment strategy was also reviewed periodically. More details can be found under Enterprise Risk Management on page 40-49.

Stakeholders affected



External trade

TRADE BAL





The country recorded a trade deficit of USD 4.9 Bn for 2023 compared to the deficit of USD 5.2 Bn recorded in the previous year. The merchandise trade deficit recorded in 2023 is the lowest level since 2010. This was driven by a relatively larger drop of 8.3% in imports to USD 16.8 Bn, partly impacted by import restrictions and lower consumer demand. Exports dropped by 9% to USD 11.9 Bn for the year, as demand for apparels especially was hampered by the sluggish global economic conditions. Foreign exchange reserves were strengthened due to reduced debt service payments, stronger remittance flows and improved tourism earnings. The receipt of the IMF second tranche and funding from multilaterals enhanced reserves at the end of the year to USD 4.4 Bn which led to the strengthening of the local currency.

The investment portfolio was optimised in a proactive manner to achieve target investment yields despite the declining interest rates. The investment strategy was also reviewed periodically. More details can be found under Enterprise Risk Management on page 40-49.

Stabilisation of the Rs. against the USD provided much redress in terms of foreign currency payments made to reinsurers, software providers for import of much needed IT support services.



	Change in 2024	Response by Ceylinco Life	Stakeholders affected
Worker remittances	<p>Workers’ remittances increased notably to USD 475.7 million in June 2023 in comparison to USD 274.3 million in June 2022. Total workers’ remittances during the first half of 2023 amounted to USD 2,822.6 million.</p>	<p>Special training was provided to the sales force to generate new business from this segment, which is also an avenue for sales agents to generate commission income. Our Limited Term Endowment Plans were promoted for such customer segments.</p>	<div></div>

Enterprise Risk Management

CEYLINCO LIFE RECOGNISES RISK MANAGEMENT AS AN INTEGRAL BUILDING BLOCK USED TO PROACTIVELY IDENTIFY AND MANAGE RISKS TO CREATE VALUE FOR ITS STAKEHOLDERS. WE CONSIDER IT A CORE COMPETENCY WHICH IS A CRITICAL ELEMENT OF THE STRATEGIC PLANNING PROCESS. THE ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK OPERATES AS A FEED SYSTEM TO INTERNAL AND EXTERNAL STAKEHOLDERS, MANAGEMENT AND THE BOARD OF DIRECTORS.

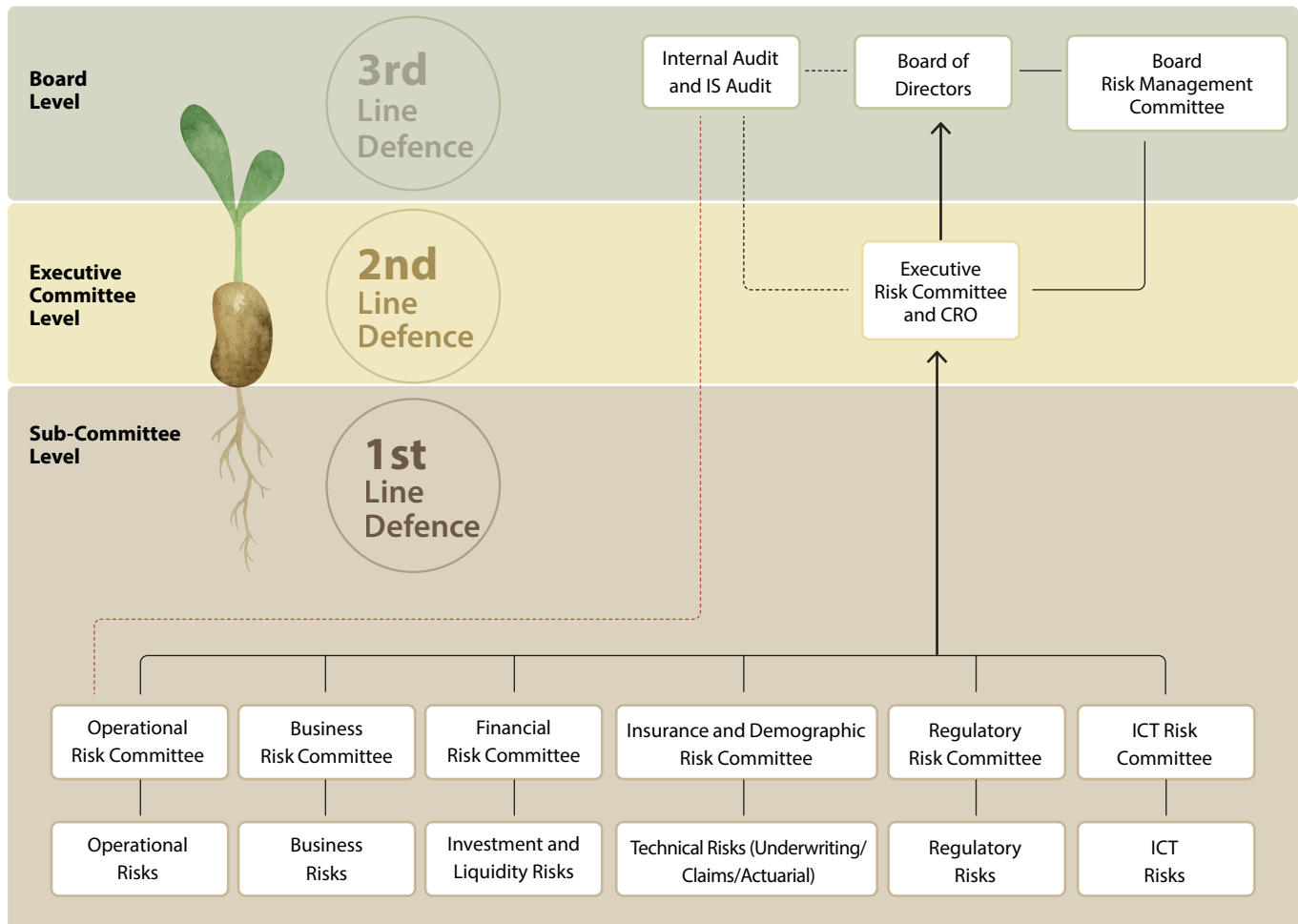
GOVERNANCE OF RISK MANAGEMENT

At Ceylinco Life, the Board of Directors retains overall accountability for the governance of risk and is committed to effective risk management in pursuit of our strategic objectives. It is the responsibility of the Board, in conjunction with the Board Risk Management Committee, to review the Company's portfolio of risks and assess them against the risk appetite (refer to

pages 196-197 for the Report of the Board Risk Management Committee). Risk management is inextricably linked to our strategy and control is exercised by way of a governance framework.

The Executive Risk Committee, headed by the Chief Risk Officer, is responsible for developing, facilitating and monitoring the control framework and execution of proper risk management strategies.

The line management and staff are responsible for day-to-day risk management and are represented at the Sub-Committee level. The six Sub-Committees, namely the Operational Risk Committee, Financial Risk Committee, Insurance and Demographic Risk Committee, ICT Risk Committee, Business Risk Committee and Regulatory Risk Committee, ensure timely identification of risks, implementation of controls and reports to the Chief Risk Officer and higher-level management.



CEYLINCO LIFE'S APPROACH TO RISK MANAGEMENT

Our Enterprise Risk Management (ERM) is based on ISO 31000:2018 framework. This enables us to proactively identify events and circumstances relevant to our corporate objectives (risks and opportunities) and assess them in terms of consequence and likelihood. We then determine an appropriate risk response strategy, implement it and monitor progress so that it will contribute to our value creation process. The ultimate result of this approach is an integrated, organisational-wide effort towards risk management.

AN INDEPENDENT RISK UNIT

This ensures separation between the units that originate risk and those that control or supervise the risk.

INCULCATING A RISK CULTURE

We embrace a set of attitudes, values and beliefs towards risk and this is engrained into all processes through a top-down approach across the hierarchy.

LINKING RISK APPETITE TO STRATEGY

Our Board-approved risk appetite statement serves as the point of reference in strategy setting for ensuring that strategies remain within defined appetite levels.

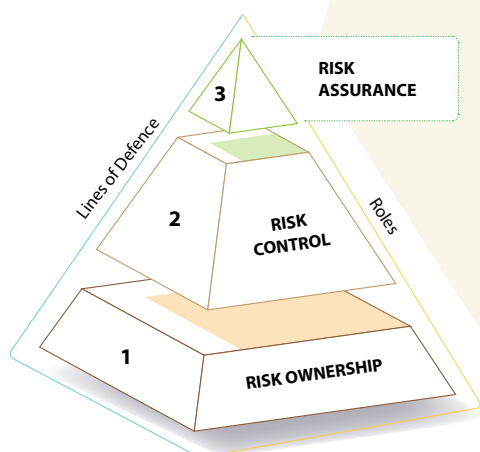
A COMPREHENSIVE APPROACH TO RISK

Our Sub-Committee structure facilitates management of a diverse range of risks. We also understand inter-relationships between such risks and take an overall view.

THREE LINES OF DEFENCE MODEL

The Risk Management Governance Structure of Ceylinco Life incorporates the 'Three Lines of Defence Model', which identifies, defines and segregates duties and responsibilities in relation to risk management at Ceylinco Life.

This model brings all the key functions into the Risk Management Governance Structure and provides simple but comprehensive clarity on roles and responsibilities in managing risks.



First Line of Defence

Sub-Committees including departments and branches

- Compliance with operational policies and procedures
- Proactive risk identification, assessment, control and monitoring
- Collaborative communication to promote a strong risk culture and risk awareness

Second Line of Defence

Executive Risk Committee

- Implementation of the Risk Management Governance Structure
- Review and reporting of risks of the departments, branches, products, processes, systems etc. to the Board or the Board Risk Management Committee
- Identification and assessment of risks and monitoring risks against the risk appetite
- Recommendation of appropriate actions to mitigate risks within tolerance levels

Third Line of Defence

Board of Directors, Board Risk Management Committee, Internal Audit and IS Audit

- Monitoring compliance with the Risk Management Governance Structure
- Assessment of the effectiveness of risk management tools and techniques adopted
- Obtaining reasonable assurance from the Executive Risk Committee that all known and emerging risks have been identified and appropriately managed
- Independent assurance on the effectiveness of the first and second lines of defence by Internal Audit and Information Systems (IS) Audit

Enterprise Risk Management

RISK MANAGEMENT PROCESS

The risk management process of Ceylinco Life is continuous and sequential, as depicted in the diagram. We strongly believe that an on-going commitment to risk management is necessary in the modern business context and recognize the importance of improving the risk management process, while ensuring the smooth flow of the activities within the process.

Risk Appetite

Risk Appetite refers to the aggregate amount and type of risk Ceylinco Life is willing to accept in the pursuit of its objectives, before action is deemed necessary to reduce it. We have defined a "Risk Appetite Statement" which serves as a guidance in our risk management process. We have established appetite levels in the broad categories of risks identified in our ERM framework.

Risk Register

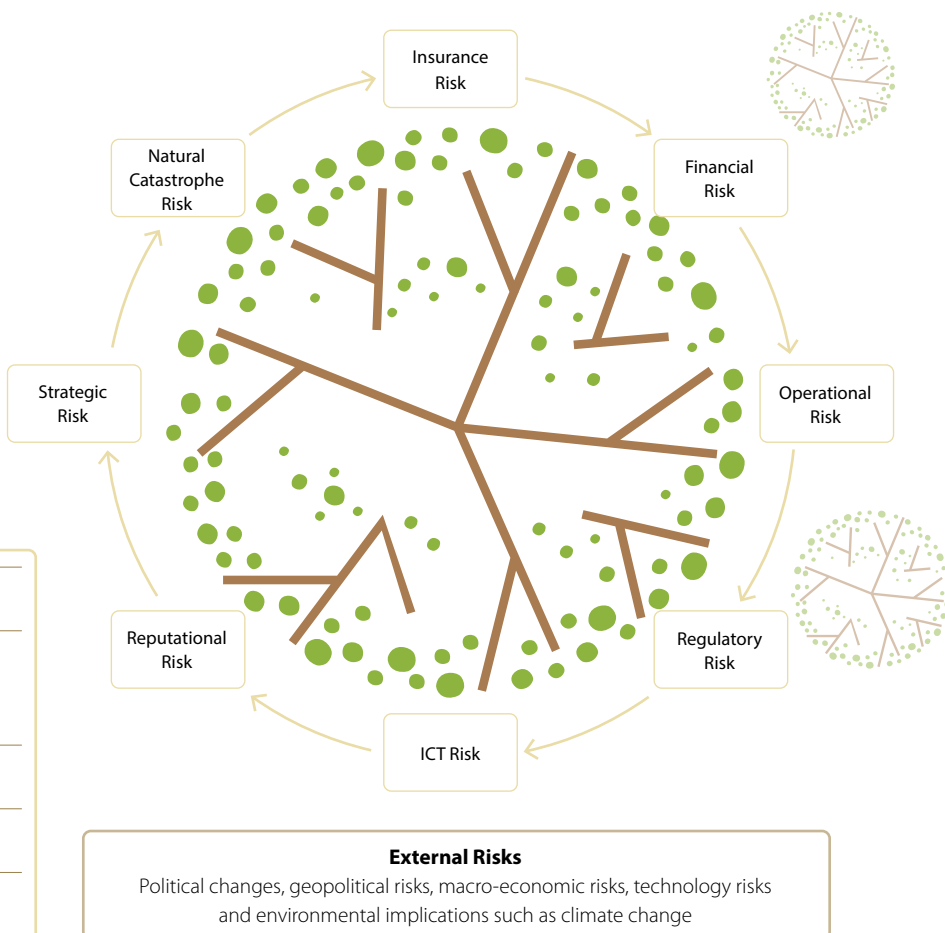
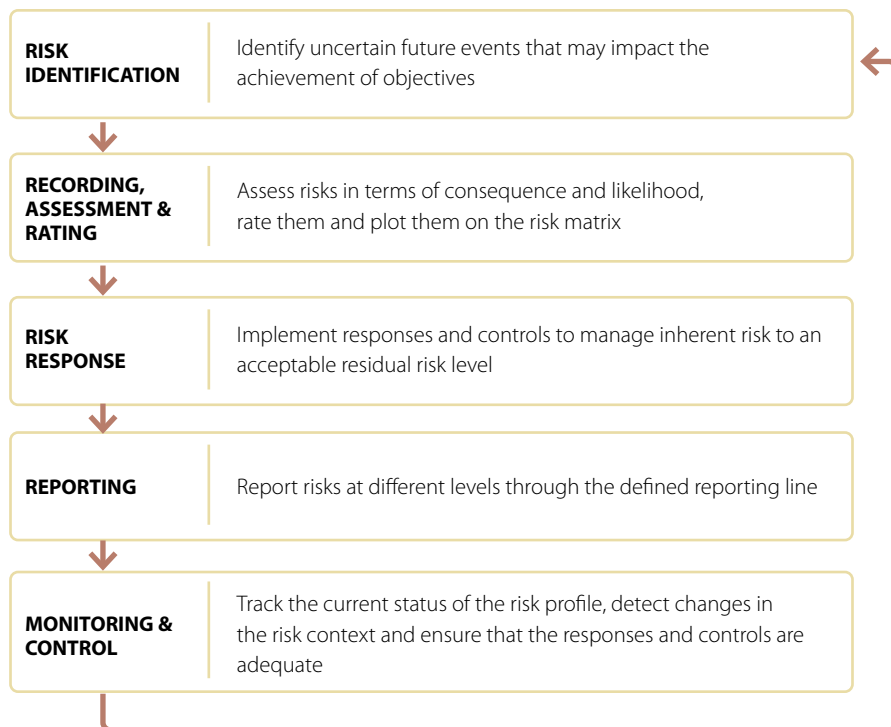
The Company uses an electronic risk register. Risk are identified, discussed and updated in the register at Sub-committee meetings. The risk register also serves as the basis for generating risk heat maps and for risk escalations to the higher management.

Risk Universe

We determine our key risks through a review process in relation to our strategy and objectives, in the context of the external and internal environment. Key risks include those risks that could have a direct potential impact on the achievement of strategic priorities, reputation and delivery of key business plans. Such risks also have a material impact on our ability to create value.

The Group's risks align with its key ESG strategic pillars, as shown below:

ESG Strategic Pillar	Relevance to Risk Management
Financial Performance	Insurance Risk (page 43) Financial Risk (page 46) Operational Risk (page 48) Strategic Risk (page 48)
Environmental Sustainability	Natural Catastrophe Risk (page 49)
Social Responsibility	Reputational Risk (page 48)
Corporate Governance	Regulatory Risk (page 45)



The subsequent sections of this Risk Management Report provide an overview of the Company's approach to managing the key internal and external risks listed above. While monitoring the impact on the capitals, the company assesses each risk according to their likelihood of occurrence, the scale of impact on the organisation and the overall change in risk ranking year-on-year.

RISK PROFILE IN 2023

Likelihood and Impact (residual): ■ High ■ Moderate ■ Low

Ranking: ▲ Increased ▼ Reduced ○ Unchanged

1. INSURANCE RISK

Capitals Impacted:
Financial / Social & Relationship / Intellectual

Likelihood: ■ Impact: ■
Ranking: ○

1.1. UNDERWRITING RISK

Definition Not properly selecting lives for insurance business at an adequate premium according to mortality and morbidity assumptions

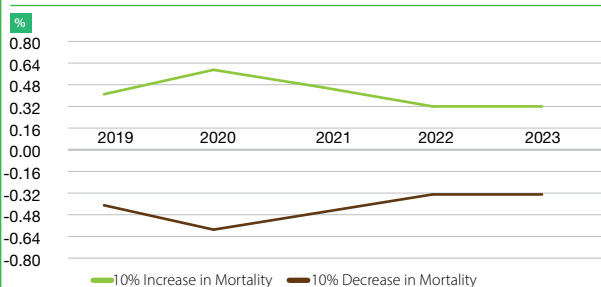
Relevance and Impact Affects underwriting results and financial performance

Risk mitigation

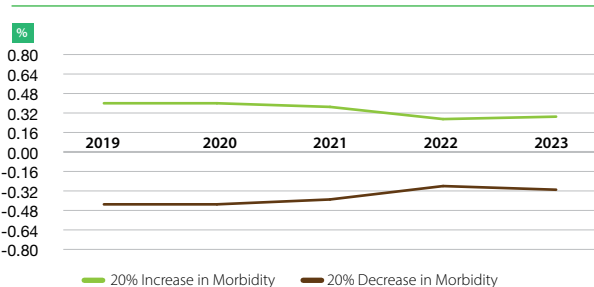
- ☞ Verify prospective policyholders' details through tele-underwriting team at Head Office
- ☞ Centralised underwriting at Head Office with the assistance of medical specialists for medically substandard cases
- ☞ Special review of insurance policies with significant life covers by underwriters and reinsurers
- ☞ Periodic review of underwriting guidelines
- ☞ Provide continuous training to underwriting staff

Key Risk Indicator(s)

SENSITIVITY OF INSURANCE CONTRACT LIABILITIES TO CHANGES IN MORTALITY



SENSITIVITY OF INSURANCE CONTRACT LIABILITIES TO CHANGES IN MORBIDITY



1.2. CLAIMS RISK

Definition Deficiencies in settlement of claims as per policy terms and conditions and internal benchmarks

Relevance and Impact Affects underwriting results and financial performance

Risk mitigation

- ☞ Claims are recorded once intimated and monitored regularly by the senior management
- ☞ Check authenticity of claim supporting documents
- ☞ Automated claim computations
- ☞ Claim approvals are centralised and medical and legal consultation is obtained prior to claim approval
- ☞ Claim audits and identification of claim patterns through digital analytics

Nurturing Strategy

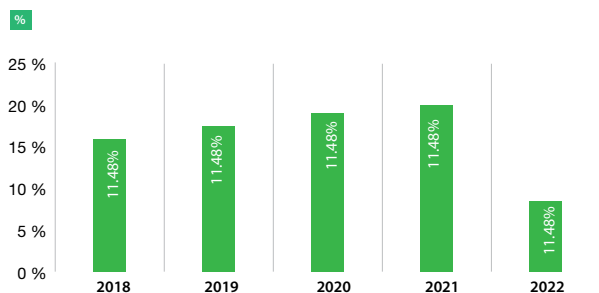
Enterprise Risk Management

Likelihood and Impact (residual): ■ High ■ Moderate ■ Low

Ranking: ▲ Increased ▼ Reduced ○ Unchanged

Key Risk Indicator(s)

HOSPITALISATION CLAIM RATIO



ACCIDENTAL DEATH CLAIM RATIO



1.3. REINSURANCE RISK

Definition Retention of risks beyond our net retention capacity without obtaining adequate reinsurance and the inability of reinsurers to meet their commitments

Relevance and Impact Affects net claim outgo

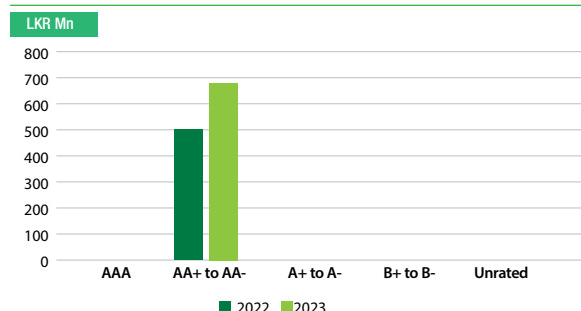
Risk mitigation




- ☞ Risk transfer with top ranked reinsurers; Swiss RE and Munich RE for life, health and group businesses
- ☞ Comply with the guidelines set out by the IRCSL in selecting reinsurers
- ☞ Periodic monitoring of the credit ratings of the re-insurers
- ☞ Obtain a catastrophe reinsurance cover

Key Risk Indicator(s)

Reinsurer	Rating Agency	Credit Rating
Swiss RE	Standard & Poor's	AA-
Munich RE	Standard & Poor's	AA-

REINSURANCE RECEIVABLE BY REINSURER CREDIT RATING



Likelihood and Impact (residual):  **High**  **Moderate**  **Low**

Ranking:  **Increased**  **Reduced**  **Unchanged**

2. REGULATORY RISK

Capitals Impacted:
Financial / Human / Intellectual







Likelihood:  Impact: 
Ranking: 

2.1. COMPLIANCE RISK

Definition The risk of legal or regulatory sanction, financial loss or damage to reputation as a result of failure to comply with applicable laws, regulations, codes of conduct and standards of good practice

Relevance and Impact Affects corporate reputation and incurs financial loss

Risk mitigation

-  Set the tone at the top through appropriate policies and procedures to improve the control environment
-  Compliance Officer supervises departments on compliance matters and is responsible to the Board on overall compliance
-  Identify changes in the regulatory landscape through the Regulatory Risk Committee and respond to the changes
-  Internal audits on status of compliance with applicable laws and regulations
-  Regular consultation with in-house legal officers
-  Provide training to relevant staff on compliance requirements and any regulatory changes

Key Risk Indicator(s)

No. of reported incidents of non-compliance - **Nil**

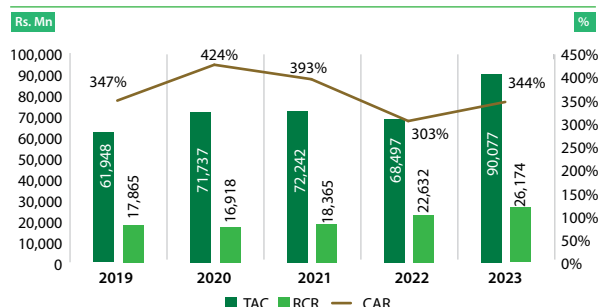
Amount of fines charged for non-compliance (Rs.) - **Nil**

Capital Adequacy Ratio (CAR)

The CAR under the Risk Based Capital (RBC) framework imposed by the Insurance Regulatory Commission of Sri Lanka measures the adequacy of the capital of an insurance company in absorbing losses due to risk exposures.

The CAR is computed by dividing the Total Available Capital by the Risk Based Capital Required. According to the RBC regulations, the minimum CAR required is 120% and the minimum Total Available Capital required is Rs. 500 million. Ceylinco Life has always maintained CAR at healthy levels.

CAPITAL ADEQUACY RATIO (CAR)



Enterprise Risk Management

Likelihood and Impact (residual): ■ High ■ Moderate ■ Low

Ranking: ▲ Increased ▼ Reduced ○ Unchanged

3. FINANCIAL RISK

Capitals Impacted:
Financial / Human / Intellectual

Likelihood: ■ Impact: ■
Ranking: ▲

3.1. INVESTMENT CONCENTRATION RISK

Definition Concentration of investments in one or more asset classes, issuers, currencies or markets

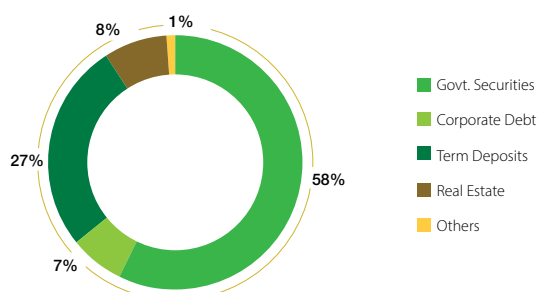
Relevance and Impact Affects diversification of investments and incurs financial loss

Risk mitigation

- ☞ Compliance with the investment concentration limits in the Investment Policy Statement
- ☞ More stringent internal limits are in place in addition to IRCSL limits
- ☞ Both internal and regulatory limits are reviewed and updated in line with business and regulatory changes
- ☞ Selected investments are made in real estate that provides diversification and long-term capital appreciation benefits
- ☞ Periodic review of actual concentration against the limits by the Investment Committee
- ☞ Periodic review of the list of financial markets, asset classes, issuers and counterparties

Key Risk Indicator(s)

CONCENTRATION OF INVESTMENT PORTFOLIO BY ASSET TYPE



3.2. INTEREST RATE RISK

Definition The risk that the market value or future cash flows of a financial instrument will fluctuate due to changes in interest rates. This includes reinvestment risk and inflation risk, which eventually impact the interest rate




Relevance and Impact Affects capital adequacy, interest income and underlying value of the current asset and liability position

Risk mitigation

- ☞ Monitor and evaluate the impact of the interest rate risk charge to the Capital Adequacy Ratio (CAR)
- ☞ Monitor maturities and interim cash flows falling due and make arrangements for reinvestment or recall
- ☞ Monitor the exposure and impact of the proprietary trading portfolio to short term interest rate movements and trends
- ☞ Oversee the overall strategy to manage the interest rate risk and revisit, change or fine-tune the strategy as required
- ☞ Continuous monitoring of the asset and liability position, including the duration, convexity and sensitivity of the same to market interest rate changes
- ☞ Align the portfolio duration to optimise the fit with the liability structure and interest rate outlook
- ☞ Periodic monitoring of the Central Bank's monetary policy, government fiscal policy and key economic variables and global and macro-economic developments

Key Risk Indicator(s)

Disclosures on this risk can be found in Note 41 (e) to the Financial Statements on page 322-323

Likelihood and Impact (residual):  **High**  **Moderate**  **Low**






Ranking:  **Increased**  **Reduced**  **Unchanged**

3.3. LIQUIDITY RISK

Definition The risk that we will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs, without affecting daily operations or financial condition

Relevance and Impact Affects cash flows and daily operations and incurs financial losses

Risk mitigation

-  Collection of interim cash flows and maturity proceeds on time
-  Due consideration of liquidity when making investments
-  Monitor and review current and future cash flows to assess exposure to liquidity risk
-  Monitor current and expected money market liquidity position to ensure that sufficient liquidity or credit lines are available to meet expected funding/lending requirements
-  Verify all transactions entered/agreed against confirmations to ensure that all settlements are accounted and funded to avoid any unexpected cash flows

Key Risk Indicator(s)







Disclosures on this risk can be found in Note 41 (h) to the Financial Statements on page 324

3.4. CREDIT RISK

Definition Credit risk is the risk that a borrower or counter-party will fail to meet its obligations towards Ceylinco Life

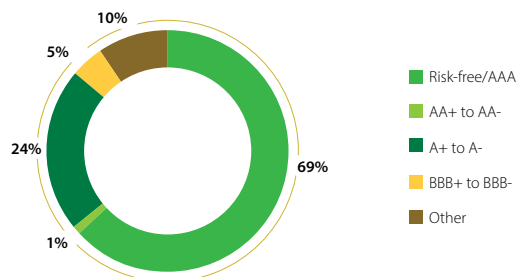
Relevance and Impact Reduces credit quality of the investment portfolio and incurs financial losses

Risk mitigation




-  Collection of maturity and interim cash flow proceeds on time
-  Use of only approved counter-parties in outright, repurchase and reverse repurchase transactions
-  Obtain proper approval for significant investment transactions
-  Monitor current exposure to credit risk and compliance with relevant regulatory requirements
-  Periodic review of the list of financial markets, asset classes, issuers and counter-parties
-  Maintain internal exposure limits based on issuers' credit quality










Key Risk Indicator(s)

CREDIT PROFILE OF INVESTMENT PORTFOLIO



Enterprise Risk Management




Likelihood and Impact (residual):  High  Moderate  LowRanking:  Increased  Reduced  Unchanged**4. OPERATIONAL RISK****Capitals Impacted:**
Financial / Social and Relationship/
IntellectualLikelihood:  Impact: 
Ranking: **4.1. ICT RISK****Definition** Any risk of financial loss, disruption or damage to the reputation of the company from failure of its information technology systems**Relevance and Impact** Disrupts operations, leads to leakage of sensitive data and information and incurs financial losses**Risk mitigation**

-  Adherence to the Board-approved Information Security Policy
-  Continuous scanning of IT control environment and strengthen security measures
-  Internal and database firewalls for protecting internal infrastructure and databases
-  Automatic containment of infected hosts by Crowd Strike Antivirus
-  Access controls on external devices
-  Regular health checks on the servers
-  Regular training to all staff members on cyber security
-  Penetration testing and vulnerability assessment by an external consultant
-  Independent audits on adequacy of the IT security measures by IS Audit and external parties

Key Risk Indicator(s)

Actual incidents of ICT security policy violations



5. REPUTATIONAL RISK**Capitals Impacted:**
Financial / Social & Relationship /
IntellectualLikelihood:  Impact: 
Ranking: **Definition** Any threat or danger to the good name and standing of the Company**Relevance and Impact** Affects corporate image**Risk mitigation**

-  Compliance with laws and regulations
-  Communication and training on business ethics and values
-  Trainings on acceptable usage behaviour when using technologies including social media




Key Risk Indicator(s)




Actual incidents of negative publicity

6. STRATEGIC RISK**Capitals Impacted:**
Financial / Social & Relationship /
IntellectualLikelihood:  Impact: 
Ranking: **Definition** The risk of the Company not being able to achieve its strategy or strategic objectives due to failed, inadequate or incomplete setting, execution, evaluation and monitoring of strategies and business planning**Relevance and Impact** Affect achievement of objectives and incurs financial losses**Risk mitigation**

-  Continuous scanning of the external environment to identify viable opportunities
-  Review of strategies at the monthly Strategic Planning Meetings

Key Risk Indicator(s)Loss of competitiveness in the market
Loss of market share

Likelihood and Impact (residual):  High  Moderate  LowRanking:  Increased  Reduced  Unchanged

7. NATURAL CATASTROPHE RISK	Capitals Impacted: Financial / Social & Relationship / Natural	Likelihood:  Impact:  Ranking: 
Definition This risk reflects the adverse impacts on business operations due to natural calamities such as floods, earthquakes, pandemics etc		
Relevance and Impact Affect operations, loss of human lives and incurs financial losses		
Risk mitigation <ul style="list-style-type: none"> Periodic review of the Business Continuity Plan to addresses identified business contingencies Periodic training of recovery teams Periodic testing of the BCP though drills 		
Key Risk Indicator(s) <ul style="list-style-type: none"> Drill performance versus targets Actual system recovery times 		

MAPPING OUR RISKS

In line with the above assessment, the company has mapped its key risks as follows.

Likelihood	High			
	Moderate	4		3
	Low	5, 6	1, 2	7
		Low	Moderate	High
		Impact		

Risk Management Highlights 2023

1. Regular testing of disaster recovery plans

We conducted tests on our disaster recovery plans on 8 April, 10 June, 16 September and 18 November. The main objective of the tests was to evaluate how effectively the critical applications could be operated from the DR site. Learning outcomes from each drill were used as feedback for improving subsequent drills. The IS Audit Department served as an independent observer of each drill conducted.

2. Development of a cyber security reporting framework

A model was developed to periodically report to the management on the cyber security status of the network.

3. Data encryption

We have recognised the importance of encrypting both data at rest and data in transit. Accordingly, our Data Encryption Policy was finalised on 27 July 2023 with recommendations of an external IT consultant. We have identified applications that store or transfer customer data and we are currently working with external vendors to implement data encryption in these applications.

4. Signing escrow agreements for critical applications

We continued to enter into escrow agreements with vendors of critical applications. In such arrangements, the codes of the application are entrusted to the independent escrow agent. This ensures that the Company will have less issues in future system modifications in the event of non-availability of the vendors who originally developed the applications.

5. Fire hazard

A review of fire preparedness across the branch network, both own and rented branches, was conducted during the year. Owned branches are equipped with fire detection and fire protection measures. Even in rented branches, we are following up on an agreed plan to implement fire protection measures.



TOWARDS NEW HORIZONS

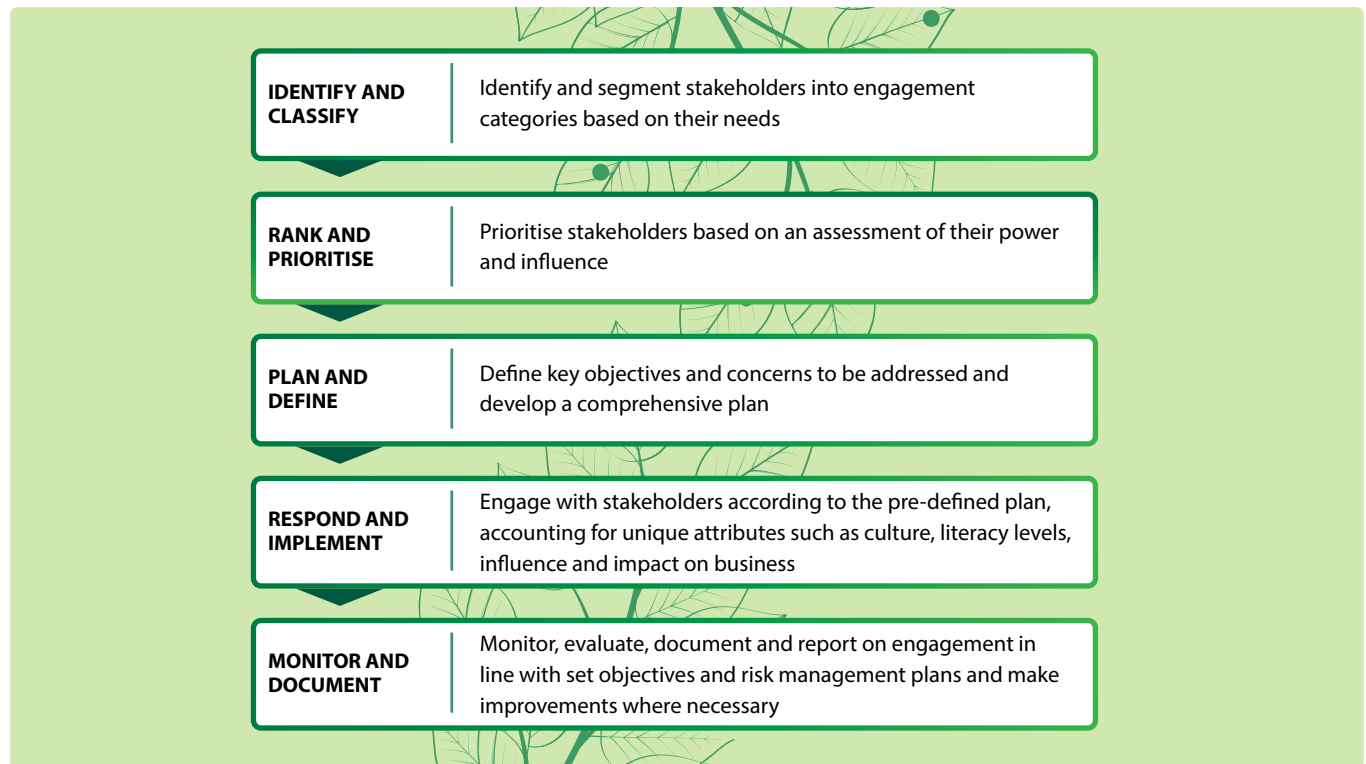
The recent developments in the external business environment have prompted the Company to re-look at business continuity planning and reinforce disaster preparedness and business resilience. A special emphasis will be placed on IT disaster recovery and adopting more effective business continuity practices. Cyber security will remain a key focus and, given the increase in the number and sophistication of cyber-attacks against business entities, we will continue to invest in our IT security capabilities.

Increased attention will be placed on maintaining market leadership, prudently managing the risks which impact the value of our investments in the context of the ongoing financial crisis in the country, mitigating risks from changing business dynamics and compliance with changes in laws and regulations.

We will also be conducting user trainings and drills as part of our ongoing BCP review. A complete data protection management system together with a privacy policy will be deployed to ensure compliance with the new Personal Data Protection Act. A revision to the existing data classification process will be planned to be in line with this Act.

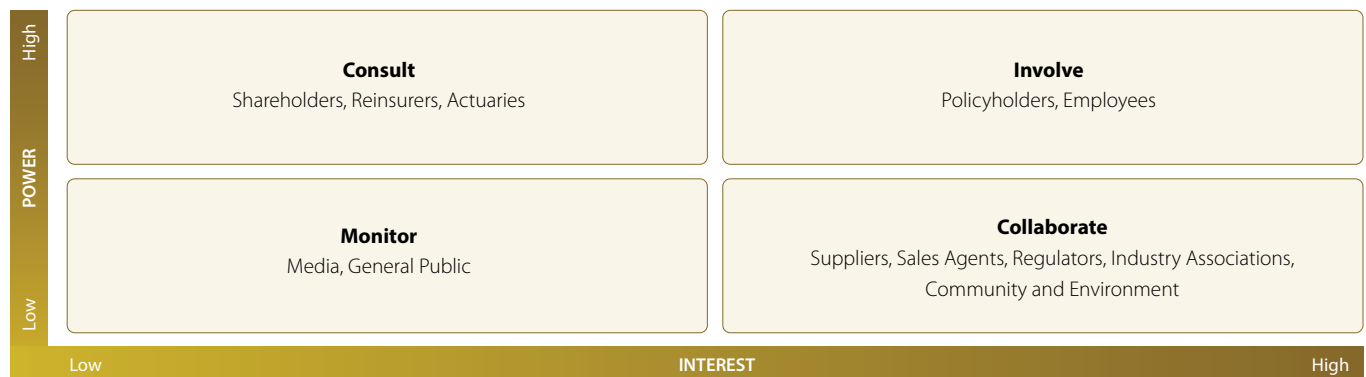
Stakeholder Engagement

CEYLINCO LIFE EMPLOYS A FIVE-STEP METHOD TO MANAGE ITS STAKEHOLDERS IN ORDER TO FOSTER RELATIONSHIPS THAT ARE MUTUALLY BENEFICIAL AND DELIVER A NET POSITIVE IMPACT. ALL INTERACTIONS WITH INTERNAL AND EXTERNAL STAKEHOLDERS ARE FOUNDED ON A CORE OF TRUST AND A COMMITMENT TO TRANSPARENCY AND HONESTY. THE COMPANY CONSISTENTLY SEEKS TO IDENTIFY AND ADDRESS STAKEHOLDERS' CHANGING NEEDS, KEY CONCERNS, AND EXPECTATIONS, VIA ONGOING ENGAGEMENT AND COMMUNICATION, AS SET OUT IN THE PAGES THAT FOLLOW.



STAKEHOLDER PRIORITISATION

The company primarily prioritises the stakeholders with high degrees of either power and influence, while those with low levels of power and influence are monitored regularly. Accordingly, the company prioritises and reports on its engagement :



QUALITY OF ENGAGEMENT		RISKS	
★	No existing relationship	① Insurance	④ Operational
★★	Relationship is established, quality not substantially improved	② Regulatory	⑤ Reputational
★★★	Relationship is established and adding value with room for improvement	③ Financial	⑥ Strategic
★★★★	Good quality, mutually beneficial relationships with some room for improvement	⑦ Natural Catastrophe	
★★★★★	Strong relationship with mutual benefits		
CAPITALS		LEVEL OF ENGAGEMENT	
	Financial Capital	Consult	Involve
	Social and Relationship Capital		Collaborate
	Intellectual Capital		
	Manufactured Capital		
	Human Capital		
	Natural Capital		
		ENGAGEMENT FREQUENCY	
		A Annual	O Ongoing
		BA Biannual	AR As required
		Q Quarterly	



SHAREHOLDERS

SHAREHOLDERS

Significance		Scope: Internal	
Ceylinco Insurance PLC is the sole shareholder of the company, providing equity for the company's operations.		Number: 01	
Quality of Engagement	Relationship Manager Board of Directors	Impacted Capitals	
Engagement Channels and Frequency		Impacted SDGs	
AGMs - A Annual Report - A Corporate Website - O			
EGMs - AR Interim Statements - Q		ESG Strategic Pillars	Corporate Governance (pages 154-205) Financial Performance (pages 76-93)
Key Risks			
Areas of Interest			
Sustainable financial returns and growth Sound balance sheet Transparent disclosures		Attractive dividends A strong reputation	
Key Concerns in 2023		Strategic Response	
Business resilience		Consistent returns (pages 79-86) Prudent investments (pages 87-92)	
Good governance and accountability		Insightful leadership (pages 147) Effective controls (pages 193-194, 204-205)	
Resource stewardship		Stewardship and sustainability (pages 94-139, 154-205) Responsible consumption (pages 96-101) Sustainable growth (pages 102-104)	
Outcome		Dividend proposed - Rs. 750 Mn Dividend paid - Rs. 912.5 Mn (2022 - Rs. 787.5 Mn) ROE - 10.67% ROA - 2.58% EBITDA - Rs. 8.87Bn	
Outlook		Refer to Chief Executive Officer's Review on pages 31-33	

Nurturing Strategy

Stakeholder Engagement



POLICYHOLDERS












REINSURERS

POLICYHOLDERS

Significance Customers who serve as key revenue providers for Ceylinco Life		Scope: External Number: 1 Mn +	
Quality of Engagement		Relationship Manager Head of Marketing, Head of Customer Service, Head of Technical and Sales Agents	
Impacted Capitals		Impacted SDGs	
Engagement Channels and Frequency Branch network and sales agents - Enquiries and complaints - AR Social media, events and programmes - Newsletters, emails and other communications - AR		ESG Strategic Pillars Social Responsibility (pages 109-117) Environmental Sustainability (pages 94-105)	
Key Risks		Financial Performance (pages 76-93) Corporate Governance (pages 154-205)	
Areas of Interest Obtaining best-in-class life insurance solutions Cost-effective solutions Timely payment of claims		Ethical business operations A focus on health and well-being Accessible and convenient solutions	
Financial stability and resilience Privacy and security			
Key Concerns in 2023		Strategic Response	
Security and stability		Inclusive protection (pages 109-114) Consistent returns (pages 79-86) Effective controls (pages 193-194, 204-205)	
Accessibility, adaptability and convenience		Inclusive protection (pages 109-114) Trusted partnerships (pages 116-122)	
Cost-effective, efficient solutions		Responsible consumption (pages 96-101) Sustainable growth (pages 102-104)	
Outcome		No. of new policies issued - 79,636 Net claims paid - Rs.23.1 Bn (2022 - Rs. 18.9 Bn)	
Outlook		Refer Trusted Partnerships and Inclusive Protection from pages 116-122 and pages 109-114 respectively.	

REINSURERS

Significance Long-term partnerships that provide financial protection and support		Scope: External Number: 02			
Quality of Engagement 	Relationship Manager Head of Technical	Impacted Capitals  			
Engagement Channels and Frequency Formal treaties -  Virtual meetings - AR Electronic material - AR On-site visits and meetings - AR		Impacted SDGs  			
Key Risks  		ESG Strategic Pillars Corporate Governance (pages 154-205) Financial Performance (pages 76-93)			
Areas of Interest	Timely payments	Financial stability and resilience	Accurate data and disclosures		
Key Concerns in 2023		Strategic Response		Outcome	
Timely payments		Consistent returns (pages 79-86)		Premium ceded - Rs. 640 Mn (2022 - Rs. 472 Mn) Claims recovery - Rs. 290 Bn (2022 - Rs. 218 Mn)	
Transparency and accountability		Insightful leadership (page 147) Effective controls (pages 193-194, 204-205)			
Stability and business continuity		Prudent investments (pages 87-92) Risk management (pages 40-49)			
Outlook		 Ceylinco Life will remain committed to maintaining a long-standing healthy relationship with our reinsurers in the future.			











ACTUARIES










EMPLOYEES

ACTUARIES

Significance Professional consultancy services that calculate insurance risks and premia to facilitate accurate, farsighted decision making and profitable results		Scope: External Number: 02	
Quality of Engagement 	Relationship Manager Chief Actuary	Impacted Capitals  	
Engagement Channels and Frequency Legal agreements - AR Teleconferences - AR Virtual meetings - AR Other electronic media - AR		Impacted SDGs 	
Key Risks   		ESG Strategic Pillars	Corporate Governance (pages 154-205) Financial Performance (pages 76-93)
Areas of Interest Timely payments Financial stability and resilience Accurate data and disclosures			
Key Concerns in 2023		Strategic Response	
Timely payments	Consistent returns (pages 79-86)		Total Payments made to actuaries - Rs. 33.5 Mn
Transparency and accountability	Insightful leadership (page 147) Effective controls (pages 193-194, 204-205)		
Outlook	 <i>Ceylinco Life will remain committed to maintaining a long-standing healthy relationship with our actuaries in the future.</i>		

EMPLOYEES

Significance Professional consultancy services that calculate insurance risks and premia to facilitate accurate, farsighted decision making and profitable results		Scope: Internal Number: 740	
Quality of Engagement 	Relationship Manager HR Head of Operations	Impacted Capitals 	
Engagement Channels and Frequency Meetings and discussions - AR Events and programmes -  Training and development programmes -  Newsletters, emails and other media - AR Grievance handling process - AR		Impacted SDGs 	
Key Risks 		ESG Strategic Pillars Social Responsibility (pages 123-134) Environmental Sustainability (pages 94-105)	Financial Performance (pages 76-93) Corporate Governance (pages 154-205)
Areas of Interest Fair, equitable remuneration Supportive policies Career development		Equal opportunities Empowerment and engagement Job security	Work-life balance Open communication Health and safety
Key Concerns in 2023		Strategic Response	
Security and stability	Empowering people (pages 123-134) Consistent returns (pages 79-86) Insightful leadership (page 147)		Remuneration paid – Rs. 3.1 Bn (2022 - Rs. 2.8 Bn) Training hours per employee - 18.7 hours
Progress and welfare	Empowering people (pages 123-134)		
Knowledge, sustainability and agility	Responsible consumption (pages 96-101) Sustainable growth (pages 102-104) Empowering people (pages 123-134)		
Ethics and integrity	Effective controls (pages 193-194, 204-205) Inclusive protection (pages 109-114) Empowering people (pages 123-134)		
Outlook	 Refer to Empowering People on page 134		

Nurturing Strategy

Stakeholder Engagement



SALES AGENTS



INDUSTRY ASSOCIATIONS

SALES AGENTS

Significance A diverse team that promotes products and maintains close relationships with policyholders to retain market leadership		Scope: Internal Number: 2,939	
Quality of Engagement ★★★★★	Relationship Manager Head of Agency Administration Head of HR	Impacted Capitals	
Engagement Channels and Frequency Meetings and discussions - AR Events and programmes - ○ Training and development programmes - ○ Newsletters emails and other media - AR Grievance handling processes - AR		Impacted SDGs	
Key Risks 1 3 4 5 6		ESG Strategic Pillars Social Responsibility (pages 117-120) Environmental Sustainability (pages 94-105)	Financial Performance (pages 76-93) Corporate Governance (pages 154-205)
Areas of Interest Progression and growth Flexibility and convenience Healthy commissions Guidance and knowledge			

























Key Concerns in 2023	Strategic Response	Outcome
Flexibility and convenience	Trusted partnerships (pages 116-122) Responsible consumption (pages 96-101) Inclusive protection (pages 109-114)	Total commissions paid - Rs. 2.2 Bn (2022 - Rs. 2.1 Bn) Total cost on training and development - Rs. 55.8 Mn (2022 - Rs. 42.1 Mn)
Guidance, support and progress	Trusted partnerships (pages 116-122)	
Ethics and integrity	Effective controls (pages 193-194, 204-205) Trusted partnerships (pages 116-122)	
Outlook	Develop a clear and comprehensive sales strategy that aligns with the overall goals of the organisation	

INDUSTRY ASSOCIATIONS






Significance Industry groups and thought leaders that promote long-term sustainable industry growth, stability and best practices through collaboration		Scope: External Number: 04	
Quality of Engagement ★★★★★	Relationship Manager MD/CEO and other department heads	Impacted Capitals	
Engagement Channels and Frequency Meetings and discussions - AR Events and programmes - ○		Impacted SDGs	
Key Risks 2 3 5 6		ESG Strategic Pillars Social Responsibility (page 122) Financial Performance (pages 76-93)	Corporate Governance (pages 154-205)
Areas of Interest Collective growth and collaboration Industry growth and stability			

Key Concerns in 2023	Strategic Response	Outcome
Compliance and ethical practices	Insightful leadership (pages 147) Effective controls (pages 193-194, 204-205)	Representation in industry forums and events
Business resilience	Stewardship and sustainability (pages 94-139, 154-205) Prudent investments (pages 87-92)	
Outlook	We will continue to maintain strong and collaborative relationships with our industry associations in future	

COMMUNITY AND ENVIRONMENT

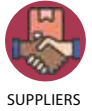
Significance Engagement with the surrounding communities and the environment derive positive, purposeful growth and sustainable operations.		Scope: External Number: CSR 13 Green club - 6 Total - 19	
Quality of Engagement 	Relationship Manager CFO, Head of Marketing	Impacted Capitals	     
Engagement Channels and Frequency Meetings and discussions - AR Events and programmes -  Training and development programmes -  Newsletters emails and other media - AR Grievance handling processes - AR		Impacted SDGs         	
Key Risks     		ESG Strategic Pillars Social Responsibility (pages 135-139) Environmental Sustainability (pages 94-105) Corporate Governance (pages 154-205)	
Areas of Interest Collective growth and collaboration Industry growth and stability Conservation of resources			
Key Concerns in 2023	Strategic Response	Outcome	
Health and well-being	Resilient communities (pages 135-139) Inclusive protection (pages 109-114)	4 green buildings opened at a cost of Rs. 511 Mn	
Minimal impact	Stewardship and sustainability (pages 94-139, 154-205) Responsible consumption (pages 96-101) Sustainable growth (pages 102-104)	Cost of CSR projects – Rs. 20.6Mn Saving in fuel consumption - 6% Decrease in carbon footprint – 9.33%	
Outlook	 Refer to Resilient Communities on page 139		

REGULATORS

Significance Compliance with legal and regulatory requirements maintains business continuity and builds public trust		Scope: External Number: 03	
Quality of Engagement 	Relationship Manager Principal Officer, Compliance Officer and Board of Directors	Impacted Capitals 	
Engagement Channels and Frequency Submission of returns - A, BA, A Payment of taxes and levies  Official correspondence - AR	Impacted SDGs  ESG Strategic Pillars Social Responsibility (page 122) Environmental Sustainability (pages 94-105)	Financial Performance (pages 76-93) Corporate Governance (pages 154-205)	
Key Risks 			
Areas of Interest Timely submission of returns Timely payment of taxes Ethical business practices			
Key Concerns in 2023 Compliance and ethical practices		Strategic Response Inclusive protection (pages 109-114) Stewardship and sustainability (pages 94-139, 154-205) Responsible consumption (pages 96-101) Sustainable growth (pages 102-104) Insightful leadership (pages 147) Effective controls (pages 193-194, 204-205)	
Outcome Direct taxes paid – Rs. 2.6 Bn Levies, fees and charges paid – Rs. 75Mn			
Outlook <i>We expect the industry specific regulatory compliance requirements to increase in the future. We will be able to adhere to such requirements successfully with the support of our compliance team. We expect the industry specific regulatory compliance requirements to increase in the future. We will be able to adhere to such requirements successfully with the support of our compliance team.</i>			

Nurturing Strategy

Stakeholder Engagement



SUPPLIERS

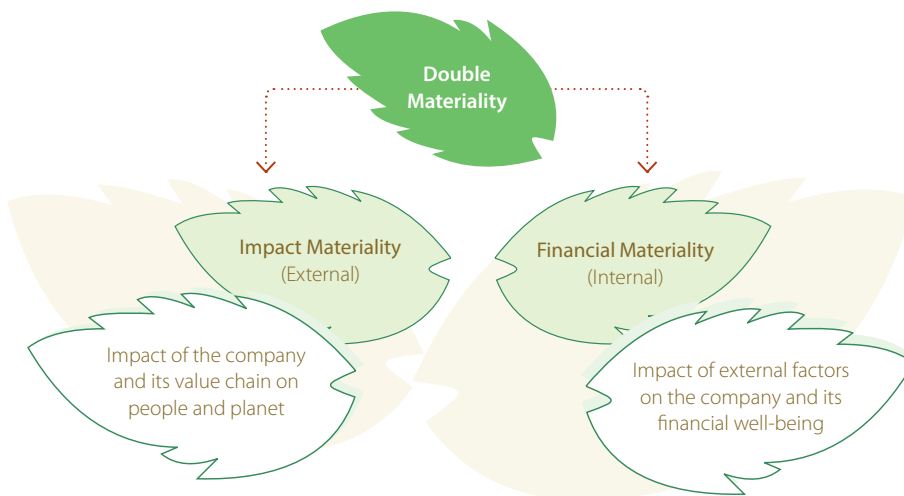
SUPPLIERS		
Significance Mutually beneficial partnerships that support business operations		Scope: External Number: 1,783
Quality of Engagement ★★ ★	Relationship Manager Head of Administration and other department heads	Impacted Capitals
Engagement Channels and Frequency Meetings and discussions - AR Formal agreements - AR Virtual conferences and other electronic media - O		Impacted SDGs
Key Risks 2 3 4 5 6		ESG Strategic Pillars Social Responsibility (page 120-122) Environmental Sustainability (pages 94-105) Financial Performance (pages 76-93) Corporate Governance (pages 154-205)
Areas of Interest Timely payments Balancing cost-effectiveness with quality Long-term, mutually beneficial partnerships Fostering sustainable growth		
Key Concerns in 2023	Strategic Response	Outcome
Strong, ethical partnerships	Trusted partnerships (pages 116-122)	No. of new suppliers - 798
Prudent resource management	Sustainable growth (pages 102-104) Responsible consumption (pages 96-101)	No. of supplier evaluations on ESG criteria – 5 Payments to suppliers - Rs. 2.6 Bn
Outlook	We will continue our existing strong and collaborative relationships with our suppliers and business partners and will further extend our focus on sustainability practices in supplier evaluations in the future.	

Materiality Assessment

BASIS OF MATERIALITY

MATERIAL TOPICS ARE DEFINED AS THE FACTORS THAT SIGNIFICANTLY IMPACT AN ORGANISATION'S ABILITY TO CREATE VALUE OVER TIME. THESE MAY UNDERGO CHANGE OVER TIME, AND THEREFORE MATERIAL TOPICS ARE REGULARLY REVIEWED TO ENSURE THEY REMAIN RELEVANT AND ALIGNED WITH STAKEHOLDER NEEDS AND ENVIRONMENTAL DYNAMICS.

As an organisation with an extensive reach, Ceylinco Life's impact is considerable. However, for reporting purposes, a materiality assessment was conducted to determine the topics with the greatest implications towards value creation, which are in turn utilised as a foundation for strategy development and resource allocation. The results of the materiality assessment are found from pages 57-62 and define the content disclosed within this integrated report.



As in the previous year, Ceylinco Life utilised the double materiality perspective outlined below to gain an improved understanding of its impacts.

DEFINING LEVEL OF MATERIALITY

The organisation relies on the following guidelines to determine its material topics and degree of materiality:

Importance or Scale of Impact	A significant impact on the organisation's operations or its stakeholders
Frequency of Occurrence	A low or moderate impact with a high likelihood of occurrence
Compliance and Regulatory Implications	Stipulated regulatory and compliance-related mechanisms that drive good governance and stewardship
Potential Risk to Stakeholders/Organisation	The potential to disrupt operations or expose stakeholders to adversity

PROCESS TO DETERMINE MATERIAL TOPICS

Analyse:

- Internal and external stakeholder feedback
- Operating dynamics

Identify

- Risks, opportunities and challenges to the business
- Stakeholder concerns and expectations

Prioritise:

- Topics significantly impacting key stakeholders
- Topics significantly impacting company performance and resilience

Integrate:

- Identified topics into organisational processes

Report:

- On topic progress to stakeholders and the Board of Directors on a regular basis

Review:

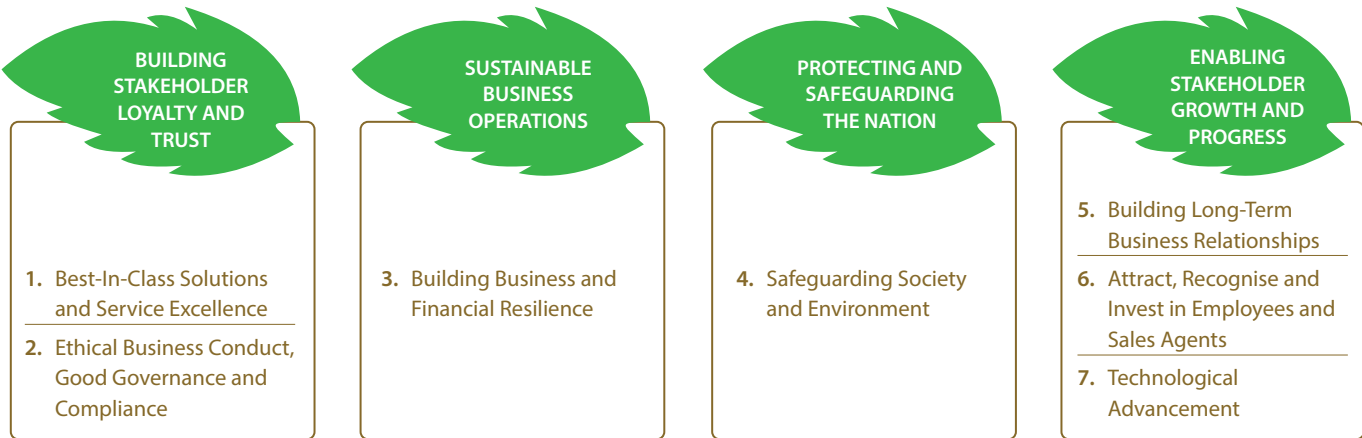
- Topic progress and determine areas for improvement

Nurturing Strategy

Materiality Assessment

MATERIAL TOPICS

Following a comprehensive assessment, the organisation retained the same 07 material topics as in the preceding year, under 04 overarching themes. These topics were in turn utilised for our strategy development (refer pages 63-68).



Degree of Impact



High



Moderate



Low

Change in Materiality



Increased



Unchanged



Decreased

Strategic Pillar



Financial Performance



Social Responsibility



Environmental Sustainability



Corporate Governance

MATERIAL TOPIC 01

Best-in-Class Solutions and Service Excellence

Impact Materiality
(External)



Best-in-class products and service excellence is required for policyholders to enjoy the best insurance protection.

Financial Materiality
(Internal)



The key source of organisational revenue and a contributor towards business resilience.

Change in
Materiality



A growing focus on customer well-being and convenience while seeking new avenues for business growth and resilience amid disruptions.

Strategic
Pillars



Social Responsibility



Financial Performance

Impacted
Stakeholders



POLICYHOLDERS



COMMUNITY AND ENVIRONMENT

SDG Impact



Capitals
Impacted



SOCIAL AND RELATIONSHIP CAPITAL



FINANCIAL CAPITAL



INTELLECTUAL CAPITAL






MANUFACTURED CAPITAL

GRI Topics

201, 416, 418

MATERIAL TOPIC 02**Ethical Business Conduct, Good Governance and Compliance**

Impact Materiality (External)	●	Ethical practices and good governance contribute towards a corruption-free society, while safeguarding stakeholder interests and sustainable growth
Financial Materiality (Internal)	●	Compliance is essential towards business continuity in our regulated industry.
Change in Materiality	▲	An increased need for good governance and stewardship against the backdrop of the economic crisis.
Strategic Pillars	 Social Responsibility  Corporate Governance  Financial Performance	
Impacted Stakeholders	 POLICYHOLDERS  COMMUNITY AND ENVIRONMENT  REGULATORS  REINSURERS  EMPLOYEES  SHAREHOLDERS	
SDG Impact	   	
Capitals Impacted	 SOCIAL AND RELATIONSHIP CAPITAL  FINANCIAL CAPITAL  HUMAN CAPITAL	
GRI Topics	205, 206, 416, 417, 418, 405, 406, 408	

MATERIAL TOPIC 03**Attract, Recognise and Invest in Employees and Sales Agents**

Impact Materiality (External)	●	Economic value generation through employment opportunities and nurturing the knowledge, skills, security and progress of employees and sales agents.
Financial Materiality (Internal)	●	A motivated, engaged and skilled workforce and sales force are key contributors towards business and revenue growth.
Change in Materiality	■	
Strategic Pillars	 Social Responsibility  Financial Performance	
Impacted Stakeholders	 EMPLOYEES  SALES AGENTS	
SDG Impact	   	
Capitals Impacted	 SOCIAL AND RELATIONSHIP CAPITAL  FINANCIAL CAPITAL  HUMAN CAPITAL  INTELLECTUAL CAPITAL	
GRI Topics	202, 401, 402, 403, 404, 405, 409	

Nurturing Strategy

Materiality Assessment

MATERIAL TOPIC 04

Building Business and Financial Resilience

Impact Materiality (External)	●	Island-wide value generation and community well-being through investments, infrastructure growth and employment opportunities, while sustaining and preserving resources for the future
Financial Materiality (Internal)	●	Improved brand reputation and public perception contributing towards business success.
Change in Materiality	▲	Continued economic and political disruptions placed greater focus on resilience.
Strategic Pillars	 Social Responsibility  Corporate Governance  Financial Performance  Environmental Sustainability	
Impacted Stakeholders	 SHAREHOLDERS  POLICYHOLDERS  EMPLOYEES  REGULATORS  COMMUNITY AND ENVIRONMENT	
SDG Impact	 	
Capitals Impacted	 SOCIAL AND RELATIONSHIP CAPITAL  FINANCIAL CAPITAL  HUMAN CAPITAL  INTELLECTUAL CAPITAL  NATURAL CAPITAL  MANUFACTURED CAPITAL	
GRI Topics	201	

MATERIAL TOPIC 05

Safeguarding Society and Environment

Impact Materiality (External)	●	Financial protection through life insurance and social and environmental programmes are essential for society and the environment.
Financial Materiality (Internal)	●	Improved brand reputation and public perception contributing towards business success.
Change in Materiality	▲	Climate change and social disruptions continue to pose challenges for our business.
Strategic Pillars	 Social Responsibility  Environmental Sustainability	
Impacted Stakeholders	 COMMUNITY AND ENVIRONMENT  EMPLOYEES  POLICYHOLDERS  SALES AGENTS	
SDG Impact	     	
Capitals Impacted	 SOCIAL AND RELATIONSHIP CAPITAL  FINANCIAL CAPITAL  HUMAN CAPITAL  INTELLECTUAL CAPITAL  NATURAL CAPITAL  MANUFACTURED CAPITAL	
GRI Topics	203, 301, 302, 303, 305, 306, 413	

MATERIAL TOPIC 06**Building Long-Term Business Relationships**

Impact Materiality (External)		Ensuring the growth, welfare and capacity development of suppliers and service providers
Financial Materiality (Internal)		Driving improved business continuity and stability
Change in Materiality		
Strategic Pillars	 Social Responsibility  Corporate Governance  Financial Performance  Environmental Sustainability	
Impacted Stakeholders	 COMMUNITY AND ENVIRONMENT  REINSURERS	
SDG Impact	  	
Capitals Impacted	 SOCIAL AND RELATIONSHIP CAPITAL  FINANCIAL CAPITAL  INTELLECTUAL CAPITAL  NATURAL CAPITAL  MANUFACTURED CAPITAL	
GRI Topics	204	

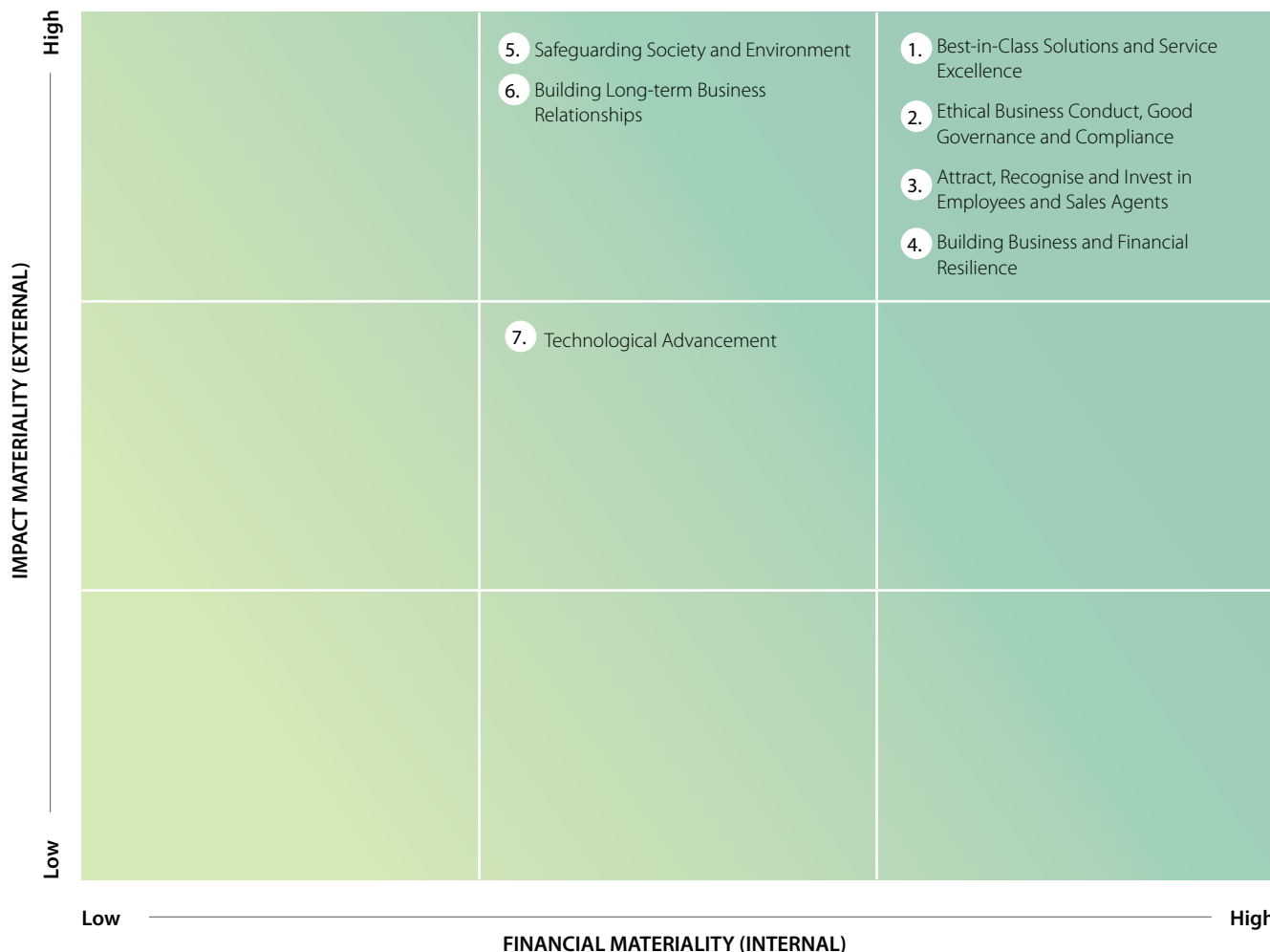
MATERIAL TOPIC 07**Technological Advancement**

Impact Materiality (External)		Promoting industry and economic growth, increased accessibility and reduced inequalities across society, while ensuring responsible consumption of resources and improved working conditions.
Financial Materiality (Internal)		Ensuring improved cost efficiencies, profitability and rapid business expansion.
Change in Materiality		
Strategic Pillars	 Social Responsibility  Corporate Governance  Financial Performance  Environmental Sustainability	
Impacted Stakeholders	 COMMUNITY AND ENVIRONMENT  REINSURERS	
SDG Impact	  	
Capitals Impacted	 SOCIAL AND RELATIONSHIP CAPITAL  FINANCIAL CAPITAL  INTELLECTUAL CAPITAL  NATURAL CAPITAL  MANUFACTURED CAPITAL	
GRI Topics	301	

Nurturing Strategy

Materiality Assessment

MATERIALITY MATRIX



Nurturing Strategy

Strategy Development and Integration

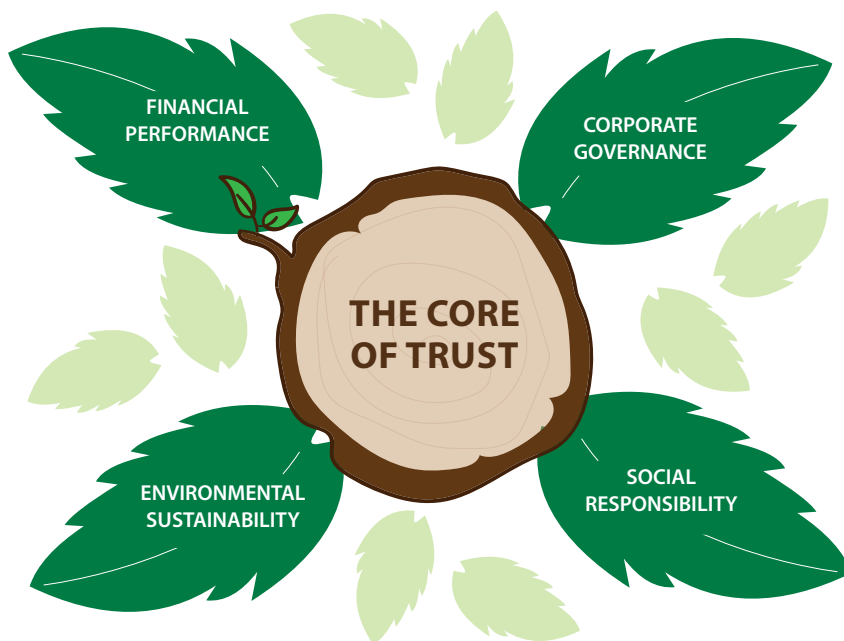
STRATEGY DEVELOPMENT

Strategic Direction and Governance

The Strategic Planning Committee meets on a monthly basis and is responsible for defining the organisation's overall strategic direction. The Committee reports to the Board of Directors and consists of a team of Executive Directors including the MD/CEO, General Managers and a Senior Assistant General Manager and is led by the Executive Chairman.



Following a reassessment of prevailing environmental dynamics and stakeholder needs, Ceylinco Life prioritised and prudently allocated resources towards executing the following interconnected strategies that contribute towards developing and enhancing its core of trust.



STRATEGY DEVELOPMENT PROCESS

Analysis:

1. Assess market dynamics, risks and opportunities and stakeholder needs.
2. Determine ability to address the above by assessing organisational strengths, resources and capabilities.

Development

1. Align the Vision, Purpose and Values with previously determined needs and operating dynamics.
2. Develop objectives for the short, medium and long-term and assign KPIs to track progress.

Implementation



1. Allocate and deploy resources and leverage core competencies to ensure strategy execution.
2. Communicate strategy across the organisation and establish time-frames for completion.
3. Monitor and update as required.


Strategy Development and Integration

STRATEGY INTEGRATION

Strategic Plan and Implementation

The implementation of strategy takes place via a comprehensive strategic plan which sets out objectives pertaining to each pillar for the present and future, which is communicated across the organisation. Strategies are enforced through the deployment of resources and the seamless coordination of varied business functions led by the top managerial level at Ceylinco Life. Allocation of resources for each strategic pillar takes place through an annual financial planning process.

Strategic Pillar	Relevant Material Matter	2023			Future Direction		
		Objectives	Resource Allocation	Achievement	Short-Term	Medium-Term	Long-Term
Financial Performance 	Building Business and Financial Resilience	<ul style="list-style-type: none"> GWP Growth 14% ROE 15% Life Fund Growth 12% Total Assets 15% Capital Adequacy Ratio - Maintain above 200% 	Operating Cash Flows - Rs. 18.5 Bn	<ul style="list-style-type: none"> GWP Growth 14.6% ROE 10.67% Life Fund Growth 16.79% Total Assets 17.3 Capital Adequacy Ratio 344% 	<ul style="list-style-type: none"> GWP Growth 15% ROE 12% Life Fund Growth 13% Total Assets 15% Capital Adequacy Ratio Maintain above 200% 	<ul style="list-style-type: none"> GWP Growth 20% ROE 15%+ Life Fund Growth 15% Total Assets – 10% Capital Adequacy Ratio above 200% Transition into SLFRS 17 and SLFRS 9 	<ul style="list-style-type: none"> Increase penetration in the core life insurance segment to stimulate premium growth Balancing the product mix to achieve higher CSM under SLFRS 17 Re-engineering company processes to optimise expenses Capital Adequacy Ratio – maintain above 200%
Corporate Governance 	Ethical Business Conduct, Good Governance and Compliance	<ul style="list-style-type: none"> Re-composition of Board of Directors in compliance with regulatory requirements. Succession Plan for top managements Reconstitution of Board Sub-committees 	Spending on risk and compliance systems Rs.4.2 Mn	<ul style="list-style-type: none"> There were no non-compliances with regulatory requirements. Appointment of COO and Deputy COO. Reconstitution of Board Sub-committees 	<ul style="list-style-type: none"> Complying with Data Protection Act Complying with Code of Best Practices 2023 Establishment of Board ESG committee and sustainability policy. IT governance framework 	<ul style="list-style-type: none"> Anti-corruption and bribery policy Implementation of IT security policies and procedures. 	<ul style="list-style-type: none"> Compliance with ISO27701 -2022

Strategic Pillar	Relevant Material Matter	2023			Future Direction		
		Objectives	Resource Allocation	Achievement	Short-Term	Medium-Term	Long-Term
Social Responsibility 	Best-In-Class Solutions and Service Excellence Attract, Recognise and Invest in Sales Agents	<ul style="list-style-type: none"> Market leader for the 20th consecutive year Maintain ToM at above 40% More focus on health insurance Plans Maintain best customer service in the industry. Dedicated regional customer contact center Digitalize 85% of sales force Average training hours per sales agent – 30 per annum 	<ul style="list-style-type: none"> Cost of running customer service, Call center, alternate channels - Rs.27 Mn Business Promotion and advertising expenses Rs.356 Mn Investment in Sales Agents and their empowerment - Rs. 2.3 Bn 	<ul style="list-style-type: none"> Market leader for the 20th consecutive year ToM at above 44% Introduction of health Riders and Medical Saver plan. Awarded the Service Brand of the Year. Best Life Insurance Company in Sri Lanka -2023 Digitalized 72% of sales force Average training hours per sales agent – 8 per annum 2,939 sales agents (Increased by 2%) 	<ul style="list-style-type: none"> Market leader for the 21st consecutive year Maintain ToM at above 40% More focus on the core life insurance segment Setting up customer experience department Develop alternative channels Advancement new customer apps Digitalise 85% of sales force Average training hours per sales agent – 30 per annum Increase manpower by 5%. Setup Premier Agents channel through own broker Sales apps in mobile friendly platform 	<ul style="list-style-type: none"> Establishment of customer loyalty programmes Increase of customer contactability to 70% Increase penetration in the core life insurance segment To increase the number of new customers by 10% Maintain best customer service in the industry Digitalise 90% of sales force Average training hours per sales agent – 35 per annum Increase manpower by 5% Recruits for sales force for targeting SEC A & B 	<ul style="list-style-type: none"> Grow market share up to 25% while retaining market leadership Promote customer convenience by digitising the customer journey Increase the attachment of additional benefits such as medical riders by 10% Use AI and data analytics to improve customer service Maintain sales force digitalisation at least 95% Maintain average training hours per sales agent at 40 Increase manpower by 5%

Nurturing Strategy

Strategy Development and Integration

Strategic Pillar	Relevant Material Matter	2023			Future Direction		
		Objectives	Resource Allocation	Achievement	Short-Term	Medium-Term	Long-Term
	Attract, recognise and invest in employees	<ul style="list-style-type: none"> Increase manpower by 10% Supporting mental and physical health – a minimum of 4 hours of training per employee Increase innovative employee ideas by 50% 	Investment in Human Resource initiatives - Rs. 3 Bn	<ul style="list-style-type: none"> Certified as a Great Place to Work 740 employees 87% retention rate 18.7 training hours per employee 	<ul style="list-style-type: none"> Integrating GenZ into the workforce and targeting youth segments Focus on employee retention and job security considering the ongoing financial crisis Implementation of a robust succession planning process for the Assistant Manager grade and above 	<ul style="list-style-type: none"> Improving digital/ technological literacy of the workforce Minimum of 15 hours of training per employee Alignment of existing HR policies to improve diversity, inclusion and pluralism Continuing to be certified as a Great Place to Work – rank among the Best 10 in the sector 	<ul style="list-style-type: none"> Become the most sought-after employer Fill 90% of Assistant Manager vacancies through existing talent Continuing to be certified as a Great Place to Work – rank among the Overall Best 40
	Technological Advancement	<ul style="list-style-type: none"> Proposals through e-submission – 95% Referral app for lead generation Improve cyber security platforms to ensure data security 	Investment in upgrading digital infrastructure, license fees, maintenance fees, Rs. 284 Mn.	<ul style="list-style-type: none"> 95% of all new businesses took place electronically 100% Conversion in to SMS temporary receipts 	<ul style="list-style-type: none"> Appoint a cross-functional Team to decide on ICT and digitalisation Projects Conversion of all receipting into digital platform 	<ul style="list-style-type: none"> Direct integration of social media with CRM System Compliance with the Personal Data Protection Act Empower staff with proper tools to drive productivity 	<ul style="list-style-type: none"> Transition into technological leadership in the industry Adoption of best-in-class enterprise data and IT protection infrastructure Paper-less work environment
	Building long-term business relationships	<ul style="list-style-type: none"> Support for working capital management 	Payments to business partners - Rs. 2.6 Bn	<ul style="list-style-type: none"> Settled 75% of invoices within 7 working days Payment notifications over SMS and email Procurement of materials for suppliers to assist their working capital 	<ul style="list-style-type: none"> Assist suppliers to transform into digital platform Expansion of regional suppliers 	<ul style="list-style-type: none"> Screening suppliers on socio-environmental criteria Lowering carbon footprint in the supply chain Expand industry/ professional memberships 	<ul style="list-style-type: none"> Assistance to develop small-scale suppliers into medium scale





Strategic Pillar	Relevant Material Matter	2023			Future Direction		
		Objectives	Resource Allocation	Achievement	Short-Term	Medium-Term	Long-Term
	Collaboration with Communities	<ul style="list-style-type: none"> Conduct 08 Waidya Hamuwa health camps and maintain the donated 01 HDUs 	CSR expenses - Rs. 3 Mn	<ul style="list-style-type: none"> Conducted 10 health camps benefitting 2,301 participants Supported the 5 HDUs previously donated to treat over 1,973 lives 	<ul style="list-style-type: none"> Conduct 10 health camps Maintaining the donated HDUs. 	<ul style="list-style-type: none"> Support another regional hospital in a critical care related infrastructure facilities 	<ul style="list-style-type: none"> Formulate a comprehensive plan to strengthen regional state hospitals in order to treat patients with critical needs
Environmental Sustainability 	Safeguarding Society and Environment	<ul style="list-style-type: none"> Reduction in electricity consumption – 10% Reduction in carbon footprint – 10% Proposals through e-submissions to reduce paper in insurance proposals – 96% Green buildings – 2 buildings 	Investment in Green Initiatives - Rs. 525 Mn	<ul style="list-style-type: none"> Reduction in electricity consumption – 8% Reduction in carbon footprint – 9.33% Proposals through e-submissions to reduce paper in insurance proposals – 95% Green buildings – 4 buildings 	<ul style="list-style-type: none"> Reduce carbon footprint by 7% Proposals through e-submissions to reduce paper in insurance proposals – 100% Establishment of environment protection fund Planting 10,000 trees in the forest reserve Conversion into a plastic & polythene-free workplace 	<ul style="list-style-type: none"> Conversion into R-410 air conditioners Green buildings – 2 buildings per year All solar projects to be registered to obtain carbon credits for offsetting Reduce carbon footprint by 7% Replace generators with battery back-up Systems Growth of environment protection fund to Rs.20 Mn Implementation of S1 and S2 Sustainability Related Financial Disclosures 	<ul style="list-style-type: none"> Sustainable business expansion and development Responsible resource management and disposal Conversion into a plastic & polythene free workplace Replace generators with battery back-up systems Become a zero-carbon entity through reforestation.

Nurturing Strategy

Strategy Development and Integration

Capital Trade-Offs and Strategic Outcomes

Ceylinco Life enhances the other capitals under its control by employing and deploying its capitals across its strategic pillars, resulting in the erosion, preservation and creation of value as shown below:

Strategic Pillar	Financial Capital	Social and Relationship Capital	Manufactured Capital	Human Capital	Intellectual Capital	Natural Capital
Financial Performance 	+ Builds financial strength and resilience	+ Builds stakeholder confidence	+ Enables branch expansion and infrastructure development	+ Supports employee stability, security and welfare	+ Contributes towards brand value and knowledge enhancement	+ Improving resource allocation towards environmental initiatives
Corporate Governance 	- Contribution towards taxes	+ Builds trust and corporate reputation	+ Mitigates adverse impacts on surroundings	+ Maintains employee welfare, professionalism and integrity	+ Unmatched leadership capabilities and diverse insights	+ Safeguards the environment
Social Responsibility 	- Investment in training, remuneration and rewards - Investment in new product development, research and analytics - Investment in technology and process development + Increase in revenue and profitability	+ Builds stakeholder satisfaction and confidence + Nurtures long-term partnerships + Increases market penetration and reach + Improved employment opportunities	+ Increases market penetration and reach	+ Builds employee motivation + Supports employee development and progress	+ Nurtures unique organisational knowledge, processes and capabilities	+ Builds an eco-conscious community
Environmental Sustainability 	- Investment into sustainable initiatives + Reduced costs	+ Educates and nurtures a resilient, sustainable society	+ Expansion through green infrastructure	+ An environmentally responsible workforce	+ Develops organisational knowledge and a unique value proposition as a responsible insurer	+ Improved waste and resource management

Value Creation

CEYLINCO LIFE UNDERTAKES A MULTI-DIMENSIONAL APPROACH TOWARDS VALUE CREATION THAT DELIVERS SUSTAINABLE AND IMPACTFUL TRANSFORMATION ACROSS SOCIETY.

VALUE CREATION INPUTS

Our resources and partnerships take the form of six capitals, which are utilised as primary inputs into the value creation process.



FINANCIAL CAPITAL

Monetary resources contributed by the sole shareholder, i.e., share capital, retained earnings and other funds.



SOCIAL AND RELATIONSHIP CAPITAL

Strong relationships maintained with policyholders, sales agents, suppliers, business partners and the community.



INTELLECTUAL CAPITAL

Our intellectual assets including our brand and its equity, product trademarks, technical expertise, technological solutions etc.

CAPITAL INPUTS



MANUFACTURED CAPITAL

Physical assets available to us including buildings, equipment and physical IT infrastructure.



HUMAN CAPITAL

A diverse workforce providing a pool of unique knowledge, skills, capabilities and experience.



NATURAL CAPITAL

Renewable and non-renewable environmental resources impacted by our utilisation through business activities.

VALUE CREATION PROCESS

Ceylinco life's four-pillar strategy governs the organisation's core and support activities and drives the transformation and enhancement of the aforementioned resources to deliver tangible, positive outcomes to all stakeholders. Strategic direction is determined by 07 material topics which are derived from a comprehensive assessment of the organisation's operating environment and stakeholder needs and are aligned with the company's Vision, Purpose, Values and Core Strengths.



Refer page 63-68 for details on Strategy Development and Integration

VALUE CREATION OUTCOMES AND IMPACT

Our products are key outputs from the business process, while the capitals enhanced through business activities serve as the outcomes of value creation. These are translated into positive internal and external impacts across key stakeholder groups, which contributes towards the agenda for sustainable development.



FINANCIAL CAPITAL

Enhances the ability to generate returns to the sole shareholder and build the necessary reserves and stability to pursue growth.



SOCIAL AND RELATIONSHIP CAPITAL

Creates mutual value, with stakeholders receiving security, well-being and progress, while building organisational growth, reputation and trust.



INTELLECTUAL CAPITAL

Enhances the efficiency of processes while enabling productivity, improved market value and improved customer service and convenience.

CAPITAL OUTCOMES



MANUFACTURED CAPITAL

Drives business expansion, accessibility of services, infrastructure development and seamless operations.



HUMAN CAPITAL

Creates a satisfied and engaged workforce dedicated towards delivering an unmatched service while enabling improved efficiencies, safeguarding integrity and achieving business strategy.



NATURAL CAPITAL

Sustains and safeguards resources for future generations, while contributing towards business continuity, cost efficiencies and overall profitability.

Nurturing Strategy Value Creation

Strategy Drivers:

Vision, Purpose and Values

11

Organisational Strengths

17-18

INPUTS



FINANCIAL
CAPITAL

Shareholders' Equity
Rs. 54.37 Bn
Total Assets
Rs. 224.72 Bn



SOCIAL AND
RELATIONSHIP
CAPITAL

Investment in community
Rs. 20.6Mn
Investment in new
product development
Rs. 1.5Mn
Long-term partnerships



INTELLECTUAL
CAPITAL

Brand equity
Rs. 3.5Billion
(Brand Finance)
Investment in
technology
Rs. 137 Mn



MANUFACTURED
CAPITAL

Property, Plant and
Equipment
Rs. 12.8 Bn
Number of branches
128
Number of customer
touchpoints
12



HUMAN
CAPITAL

Investment in training
Rs. 24.4 Mn
Number of employees
740
Experienced and
diverse leadership team



NATURAL
CAPITAL

Investment in green buildings
Rs. 80.5 Mn
Investment in green initiatives
Rs. 511 Mn
Water consumption
23,704,000 Ltrs
Electricity consumption
1,479 Mwh



BUILDING STAKEHOLDER LOYALTY AND TRUST

1

Best-In-Class Solutions and
Service Excellence

2

Ethical Business Conduct, Good
Governance and Compliance



SUSTAINABLE BUSINESS OPERATIONS

3

Building Business and
Financial Resilience



PROTECTING AND SAFEGUARDING A NATION

4

Safeguarding Society and
Environment



ENABLING STAKEHOLDER GROWTH AND PROGRESS

5

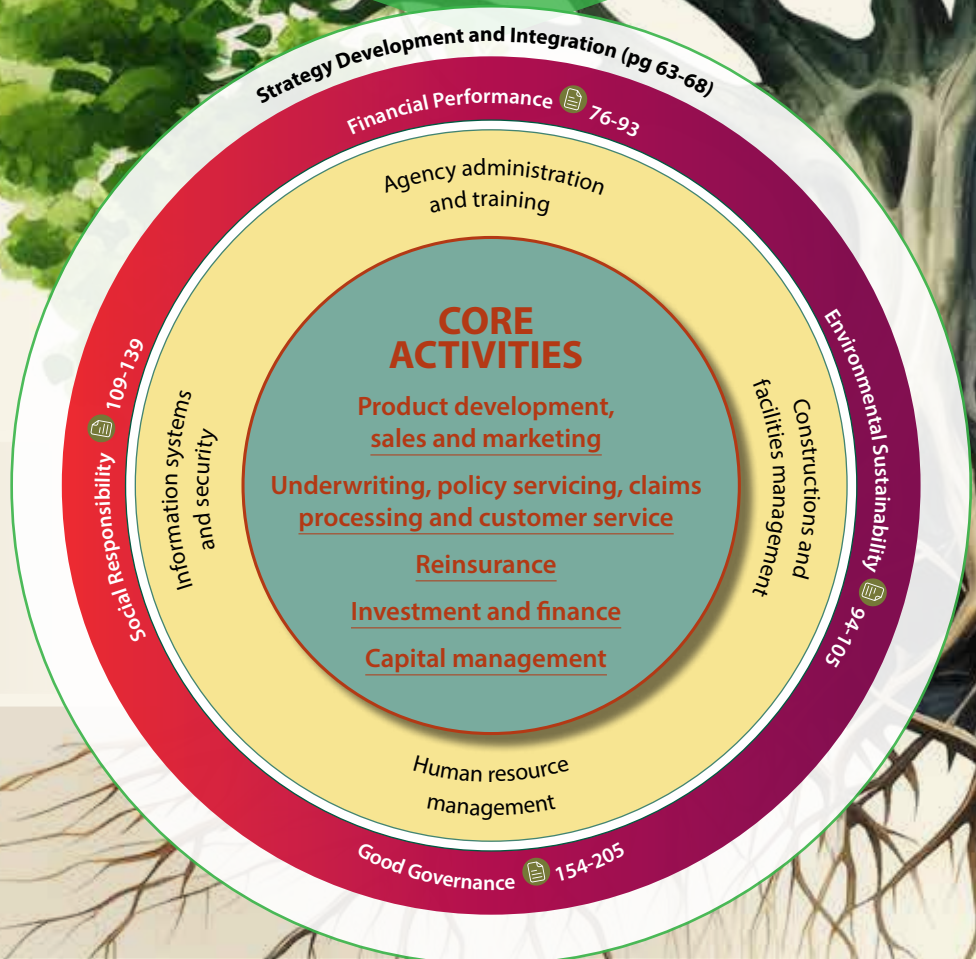
Building Long-Term Business
Relationships

6

Attract, Recognise and Invest in
Employees and Sales Agents

7

Technological Advancement



Risks and Opportunities

35-39, 40-49

Stakeholder Expectations

50-56

O U T P U T S

O U T C O M E S

I M P A C T

V A L U E F O R F U T U R E

LIFE PLANS

RETIREMENT PLANS

GROUP LIFE PLANS

MICRO INSURANCE PLANS

ENDOWMENT PLANS

DECREASING TERM ASSURANCE PLANS



FINANCIAL CAPITAL

Return on Equity **10.67%**
Return on Assets **2.58%**
Dividends per share **Rs. 15.00**
Taxes Paid **Rs.2 Bn**



SOCIAL AND RELATIONSHIP CAPITAL

Claims Settled **Rs. 23.1Bn**
Number of policyholders **800,000+**
Average Training Hours per Agent **8.09**
Payments to Suppliers **Rs. 2.6 Bn**
Lives Impacted through CSR **4,446**



INTELLECTUAL CAPITAL

Innovative technologies
New Products Developed **1**
Process improvements



MANUFACTURED CAPITAL

Property, Plant and Equipment **Rs.12.8 Bn**
Number of new buildings **4**



HUMAN CAPITAL

Rewards and Remuneration **Rs. 3 Bn**
Number of Promotions **176**
Female Recruits **46**
Workplace-Related Injuries **Nil**



NATURAL CAPITAL

Carbon footprint reduction **9.33%**
Solar energy generated **1.001 Mwh**
Paper Recycled **11,739 Kg**
Fuel consumption reduced by **6%**

Delivering Financial and Economic Value

Supporting financial growth, industry resilience and economic development.



Key

Stakeholders:
Shareholders,
Regulators

Building Relationships for Life

Nurturing long-term, mutually-beneficial relationships with partners and safeguarding their needs.



Key

Stakeholders:
Policyholders,
Suppliers,
Regulators,
Reinsurers,
Actuaries,
Sales Agents,
Industry
Associations,
Community

Enabling Accessibility and Growth

Driving inclusive protection, growth and infrastructure development.



Key

Stakeholders:
Policyholders,
Community

Supporting Employee Welfare and Progress

Fostering a positive work environment that enables equitable growth, welfare and development.



Key

Stakeholders:
Employees

Protecting Resources and Ecosystems

Promoting responsible consumption while safeguarding vital resources for the future.



Key

Stakeholders:
Environment,
Community,
Employees



FINANCIAL CAPITAL

- Increase penetration in the core life insurance segment to stimulate premium growth
- Transition into SLFRS 17 and SLFRS 9
- Balancing the product mix to achieve higher CSM under SLFRS 17
- Transition into disclosures under sustainability reporting standards S1 & S2



SOCIAL AND RELATIONSHIP CAPITAL

- Use AI and data analytics to improve customer service
- Set up a premier agent channel to drive business in affluent segments
- Increase community engagements such as classroom development and Waidya Hamuwa projects



INTELLECTUAL CAPITAL

- Direct integration of social media with the CRM System
- Compliance with Personal Data Protection Act



MANUFACTURED CAPITAL

- Expand customer reach through the branch network
- Deployment of a sophisticated core insurance application



HUMAN CAPITAL

- Integrate GenZ into the workforce and target youth segments
- Become the most sought-after employer in the country



NATURAL CAPITAL

- Reduce carbon footprint by 7% every year
- Become a zero-carbon entity
- Planting 100,000 trees in the forest reserve
- Grow the environmental protection fund to support more green initiatives

For more details, refer to Strategy Development and Integration on page 64-67

CEYLINCO LIFE'S VALUE CREATION PROCESS LIES IN CREATING A PROFOUND AND POSITIVE IMPACT ACROSS ALL OUR STAKEHOLDERS. WE RECOGNISE OUR RESPONSIBILITY TO CONTRIBUTE CREATE A BETTER WORLD BY EMBRACING A BROAD SPECTRUM OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES ADDRESSING SOCIAL AND ENVIRONMENTAL CHALLENGES WHILST WORKING TOGETHER TOWARDS A SHARED PURPOSE AND VISION IN PURSUIT OF SUSTAINABLE SUCCESS. WE FOSTER A CULTURE OF SHARED SUCCESS WHERE OUR ETHOS INSPIRES A PERPETUAL COMMITMENT TOWARDS EXCELLENCE.

Nurturing Strategy

Generating Sustainable Value

EMPOWERING OUR PEOPLE

Key Value Indicator	Measure	2019	2020	2021	2022	2023	Change
No. of employees	Count	844	814	795	752	740	-2%
New employees	Count	37	42	54	46	85	85%
Promotions	Count	181	99	139	159	176	11%
Female representation in workforce	%	19.2	18.8	19.5	19.7	21	7%
Training per employee	Hours	18.5	6.5	14.7	19.1	18.7	-2%
Salaries, bonus & incentives	Rs. Bn	1.7	1.7	1.8	1.9	2.0	5%
EPF contribution	Rs. Mn	110	110	115	123	131	7%
ETF contribution	Rs. Mn	28	29	28	31	33	6%
Gratuity liability*	Rs. Bn	1.2	1.4	1.2	0.9	1.4	63%
Pension liability*	Rs. Mn	724	774	838	249	423	70%
Employee turnover	Count	56	71	80	89	96	8%
Employee turnover ratio	%	7	9	10	12	13	10%

* Reason for the drop in gratuity and pension liabilities in 2022 was due to the sharp increase in discount rates due to the financial crisis in Sri Lanka.

PARTNERING WITH SALES AGENTS

Key Value Indicator	Measure	2019	2020	2021	2022	2023	Change
No. of sales agents	Count	3,467	4,084	3,583	2,868	2,939	2%
New sales agents	Count	1,906	2,095	1,755	1,001	1,438	44%
Number of MDRT qualifiers	Count	55	135	161	161	302	88%
Female representation in agency force	%	52	49	51	51	55	8%
Commissions paid	Rs. Bn	1.9	2.1	2.4	2.1	2.2	5%

INCLUSIVE PROTECTION

Key Value Indicator	Measure	2019	2020	2021	2022	2023	Change
Individual Life	Policies in force	Count	884,139	865,562	870,519	851,121	-3%
	New policies	Count	109,901	108,866	115,868	96,163	-17%
Decreasing Term Assurance (DTA)	Policies in force	Count	102,867	126,601	167,792	195,015	-8%
	New policies	Count	37,414	31,690	41,191	57,279	-91%
Group Term	Policies in force	Count	271	338	362	332	11%
	New policies	Count	111	119	109	138	-53%
Maturity claims paid	Rs. Bn	6.9	8.6	8.2	12.5	16.6	33%
Death claims paid	Rs. Mn	417	725	1,364	1,211	1,197	-1%
Total claims and benefits paid	Rs. Bn	10.8	12.5	13.0	19.2	23.4	22%
Customer complaints acknowledged within one day	Count	100%	100%	100%	100%	100%	0%
Customer complaints against active policy count	%	0.16	0.13	0.11	0.05	0.04	-24%
Maturity claims paid within one day	%	100%	100%	100%	100%	100%	0%
No. of complaints on customer data privacy	Count	Nil	Nil	Nil	Nil	Nil	0%

RESILIENT COMMUNITIES

Key Value Indicator	Measure	2019	2020	2021	2022	2023	Change
Classroom development projects							
No. of classrooms	Count	7	2	-	2	2	-
No. of beneficiaries	Count	2,616	449	-	449	173	-61%
Waidya Hamuwa health camps							
No. of health camps	Count	12	-	-	7	10	43%
No. of beneficiaries	Count	3,042	-	-	1,360	2,301	69%
High Dependency Units (HDU)							
No. of HDUs set up	Count	1	-	-	-	-	-
No. of HDUs maintained	Count	4	5	5	5	5	-
Number of lives treated in the HDUs		0	0	0	0	1,973	-
Taxes paid*	Rs. Mn	1,496	1,787	1,566	3,112	2,016	-35%
Payments to suppliers	Rs. Mn	1,219	2,017	1,874	3,154	2,439	-23%

* Reason for the sharp increase in taxes paid in 2022 was due to the Surcharge Tax of Rs. 1.7 Bn paid.

ENVIRONMENTAL SUSTAINABILITY

Key Value Indicator	Measure	2019	2020	2021	2022	2023	Change
Electricity consumption	Mwh	2,283	2,050	1,986	1,465	1,479	1%
Fuel consumption	Litres	275,505	266,450	289,473	176,645	165,996	-6%
Water consumption	Units	26,000	26,292	26,244	22,540	23,704	5%
Paper recycled	Kg	17,086	5,678	21,297	44,388	11,739	-74%
Water recycled	Litres	700,000	1,003,200	844,800	1,056,000	1,171,500	11%
E-waste recycled	Kg	-	990	745	705	330	-53%
Solar generation	Mwh	-	445	629	790	1,001	27%
Investments in solar energy	Rs. Mn	17.3	15.6	13.6	28.1	131.1	366%
GHG emissions	tCO ₂ e	1,507	3,677	4,105	3,407	3,090	9.33%
Environmental fines	Rs. Mn	Nil	Nil	Nil	Nil	Nil	

POLICYHOLDER PARTNERSHIPS

Key Value Indicator	Measure	2019	2020	2021	2022	2023	Change
Market share	%	21.1	21.4	20.5	21.4	21.9	2%
Brand value	Rs. Bn	3.7	3.6	3.5	3.8	3.5	-10%
Top-of-the mind recall	%	43	42	48	49	44	-10%

Executive Directors' ESG Outcomes

R. Renganathan

Executive Chairman



Areas of oversight

- Good governance
- Relations with shareholders and stakeholders
- Balance of power between Executive and Non-executive Directors
- Effective conduct of Board meetings

Key ESG outcomes

- Re-composition of the Board and the Board Sub-committees in compliance with regulatory requirements
- Digitalisation of Board papers through Board Pac
- Regular conduct of Board meetings in an effective manner
- Ensured key stakeholder concerns were discussed at Board meetings.

E. T. L. Ranasinghe

Managing Director/Chief Executive Officer



Areas of oversight

- Overall business strategy
- Digitalisation and technological enhancements
- Compliance and risk management
- Customer service and engagement
- Community engagement

Key ESG outcomes

- Development of a 3-year business plan (in progress)
- Leading the digitalisation and technological drive
- Leading community engagement activities (classroom development, Waidya Hamuwa, HDUs etc.) – page 135-139
- Zero regulatory sanctions or fines
- Maintained IT systems uptime at world-class levels and sound cyber security
- Received multiple prestigious awards – page 8-9

P. D. M. Cooray

Senior Executive Director/Head of HR & Training



Areas of oversight

- Human resources
- Training and development

Key ESG outcomes

- 21% Female employee representation in workforce achieved which is 1.86% higher than last year.
- Training hours per employees 18.72
- Increase in salaries and benefits paid by 11% from last year to Rs. 3.1 Bn
- No. of promotions - 176
- Great place to work accreditation.
- Ensured seamless succession planning in key roles

P. A. Jayawardena

Senior Executive Director/Chief Financial Officer



Areas of oversight

- Financial discipline
- Financial risk management
- Facilities management and construction
- Asset and liability valuations
- Environmental sustainability mandate

Key ESG outcomes

- Achieved key financial highlights – page 17
- Working towards implementation of SLFRS 17, SLFRS 09 and S1/S2 standards
- Raised the purpose, sustainability and ESG agenda across the organisation.
- Received multiple prestigious industry awards for excellence in corporate reporting.
- Set new financial medium-term and long-term targets as part of business planning to support ongoing value creation for shareholders.
- Ensured the achievement of sustainability efficiencies through green initiatives.
- Arranging competitions and providing rewards to employees for their sustainability efforts

S. R. Abeynayake

Executive Director/Chief Operating Officer



Areas of oversight

- Driving sales and market share growth
- Sales force retention and capacity building
- Policy servicing, underwriting, reinsurance and policyholder claims

Key ESG outcomes

- Accelerated sales agent recruitment by 1,438
- Increased training hours per sales agent to 8.09 hours
- 302 agents qualified for MDRT status.
- Reviewed the efficiency of underwriting, business operations and claims processing



Canopy of Trust

The canopy of a tree is often unique, defining the tree's character and identity within its ecosystem. Over the years, Ceylinco Life has carved a distinctive identity within the insurance industry defined by its unique path of de-risking the lives of Sri Lankans.

Delivering Protection

FINANCIAL PERFORMANCE

INSURANCE PROVISION - LONG-TERM

Rs. 157.5 Bn

16.79% ▲
Y-o-Y Change

4.5% + ▲
Performance
against budget

TOTAL EQUITY

Rs. 54.4 Bn

10.07% ▲
Y-o-Y Change

-7% ▼
Performance
against budget

INVESTMENTS IN FINANCIAL
INSTRUMENTS

Rs. 189.3 Bn

19.97% ▲
Y-o-Y Change

6% + ▲
Performance
against budget

GROSS WRITTEN PREMIUM

Rs. 33 Bn

14.58% ▲
Y-o-Y Change

1.33% ▼
Performance
against budget

NET CLAIMS AND BENEFITS

Rs. 23 Bn

21.96% ▲
Y-o-Y Change

7.09% ▲
Performance
against budget

INVESTMENT AND
OTHER INCOME

Rs. 28 Bn

39.46% ▲
Y-o-Y Change

21.50% ▲
Performance
against budget

PROFIT BEFORE TAX

Rs. 8.4 Bn

14.85% ▼
Y-o-Y Change

56.82% ▲
Performance
against budget

GROSS CHANGE IN
CONTRACT LIABILITIES

Rs. 23 Bn

72.07% ▲
Y-o-Y Change

4.62% ▲
Performance
against budget

PROFIT AFTER TAX

Rs. 5.8 Bn

23.98% ▼
Y-o-Y Change

51.47% ▲
Performance
against budget

LINKED CAPITALS:


HUMAN
CAPITAL

INTELLECTUAL
CAPITAL

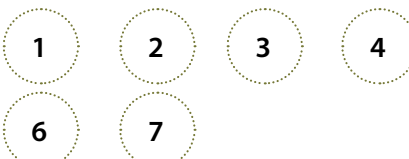
SOCIAL AND
RELATIONSHIP
CAPITAL

NATURAL
CAPITAL

LINKED SDGs & TEN PRINCIPLES:



MATERIAL TOPICS:



GRI DISCLOSURES:

302- 1, 4
303- 1, 2, 3, 4, 5
306- 1, 2, 5
307- 1

TOTAL ASSETS

Rs. 224.7 Bn

17.34% ▲
Y-o-Y Change

4% + ▲
Performance
against budget

Delivering Protection

Financial Performance



"Amidst the volatility, which was experienced in the external environment, Ceylinco Life strove to deliver consistent returns whilst focusing on prudent investments. Over the years, Ceylinco Life displayed consistent dedication to financial resilience. By operating with transparency and integrity, we strive to foster trust and confidence among regulators, investors and policyholders alike, reinforcing our reputation as a reliable and responsible insurance provider."

P A JAYAWARDENA

Senior Executive Director/ Chief Financial Officer

FINANCIAL PERFORMANCE

Maintaining a strong financial performance is integral towards shareholder value creation and business continuity, while indicating exceptional levels of customer loyalty and trust. Particularly amid the challenges experienced during the year, Ceylinco Life's unmatched value proposition, extensive reach and market leadership ensured consistent returns, while its farsighted investments and strong controls safeguard the organisation's stability in the long-term.

APPROACH TOWARDS FINANCIAL PERFORMANCE

To deliver stakeholder value and business continuity through a holistic commitment towards generating, preserving and enhancing its financial capital.



CONSISTENT RETURNS

Leveraging on key strengths and enhancing the company's value proposition to enhance revenue streams.



PRUDENT INVESTMENTS

Relying on stringent governance mechanisms and farsighted, responsible investments to build capacity and a strong asset base.

LINK TO OTHER PILLARS:



Refer page 20 for Ceylinco Life's Value Added Statement

ENVIRONMENTAL SUSTAINABILITY

- ✎ Enabling cost efficiencies and improving the bottom-line through the responsible consumption of resources.
- ✎ A focus on renewable resources helped drive down costs, particularly amid the energy and fuel crisis.

SOCIAL RESPONSIBILITY

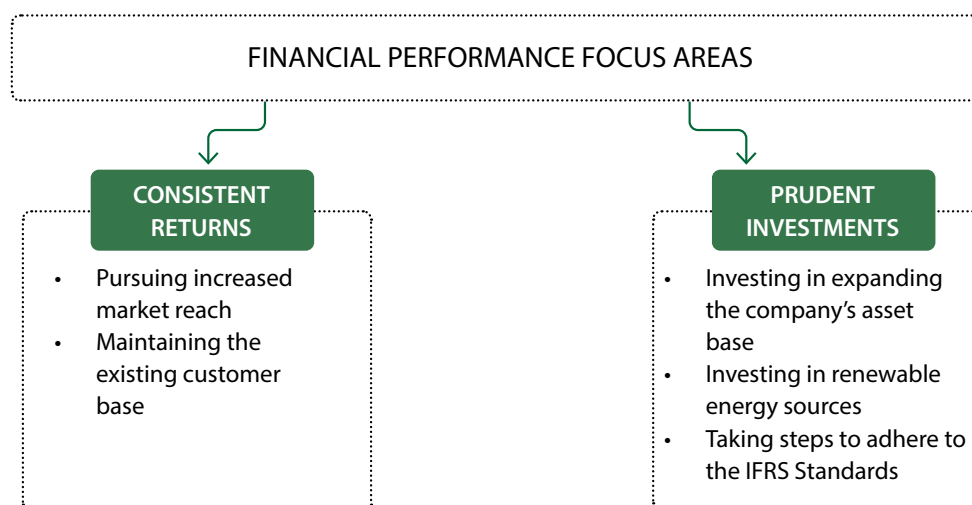
- ✎ Maintaining a growing customer base and maximising reach to increase revenue and improve customer welfare and convenience.
- ✎ Investing funds in community growth and development.
- ✎ Financial stability supports employee welfare and growth.

CORPORATE GOVERNANCE

- ✎ Ensuring the prudent management of assets and returns in compliance with stipulated regulations, guidelines and legislation.
- ✎ Aligning with the latest standards and protocols to ensure the organisation maintains high levels of transparency, accountability and trust.

FINANCIAL PERFORMANCE

Ceylinco Life relies on a two-pronged approach to financial value creation. The resulting value is distributed across the organisation's stakeholder groups, while contributing towards economic growth. The economic crisis significantly impacted the organisation's costs and profitability, however the organisation continued to pursue resource efficiencies, digital transformation and prudent strategies to ensure business continuity and stability.



FINANCIAL CHALLENGES

The organisation faced significant constraints and challenges during the year with respect to financial performance and relied on key strategies to address the same, outlined below:

CHALLENGE	RESPONSE
Foreign exchange related risks	<ul style="list-style-type: none"> Negotiation with the banks and signing forward contracts
Interest rate risks	<ul style="list-style-type: none"> Internal projections and forecasting Retaining research agencies Utilising the knowledge of an expert consultant Regular reviews by the investment committee
Risks associated with the credit impairment of financial institutions	<ul style="list-style-type: none"> Investments were made based on minimum investment grade Compliance with the internal investment guidelines Supervision by the operations investment committee
Increased expenses due to the inflation of the country/ Rationalisation of costs in the company and budget planning	<ul style="list-style-type: none"> Tight monitoring of budgets Cutting down of unnecessary costs Digitalisation practices and sustainability practices
Migration of SAP to the Cloud	<ul style="list-style-type: none"> Relying on an internal evaluation process Undertaking a stringent risk assessment process Partnering with an accredited service provider and consultant
Addressing escalating government taxes /charges	<ul style="list-style-type: none"> Effective tax planning with a tax consultant and by the professionally qualified Chartered Accountants Ethical lobbying to the tax authorities



CONSISTENT RETURNS

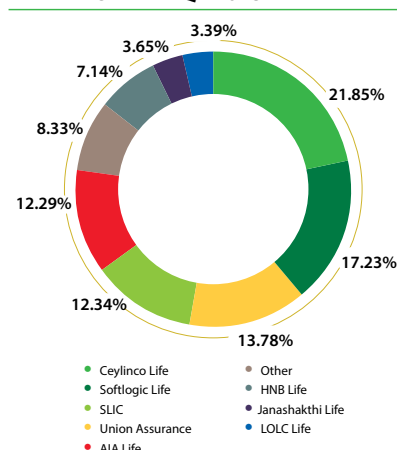


Ceylinco Life maintained its market leadership in the life insurance industry for the 20th consecutive year, thereby contributing towards improved returns.

	Industry	Ceylinco life	Contribution %
GWP (Rs. Bn)	152.8	33.4	21.9%
GWP Growth Rate (%)	13%	15%	
Benefits Paid (Rs. Bn)	76.5	23.4	30.6%
Benefits Paid Growth (%)	26%	22%	
Investment Income (Rs. Bn)	96.6	27.5	28.5%
Investment Income Growth (%)	55%	42%	
Profits Before Tax (Rs. Bn)	30.6	8.4	27.5%
Profits Growth Rate (%)	31%	-15%	
Total Assets (Rs. Bn)	820	224.7	27.4%
Total Assets Growth Rate (%)	23%	17%	
Capital Adequacy Ratio (%)	358%	344%	

Source: Q4 Industry Highlights (Q4 of 2023 Vs Q4 of 2022 by IRC SL)

MARKET SHARE - Q4 2023



Source: IASL Figures - Q4 2023



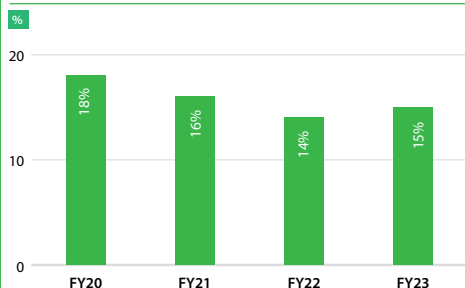
Refer pages 63-68 for Ceylinco Life's strategies to improve customer reach and accessibility

RATIO ANALYSIS

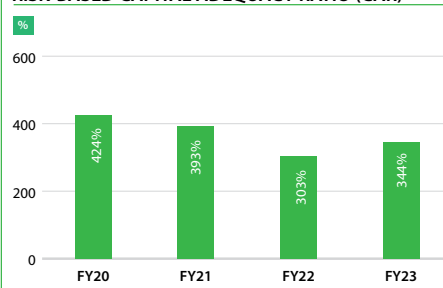
Revenue Ratios	FY23	FY22	FY21	FY20
GWP Growth (Year on Year GWP growth)	15%	14%	16%	18%

Solvency Ratios	FY23	FY22	FY21	FY20
Risk-based Capital Adequacy Ratio (CAR)	344%	303%	393%	424%

GWP GROWTH



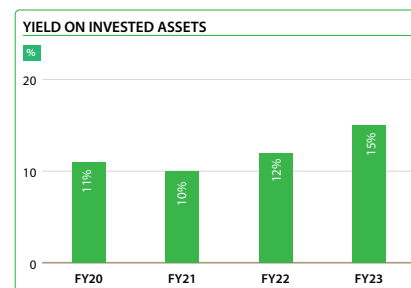
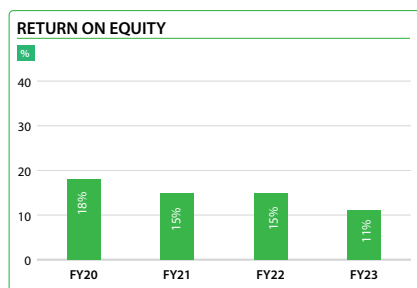
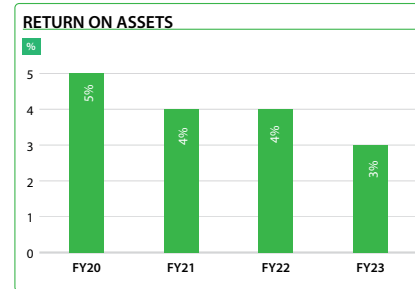
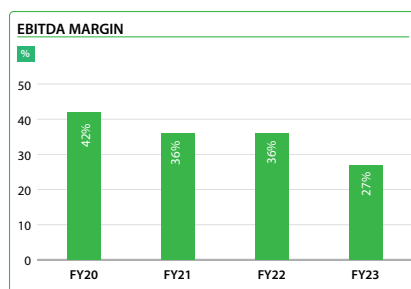
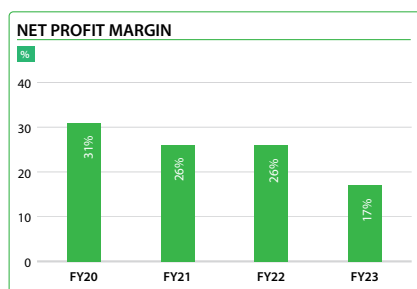
RISK-BASED CAPITAL ADEQUACY RATIO (CAR)



Delivering Protection

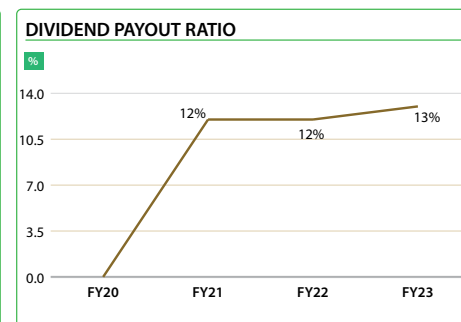
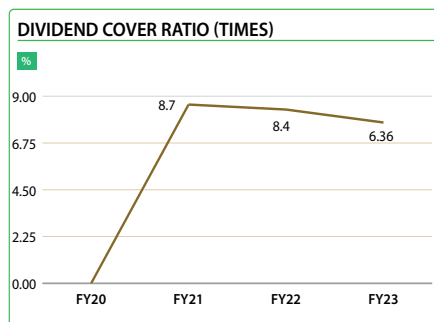
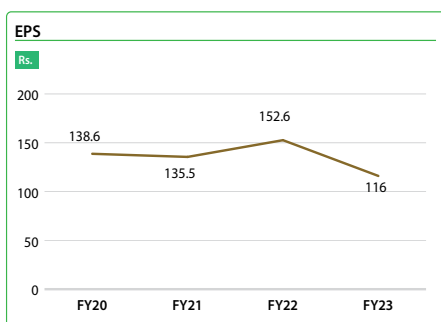
FINANCIAL PERFORMANCE

Profitability Ratios	FY23	FY22	FY21	FY20
Net Profit Margin	17%	26%	26%	31%
EBITDA margin	27%	36%	36%	42%
Return on Assets	3%	4%	4%	5%
Return on Equity	11%	15%	15%	18%
Yield on Invested Assets	15%	12%	10%	11%



Investor Ratios	FY23	FY22	FY21	FY20
EPS (Net Profit/ Weighted Average shares Outstanding) Rs.	116.0	152.6	135.5	138.6
DPS(Annualised Dividend/ Wighted Average Shares Outstanding) Rs.	15	18.25	15.75	-
Dividend Cover Ratio (Net Profit/Total Dividend distributed to shareholders)	6.36	8.4	8.7	-
	times	times	times	
Dividend Payout Ratio(DPS/EPS)	13%	12%	12%	-

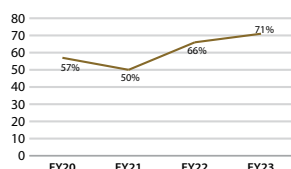
*As a company not quoted on the Colombo Stock Exchange, the investor ratios are not calculated in association with the share price



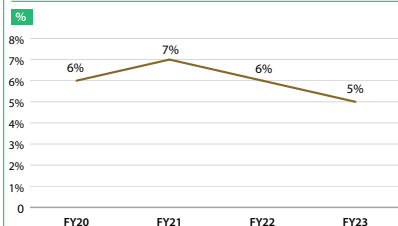
FINANCIAL PERFORMANCE

Insurance-Specific Ratios	FY23	FY22	FY21	FY20
Claims and benefit ratio (Claims and other benefits paid/net premium income)	71%	66%	50%	57%
Claims and benefit ratio (without maturities, advance payments and surrenders)	5%	6%	7%	6%
Reinsurance ratio (% of the risk transferred to reinsurers)	1%	1%	1%	2%
Acquisition ratio (Acquisition cost /net premium income)	7%	7%	9%	10%
Expense ratio (Other operating and administrative expenses + Finance expense)/Net premium Income	12%	15%	20%	18%
Combined Ratio (Claims and benefit ratio+Reinsurance ratio+Acquisition ratio)	89%	89%	79%	85%

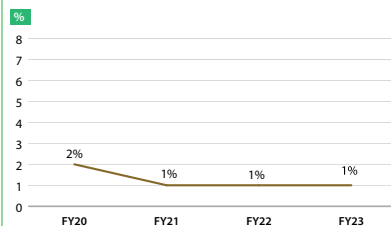
CLAIMS AND BENEFIT RATIO (CLAIMS AND OTHER BENEFITS PAID/NET PREMIUM INCOME)



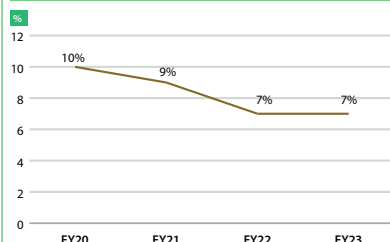
CLAIMS AND BENEFIT RATIO (WITHOUT MATURITIES, ADVANCE PAYMENTS AND SURRENDERS)



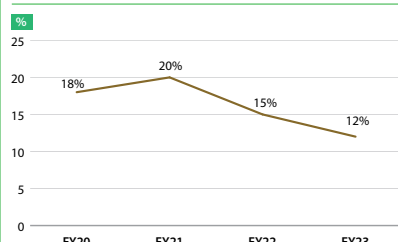
REINSURANCE RATIO



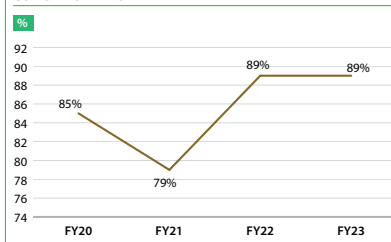
ACQUISITION RATIO



EXPENSE RATIO



COMBINED RATIO



POLICYHOLDERS' FUND

The below table presents the results of the financial performance of the policyholders' fund, which is a part of the overall financial performance of the company.

	2023	2022	Change
	Rs. Mn	Rs. Mn	%
Gross Written Premium	33,411	29,160	15%
Premium ceded to reinsurers	(639)	(472)	36%
Net Written Premium (Net of Premium ceded to reinsurers)	32,772	28,688	14%
Investment and Other Income Attributable to Policyholders	22,182	15,862	40%
Net Benefits Paid	(23,135)	(18,969)	22%
Increase in Long Term Insurance Fund	(23,016)	(13,376)	72%
Acquisition Cost	(2,268)	(2,097)	8%
Operating and Administrative Expenses Attributable to Policyholders	(3,478)	(3,965)	-12%
Interest Expense	(80)	(103)	-23%
Tax expenses	(1,000)	(1,210)	-17%
Surplus from Life Insurance Business	1,977	4,829	-59%

FINANCIAL PERFORMANCE

INCOME STATEMENT

The material line items of the Income Statement are mapped out below, reflecting the generation of gross written premium, investment and other income, in addition to the costs incurred and the resulting profitability during the year. The

figures have been displayed alongside the corresponding 2022 performance for improved comparability, supported by the organisation's future prospects in relation to financial performance and the ability to deliver returns in the long-term.



Refer pages 341-342 for the 10 year Horizontal and Vertical Analysis of Ceylinco Life's financial performance

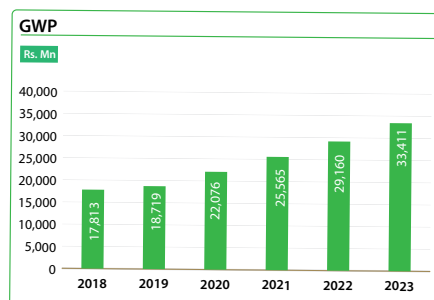


A detailed description of each line item is given in pages 212,213

For the year ended 31st December	2023 Rs. Mn	2022 Rs Mn	Change	2024 Outlook
Gross Written Premium	33,411	29,160	+15%	14% growth
Premium ceded to reinsurers	(639)	(472)	+35%	0% growth
Investment Income and other income	27,991	20,071	+39%	8% growth
Net benefits and claims paid	(46,151)	(32,345)	+43%	20% growth
Acquisition cost	(2,268)	(2,097)	+8%	96% growth
Expenses	(3,905)	(4,405)	-11%	41% growth
Profit before tax	8,440	9,912	-15%	8% growth
Income Tax Expense	(2,638)	(2,280)	+16%	7% growth
Profit for the period	5,802	7,632	-24%	8% growth

GROSS WRITTEN PREMIUM (GWP)

GWP is the company's main source of income, which is derived before deducting reinsurance and ceding commission. A 15% increase was recorded from the previous year to reach Rs. 33,411 Mn, compared to Rs. 29,160 Mn in 2022. The main contributor to growth was the increase in gross written premium earned from group life premium products during the year.



GWP NATURE-WISE

Composition	2023 (Rs Mn)	2022 (Rs Mn)	Change	Key Value Driver
Renewal premium	13,653	13,888	-2%	• Actions to improve policyholder awareness on timely premium payments
Single premium	11,828	10,435	13%	• Short term endowment products with a life cover with competitive interest rates
New Business (Refer Note 1)	5,903	4,329	36%	• Incentives to sales force • Introduction of new products to the product mix • Better customer relationships • Brand promotion activities
Group Life Premium	2,027	508	299%	• Strong relationships with corporate customers • Brand promotion activities
Total	33,411	29,160	15%	

Note 1

Description	2023	2022	YOY Change
Annualised new business premium - Rs. Mn	12,523.7	9,518	+31.6%
No of new policies issued during the period	79,636	108,285	-26.5%
Average premium per policy - Rs.	157,249	87,898	+78.9%

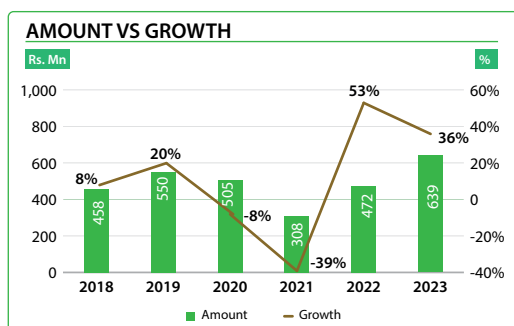
GWP BY CHANNEL

Ceylinco Life primarily operates via three channels, namely Agency (individual sales agents), Alternative Channels (Bancassurance, brokers and corporates) and Internet and Online channels, which includes social media. 99.5% of our total premium is collected through the agency model which displayed a 15% growth from 2022.

Description	2023	2022	Change
	Rs. Mn	Rs. Mn	
Agency	33,233	28,898	+15%
Alternative	157	237	-34%
Internet and other	21	25	-16%
Total	33,411	29,160	+15%

PREMIUM CEDED TO REINSURERS

The company diversified and partnered with three leading reinsurance companies namely, Swiss Re, Munich Re, RGA to manage costs in an adequate and prudent manner. However, RGA has currently discontinued from serving the local market, therefore Ceylinco Life does not partner with this agency at present. A 36% increase was recorded from 472 Mn to Rs. 639 Mn due to the recalculation of ceded amounts in alignment with treaty agreements.



Reinsurer	Rating	Rating agency
Swiss Re	AA- (Very Strong)	Standard & Poor's
Munich Re	AA- (Very Strong)	Standard & Poor's

FINANCIAL PERFORMANCE

INVESTMENT INCOME

In 2023, Ceylinco Life reported its highest ever increase in investment income of 42%, increasing from Rs.19,323.1Mn in 2022 to Rs. 27,480 Mn. Investments in the most accurate portfolio and prevailing high interest rates were the key value driver for this increase.

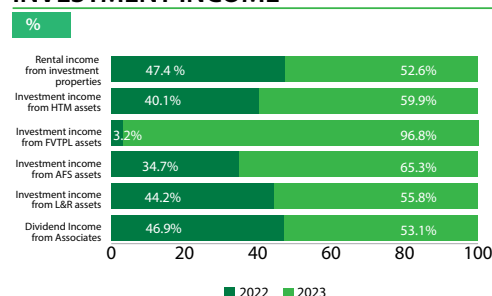
In absolute terms the highest contribution is from Held-To-Maturity (HTM), representing an increase of Rs. 5,010 Mn to Rs.15,095Mn from Rs. 10,085 Mn in 2022. This is a 50% Y/Y increase, which was attributable to the prudent investment decision made by the investment committee to re-classify the Available-For Sale (AFS) assets as HTM during

2021. The second-highest contributor was the investments in Loans and Receivable (L&R) which stood at Rs. 11,335 Mn, indicating a 26% increase from the preceding year (2022: Rs. 8,986 Mn). FVTPL has reported a massive increase to Rs. 705 Mn from Rs. 23 Mn in 2022 due to new investments taking place in treasury bills.

Investment and Other Income

	2023	2022	Growth
	(Rs.Mn)	(Rs. Mn)	
Investment income	27,480	19,323	42%
Other Income	512	748	-32%
Total	27,991	20,071	39%

INVESTMENT INCOME



NET BENEFITS AND CLAIMS PAID

NET CLAIMS PAID

The increase in the above was driven by high policy maturities during the period, owing to the nature of the company as a well-established, matured life insurance company.

The rate of increase in policy surrenders has moderated in the current year following the impact of favourable economic conditions. However, the company is working hard towards retaining its policyholders to further reduce its policy surrenders in the ensuing years.

The company's incurred claims ratio stood at 71% in 2023 compared to 66% in 2022, thereby remaining within the best claim settlement ratio range from 50% to 100%, which represents the company's smooth management of the claim settlement process.

For the Year Ended 31st December	2023	2022	Change
	Rs.Mn	Rs.Mn	
Policy Maturities	16,567	12,580	32%
Surrenders	3,807	3,611	5%
Claims - death, disability and hospitalisation	1,743	1,778	-2%
Interim payments on Anticipated Endowment plans	1,282	1,192	8%
Annuities	27	26	4%
Gross claims and benefits	23,426	19,188	22%
Reinsurance recoveries	-291	-218	33%
Net benefits and claims	23,135	18,969	22%

FINANCIAL PERFORMANCE

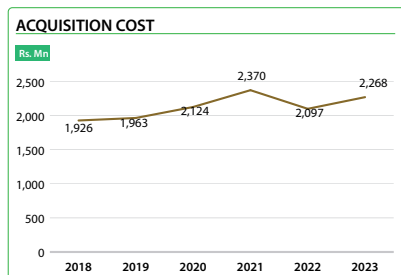
GROSS CHANGE IN CONTRACT LIABILITIES

During 2023 the company transferred a significant amount of Rs 23,016 Mn to the Long Term Insurance Fund following a transfer of Rs. 1,977 Mn to the Shareholder's Fund (2022: Rs. 4,829 Mn). This reflects an increase of 72% from the preceding year.

The transfer was made possible by the GWP growth combined with higher investment income generated from the prudent investment of policyholders' funds. These were sufficient to absorb the escalation in acquisition costs and the increased levels of customer benefits paid.

ACQUISITION COST

Acquisition cost increase from last year by 8% to reach Rs. 2,268 Mn (2022: Rs. 2,097 Mn), in line with the 15% increase in GWP during the year. The figure was derived mainly from the commission expenses paid to sales agents during the period under review.



OTHER EXPENSES

Expenses are classified under two criteria, i.e., Other operating and administration expenses and Finance costs. Post-COVID, economic normalisation resulted in business activities reverting to previous conditions.

As a result, the company's expenses have increased gradually. The company has increased the costs spent in terms of local and foreign training to the staff, in addition to investing in other entertainment activities which were on hold due to the pandemic. The costs spent on sustainable activities and new IT development projects has further increased by 130% and 53% respectively during the year, owing to the company's unwavering focus on digital transformation and sustainable growth.

Across the board, a significant price hike was recorded owing to the increase in inflation witnessed within the nation, which is outside the bounds of the company's control.

However, the company's best practices such as reducing the paper consumption, fuel costs, moving to green buildings, installation of solar panels and waste-water recycling systems exerted a downward pressure on administration expenses during the year.

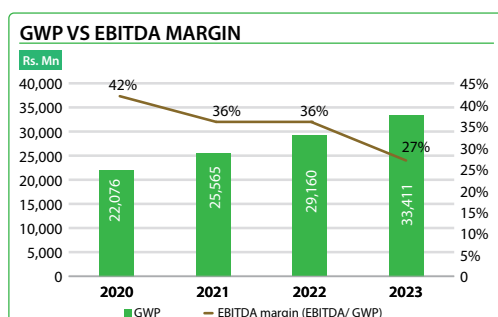
Furthermore, the reduction in selling expenses by 17% and employee benefit expenses by 40% resulted in reducing the total administration and operating expenses by 11% during the period.

This decrease in employee benefit expenses resulted from the reversal of the Company's contributions to the pension and gratuity funds, resulting from the fair values of the planned assets being higher than the planned liabilities. Nevertheless, the company has incurred increased wages, salaries and other staff related expenses in rewarding its staff towards the exceptional contributions made to grow business operations while creating value throughout the year.

Other operating and administration expenses	2023 (Rs. Mn)	2022 (Rs. Mn)	Change %
Administration expenses	2,032	1,727	18%
Selling expenses	917	1,107	-17%
Employee benefit expenses	876	1,466	-40%
Total	3,825	4,301	-11%

PROFITABILITY

EBITDA-(EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION)



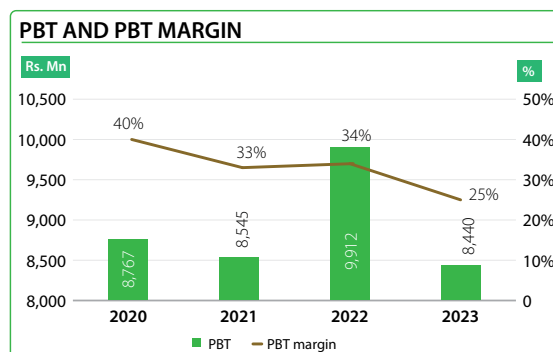
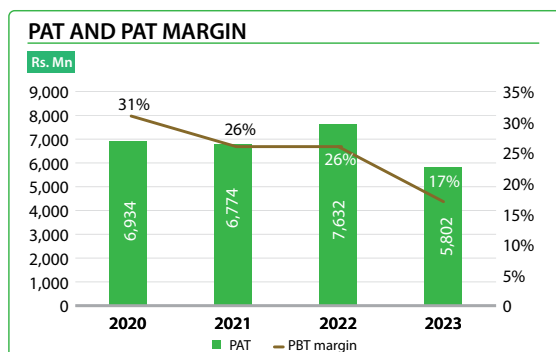
EBITDA represents the cash profit generated by the company's operations. EBITDA dropped to Rs. 8,976 Mn from Rs.10,416 Mn, whereas the EBITDA margin has fallen to 27% in 2023 from 36% in 2022.

During the year, a drop in EBITDA and the EBITDA margin was experienced as a result of the growth in claims paid and the increase in the gross change in contract liability, despite the growth in GWP and investment income. Furthermore, the drop in operating and other administration expenses exerted an upward pressure on EBITDA during the period.

Delivering Protection

FINANCIAL PERFORMANCE

PROFIT BEFORE TAX (PBT) AND PROFIT AFTER TAX (PAT)



86

Profit before tax (PBT) dropped by 15% year-on-year to achieve a result of Rs 8,440 Mn, in comparison to the Rs. 9,912 Mn recorded in 2022. The company's income tax expense increased by 16% year-on-year to reach Rs. 2,638 Mn in comparison to the Rs. 2,280 Mn incurred in 2022.

Consequently, Earnings Per Share (EPS) dropped by 24% year-on-year to reach Rs. 116.04 per share compared to the earnings of Rs. 152.64 per share in 2022.

The number of ordinary shares remained unchanged while EPS growth was driven by the rise in net profits during the period.

INCOME TAX

Income tax expense increased during the period by 16% to Rs. 2,638 Mn from Rs. 2,280 Mn in 2022, primarily due to the increase in investment income and the effect of higher tax rate at 30% throughout the fiscal year 2023 in comparison to only 3 months effective from 01.10.2022 in the previous year.

OTHER COMPREHENSIVE INCOME (OCI)

Other comprehensive income during the year decreased by 46.8% year-on-year to reach Rs 5,076 Mn from Rs. 9,548 Mn in 2022. This decline mainly resulted from the significant actuarial loss on defined benefit plans during the year 2023.





STATEMENT OF FINANCIAL POSITION

The statement of financial position of the company lists the assets, liabilities and equity of the organisation as at the reporting date. Material line items have been discussed in detail below;

As at 31st December	2023	2022	Change
	Rs. Mn	Rs. Mn	
Total Assets	224,746	191,532	17%
Property Plant and Equipment and Intangible Assets	13,080	12,153	8%
Investment Property	4,647	4,268	9%
Investment in Subsidiary	1,511	1,211	25%
Investments in Associates	2,642	2,642	0%
Financial Investments	189,301	157,785	20%
Employee Gratuity Benefit Asset	8,107	7,451	9%
Loans to Life Policyholders	2,931	2,704	8%
Other Assets	2,527	3,318	-24%
Total Equity	54,373	49,399	10%
Total Liabilities	170,373	142,133	20%
Insurance Contract Liabilities - Life	157,538	134,886	17%
Other Liabilities	12,835	7,247	77%
Total Equity and Liabilities	224,746	191,532	17%

TOTAL ASSETS

The company's assets and investments serve as the key to the organisation's continuity in the long run, thereby contributing towards strength and stability amid an extremely volatile environment.

The company's total asset base amounted to Rs. 224,746 Mn as at the year ended 31st December 2023, displaying an increase of 17% from Rs. 191,532 Mn in 2022. This increase is mainly attributable to the growth in investments in financial assets, the growth in the net book value of PPE and investment properties, increase in the shareholding at Ceylinco Healthcare Services Ltd, the increase in employee gratuity benefit assets and the increase in the loans to policyholders balance.

PROPERTY PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	2023	2022	Change
	Rs. Mn	Rs. Mn	
Property Plant and Equipment	12,820	11,835	8%
Intangible Assets	260	318	-18%
Total	13,080	12,153	8%

FINANCIAL PERFORMANCE

Property, Plant and Equipment (PPE) increased by 8% year on year from Rs. 11,835 Mn in 2022. Accordingly, PPE accounted for 6 % of the total assets at the close of the year. Freehold land and buildings are considered to be an admissible asset in capital adequacy calculations and account for 85% of the value of Property, Plant and Equipment (2022- 81%). During the year, the new PPE additions accounted for Rs. 423 Mn.

The company completed the construction of four new green branches constructed at Matugama, Ja- ela, Minuwangoda and Matala amounting to Rs. 511 Mn during the year. The year also saw the company recognise a gain of Rs. 757 Mn on the revaluation of land

and buildings held under Property, Plant and Equipment (2022 - Rs. 1,518 Mn).

Intangible assets comprises of computer software of the company. The decline in the carrying amount is due to the amortisation and write-off of such assets. Additionally, new computer software amounting to a value of Rs. 78 Mn was integrated into the company in 2023.

INVESTMENT PROPERTY

The carrying value of investment properties has increased by 9% during the year. The company incorporated Rs. 223 Mn of new assets to the network and earned a revaluation gain of Rs. 155 Mn during the year.

INVESTMENT IN SUBSIDIARY AND ASSOCIATES

The company increased the share of ownership at Ceylinco Healthcare Services Pvt Ltd during the year, which resulted in increasing the investment value by Rs. 300 Mn during the period under review. The investments in Associates remain unchanged from the previous year.

FINANCIAL INVESTMENTS

In compliance with the Sri Lanka Accounting Standards (SLFRS/LKAS) Ceylinco Life has categorised financial instruments into following categories:

	2023 Rs. Mn	2022 Rs. Mn	Growth	Composition
Held to Maturity Financial Assets (HTM)	111,170	91,730	21%	59%
Loans and Receivables (L&R)	69,590	64,965	7%	37%
Available-For-Sale Financial Assets (AFS)	4,210	622	577%	2%
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	4,331	468	825%	2%
Total	189,301	157,785	20%	100%

HTM	L&R	AFS	FVTPL
Treasury Bill & Bonds	Staff Vehicle Hire	Treasury Bills & Bonds	Treasury Bills & Bonds
Debentures - Quoted	Staff Loans other than vehicle Hire Purchase	Quoted Share Investment	Short Term Investment - Quoted
	Repo Investment	Unquoted Share Investment	
	Debentures - Unquoted	Quoted Debentures	
	Debentures - Quoted	Unit Trust Investments	
	Term Deposits		

As Ceylinco Life is a life insurance company, with the exemption granted under SLFRS 17: Insurance Contracts, the company has deferred the adoption of the latest standard SLFRS 9, until the effective date of SLFRS 17 which is on 1 January 2026.

Investments in financial instruments strictly follow the regulatory and internal investment guidelines. The company's strategy lies in earning steady returns from investments from relatively lower-risk investments. As at 31st December 2023, 62.9% of Ceylinco Life's total investments represent risk-free government securities compared to 52.8% in 2022, indicating an increase of 43% year-on-year from the previous year's investments. The balance is invested in counter-parties with good credit quality.



Refer page 319 for credit ratings of the financial instruments

Delivering Protection

FINANCIAL PERFORMANCE

HELD-TO-MATURITY FINANCIAL INSTRUMENTS (HTM)

HTM financial assets are those with fixed or determinable payments and fixed maturities. The company has held such assets until maturity, with 59% of Ceylinco Life's financial instruments in the HTM category. As a prudent life insurer, Ceylinco Life holds long term investments to match its long-term insurance liabilities. Therefore, 69% of the HTM financial assets are held in "risk-free" Treasury Bonds and the remaining assets are held in treasury bills and quoted debentures. The company chiefly invests in corporate debentures of issuers

bearing credit ratings between AAA to A-. The objective of this strategy is to earn steady returns from relatively lower-risk investments, while adhering to the stringent regulatory and internal investment guidelines.

LOANS & RECEIVABLES (L&R)

These are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. The company holds 37 % of its financial instruments in the L&R category. 79% of the investments comprise of term deposits, which are deposited with licensed commercial banks,

while the balance are with licensed finance companies.

AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS (AFS)

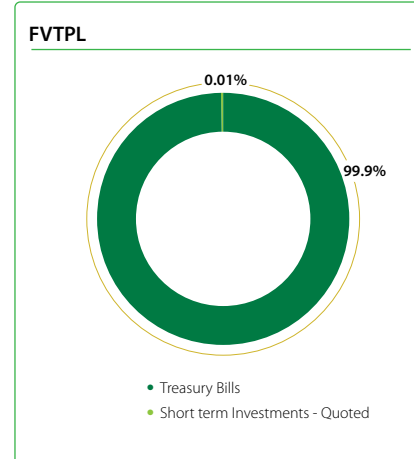
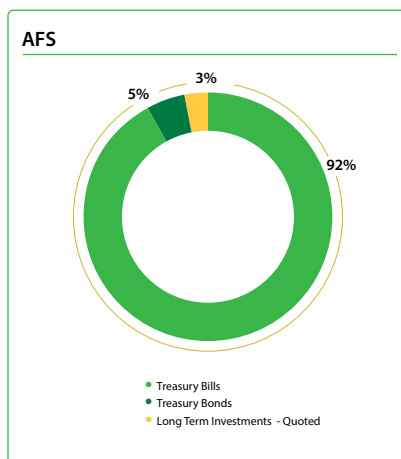
AFS financial assets are financial assets designated as available for sale and are not classified in any of the other categories. AFS financial assets account for 2% of the investments in financial instruments. 97% of the company's AFS financial assets are held in Treasury Bills and Bonds, with the remaining invested in quoted and unquoted share investments.

FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS (FVTPL)

These financial assets are held for trading. During the year the company made a notable investment in treasury bills which accounts for 99.9% of the FVTPL financial assets. The balance is invested in quoted shares.

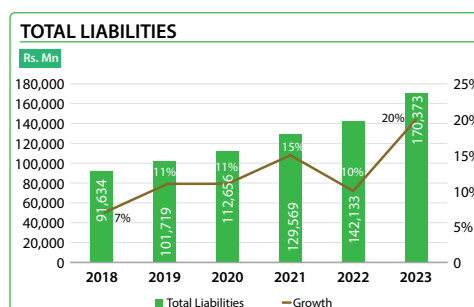
EMPLOYEE GRATUITY BENEFIT ASSET

The employee gratuity benefit asset grew 9% year on year and stood at Rs . 8,107 Mn. This increase is due to fair values of the planned assets being higher than the planned liabilities.



TOTAL LIABILITIES

Total liabilities of the company increased by 20% year on year to reach Rs 170,373 Mn compared to Rs. 142,133 Mn in 2022. This increase was mainly due to the increase in Insurance Contract Liabilities to Rs. 157,538 Mn from Rs. 134,886 Mn in 2022. Insurance contract liabilities accounted for 92% of the total liability balance as at 31st December 2023



Delivering Protection

FINANCIAL PERFORMANCE

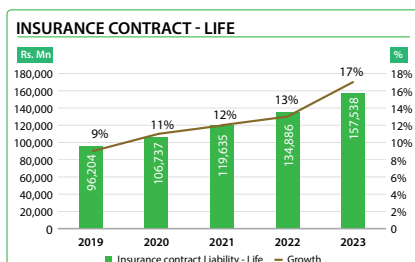
LOANS TO POLICYHOLDERS

Policyholder loans are granted up to 90% of the surrender value of a Life Insurance Policy at a rate equivalent to market rate. As at 31st December 2023, the loans granted increased by 8% from the previous year. The company offered a competitive interest rate to policy holders during the year and the rates are revised on a quarterly basis in order to align with movement in market rates.

INSURANCE CONTRACT LIABILITY - LIFE

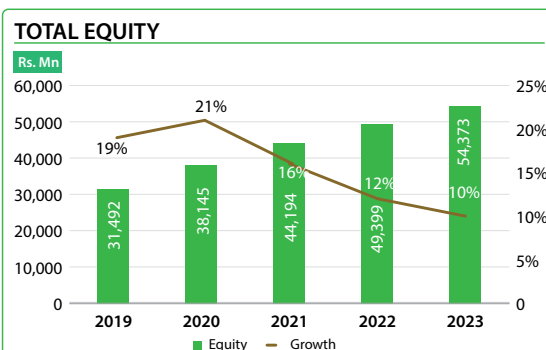
Insurance Contract Liabilities or the Life Fund is the fund maintained for the long-term insurance business by Ceylinco Life in accordance with the Regulation of Insurance Industry Act, No. 43 of 2000, as amended. The size and extent of the Life Fund indicates the financial strength and stability of a life insurer.

As at 31.12.2023 the life fund recorded a 17% year-on-year to reach Rs. 157,538 Mn from Rs. 134,886 Mn in 2022. This growth was supported by the growth in GWP and investment income. The net growth witnessed in the Life Fund follows the transfer of Rs. 1,977 Mn to the shareholders' fund in 2023. The company maintained a clearly defined segregation of assets and liabilities for Participating, Non-Participating and Universal Life Funds as per the Direction 15 issued by the Insurance Regulatory Commission of Sri Lanka. The actuarial valuation of the Life Fund as at 31st December 2023 was carried out by the Independent Consulting Actuary, Willis Towers Watson, whose report is given on page 214.



TOTAL EQUITY

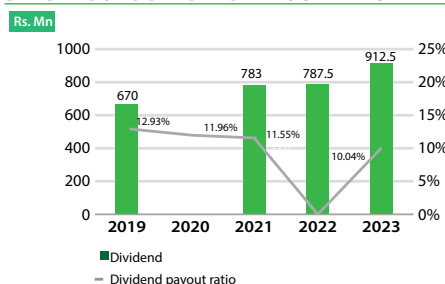
Shareholders' equity increased and indicates a 10% growth from the previous year (2022- 12%).



The stated capital of the company remained unchanged at Rs. 500 Mn. The retained earnings balance increased to Rs. 42,420 Mn at the end of 2023 from Rs. 37,531 Mn in 2022, following the distribution of Rs. 912.5 Mn as a dividend (2022 – Rs. 787.5 Mn). The revaluation reserve increased to Rs. 666.2 Mn in 2023 due to the gain recognised on revaluation of land and buildings. The Restricted Regulatory Reserve, which was recognised in 2017 in compliance with Direction 16 issued by the Insurance

Regulatory Commission of Sri Lanka, stood unchanged at Rs. 3,456.2 Mn as at the end of 2023. This represents the one-off surplus transfer made to the Shareholders' Fund from other than the participating business in 2017. Shareholders' equity also includes a Special Reserve of Rs. 7,311.7 Mn, which represents the value of net assets transferred to Ceylinco Insurance PLC on 1st June 2015 as an effect of the regulatory segregation of the life insurance business from Ceylinco Insurance PLC.

DIVIDENDS VS DIVIDEND PAYOUT RATIO



DIVIDENDS AND DIVIDEND POLICY

Ceylinco Life Insurance was successful in maintaining a stable dividend policy despite uncertain economic conditions. During 2023 the company paid Rs. 912.5

Mn as dividends compared to Rs. 787.5 Mn in 2022 while generating a dividend payout ratio of 13%. The company is currently maintaining adequate funds for future expansions of the business while maintaining a healthy percentage of dividend distribution.

CASH FLOW ANALYSIS

Description	2023	2022	Change
	Rs.Mn	Rs.Mn	
Cash flows from operating activities	18,522	13,718	35.0%
Cash flows from investing activities	(21,579)	(10,139)	-113%
Cash flows from financing activities	3,141	(3,990)	179%
Cash and cash equivalents at the end of the year	84	(410)	120%

As at the close of the year the company's cash and cash equivalents comprise of cash in hand and at bank net of bank overdraft. The net cash position improved to a positive Rs. 84 Mn compared to Rs. -410 Mn in 2022 mainly due to the increase in premiums received from customers and increase in interest and dividend income received. The bank overdraft facility as at 31st December 2023 amounted to Rs. 912 Mn, compared to the Rs. 726 Mn as at 31st December 2022.

i Operating Cash flows

Cash inflows from operating activities improved by 35% year-on-year to reach Rs. 18,522 Mn as at the year 2023, compared to the Rs 13,718 Mn recorded in the previous year, primarily due to the increase in premiums received from customers and increase in interest and dividend income received.

ii Investing Cash Outflows

Cash outflows from investment activities increased by 113% year-on-year to reach Rs 21,580 Mn from Rs. 10,139 Mn recorded in 2022 due to the increase in the acquisition of financial assets during the period.

iii Finance Cash Inflows/ (outflows)

Cash inflows from financing activities increased significantly to Rs. 3,141 Mn, compared to the cash outflows of Rs. 3,990 Mn in 2022. This is due to the proceeds received from the short-term loans obtained during the year. The dividend paid amounted to Rs. 912.5 Mn in 2023 compared to Rs. 787.5 Mn in 2022.

CASH FLOWS MANAGEMENT

The appropriate management of cash flows to maintain an adequate liquidity level to conduct business operations smoothly amid uncertain economic challenges is vital to the business and its continuity. Some of the key initiatives implemented with the aim of closely monitoring cash flows are listed below:

- Following up regularly with all creditors to maintain timely settlement of outstanding balances.
- Minimising operational expenditure by integrating sustainable initiatives and pursuing digital transformation across the organisation.
- Striving to maintain spending below or on par with the budget, while basing

expenditure-based decisions on projected cash flows.

- Developing new life insurance products with attractive features to gain new customers and increase market share.
- Collaborating with the finance and investment departments to allocate funds in an appropriate manner, in order to enhance profitability and yield a higher return on investment.
- Maintaining healthy relationships with suppliers by maintaining the timely payment of expenses, thereby gaining access to special discounts.
- Build and maintain strong, healthy ties with financial institutions in order to avail the company of credit lines



FINANCIAL PERFORMANCE

KEY IFRS 17 MESSAGE TO OUR STAKEHOLDERS

IFRS 17 does not impact Ceylinco Life's strategy, capital generation, dividend guidance or capital return outlook

IFRS 17 is an accounting standard that will not impact the way which our business operates	This accounting standard will apply consistent accounting for all insurance contracts among companies in the country	Time value of money will be reflected in estimating the payments to settle incurred claims	Total profits remain unchanged over the lifetime of the contract under IFRS 17, however, the timing of when profit emerges will have altered, resulting in increased long-term predictability of profits	IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and will be effective with the implementation of IFRS 17 from on or after 01.01.2026
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FUTURE ACCOUNTING DEVELOPMENTS- FACT SHEET

92

CONSISTENCY: IFRS 17 replaces IFRS 4. This is a one accounting model for all IFRS jurisdictions.



WHEN: IFRS 17 is effective for annual periods beginning on or after 1 January 2026



OUR PARTNERS: We have commenced the transition work with KPMG Sri Lanka and Willis Towers Watsons (WTW).



TRAININGS: Top management, department heads, actuaries and the finance team were given training by KPMG Sri Lanka on the new standard.



WHAT CHANGES: More useful and transparent information, better information about profitability



IT SYSTEMS: We have already invested in the leading enterprise-wide actuarial modeling system Prophet to assist in the implementation process of the new standard.



COUNTDOWN TO IFRS 17 (FOR JANUARY 1ST 2026)

Discussing the directly attributable expenses in relation to the direct insurance contracts consisting of:

- insurance acquisition cash flows; and

System Development by Ceylinco Life, reflecting agreed methodology

Dry Run

Parallel run of the systems until the adoption of IFRS 17 on or after January 1, 2026



- non-acquisition, directly attributable expenses;

Version one of the discussion papers circulated by KPMG Sri Lanka was issued in November 2023 and further improvements were made thereafter.

Development of position papers prepared by Ceylinco Life and review by Willis Towers Watson (WTW)

System testing by Willis Towers Watsons (WTW)

Development of the opening balance sheet and financial statements

FINANCIAL PERFORMANCE

OUR STEPS IN ADOPTING NEW SUSTAINABILITY ACCOUNTING STANDARDS IFRS S1 AND IFRS S2

International Sustainability Standards Board (ISSB) issued its inaugural global sustainability disclosure standards, IFRS S1 and IFRS S2, on June 26, 2023.

The initial introduction meeting was held, including the executive board members, by EY Sri-Lanka as the first step in setting the tone at the top to develop the governance structure. Currently the company has an ESG policy in practice which is disclosed in the pages 21- 27

Ceylinco Life has set a plan to adopt the new sustainability-related standards into the financial reporting framework by 2025 by following the below steps.

RECOGNIZING THE IMPACT TO OUR COMPANY

Identify discrepancies between current reporting practices and the ISSB standards requirement, focusing on identifying gaps.



1

EDUCATING THE STAKEHOLDERS

Educating internal stakeholders about sustainability reporting

Ensure the strategy is communicated through the company



2

CREATE A BOARD LED GOVERNANCE STRUCTURE

Improving board-led governance structure

Seek cross functional expertise for greater accuracy

Determine the level of assurance needed before the statement of conformity is issued.



3

IMPROVE EXISTING SYSTEMS AND PROCESSES

Talk to the current process owners to see which processes have been expanded to satisfy the new sustainability standards.

Develop an internal control system around sustainability reporting



4



TOWARDS NEW HORIZONS —>

Increase penetration in the core life insurance segment to stimulate premium growth.

Balance the product mix to achieve higher CSM under SLFRS 17

Re-engineering company processes to optimise costs

Maintain a Capital Adequacy Ratio above 200%



Refer page 63-68 in Strategy Development and Integration

ENVIRONMENTAL SUSTAINABILITY

Rs. 70Mn

VALUE OF RENEWABLE ENERGY GENERATED



4313

NO OF TREES SAVED

Rs. 26.8 Mn

TOTAL SOLAR INVESTMENT

9.33%

GHG SAVING

1,001 Mwh

SOLAR ENERGY GENERATED

8%

WATER REDUCTION



2.9 Mn

LITRES OF RAINWATER HARVESTED



33 %

PAPER REDUCTION



6%

FUEL REDUCTION

Rs. 136 Mn

SAVING THROUGH GREEN INITIATIVES

LINKED CAPITALS:



HUMAN CAPITAL



INTELLECTUAL CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL



NATURAL CAPITAL

LINKED SDGs & TEN PRINCIPLES:



Principles

7 8 9

MATERIAL TOPICS:

4

5

6

7

GRI DISCLOSURES:

302- 1, 4

303- 1, 2, 3, 4, 5

306- 1, 2, 5

307- 1

PURPOSEFUL STRIDES TOWARDS SUSTAINABILITY

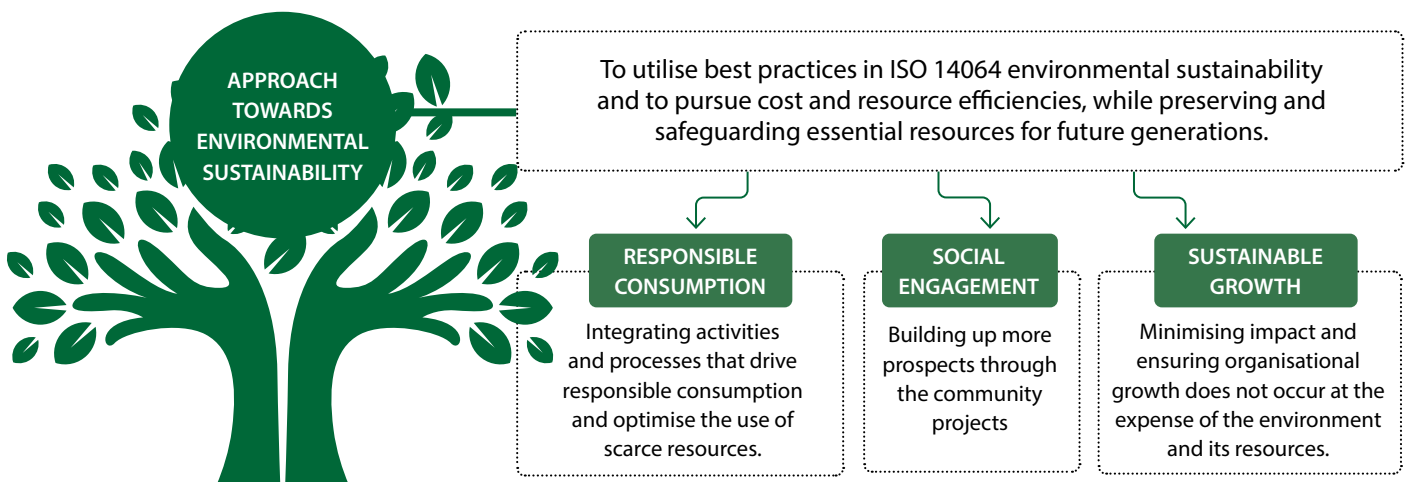
Green Buildings	29
Investment on Green Buildings	Rs. 1,856 Mn
Solar Investment	Rs. 157.2 Mn
Solar Power Generated	(Mwh) 3,987
Co2 Saved via Solar	1511 mt
Rain water Harvested	(Ltrs) - 11.4Mn
Water Recycled	(Ltrs) - 4.8Mn
Fully Grown Trees Saved	19,085
Reforestation	10 acer

Delivering Protection

Environmental Sustainability

CLIMATE CHANGE AND THE SCARCITY OF RESOURCES CONTINUE TO POSE DIRECT IMPLICATIONS TOWARDS THE HEALTH AND WELL-BEING OF SOCIETY AND THE ENVIRONMENT, WHILE CONTINUING TO PLACE PRESSURES ON BUSINESS STABILITY AND PERFORMANCE.

AS A SERVICE-ORIENTED ORGANISATION, CEYLINCO LIFE'S IMPACT ON THE ENVIRONMENT IS MINIMAL, HOWEVER, THE COMPANY HAS RECOGNISED THAT ENVIRONMENTAL SUSTAINABILITY IS AN IMPERATIVE IN ENSURING THE STABILITY OF THE SURROUNDING COMMUNITIES AND THE NATION.



LINK TO OTHER PILLARS:

FINANCIAL PERFORMANCE

Enabling cost efficiencies and optimisation through responsible consumption.

Ensuring business continuity and stability through sustainable growth and responsible sourcing practices.

SOCIAL RESPONSIBILITY

Enabling cost efficiencies and optimisation through responsible consumption.

Ensuring business continuity and stability through sustainable growth and responsible sourcing practices.

Building awareness and encouraging society on the importance of nurturing the environment.

CORPORATE GOVERNANCE

Maintaining strong governance structures dedicated towards environmental sustainability, i.e., the Green Club, ESG Committee, Building Supervisors, etc.

Adhering to ISO 14064-1:2018 and ISO 14064-3: 2019 in reporting carbon footprint and following the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard to monitor and identify areas for improvement in the journey towards carbon neutral status.

Oversight by the Board over the company's sustainable objectives and activities, with all commitments cascading down to all employees across all business functions.

Measuring GHG emissions through a certified third party and being audited by the Sri Lanka Climate Fund.

Ensuring compliance with environmental laws and regulations.

ENVIRONMENTAL SUSTAINABILITY

RESPONSIBLE CONSUMPTION

The company's primary focus is on optimising the use of existing resources, while eliminating its reliance on scarce resources. The integration of responsible resource management practices commences from the highest level of the organisation and is enforced by the presence of an ESG committee. All activities are further driven at an operational and functional level by the Green Club, comprising a cross-section of employees across the organisation. Their primary focus lies across four key focus areas as set out below:




"I am proud to lead our commitment towards environmental, social and governance principles as core pillars of our business strategy. We consider sustainability not as a responsibility, but as an opportunity to create long-term value for our stakeholders.

By aligning our business practices with the UN Sustainable Development Goals, we strive to address pivotal issues such as climate change, social inequality and ethical governance."

S A T M WIJESINGHE

President - Ceylinco Life Green Club

ENVIRONMENTAL SUSTAINABILITY FOCUS AREAS

 Refer pages 21-27 for Ceylinco Life's ESG Policy, Structure and Framework



RAISING AWARENESS

- ☛ Raising awareness through a range of year-round programmes
- ☛ Orientation video to introduce new recruits to the company's approach to sustainability
- ☛ Publishing information about green buildings at the entrance to the premises
- ☛ Visits to educate community members regarding green buildings
- ☛ Raising stakeholder awareness through annual reports, company website, etc.



HABITAT CONSERVATION/ RESTORATION

- ☛ Home gardens cultivated on company premises
- ☛ Commenced a reforestation initiative projected to cost Rs. 5.7 Mn.
- ☛ Ensuring minimal impact on biodiversity and the natural environment
- ☛ Engaging with students to encourage and educate them regarding the merits of organic herbal cultivation
- ☛ Beach cleanup programme



WATER AND ENERGY CONSERVATION

- ☛ Optimise space to minimise consumption
- ☛ Enforce rules and guidelines to minimise consumption
- ☛ Rely on renewable and alternate sources to mitigate the impact on the environment
- ☛ Streamline logistics and organisational processes to optimise resource usage and productivity



3RS & WASTE MANAGEMENT

- ☛ Manage e-waste through third party recyclers and drive collection through an annual campaign
- ☛ Minimise paper usage through digitalisation and efficient processes
- ☛ Initiatives to reduce plastic and other waste and their responsible management
- ☛ Re-use of materials and office furniture for subsequent use.

As a result of the above-mentioned stringent actions and controls, there were no fines nor non-monetary sanctions for non-compliance with environmental laws and regulations during 2023.

Delivering Protection

ENVIRONMENTAL SUSTAINABILITY



RAISING AWARENESS

The company continued to conduct programmes to raise awareness and foster responsible consumption practices within the workforce, as follows:

Green Club projects	No. of Participants
Reforestation at Balangoda	40
Osu Uyana at Ruwanwella MV	8
Beach Clean-up at Mattakkuliya	90
Home gardening at Colombo & Nelliady	30
Sustainability Champion for all employees	500
e-waste campaign at Head Office	75
Total	743

Ceylinco Life's Green Club further engages in reinforcing the message of responsible consumption through emails, posters and other forms of communication. Additionally, an orientation video ensures that new employees get familiar with the organisation's sustainable policies and principles.



Ceylinco Life's Sustainability Champions initiative continued to move from strength to strength during the year. The organisation remains committed towards driving responsible resource consumption at home, thereby propagating the message of sustainability within employee families and the community at large. The organisation further encourages its customer base towards responsible practices through its shift towards paperless products and services.



Refer page 112 for Ceylinco Life's shift towards paperless products



EMPLOYEE INVOLVEMENT IN ENVIRONMENTAL SUSTAINABILITY

Go Green Initiative

Launched in 2016, this philosophy serves as the foundation for all sustainability-related initiatives. Staff members are involved in leading, planning, executing and supporting these programmes while demonstrating their personal commitment towards sustainability.

22

Green Club Members

743

Employees participating in environmental initiatives

Monitoring and Supervision

Building supervisors are responsible for ensuring all relevant standards and guidelines are followed within the company's own buildings.

Staff members representing each department are appointed across company branches to monitor electricity usage

32

Building Supervisors

16

Employees to monitor electricity usage

Sustainability Champions

Launched in 2022, this initiative rewards and recognises contributions towards reductions in electricity and water consumption. Accordingly, the top three branches (own and rented buildings are adjudged separately) and the top three employees displaying evidence of considerable reductions in water and electricity consumption at home are also chosen and rewarded.

02

Individual Employees rewarded

Rs.300,000/-

Disbursed in rewards

All employees in **3 branches**



Delivering Protection

ENVIRONMENTAL SUSTAINABILITY

ORGANIC CULTIVATION

- Initiated a pilot programme to encourage and reward students for cultivating and nurturing a total of 50 herbal plants. Each student will be responsible for 5-10 plants and monitored bi-annually to determine the status of the project and rewarded based on progress. A resource person will share their experience and knowledge.
- The company's home garden cultivations continued at Abdul Gafoor premises. The crops were distributed among employees at a concessionary rate.



HABITAT CONSERVATION/ RESTORATION

BEACH CLEAN-UP PROGRAMME

- A beach clean-up programme took place at Crow Island Beach Park with the participation of 90 employees.



Scan the code to get more details about beach clean-up



REFORESTATION

- An ambitious programme commenced to plant 10,000 trees across 10 acres within the Rajavaka forest reserve in the Balangoda region, in the country's intermediate zone. The project is anticipated to cost Rs. 6 Mn and is estimated to be completed by 31st December 2024. The project will additionally serve to improve the company's carbon footprint.



Delivering Protection

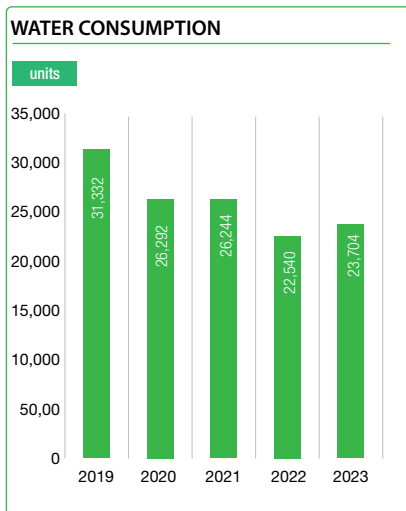
ENVIRONMENTAL SUSTAINABILITY



WATER CONSUMPTION

The organization recognizes water as a scarce resource and thus emphasizes harvesting water from natural sources. Water is recycled and reused for alternate purposes. Despite an increase in water consumption by 1,164 units compared to last year, there was an absolute reduction of 8% against GWP growth.

Water Sources				
PIPE-BORNE WATER	WATER TREATMENT PLANT	WELL WATER	RECYCLED WATER	RAINWATER HARVESTING
127	01	06	10	19
Branches	Branch	Branches	Branches	Branches



The company optimises its water usage through organisation-wide initiatives to encourage reduced consumption, while relying on sensor-controlled and flow-controlled water fittings to minimise waste.

Nelliady, Jaffna, Wennappuwa, Mount Lavenia, Minuwangoda & Matugama are using well water.

As a result of these initiatives, the company's water consumption was recorded at 23,704 units.

Ceylinco Life did not record any incidents of waterbodies being negatively affected by water runoffs and no hazardous or harmful discharges took place during the year.

Rainwater Harvesting	
2,926,000 Litres harvested	Rs. 438,900 Saved
Water Recycling	
1,171,500 Litres recycled	Rs. 175,725 Saved

ENERGY CONSUMPTION AND CONSERVATION

In a bid to mitigate its impact on climate change, Ceylinco Life continues to steadily work towards reaching carbon-neutral status, primarily by minimizing its energy consumption. Although Grid Electricity consumption increased by 14 units compared to last year, there was an absolute reduction of 12% against GWP growth.

Energy Consumption		
GRID ELECTRICITY	SOLAR ENERGY	FUEL
1,479 Mwh	1,001 Mwh	165,996 Liters
Branch Premises	Green Buildings*	Vehicles & Generators

*Equivalent to saving 4312 trees & reducing 379.5 tonne CO₂ emitting to the environment

Electricity Consumption

Ceylinco Life relies on both solar energy and the national grid for its electricity needs. The organization's long-term goals include reducing its dependency on fossil fuel energy and increasing its reliance on cleaner, renewable energy sources. To achieve this, we began investing in battery backup instead of diesel-powered ones at six branches: Nugegoda, Wellawatte, Mount Lavinia, Ja-Ela, Matugama and Minuwangoda, at a total cost of Rs. 7.1 million in 2023.



Delivering Protection

ENVIRONMENTAL SUSTAINABILITY

Space Optimisation

- Optimising space utilisation within branches to minimise the number of functional floors or areas

- Consolidating of branches to minimise consumption and drive down costs

Lighting and Ambience

- Utilizing LED bulbs across all owned branches, while rented branches use LED lighting in customer areas.
- Relying on natural lighting and refurbishing of branches to improve their outlook
- Utilizing sensor lights in common areas such as corridors to minimise waste
- Utilizing natural ventilation in new buildings to minimise the need for air conditioning

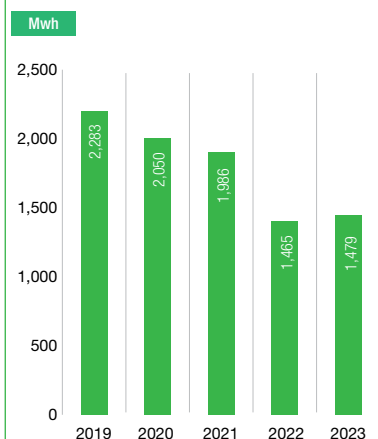
Equipment and Electricity Optimisation

- Maintaining a set temperature range and switching off air conditioners during low-peak times.
- Low-usage spaces are not air conditioned and old units are being phased out with inverter air conditioners.
- The electricity connection of each branch is limited to 42 KVA to minimise consumption.
- Disabling elevators during off-peak hours across all branches to minimise power consumption.
- Hibernation of company devices when not in active use and utilizing laptops to minimise power consumption
- Converting traditional servers to smart servers and continuing migration to the Cloud.
- Introducing of battery back-ups to reduce reliance on diesel-powered generators.

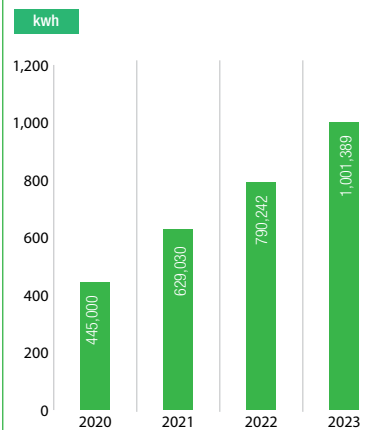
Renewable Energy

- Augmenting the company's current renewable energy capacity by 140.7 KW.

ELECTRICITY CONSUMPTION



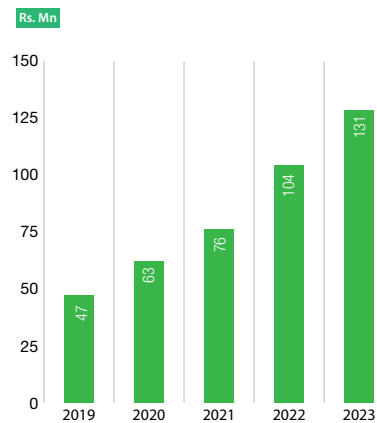
SOLAR GENERATION



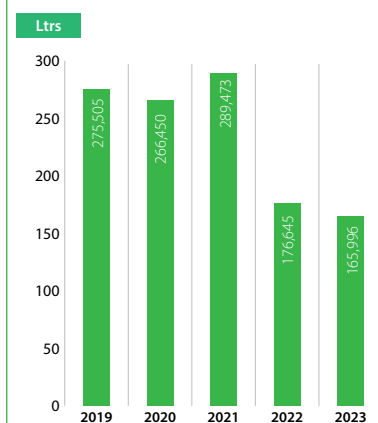
Fuel Consumption

Fuel consumption for vehicles decreased by 6% (10649 liters) compared to last year due to reduced travel by Business Development Managers, who utilised the time to conduct virtual meetings instead

SOLAR INVESTMENT



FUEL CONSUMPTION



The company also continued to pursue its initiative to eliminate diesel generators and shifted towards utilising battery backups.

Branches using battery back-up

2022	2023
Nugegoda*	1 Wellawatta*
	2 Mount Lavinia
	3 JaEla
	4 Mathugama
	5 Minuwangoda.

*The battery backups were recharged using scrapped solar panels which were removed from the head office.

Delivering Protection

ENVIRONMENTAL SUSTAINABILITY



3Rs & WASTE MANAGEMENT

Ceylinco Life monitors and responsibly manages the consumption and disposal of the following materials utilised in its operations:

WASTE MANAGEMENT



Due to the nature of the company's operations, hazardous waste classified within the scope of emissions arising from diesel and fuel oil in generators is considered to be negligible.

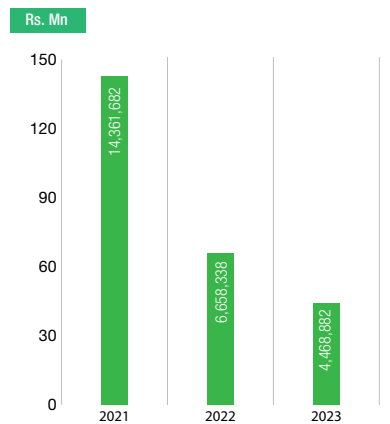
Paper Consumption and Waste

Ceylinco Life's continued shift towards digitalisation across its processes enabled the company to significantly minimise its paper consumption during the year under review. At present, 90% of new business is raised through e-submissions, while the presence of SMS temporary receipts, electronic underwriting and e-correspondence ensures that limited paperwork is generated across the company's operations.

Employees are further required to adhere to guidelines and policies to minimise their consumption levels through optimised usage of paper and a greater reliance on digital platforms.

All waste paper is ethically disposed of via authorised recyclers, in line with the company's policies and processes.

A4 CONVERTED PAPER CONSUMPTION



Refer page 112 for Ceylinco Life's digitalisation initiatives

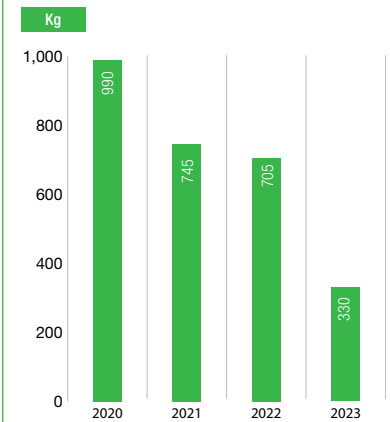
E-Waste

All e-waste is disposed of in an ethical manner via accredited third-party recyclers. The company conducts an annual campaign to collect e-waste from within the organisation and from employees' homes. During the last campaign conducted in 2023, a total of 330 Kg of e-waste was collected.

Plants were gifted to employees as tokens of appreciation for their commitment in the e-waste campaign.



eWASTE



Food Waste

The company segregates and monitors food waste daily to ensure wastage is avoided. Any such waste is responsibly disposed via local authorities.

Plastic Consumption and Waste

Ceylinco Life focuses on minimising plastic consumption through a range of initiatives including use of reusable glass water bottles. The company installed dedicated bins close to its branches during the year to encourage the public to dispose of plastic waste in a responsible manner.

Ceylinco Life has a project to discard all redundant archived documents and e-waste. Savings from the respective projects are as follows:

Savings	Projects	
	e-waste	Paper waste
Carbon emission	780 lbs	11,739 Kgs
Fully Grown Trees	111	200
Plastic bottles	6170	
Oil		20602 Ltrs
Electricity		46,956 kwh
Water		373,065 Ltrs
Land fill		35 Cubic Mtrs

ENVIRONMENTAL SUSTAINABILITY



Ja-Ela



Matale



Matugama



Minuwangoda

SUSTAINABLE GROWTH

The organisation firmly believes that its development and growth should not be accomplished at the expense of the environment. Therefore, the company focuses on expanding its physical presence in a sustainable and environmentally responsible manner.

The company's key focus area in this regard is its green building network, which continues to expand year-on-year.

Green Buildings

All the company's new branches utilise environmentally conscious green building techniques. Ceylinco Life has 29 green buildings in its network which employ green design concepts throughout the building process including both pre-contract and post-building stages. Four locations were added to the network during the year.

04

New green buildings

Rs. 511.1 Mn

Invested

1,001 Mwh

Solar power Generated across the network

140.7 kW

Solar power capacity Added to the network

All green buildings at Ceylinco Life share the following common features:

CLEAN, RENEWABLE ENERGY

- 100% solar-powered with no electricity consumed from the national grid. Any excess electricity is supplied back to the national grid.

ENERGY-EFFICIENT SYSTEMS AND DESIGN

- Maximising natural light and utilising lighter interiors to minimise the need for artificial lighting.
- Using LED lighting and energy-efficient inverter air conditioners.
- Operating on the lowest possible electricity consumption rate for commercial buildings using electrical capacitors. (42 kVA)
- Eliminating air conditioning in corridors and lobby areas.

ENVIRONMENTALLY SUSTAINABLE MATERIALS

- Using bricks made of clay and cement instead of conventional burnt clay bricks helps to save harmful emissions to the environment generated during the conventional brick-burning process.
- Using bricks made of quarry dust (a by-product of aggregate stone production).
- Utilising the waste-product of crushed limestone as a back-filling material, as an alternative to soil.
- Wood-free construction, while eliminating the use of granite and suspended ceilings. If the use of wood is unavoidable, the company resorts to eco-friendly pest control mechanisms.

MINIMAL ENVIRONMENTAL IMPACT

- Designed in line with the earth's topography and landscape to reduce the usage of soil for filling the earth and to mitigate the overall impact on its immediate surroundings.
- Flora and fauna and open-space concepts are incorporated to create a more natural outlook. The site does not encroach upon on protected areas or natural reserves.
- Driveways, walkways and parking areas are designed with hollow interlocking blocks, facilitating easy cultivation of grass to enhance the surrounding greenery.

ENVIRONMENTAL SUSTAINABILITY

REGULATORY COMPLIANCE

- Compliance with all environmental laws and regulations during construction, while taking concrete steps to manage waste and monitor branch-wise carbon footprint. Certifications from the Central Environment Authority (CEA) are duly obtained.

SPACE AND RESOURCE EFFICIENCY

- Where possible, excessive and unnecessary use of granite, floor tiles, suspended ceilings, tempered glass and large windows are eliminated.
- To ensure maximum productivity, more than 85% of the building's floor area is designated for use as office space and monitored accordingly.



CHALLENGES IN 2023

- The financial crisis continued to impact the availability and cost of materials.
- Construction costs remained at an all-time high owing to resource scarcity and high import costs.
- Talent shortages and logistical concerns continued to underpin the construction sector.



Refer pages 120-121 for Ceylinco Life's supplier management strategies

CONVERSION OF EXISTING BUILDINGS TO GREEN BUILDINGS

Four existing buildings were converted into green buildings following a comprehensive assessment to identify areas for improvement. These branches, located in Tissamaharama, Galle, Matara and Kandy, underwent various upgrades. Ceylinco Life focused primarily on eliminating air conditioning in under-utilised areas, conducting essential repairs and optimising space usage to minimise consumption. Additionally, the company installed solar panels to reduce electricity consumption and enhance its renewable energy capabilities.



CONSTRUCTION OF NEW BUILDINGS

- Successfully completed the first pre-cast building in Minuwangoda. The process involves certain segments being built off-site and later assembled on-site.
- Utilising cut-cement for flooring due to tile shortages.
- Using old material stocks set aside from previous renovations to complete building projects, such as glass, aluminium extrusions, doors, GI pipes etc.



Head Office



Ja-Ela



Jaffna



Kandy

It is recorded that the total savings achieved excluding solar savings during the year amounted to Rs. 65.6 million through the successful implementation of green initiatives under the 3R module (Reduce, Reuse, Recycle) module. Here's a summary of the savings achieved in each category:

Re-use: Rs. 54 million

This savings category includes reusing furniture, aluminum partitions, customer

counters, advertising/branding material, removed glasses, air conditioner units and repairing electrical items.

Reduce: Rs. 11 million

Savings in this category were achieved through various controls and initiatives introduced over the consumption of paper and fuel.

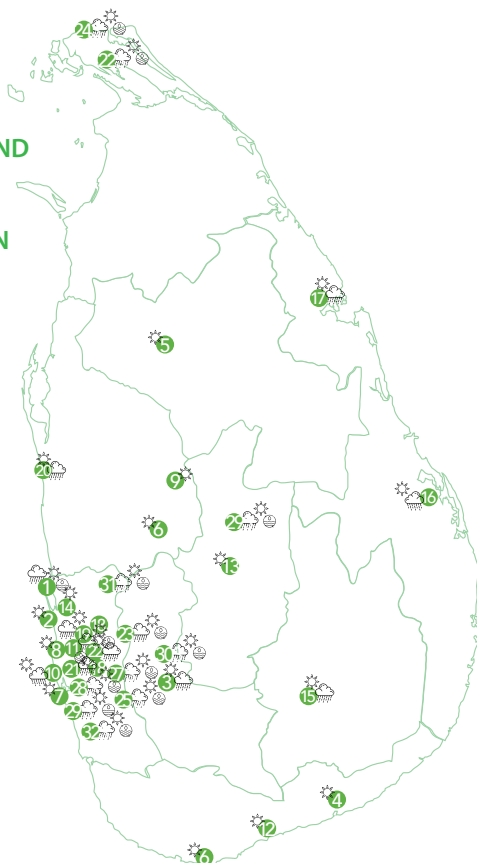
Recycle: Rs. 0.6 million

The savings here reflect the value of water recycling and rainwater harvesting.

Delivering Protection

ENVIRONMENTAL SUSTAINABILITY

ISLAND-WIDE ANALYSIS OF RENEWABLE ENERGY GENERATED AND SUSTAINABLE RESOURCE CONSUMPTION



Branch location		Rainwater Harvesting (Liters)	Water Recycling (Liters)	Solar Generation units (kWh)
1	Negombo	385,000	66,000	86,450
2	Uswattakeiyawe	-	-	115,100
3	Ratnapura	154,000	-	30,196
4	Tissamaharama	-	-	18,500
5	Anuradhapura	-	-	72,050
6	Galle	-	-	61,080
7	Kalutara	-	-	27,750
8	Havelock Town	-	-	83,260
9	Kurunagala	-	-	41,473
10	Gampaha	154,000	-	52,700
11	Kotehena	-	-	42,370
12	Matara	-	-	27,150
13	Kandy	-	-	37,600
14	Panadura	154,000	66,000	23,100
15	Bandarawela	154,000	594,000	3,320
16	Batticaloa	154,000	-	14,790
17	Trincomalee	154,000	-	15,140
18	Wennappuwa	-	-	21,750
19	Horana	154,000	-	18,490
20	Chilaw	154,000	-	21,610
21	Kadawatha	154,000	-	19,510
22	Jaffna	154,000	-	55,670

Branch location		Rainwater Harvesting (Liters)	Water Recycling (Liters)	Solar Generation units (kWh)
23	Malabe	154,000	66,000	21,080
24	Nelliadi	308,000	66,000	32,360
25	Divulapitiya	154,000	132,000	25,420
26	Piliyandala	77,000	66,000	31,560
27	Nugegoda*	-	-	-
28	Wellawatte*	-	-	-
29	Matale	77,000	66,000	-
30	JaEla	154,000	27,500	1,910
31	Minuwangoda	77,000	16,500	-
32	Mathugama	-	5,500	-
Total		2,926,000	1,171,500	1,001,388

*Although solar panels were installed, Solar panels with off-grid battery backup system they were not connected to the grid.

Solar Electricity System with Battery Backups

Location	Capacity	Investment (Rs. Mn)
Galle	45.90	5.7
Tissamaharama	21.60	4.3
JaEla	33.17	6.5
Matale	20.00	7.7

Delivering Protection

Carbon Footprint

IMPACT MEASUREMENT

Ceylinco Life measured and reported on its GHG emissions for the 4th consecutive year using the ISO14064-1: 2018 standard. All GHG emissions were reported as tonnes of CO₂ equivalent (tCO₂e).

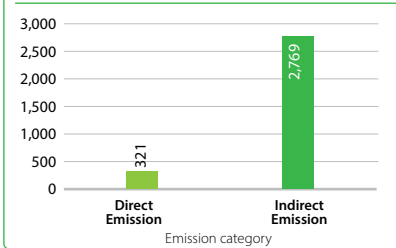
Period: 1st January 2023 - 31st December 2023

Assessment Boundary: Ceylinco Life Insurance Limited covering the head office, 128 branches island-wide, No 70- Park Street and the Holiday Bungalow at Nuwara Eliya.

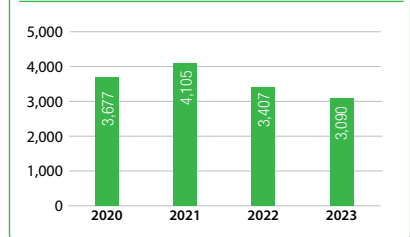
The assessment was conducted in line with the globally renowned Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard (GHG Protocol), developed in partnership with the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) and in compliance with the Carbon Disclosure Project (CDP). The GHG Protocol and the CDP both provide standardised guidelines related to the scope and boundary of measurement, quantification and reporting standards.



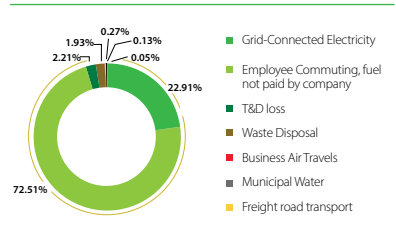
ORGANIZATIONAL GHG EMISSIONS



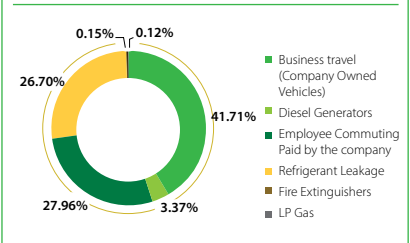
GHG COMPARISON



INDIRECT GHG EMISSIONS FOR THE YEAR 2023



DIRECT GHG EMISSIONS FOR THE YEAR 2023



TOWARDS NEW HORIZONS

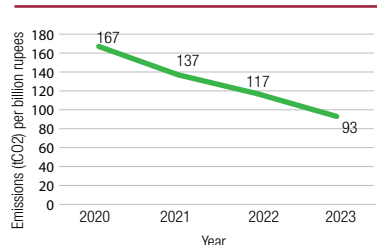


- Engaging in sustainable business expansion and development, while integrating responsible resource management and disposal across all business processes.
- Converting the organisation into a plastic and polythene free workplace.
- Replacing generators with battery back-up systems.
- Become a zero-carbon entity through reforestation, an increased reliance on renewable energy and prudent emissions management.
- Implementation of S1 and S2 sustainability related financial disclosures.
- Establishment of an environment protection fund.



Refer page 63-68 in Strategy Development and Integration

EMISSION INTENSITY



Delivering Protection

SOCIAL RESPONSIBILITY

TOTAL PRANAMA SCHOLARSHIP BENEFICIARIES

3,186



NO OF LIVES COVERED THROUGH CSR INITIATIVES

4,446



2,619

MAN HOURS INVESTED FOR CSR INITIATIVES



FAMILY SAVARI REWARD BENEFICIARIES FOR 2023

1,245

LINKED CAPITALS:



NATURAL CAPITAL



FINANCIAL CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL



HUMAN CAPITAL



MANUFACTURED CAPITAL

LINKED SDGs & TEN PRINCIPLES:



1 2 3 4 5 6

MATERIAL TOPICS:

1

2

3

4

5

6

7

GRI DISCLOSURES:

302-1, 4

303-1,2,3,4,5

306-1,2,5



MALAYSIA

PEARL BAY
Sri Lanka

87%

EMPLOYEE RETENTION RATE



Rs. 2 Bn

SALARIES, BONUS & INCENTIVES

176

PROMOTIONS

54.6%

FEMALE REPRESENTATION IN SALES FORCE



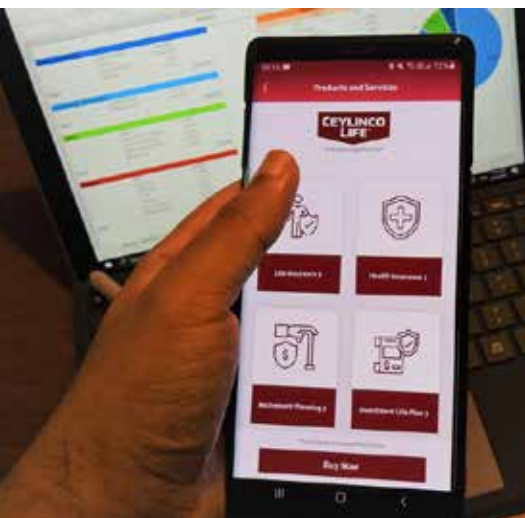
2,939

NO OF INDEPENDENT CONTRACTORS AS SALES FORCE



18.72

TRAINING HOURS PER EMPLOYEE



15,832

CUSTOMER APP DOWNLOADS

302

MDRT QUALIFIERS



Delivering Protection

Social Responsibility

DUE TO ITS ISLAND-WIDE PRESENCE, CEYLINCO LIFE HOLDS A FAR-REACHING IMPACT ACROSS SOCIETY, NURTURING DEEP, LIFELONG BONDS WITH POLICYHOLDERS, BUSINESS PARTNERS, SALES AGENTS, WORKFORCE AND THE COMMUNITY IN WHICH IT OPERATES.

AS INDIVIDUALS INCREASINGLY SEEK OUT SECURITY AND STABILITY IN THE WAKE OF DISRUPTION AND UNCERTAINTY, LIFE INSURANCE SOLUTIONS ARE UNIQUELY POSITIONED TO SUPPORT SRI LANKANS IN THEIR TIME OF NEED. AS AN ORGANISATION BUILT ON THE PREMISE OF PROTECTING AND SAFEGUARDING SRI LANKANS ACROSS THE ISLAND, CEYLINCO LIFE CONSISTENTLY STRIVES TOWARDS ADDRESSING THE HEALTH, WELL-BEING, AND PROTECTION OF ITS STAKEHOLDERS, WHILE CONTINUOUSLY ANALYSING AND ADDRESSING THEIR NEEDS.

APPROACH TOWARDS SOCIAL RESPONSIBILITY

To identify and support needs of policyholders, business partners, sales agents, workforce and neighbouring communities, while building relationships for life.

INCLUSIVE PROTECTION

- Improving accessibility and reach to policyholders, with high levels of convenience, safety and security.

TRUSTED PARTNERSHIPS

- Building strong, mutually beneficial partnerships with policyholders, sales agents, business partners and suppliers.

EMPOWERED PEOPLE

- Nurturing the security, stability and progress and holistic well-being of the workforce.

RESILIENT COMMUNITIES

- Contributing towards the health and well-being of surrounding communities.

LINK TO OTHER PILLARS:

FINANCIAL PERFORMANCE

- Enabling consistent performance and business continuity while cultivating a strong brand reputation by building stakeholder loyalty and trust.
- Strengthening the organisation's resilience through cutting-edge solutions and a holistic focus on stakeholder well-being.
- Improving financial stability and performance by maximising reach across all segments of society.

ENVIRONMENTAL SUSTAINABILITY

- Empowering stakeholder participation through a greater focus on sustainable products and paperless solutions.
- Relying on cutting-edge technology and process improvements to improve resource efficiencies.

CORPORATE GOVERNANCE

- Maintaining high levels of customer security and data privacy by adopting the highest industry standards and solutions, while remaining compliant with the latest regulations.
- Enforcing stringent processes to combat corruption, money laundering, financial terrorism and other fraudulent activities.

SOCIAL RESPONSIBILITY

INCLUSIVE PROTECTION

In line with its vision, Ceylinco Life consistently seeks to maximise its reach to cover all Sri Lankans and provide protection to every family. Therefore, all products and solutions offered by Ceylinco Life are designed to provide holistic protection to individuals from all walks of life, including safeguarding their valuable assets and data. The company's associates and subsidiaries expand upon this umbrella of protection, by offering insurance, healthcare solutions, financial services and retirement facilities.



"As the premier life insurer in Sri Lanka, we embrace our role as industry pioneers, driving innovation, setting standards and inspiring trust. Together with our dedicated team, policyholders and valued partners, we are committed to shaping a future where everyone can live life to the fullest, secure in the knowledge that their future is protected with the best life insurance solutions."

D H CANAGASABEY

Assistant General Manager - Marketing / Deputy Head of Marketing

INCLUSIVE PROTECTION FOCUS AREAS



Refer pages 12-13 for more information on Ceylinco Life's subsidiaries and associates



MAXIMISING CONVENIENCE, REACH AND ACCESSIBILITY

- ✍ A suite of products spanning all age groups and genders
- ✍ Promoting inclusivity through micro-insurance
- ✍ Relying on digitalisation and physical expansion to improve market reach, customer convenience and accessibility
- ✍ Multiple platforms to engage with policyholders to identify areas for improvement
- ✍ Utilising data analytics and market research to identify new avenues for growth.



ENABLING DATA PRIVACY, CYBER SECURITY AND BUSINESS CONTINUITY

- ✍ Stringent policies and procedures in place to verify customers and safeguard their data
- ✍ Steps taken to ensure compliance with the new Data Protection Act
- ✍ Key personnel appointed to monitor and manage data security
- ✍ Conducting regular drills and maintaining DR sites to ensure business resilience
- ✍ Adopting the latest software and global solutions to combat data privacy



UPHOLDING ETHICS, INTEGRITY AND TRUST

- ✍ Strong policies and screening processes in place to prevent corruption, money laundering, financing of terrorism, etc.
- ✍ Linking rewards and remuneration to honesty and integrity among the sales force
- ✍ A well-governed regulatory environment ensuring compliance with industry rules and regulations

Delivering Protection

SOCIAL RESPONSIBILITY



**MAXIMISING
CONVENIENCE, REACH
AND ACCESSIBILITY**

Inclusive products and Inclusive solutions

Ceylinco Life's portfolio of products and services is designed to serve policyholders and their loved ones at every stage of their journey. It captures a diverse cross-section of individuals and organisations across the island and empowers them to achieve their goals and safeguard their future.

For instance, Ceylinco Life Saubhagya is created to combat the challenges faced by the modern woman and empower their growth and advancement. Additionally, the company offers micro-insurance products to support rural communities.

110

The company launched "Ceylinco Life Medical Saver" to address the issue of not having medical coverage after you reach a particular age. Most insurance covers cease at the age of 70 whereas the medical saver plan helps you to build a fund that can be utilised during your entire life time. The launch of this product is pertinent especially considering the economic challenges faced by many at present.



The following categories are addressed through Ceylinco Life's products:

LIFE PLANS	Short-term and long-term protection plans, education plans and savings plans
RETIREMENT PLANS	Retirement and pension plans to facilitate a comfortable, independent retirement
MEDICAL PLANS	To address the increasing cost of healthcare, a range of solutions including the critical illness benefit, major surgery benefit, health support plus benefit and the hospital cash benefit are offered
GROUP PLANS	Group insurance solutions for organisations and their employees and mortgage protection plans



Scan the code to get more details about us or products



Refer pages 116-117 for Ceylinco Life's customer engagement initiatives and benefits derived from data analytics



The company identifies and classifies its customers based on the policyholder segmentation outlined below:

DEMOGRAPHICS

Socio-economic classification

Age

BEHAVIOUR

Security Seeker
Requires benefits related to protection

Progress Seeker
Investment-focused, seeking higher returns

PRIVILEGE

Platinum

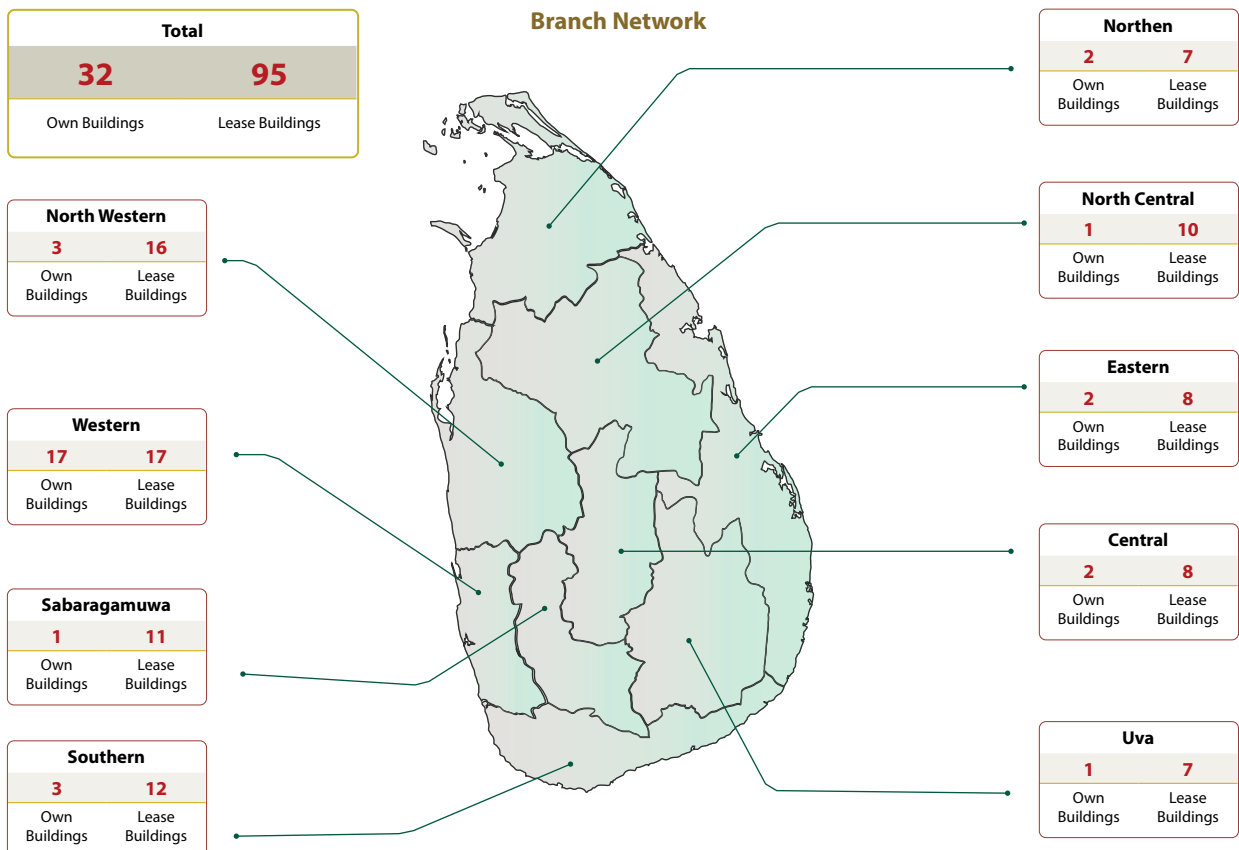
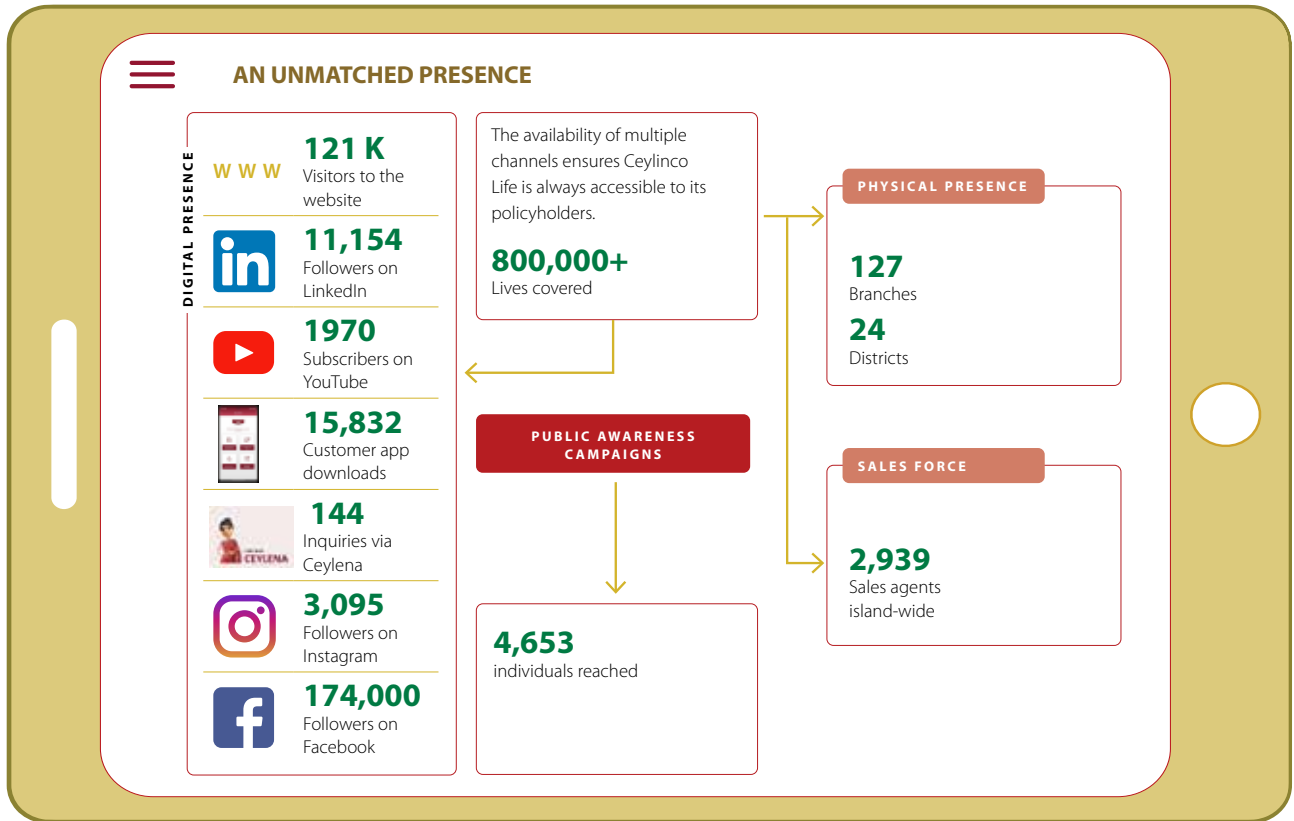
Gold

Silver

CORPORATE

Group Assurance

Bancassurance



SOCIAL RESPONSIBILITY

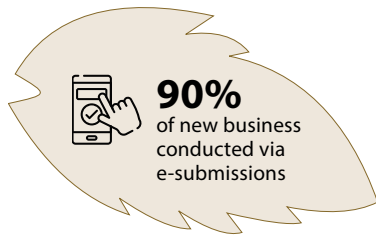
INCLUSIVE SOLUTIONS

Paperless Solutions

Over the years, Ceylinco Life has developed a range of digitisation processes including e-submissions, collection sheet automation, web-based quotation systems, automatic policy issuance, SMS temporary receipts and eKYC. Ongoing enhancements are conducted to drive a seamless, remote and secure onboarding process. This ensures the company minimises paper and fuel consumption, while maximising efficiency and reach. The company continues to roll out digital devices to the sales force to facilitate these activities.

112

At present, the entire sales process at Ceylinco Life is digitised and the company continues to enforce all new policies to be onboarded electronically.



Refer page 112 for steps taken to enhance customer convenience and efficiency

The company continues to improve and digitalize its process and following is the status of the progress of the few processes digitalized.

120%

Increase in SMS receipts issued (2023 vs 2022)

75%

Electronic underwriting record keeping in 2023

1,704

No of e-KYC generated based on the requirement

ELECTRONIC UNDERWRITING RECORD SHEET (ERS)

The Revolutionary Electronic Underwriting Record Sheet streamlines information on a single screen. This innovation merges previous policy details with current proposals, eradicating the need for manual record sheets. The development of an auto underwriting record sheet ensures swift capture of vital proposal data, enhancing underwriters' efficiency in risk assessment. The advancement significantly improves the Turnaround Time (TAT) for the risk assessment process and maintains a focus on quality enhancement in underwriting procedures.

CLOU SYSTEM DEVELOPMENTS

The CLOU system automates new business distribution among senior branch underwriters, promising easy monitoring and swift communication, while replacing manual Excel files and emails. This marks a decentralization of underwriting with automatic case allocation based on MOFA limits. The system signifies a commitment to staff development, overall process efficiency and the enhanced ability to handle larger volumes.

E-KYC

Transition from manual KYC processes to the cutting-edge E-KYC system, aimed at simplifying and enhancing customer onboarding. The system allows for remote

customer identification under advanced security protocols and ensures instant individual authentication, thereby significantly reducing paperwork and redundancies while improving operational efficiency.

STRAIGHT THROUGH PROCESSING (STP)

The company has successfully implemented a cutting-edge Auto Underwriting Rule Engine to streamline the risk assessment process. This engine validates simple and clean cases automatically, minimising human intervention and accelerating policy issuance. The move to STP ensures a faster policy issuance process, improved capacity to handle increased new business and month-end volumes and elevated underwriting quality. With the completion of Phase One involving CRA, INV and Pradeepa, Ceylinco Life stands at the forefront of technological advancements, setting a new standard for efficiency in the insurance industry.

I-PHONIC SYSTEM

This system designed to enhance scalability and streamline policyholder communication consolidates all communication channels, including email and WhatsApp under one application. The system's dashboard monitoring feature allows the call center to operate seamlessly from multiple locations,



"Our commitment to cyber security extends beyond mere compliance to instilling trust and confidence in our organisation's ability to protect the confidentiality, integrity and availability of data.

We prioritise proactive risk assessments and continuous monitoring to identify and mitigate potential cyber threats.

We are committed to maintaining the highest standards of cyber security to ensure the security and resilience of our operations in an increasingly digital world."

B A K S M DHARMASENA

Senior Manager - Information Security

Delivering Protection

SOCIAL RESPONSIBILITY

ensuring effective monitoring and management. This increases the scalability of operations and also contributes to heightened policyholder satisfaction.



ENABLING DATA PRIVACY, CYBER SECURITY AND BUSINESS CONTINUITY

Ceylinco Life serves as a custodian of policyholders' valuable assets and sensitive information and as the organisation expands its digital journey, data privacy and cyber security are key imperatives that ensure customers feel safe and secure.

The following steps were taken in 2023 to protect the organisation and its data:

- ✎ Taking steps to ensure alignment with the newly introduced Data Protection Act No. 09 of 2022, while ensuring ICT policies and procedures remain aligned with ISO 27001 standards for information security management systems.
- ✎ Oversight of data protection by a number of personnel including a compliance officer, risk officer and an information security manager. The organisation is in the process of appointing a dedicated data protection officer.
- ✎ Employing Data Leakage Prevention mechanisms and a Data Classification Policy to ensure sensitive data is not released beyond its intended audience.
- ✎ Conducting continuing comprehensive vulnerability and risk assessments to analyse internal and external network infrastructure entities in order strengthen cyber security protection. 3 external vulnerability assessments, 1 penetration test and 2 internal vulnerability assessments were conducted and the organisation participates in an annual cyber drill exercise and awareness training for general users to improve knowledge of ICT related best practices and sharpen ICT staff skill level.

✎ Monitoring the actions of external service providers and suppliers on internal servers involved in various IT support services via a Privilege Access Management solution.

✎ Enhancing the organisation's governance and information security framework by utilising cloud-based applications such as Microsoft Cloud.

✎ Maintaining a Disaster Recovery (DR) site to ensure business continuity and prevent data loss.

Upgrading the server to address capacity enhancements, IFRS requirements and align with the latest DR capabilities

Conducting certain escrow agreements on agreed locally developed softwares to ensure the continuity of the applications and support business operations.

Replacing and upgrading end-of-life servers that support the core life insurance system

Commencing the migration of SAPS4/HANA to a cloud platform



UPHOLDING ETHICS, INTEGRITY AND TRUST

Ceylinco Life consistently seeks to maintain principles of responsible marketing, minimise instances of fraudulent activity and ensure compliance with rules and regulations including the comprehensive guidelines set out by the IRCSL.

During the year, regulatory documentation was updated to an e-format in order to improve accessibility and efficiency.

EXTERNAL COMPLIANCE

No incidents of non-compliance were reported with respect to product and service information and labelling or of any health and safety impacts from our products in 2023. No incidents of non-conformity with regulations and voluntary codes of conduct were reported during the year.

No incidents of non-compliance concerning marketing communications were reported during the year. No legal actions were taken against the Company for anti-competitive behaviour, antitrust and monopoly practices in 2023. No significant instances of non-compliance with laws and regulations during the reporting period.

INTERNAL POLICIES AND PROCESSES

Policies

- ✎ Treating Customers Fairly - controls and policies governing employees and sales agents to prevent any form of preferential treatment, dishonesty or injustice.
- ✎ Anti-Corruption and Bribery Policy - policy approved by the Board of Directors to maintain a zero-tolerance approach towards bribery and corruption. The policy further outlines activities related to conflicts of interest and entertainment and gifts.

Processes

- ✎ A dedicated Business Intelligence Team proactively monitors and identifies any discrepancies and irregularities to remedy any breaches in business conduct or exploitation of policyholders.
- ✎ Underwriters are allocated at random via an automated process to minimise the risk of fraudulent activity.
- ✎ Automated processes are in place to mitigate the risk of fraudulent activity.
- ✎ All sales agents are trained regarding business ethics and values and face regular online examinations related to anti-money laundering practices and other irregularities.
- ✎ Sales force remuneration is aligned with principles of honesty and integrity. Any violations and fraudulent activity are duly addressed.
- ✎ Anti-Money Laundering software is utilised to screen and onboard customers.

Delivering Protection

SOCIAL RESPONSIBILITY

Transparency and Disclosures:

- 🍃 Tele-underwriting is conducted to ensure customers understand the product and its benefits.
- 🍃 All advertising and promotional material visibly include all disclosures mandated by the IRCSL and are forwarded to the regulatory body for review.
- 🍃 All policy documents and marketing communications are reviewed and revised to ensure greater clarity, transparency and inclusivity.
- 🍃 All policy terms and conditions are made easily accessible on the website for the benefit of policyholders.

Legislation

- 🍃 Financial Transactions Reporting Act No.6 of 2006
- 🍃 Prevention of Money Laundering Act No.5 of 2006
- 🍃 Convention on Suppression of Terrorism Financing Act No. 25 of 2005

Rules/Guidelines

- 🍃 Regulation of Insurance Industry Act, No.43 of 2000
- 🍃 Insurance (Customer Due Diligence) Rules No, 1 2019
- 🍃 Guidelines on Identification of Politically Exposed Persons (PEP) No.3 of 2019
- 🍃 Guidelines for Non Face-to-Face Customer Identification and Verification Using Electronic Interface provided by the Department for Registration of Persons, No. 3 of 2020
- 🍃 UN regulations



TOWARDS NEW HORIZONS —➤

Increase market share while retaining market leadership

Promote customer convenience and an enhanced experience through continuous engagement, improved benefits and digital transformation

Improving market reach and supporting under-served communities through new products and increased accessibility

Relying on AI and data analytics to improve customer service



Refer page 63-68 in Strategy Development and Integration

TRUSTED PARTNERSHIPS

Ceylinco Life's primary ethos is to build and nurture lifelong partnerships with its key stakeholders, including policyholders, sales agents, business partners and suppliers, thereby ensuring business resilience, a strong corporate reputation and organisational performance.



"We play a transformative role in people's lives. Our mission goes beyond financial protection to empower individuals and families to pursue their dreams with confidence, knowing they have a trusted partner by their side.

Our approach to marketing is driven by an understanding of our customers' needs, aspirations and values to deliver personalised experiences for diverse customer segments across all our touch points by nurturing meaningful connections."

E R S G S HEMACHANDRA

Deputy Chief Operating Officer

TRUSTED PARTNERSHIPS FOCUS AREAS



POLICYHOLDER PARTNERSHIPS

- Managing customer complaints and maintaining high levels of satisfaction
- Maintaining customer engagement and value creation through initiatives including Pranam Scholarships and Family Savari
- Achieving accolades and awards in recognition of brand value and customer loyalty
- Multiple channels and platforms to drive customer engagement
- Introduction of breakfast meetings to build relationships with top customers



PARTNERING WITH SALES AGENTS

- Ongoing training and development opportunities offered to the sales force
- Motivation and engagement initiatives including awards ceremonies, incentive programmes, challenge trophies and recognition programmes
- Empowering agent productivity and convenience through technology
- Inclusive policies that promote gender equality
- Grievance mechanisms and communication channels



SUPPLY CHAIN AND BUSINESS PARTNERS

- Building long-term, mutually beneficial partnerships
- Providing opportunities to small and medium enterprises
- Prioritising local sourcing
- Adhering to good governance through stringent procurement processes
- Collaborating with suppliers to drive sustainable practices
- Establish clear lines of communication with suppliers and maintain open and transparent dialogue
- Identify and assess potential risks associated with suppliers, such as supply chain disruptions, quality issues and financial instability

Delivering Protection

SOCIAL RESPONSIBILITY



POLICYHOLDER PARTNERSHIPS

Ceylinco Life's ongoing engagement with its policyholders ensures the organisation offers an unmatched experience throughout the customer life cycle.

FAMILY SAVARI

A pioneering loyalty programme to recognise and reward loyal customers, and one of the largest reward systems offered by any life insurer in Sri Lanka.

The 16th Family Savari edition draws were completed in 2023, with rewards distributed. The 17th edition launched in October, featuring overseas tours and theme park excursions, with winners selected in mid-November and final grand-draw in January 2024.

PRANAMA SCHOLARSHIPS

Scholarships are awarded to children of policyholders who achieve the highest results at the Grade 5 scholarship, the G.C.E. O/L and the G.C.E. A/L examination, or reach national or international standards in the fields of drama, sports, art or innovation.



Scan the code to get more details about Pranama Scholarships



Scan the code to get more details about Family Savari

BREAKFAST MEETINGS

The top customers from certain regions were selected and invited to a breakfast meeting, providing them with the opportunity to learn more about the company and interact with the senior management.

LIFE 360o

Complaints received via Ceylena, social media, the call centre and from walk-in customers are recorded on the company's CRM platform.

Each complaint is assigned a Service Level Agreement (SLA) to ensure they are addressed within the IRCSL benchmark of 14 days.

1,245

Beneficiaries

3,186

Beneficiaries

16

Breakfast meetings

314

Complaints received

Rs. 29.5 Mn

Disbursed

Rs. 200 Mn

Disbursed

12

Regions

100%

Complaints resolved

30

Deluxe and premier hotel stays

22nd consecutive

edition in 2023

1,395

Attendees

07 days

Average resolution time



SOCIAL RESPONSIBILITY

COMPLAINT MANAGEMENT

Complaints received from policyholders are addressed according to the Complaint Management Policy, which is hosted on the company website to enable easy access to customers. Any pending inquiries extending beyond 7 days are escalated to the Executive Directors and monitored closely. If a customer is dissatisfied with the mechanism or resolution of the complaint, they are able to approach the insurance ombudsman for an alternative solution.



Scan the code to view our Complaints Handling Procedure



CUSTOMER FEEDBACK AND SATISFACTION

Customers are encouraged to provide feedback regarding their experience at all key touch points:

- Following a call to the hotline, customers are provided the opportunity to rate the service they have received.
- At the point of completion of a policy anniversary, feedback forms are provided to gain an understanding on policyholder requirements and whether any changes are required.
- A new call centre solution was implemented during the year. The company installed a more localised PABX solution with flexible pricing, which served to replace an end-of-life product and offer improved productivity. Additionally, a new call centre was launched in the Jaffna branch.
- Relying on data analytics to proactively identify potential lapsed policies and improve the customer proposition to retain customers
- Obtaining feedback on customer service and the degree of satisfaction from interactions with their sales officer
- Providing a feedback form following the resolution of a service request or enquiry



"Our sales agents are the face of our company and it's imperative that they embody our values of integrity, professionalism and customer-centricity.

We foster a culture of continuous learning and development, equipping our agents with the knowledge, skills and tools to thrive in an evolving marketplace. By fostering a culture of collaboration, recognition and accountability, we unleash the collective strength of our sales team."

H A SURaweera

Senior Assistant General Manager - Agency Administration



PARTNERING WITH SALES AGENTS

Sales agents serve as the primary link with policyholders and as the organisation's key revenue generator. Ceylinco Life focuses on building a strong value proposition for each member of the sales force.

TRAINING AND DEVELOPMENT

To offer high standards of service to customers, sales agents receive comprehensive training on Ceylinco Life's products and values.

All agents undergo continuous training from the point of recruitment to ensure they remain apprised of new regulations, new products and product revisions, while improving their customer relationship management skills. A minimum of 35 training credits must be recorded to ensure eligibility for promotions and rewards by Life Insurance Advisors.

Organisational Training

Onboarding to ensure alignment with company vision, culture, policies, systems and procedures.



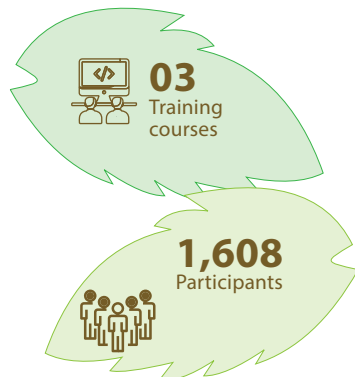
TRAINING PROGRAMME	PARTICIPANTS
Sales Refresher Training	3,736
Field Underwriting Training	1,554
Advanced Skills Training (ADS)	1,184
Sales Skills Training (SKS)	1,056
Orientation Programme	875
Basic Skills Training (BSK)	699
How to Increase Your Income Level	336
Skills Sharpening Training	330
HOB Training	216
Cross Road Training	139
Customer Relation Training	114
Management Training	108
Training of Professional Trainers / Industry experts	82
Total	10,429

Description	Total feedback received in 2023	Optimal rating
Customer Satisfaction Score on Policy Anniversary - 2023	2,980	2,282
Contact Center – Inbound Call Satisfaction Survey -2023	19,438	18,097
Doorstep Claim Process – Customer Feedback	300	252

SOCIAL RESPONSIBILITY

Leadership Training

Addresses any gaps in leadership training.



TRAINING PROGRAMME	PARTICIPANTS
Leadership Training (LDR)	1,180
Potential Future Performers	321
SMART Trainers Training	107
Total	1,608

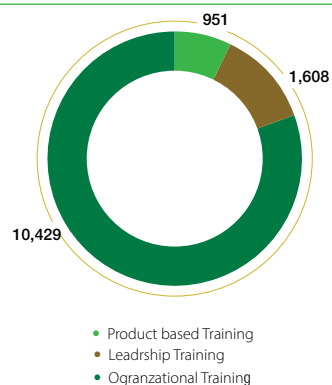
Product-based Training

Includes pre-contract training, SLI training module and licensing examination (regulatory requirement) and refresher training.



TRAINING PROGRAMME	PARTICIPANTS
Refresher Training on Products	327
Rider Training	316
Special Training on Products	230
Know Your Product Training	78
Total	951

TRAINING TYPES AND NO OF PARTICIPANTS



20

Training courses

12,988

Total participants

Rs. 55.8 Mn

Invested in training and development

8.09

Training hours per sales agent

The company further provides opportunities for advancement and progress, empowering sales agents reach new heights in their professional and personal lives.

GENDER DIVERSITY AND INCLUSIVITY

Ceylinco Life maintains a remarkable gender balance in the sales force.

2,939

Independent contractors

1,333

Male Sales agents

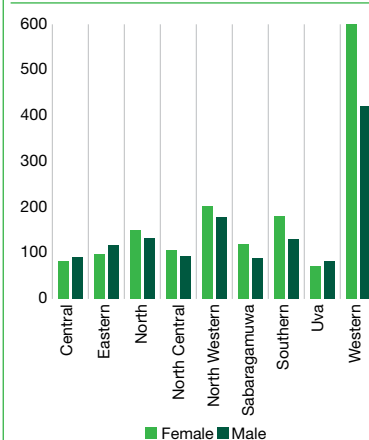
1,606

Female Sales agents



Smart Trainers Training Program

SALES AGENT PROVINCE WISE



Rs.118 Mn

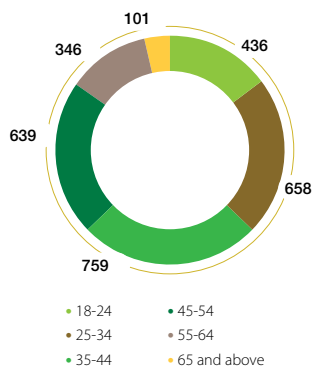
Incentives and rewards extended to sales agents

563

Sales agents recognised

SOCIAL RESPONSIBILITY

AGE WISE



MOTIVATION AND ENGAGEMENT

Owing to the economic downturn and its associated impacts, retention remained a challenge during the year. Therefore, the organisation continued to pursue strategies to empower, reward, motivate and communicate with the sales force in order to address their needs.

All sales agents are rewarded based on performance, with their efforts further recognized through bi-annual and annual award ceremonies, incentive programs, challenge trophies and other recognition initiatives.

873

Awards distributed at the Annual Awards Ceremony.

2023 - 302

Agents qualified for MDRT status



The Million Dollar Round Table (MDRT) is an international forum representing excellence in the insurance industry.

Winners of Company Maintained Cars At the Annual Awards Ceremony



Mr. K B A Thushara and Mr. Gayan de Silva are receiving the company car for their outstanding performance at the Annual Awards Ceremony in the presence of Mr. Masayuki Thanaka- Managing Director, FALIA Japan, Mr. R Renganathan – Chairman and Mr. Thushara Ranasinghe – Managing Director /Chief Executive Officer

WELFARE AND WELL-BEING

The company values the health, safety and welfare of its sales force and therefore provides a strong grievance management process for agents to get their concerns addressed.

- ✎ A dedicated hotline ensures that agents have access to the agent care centre to obtain assistance with daily operational concerns and grievances.
- ✎ Mental health awareness training programmes were conducted by professionals to support sales agents amid prevailing challenges.
- ✎ A dedicated hotline to Sumithrayo was provided to offer opportunities for counselling and guidance.
- ✎ Providing special health insurance schemes to support agents.
- ✎ Maintaining a safe and healthy working environment supported by safety training.
- ✎ Conducting exit interviews to understand any concerns and take corrective action.

TECHNOLOGICAL EMPOWERMENT

Ceylinco Life's digitalisation initiatives have greatly contributed towards improving the efficiency and productivity of the sales force. The combined strength of the e-submission software, CRM software and the call centre provides sales agents with a 360 degree perspective on policyholders. Sales agents are equipped with tabs to ensure they achieve improved results with increased flexibility and convenience.

The organisation initiated the process of launching a Sales Bot during the year. The aim of the project is to support the sales force in responding to general sales queries, thereby improving productivity and efficiency.

Furthermore, a new lead management system was implemented in order to support the sales force in identifying new opportunities for business development.



Graduation Ceremony of the first batch of the Ceylinco Life Sales force who completed a tailor-made Diploma in Financial Sales Management, from Sri Lanka Institute of Marketing (SLIM).

Delivering Protection

SOCIAL RESPONSIBILITY

535

Phones provided to the sales force

2,128

Tabs provided to the sales force

72%

Of the sales force equipped with tabs

Promotion of Ethical Behaviour

Sales agents are governed by a Code of Ethics and the Agency Contract, which stipulate stringent guidelines that promote transparency, honesty and integrity in all customer interactions.

- In the event of a violation of the terms, the business intelligence unit conducts 360 degree investigations and action is taken based on the severity of the offence.
- An honesty index is linked to agents' KPIs, thereby linking ethical behaviour to performance
- An internal audit team identifies any discrepancies and brings them to the attention of the organisation for corrective action.



"We place emphasis on working with our suppliers closely to uphold ethical standards, promote sustainability and mitigate risks across the entire value chain.

By fostering transparency, accountability and collaboration with our suppliers, we strive to enhance the resilience and sustainability of our operations while delivering value to our stakeholders. Together, we continue to innovate and improve to create a sustainable and responsible future for our company and the communities we serve."

S E S M FERNANDO

Senior Manager - Administration



SUPPLY CHAIN AND BUSINESS PARTNERS

TRANSPARENT, ETHICAL FAIR SOURCING

The company's stance with respect to suppliers is to collaborate with a limited number of business partners and sustain long-term partnerships where feasible.

Small-scale suppliers are encouraged to submit estimates and bids for relatively larger projects to enable their progress and growth.

The following mechanisms ensure all suppliers are provided with equitable opportunities for selection:

- All contracts are awarded based on a set of predetermined standards and competencies.
- All supplier assessments are managed by the Central Procurement Unit, with every supplier that satisfies the screening requirements being registered in the corporate database.
- Prior to procurement, the company obtains at least three bids from possible suppliers and ensures that at least two suppliers are maintained per category in the system.
- To guarantee a fair and equitable process, the company distributes the requirements among several parties, especially when sourcing large quantities of goods.



1,772
Local suppliers



11
International suppliers



798
New suppliers



Rs. 2.44 Bn
Payments to local suppliers
(93% of total supplier payments)



Rs. 179 Mn
Payments to international suppliers
(7% of total supplier payments)

SOCIAL RESPONSIBILITY

SCREENING AND QUALITY ASSURANCE

A stringent screening process is in place to uphold the highest levels of quality and excellence. The organisation evaluates all relevant certificates and documentation and performs site visits or virtual meetings to gauge supplier skills. In the event that no discrepancies are found, the supplier is added to the supplier database.

Compliance and Ethical Business Conduct	<ul style="list-style-type: none"> ☞ Determine supplier compliance with relevant laws and regulations ☞ Conduct due diligence to ensure adherence to Ceylinco Life's Anti - Bribery & Corruption Policy ☞ Ensure compliance with safety standards
Commitment to Sustainability	<ul style="list-style-type: none"> ☞ Determine compliance with environmental regulations and sustainable sourcing ☞ Prioritise suppliers who manufacture environmentally friendly products
Quality Management and Process Excellence	<ul style="list-style-type: none"> ☞ Evaluate management, employees, technological and organisational capabilities ☞ Evaluate processes, capacity and technology and ensure they are of an acceptable standard ☞ Evaluate quality assurance policies and procedures
Financial Feasibility	<ul style="list-style-type: none"> ☞ Assessment of cost vs. benefit and ensuring reasonable pricing ☞ Evaluate financial results and condition of suppliers

Building construction contractors are chosen on a project basis through a competitive bidding process.

A specialist consultant evaluates each submitted tender and an advisory body specialising in contractors examines candidates' qualifications to ensure that the Construction Industry Development Authority's (CIDA) rules are followed.

A Director subsequently receives the recommended suppliers' information for review and approval.

Supporting Supplier Needs

Ceylinco Life consistently strives to pay supplier invoices within seven days and does not utilise credit facilities. In support of our suppliers during the economic downturn, special measures were taken to fulfill their working capital needs through advance payments and prompt settlements.

Local Sourcing and Environmental Responsibility

The company forms alliances with domestic suppliers and small and medium-sized businesses (SMEs) in the vicinity to promote socio-economic development and advancement.

Ceylinco Life's procurement strategy reflects the company's dedication to helping the communities around its branch network, specifically in the areas of electrical maintenance, tea services and janitorial services.

The organisation collaborates with suppliers to optimise resources and engage in sustainable practices, i.e., construction of green buildings, pre-cast construction, etc. (Refer page 102-104)

FOSTERING LONG-TERM, SUSTAINABLE PARTNERSHIPS

Partnerships with Reinsurers

Ceylinco Life's relationships with its reinsurers are critical to delivering additional security against high-value risks that allow the company to pursue growth and expansion and accomplish its objectives.

Through these partnerships, Ceylinco Life is better equipped to mitigate the impact from exposure to unpredictable external pressures and remain abreast of evolving worldwide trends, while strengthening the company's knowledge base and ability to survive the competitive market in which it operates. Training courses on responsible portfolio management, creative product development

SOCIAL RESPONSIBILITY

and disciplined underwriting are used to accomplish these goals

Premium Ceded to Reinsurers

	2023 Rs. Mn	2022 Rs. Mn
Munich Re	394	207
Swiss Re	246	229
RGA	0	36
Total	640	472






Partnerships with Actuaries

The in-house actuarial team of Ceylinco Life has been working with Willis Towers Watson India Private Ltd., a reputable international actuarial consulting business, for the past three decades. While the majority of the company's actuarial work is carried out by its own staff, the year-end actuarial valuation is conducted by Willis

Towers Watson. The results of the valuation are signed off by the designated actuary and the surplus that can be converted to profits is approved by the Chairman and Board of Directors.

Engagement with Regulatory Bodies

The Company maintains memberships with the following professional institutions and associations:

Regulatory Body	Objective/Purpose
 Insurance Regulatory Commission of Sri Lanka	The main governing body of all insurance companies in Sri Lanka.
 The Insurance Association of Sri Lanka (IASL)	The apex organisation of Sri Lanka's insurance industry involved in formulating and executing joint industry initiatives.
 The Sri Lanka Insurance Institute (SLII)	The industry's sole educational body established to enhance professionalism in the field of Sri Lankan insurance, while developing a dynamic, fully equipped human capital in insurance and other financial services.
 Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	The national professional accountancy body in Sri Lanka.
 Life Insurance and Market Research Association (LIMRA)	An organisation that conducts research on distribution systems for life insurance products on behalf of its member companies.



TOWARDS NEW HORIZONS —>

Increase focus on training and development of the sales team. Digitising the customer journey to create a seamless sales process. Sales team growth to enhance market penetration and market share by 25%.



Refer page 63-68 in Strategy Development and Integration

SOCIAL RESPONSIBILITY

EMPOWERING PEOPLE

Ceylinco Life's employees are the foundation of the organisation's success. The company therefore focuses on a well-rounded strategy that ensures employees are recognised and rewarded for their contribution, while nurturing space for long-term growth, welfare and development.



We focus on nurturing a culture where our employees are valued, supported and empowered. We recognise that our people are our greatest asset and it's crucial to invest in their well-being, growth and development. Our people-first approach ensures a positive work environment enhancing our ability to deliver exceptional service levels. As we navigate the future, we remain committed to fostering a workplace that celebrates diversity, encourages collaboration and embraces innovation, whilst creating a meaningful impact in the lives of both our employees and clients.

N H WERAGALA

Assistant General Manager - Human Resources

EMPOWERING PEOPLE FOCUS AREAS



AN INCLUSIVE WORKPLACE

- Establishing and adhering to the Diversity and Inclusion Policy
- Ensuring no individuals are discriminated on the basis of gender, religion, caste or any other difference
- Conducting regular programmes to promote and nurture pluralism
- Recruiting new employees to build a more balanced workforce



HOLISTIC HEALTH AND WELL-BEING

- Upholding health and safety standards in the workplace
- Addressing mental health concerns through counselling and awareness programmes
- Policies to promote work-life balance within the organisation
- A range of benefits offered to employees
- Opportunities for recreation



A CONDUCTIVE WORK ENVIRONMENT

- Strong mechanisms in place to build business growth, good governance and resilience
- Employee engagement and grievance mechanisms to address employee welfare and satisfaction
- Empowering employees to participate in strategy development and decision-making
- Maintaining open-door policies



NURTURING GROWTH AND DEVELOPMENT

- Reviewing and revising benefits to improve retention and address the high cost of living
- Enhancing knowledge and skills through ongoing learning and development programmes
- Succession planning mechanism within the organisation
- Leadership development programmes and annual staff promotions

SOCIAL RESPONSIBILITY

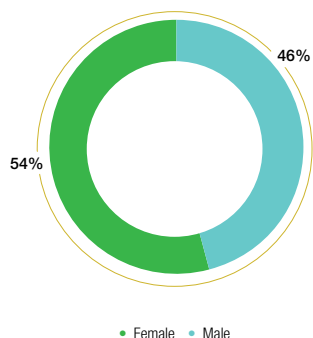


AN INCLUSIVE WORKPLACE

During the year under review, Ceylinco Life continued to focus on building a balanced workforce, by actively recruiting women and strengthening its policies. The organisation has introduced a Diversity and Inclusion Policy that spans key human resource functions and as an equal opportunity employer, the company does not discriminate based on religion, race, disability or any difference.

The company prioritised recruiting women into the workforce, as evidenced by a 54% female recruitment rate to ensure better gender parity.

RECRUITMENTS BY GENDER



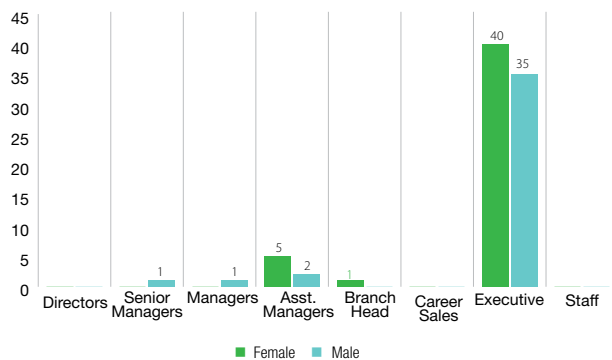
39
Male recruits

46
Female recruits

CATEGORY WISE RATIO OF BASIC SALARY OF WOMEN TO MEN

Category	F	M	Total
Executive Director	-	100	100
Senior Manager	10	90	100
Manager	7	93	100
Assistant Manager	48	52	100
Branch Head	5	95	100
Career Sales	10	90	100
Executive	19	81	100
Total	14	86	100

RECRUITMENTS BY GENDER AND CATEGORY



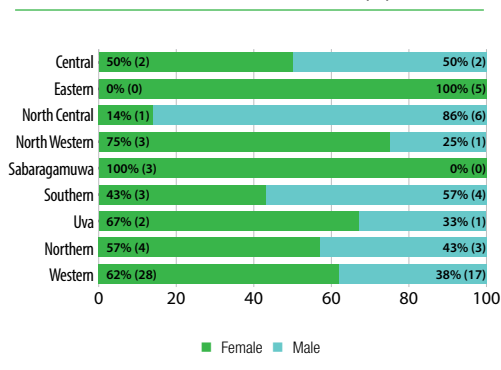
A total of 85 employees were recruited across various employee categories, ages and gender.

NEW RECRUITS BY AGE AND GENDER

Age	18-25		26-35		36-45		46-55		55<		Total
Category	F	M	F	M	F	M	F	M	F	M	
Director	0	0	0	0	0	0	0	0	0	0	0
Senior Manager	0	0	0	0	0	0	0	1	0	0	1
Manager	0	0	0	0	0	1	0	0	0	0	1
Assistant Manager	0	0	1	1	3	1	1	0	0	0	7
Branch Head	0	0	0	0	1	0	0	0	0	0	1
Career Sales	0	0	0	0	0	0	0	0	0	0	0
Executive	17	12	23	21	0	1	0	0	0	1	75
Staff	0	0	0	0	0	0	0	0	0	0	0
Total	17	12	24	22	4	3	1	1	0	1	85

SOCIAL RESPONSIBILITY

RECRUITMENTS BY REGION AND GENDER (%)



Ceylinco Life currently employs 740 employees of whom 713 hold permanent status. 147 women and 566 males comprised the permanent workforce during 2023.

EMPLOYEES BY TYPE AND GENDER

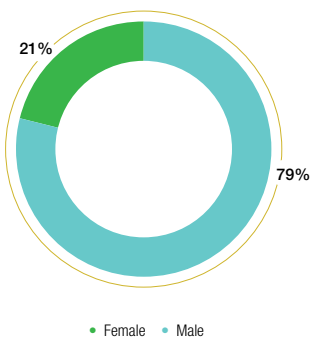
Employment Type	F	M	Total
Contract	5	11	16
Permanent	147	566	713
Special Contract	1	10	11
Grand Total	153	587	740

The organisation prioritises recruitment across the island, in line with needs for expansion and growth. Ceylinco Life strives to employ from within the region in order to provide equal opportunities for growth and support the surrounding communities in which it operates.

DIVERSITY AND DYNAMICS OF THE EMPLOYEES



EMPLOYEES BY GENDER



21%
Female representation

1.86%
Growth in female representation

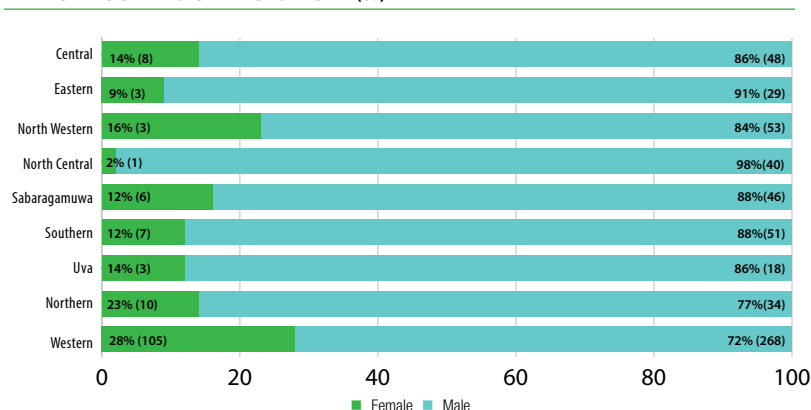
25%
Promotions for females

125

EMPLOYEES BY GENDER AND REGION

Province	F	M	Total
Central	8	48	56
Eastern	3	29	32
North	10	34	44
North Central	1	40	41
North Western	10	53	63
Sabaragamuwa	6	46	52
Southern	7	51	58
Uva	3	18	21
Western	105	268	373
Grand Total	153	587	740

EMPLOYEES BY REGION AND GENDER (%)



Delivering Protection

SOCIAL RESPONSIBILITY

EMPLOYEES BY REGION

Province	Employment type			Total
	Contract	Permanent	Special Contract	
Central	1	55	0	56
Eastern	0	32	0	32
North	0	44	0	44
North Central	3	38	0	41
North Western	0	62	1	63
Sabaramuwa	1	50	1	52
Southern	1	56	1	58
Uva	0	21	0	21
Western	10	355	8	373
Grand Total	16	713	11	740
%	2.16	96.35	1.49	



“My journey at Ceylinco Life has been enriching and fulfilling. The Company has enabled me to be the best version of myself, enriching and enabling me to take on new challenges. This has been a fascinating journey and I'm grateful for this wonderful opportunity”

Damith Perera
Dealer / Assistant Manager

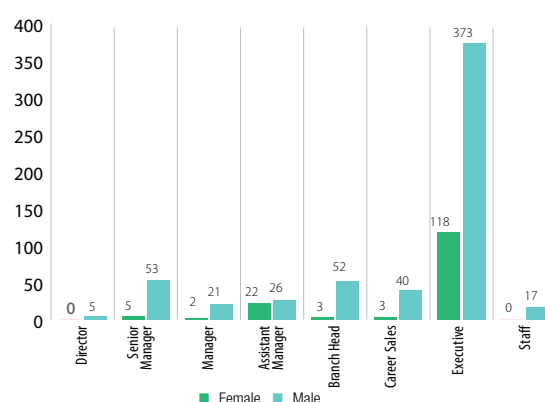
EMPLOYEES BY REGION AND CATEGORY

Category	Province									Total
	North	Central	Eastern	North Central	North Western	Sabaragamuwa	Southern	Uva	Western	
Director	0	0	0	0	0	0	0	0	5	5
Senior Manager	1	1	2	2	3	2	1	0	46	58
Manager	0	0	1	1	3	1	1	1	15	23
Assistant Manager	3	3	0	0	3	2	2	0	35	48
Branch Head	6	2	3	3	4	7	4	2	24	55
Career Sales	3	6	2	1	5	5	8	2	11	43
Executive	31	40	24	34	42	35	39	16	230	491
Staff	0	4	0	0	3	0	3	0	7	17
Grand Total	44	56	32	41	63	52	58	21	373	740
%	6	7	4	5	8	7	8	3	50	100

EMPLOYEES BY CATEGORY AND GENDER

Category	F	M	Total
Director	0	5	5
Senior Manager	5	53	58
Manager	2	21	23
Assistant Manager	22	26	48
Branch Head	3	52	55
Career Sales	3	40	43
Executive	118	373	491
Staff	0	17	17
Grand Total	153	587	740

EMPLOYEES BY CATEGORY AND GENDER



EMPLOYEES BY AGE AND GENDER											
Age	18-25		26-35		36-45		46-55		55<		Total
Category	F	M	F	M	F	M	F	M	F	M	
Director	0	0	0	0	0	0	0	0	0	5	5
Senior Manager	0	0	1	2	3	4	0	30	1	17	58
Manager	0	0	0	4	1	6	1	10	0	1	23
Assistant Manager	0	0	8	4	10	12	2	9	2	1	48
Branch Head	0	0	0	1	2	7	1	40	0	4	55
Career Sales	0	0	0	0	0	4	3	29	0	7	43
Executive	22	14	63	100	14	129	18	113	1	17	491
Staff	0	0	0	0	0	4	0	11	0	2	17
Total	22	14	72	111	30	166	25	242	4	54	740

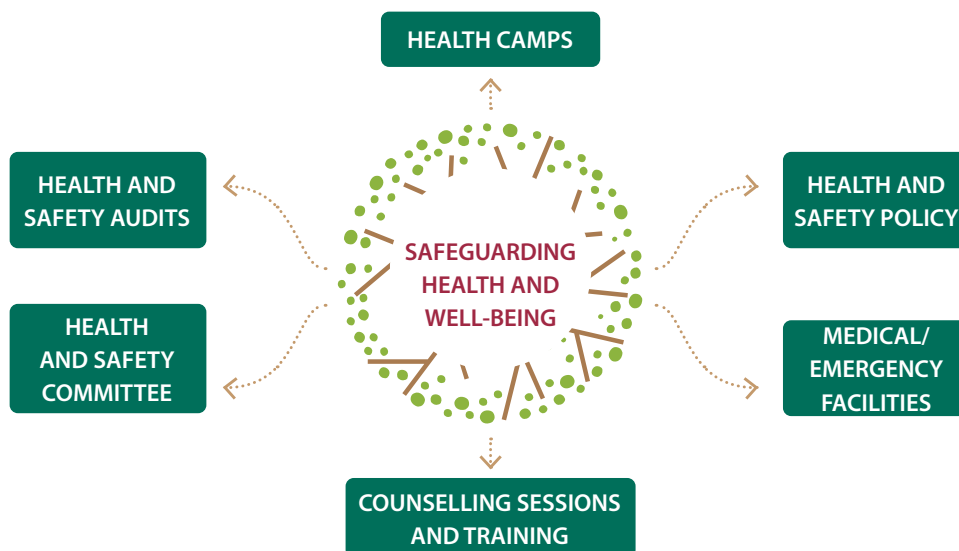
All senior management members are recruited from the local community and the Company endeavours to hire from within the region to offer equal opportunities for growth.

Ceylinco Life maintained a consistent female representation at 19% across all career levels from 2018 to 2022 and subsequently increased it to 21% in 2023, demonstrating a commitment to advancing gender equality within the organization.

	2023	2022	2021	2020	2019	2018
F	153	144	155	153	162	163
M	587	608	640	661	682	700
Total	740	752	795	814	844	863
% of Female Representation	21	19	19	19	19	19



As a service-oriented organisation, Ceylinco Life does not pose a hazardous environment to its employees. In fact, the company values the health and well-being of its workforce and strives to create a safe, supportive environment for its people. Employees are encouraged to maintain a healthy work-life balance. The organisation relies on its synergy with Kings Hospital to provide unmatched healthcare benefits to its employees.



SOCIAL RESPONSIBILITY

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MEDICAL/ EMERGENCY BENEFIT SCHEMES TO THE EMPLOYEES

Benefit/Scheme	Criteria and Availability	Beneficiaries/Benefits Paid	
		2023	2022
Company Life Insurance Cover	Offered to all employees, free of charge	Rs.17 Mn	Rs.9 Mn
Additional Comprehensive Life Cover	Offered at a concessionary rate to employee & family Members	Rs.26 Mn	Rs.28.7 Mn
Ceylinco Life Health Insurance Cover	Free for associates and concessionary rate for family	Rs. 43.2 Mn	Rs. 36.8 Mn
Contributory Medical Fund	To claim OPD bills	Rs. 32.5 Mn	Rs. 23.5 Mn
Critical Illness Retirement Cover	For Associates above 30 years at concessionary rate	Nil	Nil
Death Donations	Immediate or close family members	Rs.2,460,000.00	Rs. 879,625.00
07 days of Sick Leave	All the Associates	3445 days	3820 days
Allowance for Basic Medical Checkups	Rs 10,000 for all employees above the age of 40	111	110

Objective of the Health and Safety Committee

Ceylinco Life values all personnel who enters its premises and takes full responsibility in ensuring their health and safety. We, being a socially responsible entity, treat our environment and surroundings with great respect whilst ensuring proper controls are in place, aligned to national and international regulations. We commit ourselves towards implementation and continual improvement of set standards on health and safety at regular intervals.



Health and Safety Policy Focus Areas

- A safe working environment
- Safe systems of work
- Information, instruction, training and supervision that is reasonably necessary to ensure that each associate is safe from injury and risks to health

- A commitment to consult and co-operate with associates in all matters relating to health and safety in the workplace
- A commitment to continually improve performance through effective safety management
- Take appropriate, prompt actions for the complaints of associates

Mental health includes our emotional, psychological and social well-being. It affects how we think, feel and act. It also helps determine how we handle stress, relate to others and make healthy choices. In this regard an awareness programme on mental health and well-being was organised in collaboration with "Sumithrayo Sri Lanka" to assist our staff during the challenging times. This awareness session was open to all staff

100

Employees participated in the health camp

Rs.2.8 Mn

Invested in Health and Safety

HEALTH CAMP 2023



HEALTH AND SAFETY IN 2023

As per the Health and Safety Policy, an internal audit was commenced in late 2023, the results of which will be collated and submitted in 2024. In addition, routine health and safety tests are carried out by respective responsible departments on aspects such as general house-keeping, fire risk assessments, electrical systems, elevators and company vehicles.



A CONDUCTIVE WORK ENVIRONMENT

EMPLOYEE INVOLVEMENT IN STRATEGY DEVELOPMENT

A strategic planning committee which comprises five Executive Directors and eight senior staff members meet on a monthly basis, while weekly sales meetings take place to discuss strategy and progress. A special idea generation initiative is in place to encourage employees to

Delivering Protection

SOCIAL RESPONSIBILITY

share suggestions and new ideas to improve organisational performance. Feedback on submissions are provided to employees to enable a culture of continuous learning.

In order to make sure they are easily available, any modifications or changes to the

company's policies, procedures or operations are communicated to staff with adequate notice. Employee newsletters and internal emails serve as alternate routes for the staff to remain apprised about important changes within the company.


process improvements and automation ensure the organisation improves productivity and efficiency, while simplifying operations.

The use of AI is perceived to be both a threat and as well as an opportunity for the labour market, owing to its ability to both replace certain traditional job roles and assist in improving particular functions in the workplace. Ceylinco Life therefore encourages the use of AI tools to enable them to conduct their work activities with improved productivity and efficiency.

The organisation adopted Microsoft Products and Microsoft 365 platforms to enable improved collaboration within the workforce.

Additionally, in 2022, the organisation partnered with E&Y to develop an IT roadmap. As part of these efforts, the study and development of a new IT Operating Model took place during the year. The assessment undertook a long-term, holistic view of IT, and resultantly certain steps were taken to bridge gaps in skills, capabilities and infrastructure.








The company additionally invested in upgrading from desktop computers to laptops, thereby improving mobility, efficiency and productivity.

 **Refer page page 112 for more information on Ceylinco Life's digital transformation.**

Freedom of Association and Collective Bargaining

Ceylinco Life considers freedom of association to be a fundamental right, with every permanent employee automatically becoming a member of the Ceylinco Life Employees' Union. All members must abide by the Union's rules and regulations and its leaders have the authority to escalate any concerns to the highest level of the organisation.

Friendly, open and ongoing work relations with the organisation are maintained through:

-  Quarterly meetings with union representatives
-  Adherence to applicable labour laws
-  Open-door policies
-  A structured grievance handling procedure
-  Whistle-blower policy
-  Adherence to industrial relations practices
-  Complaints and feedback tabled before the Board

PROMOTING INTEGRITY, FAIR TREATMENT AND ETHICAL PRACTICES

In order to uphold transparency, fairness and equitable treatment across the organisation, while protecting the rights of employees, Ceylinco Life has established the following policies and mechanisms:

WORKPLACE FLEXIBILITY AND DIGITAL TRANSFORMATION

Owing to organisation-wide digital transformation, Ceylinco Life offers flexibility and increased mobility to its employees. The organisation's efforts to drive 100% paperless operations contribute towards environmental sustainability and responsible consumption of resources.

During the year, the exit interview process was fully automated. Furthermore, continuous

As Ceylinco Life is dedicated to upholding the values of honesty and trust, it has put in place comprehensive policies that stipulate guidelines related to data protection, whistle-blowing and the prevention of money laundering and terrorist financing. The policies are subject to periodic reviews and revisions as needed to maintain zero-tolerance against ethical and code of conduct violations, as well as other malpractices and corruption. All staff members have received training on these policies and procedures via the Learning Management System and following a knowledge test, all new hires are expected to read and accept the policies via the system. There were no reported instances of bribery or corruption throughout the year. Additionally, no significant grievances, no incidents of discrimination, violation of human rights or use of child labour, forced or compulsory labour were reported during the year.

Policy/Mechanism	Description
Grievance Handling Policy	Enables employees to alert the management to any grievances and concerns for necessary action.
Prevention of Sexual Harassment Policy	A stringent prevention of sexual harassment policy is enforced and communicated across all employee categories. The Liya Saviya hotline empowers female employees to report any irregularities, grievances and misconduct to an independent committee for their immediate action.

SOCIAL RESPONSIBILITY

Policy/Mechanism	Description
Whistle-Blower Policy	Robust safeguards guarantee that whistle-blowers are protected, while proven violations of ethics, code of conduct and other malpractices are promptly resolved.
Prevention of Money Laundering and Terrorist Financing Policy	All employees receive regular training on the policy via the e-learning platform and must read and accept its updates.
Anti-Corruption and Bribery Policy	Effectively addresses any irregularities or deviations from established processes and prevents fraudulent activity.
Data Protection Policy	A comprehensive organisation-wide policy to prevent data leakages. All information is classified according to readership and visibility.

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Refer page 156-179 for more information on Ceylinco Life's governance practices.



NURTURING GROWTH AND DEVELOPMENT

Ceylinco Life firmly believes in recognising its employees via extrinsic and intrinsic rewards, while enabling their growth and advancement through continuous learning and development. The company does not restrict freedom of movement of employees and provides them with opportunities to seek growth and development both within and outside the organisation.

CAREER ADVANCEMENT AND SUCCESSION PLANNING

Despite a constrained macro-economic environment, Ceylinco Life maintained its promotion cycle and accordingly, 176 personnel advanced in their careers during the year.

The organisation follows well-defined succession plans and prioritises internal recruitment when filling open positions. Each employee category is assigned specific qualifications and criteria that determine eligibility for the respective post. As a result, Ceylinco Life makes sure that every worker is prepared for the next phase of their career by bridging the gap with the necessary training and tools.

TRAINING AND DEVELOPMENT

At Ceylinco Life, rewards are linked to training. Upon completion of a minimum number of

training hours, each employee receives 08 Continuous Professional Development (CPD) points. These results reflect in their KPIs, which in turn influence pay raises, job promotions and other rewards.

The Company encourages a two-way process in which Heads of Department are rewarded for providing training to their staff members

and employees actively seek out chances for learning and growth by contacting their individual Heads of Department with their requests.

A training needs analysis is conducted annually to develop a structured training calendar and identify areas for improvement.

Training Hours	F	M	Total
Functional training	2,246	9,491	11,737
Soft skills training	292	694	986
Workshops & webinars	189	939	1,128
Total	2,727	11,124	13,851
No. of employees	153	587	740
Average training hours per employee	17.83	18.95	18.72

Training Hours per Employee by Category	F	M	Total
Executive	16	18	18
Assistant Manager	24	21	21
Manager	13	11	11
Senior Manager	29	19	19

In addition to the above, Ceylinco Life provided 16 internships for undergraduates and graduates.

The organisation recorded a total of 176 promotions, with 25% of the female cadre advancing in their careers during the year, in comparison to 24% of the male cadre being promoted.

SOCIAL RESPONSIBILITY

PROMOTIONS BY REGION AND CATEGORY

	Female Promotions	Female Cadre	As a % of Cadre	Male Promotions	Male Cadre	As a % of Cadre	Total
Director	0	0	0	0	5	0	0
Senior manager	3	5	60	17	53	32	20
Manager	1	2	50	6	21	29	7
Assistant manager	7	22	32	8	26	31	15
Branch head	0	3	0	2	52	4	2
Career sales	0	3	0	5	40	12	5
Executive	27	118	23	100	373	27	127
Staff	0	0	0	0	17	0	0
Grand Total	38	153	25	138	587	24	176

PROMOTIONS BY CATEGORY AND PROVINCE

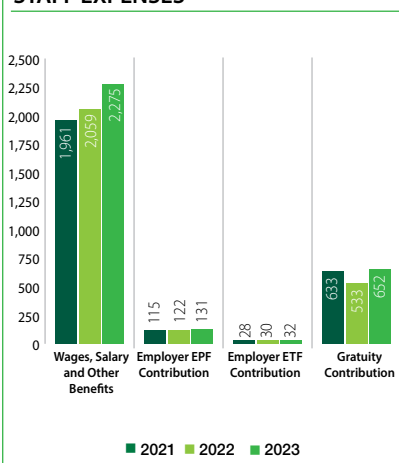
Category	Province									Total
	Central	Eastern	North	North Central	North Western	Sabaragamuwa	Southern	Uva	Western	
Director	0	0	0	0	0	0	0	0	0	0
Senior Manager	0	0	0	1	1	0	0	0	18	20
Manager	0	0	0	1	0	0	0	0	6	7
Assistant Manager	1	0	0	0	0	1	0	0	13	15
Branch Head	0	0	0	0	1	0	0	0	1	2
Career Sales	1	0	0	1	0	1	0	0	2	5
Executive	14	12	9	2	13	8	15	4	50	127
Staff	0	0	0	0	0	0	0	0	0	0
Grand Total	16	12	9	5	15	10	15	4	90	176

WELFARE, STABILITY AND SECURITY

As in the past, Ceylinco Life continued to drive financial stability and job security with above-par remuneration. Accordingly, the Company focused on revising its remuneration and benefits to improve retention and support employees amid the rising cost of living.

All new hires, regardless of gender, are provided with a basic entry-level wage that is in line with industry norms and commensurate with their skills and experience. The entry level wage is set at 1.6 times the government-mandated minimum wage.

STAFF EXPENSES



Performance Evaluations

Rewards, remuneration and suitability for promotions are determined based on a comprehensive evaluation process.

A 180 degree evaluation is conducted on a bi-annual basis comprising self-evaluations which are assessed by the heads of department for accuracy.

Heads of Department determine employee contribution towards departmental and organisational objectives.

During the year 2023, all the employees received performance and career development feedback from their supervisors

Alignment with KPIs is determined via the HRIS, thereby ensuring the process is standardised.

EMPLOYEE RETENTION

Skilled labour migration remains a significant challenge in the Sri Lankan labour market, particularly in white-collar industries. Changes in tax regimes, energy crises, political unrest and volatile market conditions have influenced middle-income individuals to seek better prospects. Migration accounted for 25% of our resignations in 2023. To retain top talent, the company recognised and rewarded employees, awarding five "Outstanding Achiever" Awards and 43 Merit Awards in addition to annual staff promotions. The company invested Rs 24.4 Mn for staff skill development and initiated a "People Manager" programme for senior and mid-senior employees. The company was certified as a "Great Place to Work" for the fourth time in 2023.

SOCIAL RESPONSIBILITY

SERVICE PERIOD BY CATEGORY AND GENDER

Category	2>		3-5		6-10		11-15		16-20		21-25		25<		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Directors	0	0	0	0	0	0	0	0	0	0	0	0	5	0	5
Senior Manager	1	0	2	2	2	2	7	0	8	0	11	1	22	0	58
Manager	1	0	0	0	5	0	5	1	1	0	3	1	6	0	23
Asst. Manager	4	6	0	3	2	3	3	3	9	3	3	1	5	3	48
Branch Head	2	1	1	0	1	0	12	1	20	1	10	0	6	0	55
Career Sales	0	0	0	0	0	0	3	2	16	1	10	0	11	0	43
Executive	41	46	28	20	38	16	49	15	85	3	61	1	71	17	491
Staff	0	0	2	0	2	0	4	0	3	0	1	0	5	0	17
Total	49	53	33	25	50	21	83	22	142	8	99	4	131	20	740
%	6.62	7.16	4.46	3.38	6.76	2.84	11.22	2.97	19.19	1.08	13.38	0.54	17.70	2.70	100

TURNOVER BY AGE AND CATEGORY

Age Category	18-25		26-35		36-45		46-55		55<		Total
	M	F	M	F	M	F	M	F	M	F	
Directors	0	0	0	0	0	0	0	0	0	0	0
Senior Manager	0	0	0	0	1	0	2	0	1	0	4
Manager	0	0	1	0	1	0	0	0	0	0	2
Asst. Manager	0	0	2	1	1	0	1	1	0	0	6
Branch Head	0	0	0	0	2	0	4	0	1	0	7
Career Sales	0	0	0	0	1	0	1	0	1	0	3
Executive	5	10	16	20	6	1	7	0	6	3	74
Staff	0	0	0	0	0	0	0	0	0	0	0
Total	5	10	19	21	12	1	15	1	9	3	96

LONG SERVICE AWARD CEREMONY



Ceylinco Life felicitated 522 employees with Long Service Awards, recognising the loyalty of permanent employees who have served the company for 10 years or more.

The largest number of employees felicitated (150) was in the 15 to 19 years group.

TURNOVER BY CATEGORY AND REGION

Category	Province									Grand Total
	Central	Eastern	North	North Central	North Western	Sabaragamuwa	Southern	Uva	Western	
Director	0	0	0	0	0	0	0	0	0	0
Senior Manager	1	0	0	0	0	0	0	0	3	4
Manager	0	0	0	0	0	0	0	0	2	2
Assistant Manager	0	0	0	0	0	0	1	0	5	6
Branch Head	1	0	0	0	0	0	1	0	5	7
Career Sales	0	0	1	0	0	0	0	0	2	3
Executive	4	5	3	4	3	5	8	3	39	74
Staff	0	0	0	0	0	0	0	0	0	0
Grand Total	6	5	4	4	3	5	10	3	56	96

PARENTAL LEAVE

Ceylinco Life provides 84 working days of leave for live births. During the year 2023, 7 out of 8 employees (88%) who were due to return to work did so. Additionally, 3 out of 7 employees (43%) who returned during the year 2022 were retained after 12 months.

Details of return to work and retention after parental leave

No of employees entitled for Parental leave	No of employees who took parental leave in 2023 (A)	No of employees who took parental leave in 2022 and due to return in 2023 (B)	No of employees who took parental leave in 2023 and Returning due in 2024 (C)	No of employees (Returning due in 2023) (A+B-C)	No of employees who returned to work	No of employees who did not return to work	Returned to work in previous year (2022) & retained after 12 month
153	8	3	3	8	7	1	3

Return to work rate

Returned to work	7	88%
Return due in 2023	8	

Retention Rate

Retained after 12 month	3	43%
Returned to work in previous year (2022)	7	

Delivering Protection

SOCIAL RESPONSIBILITY

CEYLINCO LIFE PLURALISM

Ceylinco Life consistently strives to nurture open and cordial relations with its employees and therefore has in place an open-door policy, while protecting employees' rights to freedom of association.

Any changes to the company's rules, procedures or operations are placed on the intranet for ease of access and announced to staff well in advance. Additionally, employee newsletters and internal emails enable the staff to remain informed on important changes inside the company.

Additionally, the company conducts a number of programmes throughout the year to build employee morale.

SPORTS MEET



10TH INSTALLATION OF CEYLINCO LIFE TOASTMASTERS CLUB



OUTBOUND TRAINING



WOMEN'S DAY



AWURUDU CELEBRATIONS



BHAKTHI GEE



CAROL COMPETITION



CHRISTMAS CAROLS



TOWARDS NEW HORIZONS —➔

Enriching the employee experience to maximise employee retention and satisfaction levels. Nurturing employee capabilities to facilitate growth career progression whilst focusing on diversity, inclusion and pluralism are strategic priorities.



Refer page 63-68 in Strategy Development and Integration



RESILIENT COMMUNITIES

Ceylinco Life's community initiatives span two key aspects which are aligned with its brand promise of de-risking the future. Accordingly, its key focus areas include supporting and enhancing the nation's healthcare sector and uplifting the education sector through infrastructure development. Despite a challenging operating environment and a significant increase in costs, the organisation continued to uphold this commitment during the year under review.



"We believe in the power of grassroots-level initiatives and partnerships to address the unique needs of the community.

Our community-centric initiatives promote health and wellness within our communities.

Our ultimate goal is to foster a culture of caring and reciprocity, to create a resilient future for everyone. By harnessing the collective power of our employees, customers and partners, we envisage to create tangible impact on our community."

N LUXSHUMYRAJ
Brand Manager



EMPLOYEE INVOLVEMENT IN BUILDING RESILIENT COMMUNITIES

The company relies on its island-wide network of employees and sales agents to identify deserving projects.

Employees and sales agents are involved throughout every stage of the project, including:

- 🌿 Identifying the project
- 🌿 Submitting proposals for management approval
- 🌿 Implementing the project
- 🌿 Monitoring its status and future needs

2,619

Man hours spent on
community initiatives

RESILIENT COMMUNITIES FOCUS AREAS

PROVIDING PROTECTION

- 🌿 Supporting health and well-being through Waidya Hamuwa health camps
- 🌿 Maintaining previously installed High Dependency Units to support patients recuperating after surgery or treatment of critical disease
- 🌿 Providing any essential medical equipment to the State health sector

ENABLING PROGRESS

- 🌿 Investing in building and upgrading classrooms in rural areas
- 🌿 Maintaining previously built classrooms to ensure their upkeep and optimising future designs

Compliance and Accountability

The company did not incur any fines nor non-monetary sanctions for non-compliance with laws and regulations with respect to social and economic aspects in 2023. All investments are monitored, audited and follow due processes to ensure accountability, integrity and ethical practices. All our investments in community engagements disclosed herein are in-kind.

Delivering Protection

SOCIAL
RESPONSIBILITYPROVIDING
PROTECTIONScan the code to get
more details about
health camps

HEALTH CAMPS

The company conducts health screening camps titled 'Waidya Hamuwa' for disadvantaged communities across the island. These programmes are aimed at offering opportunities for rural communities to access healthcare, while enabling the identification, treatment and prevention of ailments. The company extends equal opportunities for healthcare, with camps conducted based on recommendations from Ceylinco Life employees and sales agents from the region.



Vavuniya Region



Monaragala Region



Wattegama Region

District	Location	Coordinated Branch
Mulaithuvu	Vallipuram Maha Vidyalayam Puthukuddierupu	Killinochchi
Vavuniya	Sivapuram Primary School	Vavuniya
Anuradhapura	Kahatagasdhigiliya Shilatharamaya Pahalakudapattiya	Kahatagasdhigiliya
Anuradhapura	Sri Managalramaya Malbaligala Avukana	Kakirawa
Monaragala	Pothubadana Rajamahaviharaya Iywala Bible	Bibila
Monaragala	Nissanka National School Badalkumbura	Monaragala
Polonaurwa	Udyagiri Temple Divulankadawala	Hingurakgoda
Kurunegala	Udawela Revatha School	Panduwasnuwara
Kandy	Mahapathana Sri Sudharshanaramaya	Wattegama
Kegalle	Pannala Purana Viharaya	Ruwanwella



No. of participants benefiting from health camps

2,301

No of Participants



Blood Sugar Tests

1,089



Vision Tests

1,090



Urine Tests

295



ECG Tests

810

No. of People Prescribed
for Spectacles

405

Cholesterol
Tests

754

Delivering Protection

SOCIAL RESPONSIBILITY

Maintaining High Dependency Units

In order to sustain the long-term benefits of the five High Dependency Units (HDUs) set up by the company in five state hospitals, Ceylinco Life continued to contribute to their upkeep and improvement. These HDUs facilitate extensive post-operative care and recovery by ensuring that a patient's condition can be continuously monitored.

Rs. 2.33 Mn
Invested in
maintaining HDUs in 2023

December 2012

**The Lady Ridgeway
Hospital Colombo**

Investment:

Rs. 10.5 Mn

November 2013

**The Teaching Hospital,
Jaffna**

Investment:

Rs. 2.93 Mn

December 2014

**The National Hospital,
Colombo**

Investment:

Rs. 2.73 Mn

February 2018

**The Colombo South
Teaching Hospital,
Kalubowila**

Investment:

Rs. 11.75 Mn

July 2019

**The Teaching Hospital,
Kandy**

Investment:

Rs. 11.5 Mn

A dedicated three-member team is solely responsible for monitoring and addressing the needs of HDUs as required. Furthermore, regional managers are engaged in identifying and reporting feedback from the hospitals on an annual basis.



**Dengue High Dependency Unit -
Teaching Hospital Jaffna**

Kalubowila HDU

Divisional Hospital - Poonakary

**District General Hospital -
Trincomalee**

District General Hospital - Matala

1. High Flow Oxygen Delivery Unit with nebulisation circuit
2. Two infusion pumps
3. Incorporating the air conditioner under a service agreement

NIBP cuff - Adult

Oxygen Cylinder

Essential drugs worth 416,000.00

Essential drugs worth 580,000.00

Piped oxygen distribution system to Matala District General Hospital

What is it?

Matala District Hospital had an oxygen concentrator installed in 2022. However they did not have an adequate and proper system to distribute the oxygen to the hospital beds.

Ceylinco Life installed a piped distribution system to supply oxygen to the beds by investing, Rs 12.3 million to build a pipe network that connects the hospital's central oxygen concentrator with the wards, eliminating the cumbersome, time-consuming and costly practice of re-filling cylinders and transporting them to wards across the 22-acre compound.

As a result of this project, the hospital's Intensive Care Unit (ICU) and other wards are now self-sufficient in oxygen, leading to a significant improvement in the quality of treatment, while the hospital's oxygen concentrator is expected to reach maximum utilisation.

Rs. 12.3 Mn

Invested to set up the Oxygen
distribution system

300 Beds

Equipped with
piped oxygen supply

Testimonials



Acknowledgement letter from the
Teaching Hospital Jaffna



Acknowledgement letter from the District
General Hospital Matala

Delivering Protection

SOCIAL RESPONSIBILITY



ENABLING PROGRESS

The hospital's Director Dr A. G. M. Dharmadasa emphasised the importance of treatment at the "golden hour" for patients and elaborated on how this initiative will enable the hospital to provide better treatment to patients in a critical condition.



Scan the code to watch the opening ceremony of Installation of oxygen distribution system in the district hospital Matale



Classroom Development Projects

Despite significant increases in costs related to construction that prevailed during the year, Ceylinco Life focused on completing the classroom projects that had commenced in 2022. Accordingly, two classrooms, each in Badulla District and Ratnapura District, were completed during 2023.

86th Classroom

Malpotha Sri Mahinda
Vidyalaya Mirihawatta - Badulla



Scan the code to watch the opening ceremony of the 86th classroom project in Badulla



Malpotha Sri
Mahinda Vidyalaya
Mirihawatta - Badulla

Badulla
District

134 children of this
school will benefit
from this newly
built classroom.

Investment
**Rs. 1.39
million**

Although this classroom project was initiated in 2021, its progress and completion was affected by the COVID-19 pandemic and then by the economic crisis.

It was in 2023 that this classroom was eventually completed.

This classroom will be utilised as the aesthetic classroom to teach music and dancing lessons, which were previously conducted under a tree.

Delivering Protection

SOCIAL RESPONSIBILITY

87th Classroom

R/B/Rajawaka Maha Vidyalaya,
Rajawaka, Balangoda.



Scan the code to
watch the opening
ceremony of the 87th
classroom project in
Balangoda



R/B/Rajawaka
Maha Vidyalaya,
Rajawaka, Balangoda.

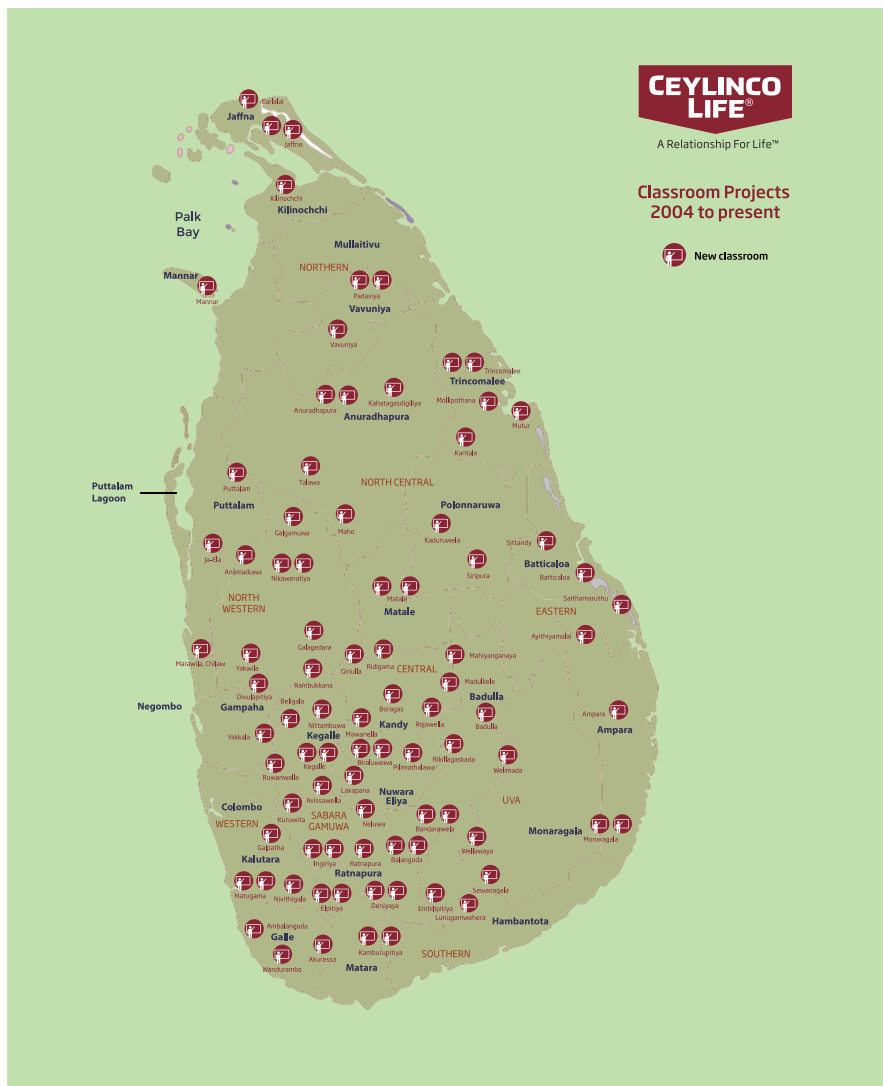
Rathnapura
District

39 students in this
classroom

Investment
**Rs. 1.6
million**

This school had a shortage of classrooms, compelling them to restrict their new admissions year after year. The new classroom has solved this issue and it has been allocated for Grade 3A students.

Island-wide Impact



**TOWARDS
NEW HORIZONS**



Health camps

Conduct 10 camps with a special focus on women's wellness

HDUs

Continue to maintain the 5 HDUs



Refer page 63-68 in Strategy Development and Integration

Education

Complete the 2 classroom projects in the pipeline and commence 5 classroom projects in 2024



Refer page 63-68 in Strategy Development and Integration

Delivering Protection

Board of Directors



MR H M HENNAYAKE BANDARA
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

MS R J MORAES
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

PROF. S K CHANDRASEKERA
NON-INDEPENDENT
NON-EXECUTIVE
DIRECTOR

MR M ISMAIL
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

MR P A JAYAWARDENA
SENIOR EXECUTIVE
DIRECTOR/
CHIEF FINANCIAL
OFFICER

MR E R C MORAES
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

MR P D M COORAY
SENIOR EXECUTIVE
DIRECTOR/
HEAD OF HUMAN
RESOURCES AND
TRAINING

DR HARSHA CABRAL PC
SENIOR
INDEPENDENT
DIRECTOR



MR R RENGANATHAN
EXECUTIVE CHAIRMAN

MR E T L RANASINGHE
MANAGING DIRECTOR/
CHIEF EXECUTIVE
OFFICER

MR J DURAIRATNAM
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

MR S R ABEYNAYAKE
EXECUTIVE DIRECTOR/
CHIEF OPERATING
OFFICER

MS A A LUDOWYKE
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

MR O G V J
SENANAYAKE
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

MR W W L R A
FERNANDO
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

Delivering Protection

Board of Directors



R RENGANATHAN

EXECUTIVE CHAIRMAN

Date of appointment to the Board :

22nd April 2014

Areas of expertise :



Accounting
and Finance

Skills and experience :

Mr. Renganathan is the Executive Chairman of Ceylinco Life Insurance Limited which has been the market leader in the life insurance industry for the past 20 years. He is a Fellow of the Institute of Chartered Accountants of Sri Lanka and a Fellow of the Institute of Certified Management Accountants of Sri Lanka.

He facilitated the setting up of Ceylinco Healthcare Services Ltd., which was the first private sector cancer treatment centre that provides Radiotherapy, Chemotherapy and Hormone-therapy.

The centre has treated more than 15,000 patients, thereby earning and saving much foreign exchange for the country. It was the first to introduce the linear accelerator to Sri Lanka.

Mr. Renganathan is the Deputy Chairman of Ceylinco Insurance PLC and a Director of Kings Hospital Colombo (Pvt) Ltd.

He facilitated the setting up of Serene Resorts, the first Retirement Resort in the country.

Membership in Board Sub-Committees :

BIC (Chairman)

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E T L RANASINGHE

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Date of appointment to the Board :

22nd April 2014

Areas of expertise :



Strategic
Planning



Marketing,
& Sales



Life
Insurance

Skills and experience :

Mr Ranasinghe joined Ceylinco Limited in 1986 as a Product Manager. Over his extensive career of 44 years, he has held several key leadership positions in marketing, sales and strategic planning. As a pioneer member of Ceylinco Insurance PLC, he is recognised as a pivotal force in the Company's evolutionary journey.

He holds an MBA from the Postgraduate Institute of Management (PIM) from the University of Sri Jayawardenepura.

He is also a Director of Ceylinco Insurance PLC, Ceylinco Healthcare Services Ltd, Serene Resorts Ltd and Kings Hospital Colombo (Pvt) Ltd.

Membership in Board Sub-Committees :

BIC



P D M COORAY

SENIOR EXECUTIVE DIRECTOR/HEAD OF HUMAN RESOURCES AND TRAINING

Date of appointment to the Board :

22nd April 2014

Areas of expertise :



Human
Resource
Management



Training
and General
Management



Marketing of
Life Insurance
and Pensions

Skills and experience :

Mr Cooray possesses extensive experience spanning 36 years in the life insurance sector. As a pioneer member of Ceylinco Insurance, he joined the company in 1987 as the Assistant Manager Training where he played a pivotal role in forming the sales team of Ceylinco Life. He has served the Board since 2001 as an Executive Director overseeing the human resources and training functions.

Mr Cooray is a Fellow Member of the Life Underwriters Training Council, USA (LUTCF),

Chartered Insurance Agency Manager (CIAM) and a Certified Manager of Financial Advisors, LIMRA, USA and CII (Award) on Financial Planning from the Chartered Institute, London. He holds an Executive Diploma in Business Administration from the University of Colombo. An internationally reputed speaker on life insurance, Mr Cooray was the first South Asian non-member to address the Million Dollar Round Table (MDRT), a prestigious international life insurance convention.

At present, he serves on the Boards of Ceylinco Insurance PLC and Serene Resorts Limited in the capacity of Executive Director.

BAC Board Audit
Committee

BIC Board
Investment
Committee

BNGC Board Nominations
and Governance
Committee

RPTRC Related Party
Transactions Review
Committee

BRMC Board Risk
Management
Committee

BRC Board
Remuneration
Committee



P A JAYAWARDENA
**SENIOR EXECUTIVE DIRECTOR/
 CHIEF FINANCIAL OFFICER**

Date of appointment to the Board :
22nd April 2014

Areas of expertise :



Accounting
and Finance

Skills and experience :

Mr Jayawardena joined the Life Division of Ceylinco Insurance PLC in 1990 as Chief Accountant (Branches) and counts over 33 years experience in the insurance industry.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and of the Institute of the Certified Management Accountants of Sri Lanka.

He currently serves as a Director of Ceylinco Insurance PLC, Ceylinco Healthcare Services

Limited, Serene Resorts Limited and Kings Hospital Colombo (Pvt) Ltd.

Membership in Board Sub-Committees :

BIC



S R ABEYNAYAKE
**EXECUTIVE DIRECTOR/
 CHIEF OPERATING OFFICER**

Date of appointment to the Board :
22nd April 2014

Areas of expertise :



Accounting
and Finance



Business
Administration

Skills and experience :

Mr. Ranga Abeynayake counts over 24 years of experience in handling key management positions in the areas of Finance, Risk Management, Strategic Planning, Treasury Management and Project Planning. He holds a Master of Business Administration (MBA) from the Postgraduate Institute of Management (PIM), University of Sri Jayawardenepura. He is also a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka. He joined the Life

Division of the Ceylinco Insurance PLC in March 1998 as a Financial Accountant and held many senior positions before being appointed to the Board. He functions as the Chief Operating Officer of the Company since April 2023.

He holds directorships in Ceylinco Insurance PLC and Serene Resorts Ltd. He functioned as the Chairman /Non-Executive Director of Citizens Development Business Finance PLC.

Membership in Board Sub-Committees :

BIC



DR HARSHA CABRAL PC
SENIOR INDEPENDENT DIRECTOR

Date of appointment to the Board :
22nd April 2023

Areas of expertise :



Legal

Skills and experience :

Dr. Cabral is a President's Counsel in Sri Lanka with thirty-six (36) years' experience in the fields of Intellectual Property Law, Company Law, Commercial Law, Commercial Arbitration, Securities Laws and International Trade Law, covering both civil and criminal aspects of the said areas of the law. He has been a President's Counsel for seventeen (17) years and commands an extensive practice in the Commercial High Courts and the Supreme Courts of Sri Lanka. He holds a doctorate in Corporate Law from the University of Canberra, Australia. Apart from his directorship at Ceylinco Life Insurance Ltd, he is currently the Chairman of the National Savings Bank

and the Tokyo Cement Group. He is also a senior director of a large number of listed and unlisted companies in Sri Lanka. Dr. Cabral is a lecturer and author of several books in the areas of Company Law, Arbitration and Intellectual Property Law. He is also a member of the Law Commission of Sri Lanka, a member of the Intellectual Property Advisory Commission in Sri Lanka and the Chairman of the Intellectual Property Law Reform Project of the Ministry of Justice. As a member of the Advisory Commission on Company Law in Sri Lanka, Dr. Cabral was one of the architects of the Companies Act No. 7 of 2007.

Membership in Board Sub-Committees :

BNGC (Chairman)

Delivering Protection

Board of Directors



J DURAIRATNAM
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Date of appointment to the Board :
18th November 2018

Areas of expertise :



Banking



Management
and International
Trade

Skills and experience :

Mr Durairatnam possesses extensive experience in banking, having been with Commercial Bank of Ceylon PLC covering a period of 36 years. He served as a Director of Commercial Bank of Ceylon PLC from April 2012 to July 2014 and as the Managing Director/CEO from July 2014 until his retirement in July 2018. He has served in several other Senior Management positions at Commercial Bank of Ceylon PLC including as Chief Operating Officer, Deputy General Manager – International, Assistant General Manager – International and Head of Imports. He has held the position of Managing Director of Commercial Development Company PLC

and has served as a Director on the Board of Lanka Financial Services Bureau Limited.

He holds a BSc from the University of Peradeniya and an Executive Diploma in Business Administration from the University of Colombo.

He presently functions as the Chairman of DFCC Bank PLC and Non - Executive Director of Asian Hotels and Properties PLC, Assetline Finance Limited and Enviro Solutions (Pvt) Ltd.

Membership in Board Sub-Committees :

BAC **BNGC**



W W L R A FERNANDO
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Date of appointment to the Board :
30th June 2021

Areas of expertise :



Engineering and
Maintenance

Skills and experience :

Mr Fernando is an Aviation Industry technical professional with 38 years of Aircraft Engineering experience with Air Lanka and Sri Lankan Airlines. A highly motivated leader who guided every department in the

Engineering Division to constantly achieve best results in engineering and maintenance service deliverable with innovation and best practices that resulted in an unblemished record of accident free flight operation.

He holds an Aircraft Maintenance Engineers' License issued by the Sri Lanka Civil Aviation Authority from year 1985 onwards.

Membership in Board Sub-Committees :

RPTRC (Chairman)



O G V J SENANAYAKE
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Date of appointment to the Board :
15th June 2022

Areas of expertise :



Strategic
Management



Digital
Transformation and
IT Governance

Skills and experience :

Oshada Senanayake who is at present the Group Chief Operating Officer – Digital Transformation, Brandix, was the former Chairman ICTA and Director General of the Telecommunications Regulatory Commission of Sri Lanka as well as a past board member of SL CERT. He holds a MBA from AIB Australia and a Bachelors from the University of Northumbria in Newcastle and recently conferred the most Outstanding Alumnus award by the Oxford College of Business.

Key highlights during his public service is the spearheading of the Gamata Sannivedanaya "Connect Sri Lanka Project" in alignment with the ITU's Connect 2030 agenda for ensuring 100% mobile and fiber broadband coverage across the country. Leading the telecommunications industry as a regulator, he further succeeded in driving pragmatic tariff and policy changes

ensuring affordability of telco and data services with a goal of creating digital inclusivity and achieving high affordability rankings on ITU's global benchmarking reports during his tenure.

Having led Pyxle, a premier IT Solution & Digital Services provider, he has been at the forefront of executing successful digital transformation strategies for both local and international organizations.

Oshada is also a visiting lecturer for University of Bedfordshire at the Oxford School of Business for post graduate MBA students.

Beyond his professional life, he is passionate on giving back to the community and his most recent initiative is "Tech4Ed" launched for school empowerment focused on enhancing digital literacy and ICT capacity building with connectivity and device enablement.

Membership in Board Sub-Committees :

BRMC (Chairman)

BAC Board Audit
Committee

BIC Board
Investment
Committee

BNGC Board Nominations
and Governance
Committee

RPTRC Related Party
Transactions Review
Committee

BRMC Board Risk
Management
Committee

BRC Board
Remuneration
Committee



H M HENNAYAKE BANDARA

**INDEPENDENT
NON-EXECUTIVE DIRECTOR**

Date of appointment to the Board :

22nd April 2023

Areas of expertise :



*Banking and Finance, fund Management,
Risk Management and General Management*

Skills and experience :

Mr Hennayake Bandara was the former General Manager/CEO of National Savings Bank (NSB) and Director of NSB Fund

Management Co. Ltd. He is a Past President of Association of Professional Bankers-Sri Lanka (APB). He is a Fellow member of CA Sri Lanka (FCA), CMA Sri Lanka (FCMA), CPM Sri Lanka (FCPM), AAT Sri Lanka (FMAAT). He holds a Bachelor of Commerce (Special) Degree from the University of Sri Jayewardenepura.

He served as a Director on the Boards of World Savings Banks Institute (WSBI) representing Asia and Pacific Region, Institute of Bankers of Sri Lanka, Sri Lanka Banks' Association Ltd, Financial Ombudsman Sri Lanka, Sabaragamuwa Development Bank, Chilaw Finance PLC and Prime Finance PLC. He also served as Chairman of Natwealth Securities Ltd and Director of National Wealth Corporation Ltd. He was a member of the Expert Group appointed by the Central Bank of Sri Lanka and the Cabinet of Ministers to provide expertise to Registered Finance Companies (RFCs) and Specialised Leasing Companies (SLCs) in respect of the

implementation of "Stimulus Package for the Banking, Finance and Leasing Industry".

He is also a recipient of the award for "Excellence in Business Management" from CMA Sri Lanka and APB "President Award" for the outstanding contribution made to the Banking Industry. He is also a Past President of South Asian Federation of Accountants (SAFA), Past President of Association of Accounting Technicians of Sri Lanka and served as a Council Member of CA Sri Lanka. He was a Board Member, Sri Lanka Accounting and Auditing Standards Monitoring Board and Vice President of OPA Sri Lanka.

Currently, he serves as the Vice President of CMA Sri Lanka and Council Member of CPM Sri Lanka.

Membership in Board Sub-Committees :

BAC BIC BRMC



E R C MORAES

**INDEPENDENT
NON-EXECUTIVE DIRECTOR**

Date of appointment to the Board :

22nd April 2023

Areas of expertise :



Marketing

Skills and experience :

Held the position of Director of Finlays Colombo Limited from 1991 to 2015. Currently serves as a Senior Advisor to Finlays Colombo Limited. Substantial skill and experience in international marketing of branded tea products from Sri Lanka. Holds a Diploma

in Marketing from the Chartered Institute of Marketing, United Kingdom. Followed the Senior Management Programme at INSEAD, France and Accounting for Non-Professional Accountants at INSEAD in Singapore. He is a visiting lecturer at the National Institute of Plantation Management and is the current Board Chair of World Vision – Sri Lanka.

Membership in Board Sub-Committees :

BRC (Chairman)



M ISMAIL

**INDEPENDENT
NON-EXECUTIVE DIRECTOR**

Date of appointment to the Board :

22nd April 2023

Areas of expertise :



*Chartered
Architect*

Skills and experience :

Mr Murad Ismail is a celebrated architect in Sri Lanka with over 30 years of experience. He started his career working under Geoffrey Bawa, one of the most influential Asian architects of his generation and was later invited to join the practice as a Director. In 1997 Murad formed MICD Associates and subsequently formed ATS Consultants (Pvt) Ltd which are considered one of the foremost Architectural practices in Sri Lanka as well as having worked on projects in India, Maldives, Middle East, Malaysia and Australia.

Murad played a key role to change Sri Lanka's architectural landscape through innovative and minimalist design. He has played a major role involving city planning and beautification

and was an advisor to the Ministry of Megapolis and Western Development in Sri Lanka. He served as the Architectural Consultant to the Ministry of Justice and in addition is a visiting lecturer at the University of Moratuwa, Colombo School of Architecture and Sri Lanka Institute of Information Technology.

He has been on the Board of the Arthur C. Clarke Institute of Modern Technologies from June 2018 to January 2019 and has been a Board Member of the Management of the Science Foundation Sri Lanka from April 2015 to November 2015.

Membership in Board Sub-Committees :

BRC

Delivering Protection

Board of Directors



R J MORAES
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Date of appointment to the Board :

22nd April 2023

Areas of expertise :



Strategy and
Marketing

Skills and experience :

Roshanie counts close to 40 years in the corporate sector in Sri Lanka and has worked across some of the large conglomerates in the country namely Browns Group, Aitken Spence and John Keells Holdings with over 30 years at John Keells and at the time of retirement was an Executive Vice President of the John Keells Group.

She has extensive experience in travel, tourism, airline representation, loyalty/rewards programmes, quick service restaurants, retail, malls and property development.

She is currently the CEO of Link Natural Products (Pvt) Ltd, a subsidiary of the CIC Group.

She holds an MBA from the Post Graduate Institute of Management of the University of Sri Jayawardenepura and is a Fellow member of both CIM and CIMA (UK).

Membership in Board Sub-Committees :

BRC **BRMC**



PROF. S K CHANDRASEKERA
NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

Date of appointment to the Board :

22nd April 2023

Areas of expertise :



Professor in Surgery
and Consultant
Urologist

Skills and experience :

Srinath K. Chandrasekera is a Professor in Surgery and Consultant Urologist, Department of Surgery, Faculty of Medical Science, University of Sri Jayawardenepura, Sri Lanka. He is a national trainer in postgraduate urological surgery.

He has been the Managing Director of Kings Hospital Colombo (Pvt) Ltd since 2017 and a Board Member of the Wijeya Kumaranatunga Foundation since 2020.

Membership in Board Sub-Committees :

RPTRC



A A LUDOWYKE
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Date of appointment to the Board :

1st July 2023

Areas of expertise :



Accounting
and Finance



Auditing

Skills and experience :

Ms Averil Ludowyke counts over 26 years of experience at M/s Ernst & Young and has served as a Partner from 2011 to 2022. Ms Ludowyke was lead Audit Partner at M/s Ernst & Young, of several groups of companies and she launched and led forensics and integrity services of the firm. Her clients included banks and finance companies and companies engaged in retail, manufacturing, telecommunications, construction, real estate, shipping and logistics, insurance, leisure, plantations and development.

She also counts 12 years of senior level experience in finance and accounting in

the manufacturing sector and in a relief and development organisation. Ms Ludowyke has been a resource person for public seminars and workshops of CA Sri Lanka, Sri Lanka Institute of Directors, CIMA, the Ministry of Public Enterprise Development, ACAMS regional conference of the Indian subcontinent, National Chamber of Commerce, University of Kelaniya, ACCA, AAT, CMA and the Institute of Internal Auditors.

Ms Ludowyke is also an Independent Non Executive Director of Seylan Bank PLC and Bogala Graphite PLC.

Membership in Board Sub-Committees :

BAC (Chairperson) **RPTRC** **BNGC**

BAC Board Audit
Committee

BIC Board
Investment
Committee

BNGC Board Nominations
and Governance
Committee

RPTRC Related Party
Transactions Review
Committee

BRMC Board Risk
Management
Committee

BRC Board
Remuneration
Committee

Delivering Protection

Strategic Management



E R S G S HEMACHANDRA

Deputy Chief Operating Officer



P A J JAYAWARDENA

General Manager - Business Development



R M U K RATNAYAKE

General Manager/ Chief Digital Officer



A H R UDAYASIRI

General Manager - Business Development



J P ABHAYARATNE

General Manager - Operations



W A W C WIJESINGHE

General Manager - Business Development



H G A SIRISENA

Consultant - Technical (General Manager Grade)



P P D V HEMAKUMARA

Chief Risk Officer (Deputy General Manager)

Delivering Protection

Corporate Management

**T VIJAYANANTH**

Senior Deputy General Manager - Business Development

**D S THILAKARATHNE**

Deputy General Manager - Business Development

**L V KERAGALA**

Deputy General Manager - Alternative Channels & Digital Transformation

**J L N JAYAWARDENA**

Deputy General Manager - Customer Services

**F H LI**

Deputy General Manager - ICT / Chief Information Officer

**T D DE SILVA**

Senior Assistant General Manager - Projects

**H A SURAWEERA**

Senior Assistant General Manager - Agency Administration

**P A C D WIJAYASEKARA**

Senior Assistant General Manager - Internal Audit

**D A T S DISSANAYAKE**

Senior Assistant General Manager - Deputy Head of Operations

**R D VIPULATHEJA**

Senior Assistant General Manager - Training

**D M G L ALWIS**

Senior Assistant General Manager - Portfolio

**L G H S KUMARA**

Senior Assistant General Manager - Technical



P U C PATHINAGODA
Senior Assistant General Manager -
Information Systems Audit



G A H CHANDANA
Assistant General Manager - Financial
Operations & Compliance



M H Y A SILVA
Assistant General Manager - Business
Development



R M S WIJEYESEKERA
Assistant General Manager - Systems



V M G KARIYAWASAM
Assistant General Manager - Database
Administration



K I WETHTHASINGHE
Assistant General Manager - Legal



P P S KALYANIWANSA
Assistant General Manager - Business
Development



W S DABARERA
Assistant General Manager - Financial
Reporting & Branch Finance



D H CANAGASABEY
Assistant General Manager - Marketing /
Deputy Head of Marketing



K SUMANTHIRAN
Assistant General Manager - Business
Development



P VINCENT
Chief Engineer - Assistant General Manager



P H SAMARASINGHE
Assistant General Manager - Brand
Development

Delivering Protection

Corporate Management



R P GUNASEKERA
Assistant General Manager - Actuarial Services



N H WERAGALA
Assistant General Manager - Human Resources



S K N DE SILVA
Senior Manager - Financial Services



N K SUBAPANDITHA
Senior Manager - Business Development



G K S SRIYANANDA
Senior Manager - Operations



K M S N KARUNANAYAKE
Senior Manager - Claims



K L U PRIYANTHA
Senior Manager - Business Development



N T SENAVIRATHNE
Senior Manager - Business Development



D M M PUSSELLA
Consultant - Business Intelligence



A K D D C PERERA
Senior Manager - Business Development



V THANUSATH
Senior Manager - Internal Audit



W A C R ALWIS
Senior Manager - Brand Development



S P K SENADEERA
Deputy Chief Engineer (Senior Manager)



S P MAMADUWA
Senior Manager - Training



D A WIJewardana
Senior Manager - Software Delivery and Support



L P K RUPASIRI
Senior Manager - Technical



B A K S M DHARMASENA
Senior Manager - Information Security



M C JAYASINGHE
Senior Manager - IS Audit



S A T M WIJESINGHE
Senior Manager - IT Projects



S E S M FERNANDO
Senior Manager - Administration



T D M P C PEIRIS CHRISTOPHER PULLE
Senior Manager - Training



S D ARULANANDAM
Senior Manager - Customer Relations

Delivering Protection Managers



M A C P WIJERATNE
Manager - IT Projects



D R M T N D BANDARA
Manager - Business Development



I B L WIJESINGHE
Manager - Business Development



M N ABDEEN
Manager - Business Development



D S HETTIARACHCHI
Manager - Business Development



H H U S C FERNANDO
Zonal Manager



L V S R R DE MEL
Manager - Administration



N LUXSHUMYRAJ
Brand Manager



R P L DAMMIKA
Zonal Manager



S P KARUNARATNE
Manager - Operations



A S DE ALWIS
Manager - Data Base Administration / IT
Operations,



A D S CHANDIMA
Manager - Operations



D C S B PREMARATHNA
Manager - Legal



S DHARSHAN
Zonal Manager



E B J I KUMARA
Zonal Manager



S T R N DE SILVA
Manager - Customer Service



D M S N SIRISENA
Brand Manager



K D T KULASEKARA
Finance Manager



A H M RIHAM
Manager - Data Analytics



W A S DULSHAN
Manager - Operations



W N R WICKARAMASINGHE
Manager - Data Analytics & Modelling -
Actuarial Services

Corporate Governance

CORPORATE GOVERNANCE CODE

Ceylinco Life's governance framework is based on the Code of Best Practice on Corporate Governance 2023 (the Code) issued by CA Sri Lanka. Details of how we applied the principles and the provisions of the Code during 2023 are set out in this report. The Board took all possible measures to comply with the Code throughout the year under review.

This report also presents the Company's level of compliance with Direction No.02 of 2022 (Revised) issued by the Insurance Regulatory Commission of Sri Lanka on 25th February 2022 under section 96A of the Regulation of Insurance Industry Act No.43 of 2000 and Section 9 of the Listing Rules of the Colombo Stock Exchange.



CHAIRMAN'S LETTER ON GOVERNANCE

'GOOD GOVERNANCE IS PIVOTAL TO MAKING SOUND DECISIONS. IT AIDS LONG-TERM, SUSTAINABLE SUCCESS OF THE COMPANY, AND ENSURES WE CONSIDER THE VIEWS AND INTERESTS OF WIDER STAKEHOLDER GROUPS.'

Dear Stakeholder,

Governance at Ceylinco Life

This governance report presents how the Board and its committees operated during the year 2023, embracing principles of good governance and how governance supports the delivery of our strategy and sustained value creation. Good governance is pivotal to making sound decisions. It aids long-term, sustainable success of the Company and ensures we consider the views and interests of wider stakeholder groups. Effective governance processes are substantially entrenched in the Board's internal controls, policies, terms of reference and overall procedures and Ceylinco Life remains committed to transparency in all its dealings and places high emphasis on business ethics and principles.

2023 was no doubt a very challenging year as we began making our way out of an economic and political crisis which caused severe cost of living pressures. The Board responded to these challenges in a number of ways.

Our governance approach is founded on the pillars of stewardship, transparency, accountability and sustainability, ensuring delivery of our strategy to create value for

the Company and our stakeholders with a focus on responsible and sustainable growth.

Board changes

During the year there were several changes to the composition of the Board. In terms of Section B.2. of IRCSL Direction No. 02 of 2022, seven Non-Executive Directors retired from the Board on 22nd April 2023, having completed a total period of service of nine years on the Board. With the approval of the Insurance Regulatory Commission of Sri Lanka, Seven Non-Executive Directors were appointed to the Board in place of them, of whom six Directors were Independent Non-Executive Directors.

The Board Sub-committees were also reconstituted in line with the above.

Culture and ethics

The Board continued to provide direction and oversight in shaping Ceylinco Life's culture through setting the right tone at the top. Our Internal Code of Business Conduct and Ethics, which is applicable to Directors and all employees, clearly sets out the Company's expectations on personal conduct when interacting with internal and external stakeholders. We have established an Anti-Bribery and Corruption Policy to outline our zero-tolerance approach towards

non-compliance in bribery and corruption. Frequent engagement sessions are held to ensure employees are aware of the importance of mitigating risks related to non-compliance in bribery and corruption.

Declaration

I hereby wish to confirm that, to the best of my knowledge and belief, I am not aware of any material violations of the provisions of the Code of Best Practice on Corporate Governance issued by CA Sri Lanka and the Internal Code of Business Conduct and Ethics of the Company by any Director or any member of the Corporate Management team as of the date of the Annual Report and that the Company has satisfied all statutory payment obligations to the Government and statutory/regulatory bodies. We will continue to refine and develop our governance processes, to ensure robustness and efficiency, at Board level and throughout the Company, in a way which enables the creation of sustainable long-term value for our shareholders and other stakeholders.

R Renganathan
Executive Chairman

22nd February 2024
Colombo



STATEMENT OF THE SENIOR INDEPENDENT DIRECTOR

The Board remains dedicated to serving the best interests of shareholders and upholding the highest standards of corporate governance. The Company follows a strict policy on compliance with the mandatory requirements and taking a step further embraces voluntary adherence as well. In line with the Code of Best Practice on Corporate Governance issued by CA Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange,

Ceylinco Life has appointed a Senior Independent Director (SID), as the Chairman plays an executive role.

The presence of the SID provides added value to the role played by the Chairman. While the Chairman provides leadership to the Board, my role as the SID entails review of the effectiveness of the Board's activities. We have continued to follow the principles outlined in our Corporate Governance framework, aiming to ensure transparency, accountability and effective decision-making.

As the SID, I am consulted by the Chairman on governance related matters and I make myself available to any Director as an intermediary to have confidential discussions on affairs of the Company should the need arise. During the year under review, two confidential meetings each with Executive Directors and Non-Executive Directors were conducted as per the requirements of the Code of Best

Practice on Corporate Governance in order to discuss governance related matters. I chaired another meeting with the Non-Executive Directors on 22nd February 2024 to appraise the Board Chairman's performance.

Given that Ceylinco Life conducts its operations in the best interest of all stakeholders and is supported by exemplary governance practices, I am confident of the Company's ability to create sustainable value into the foreseeable future.

Dr. Harsha Cabral PC
Senior Independent Director

22nd February 2024
Colombo

1. HOW WE ARE GOVERNED

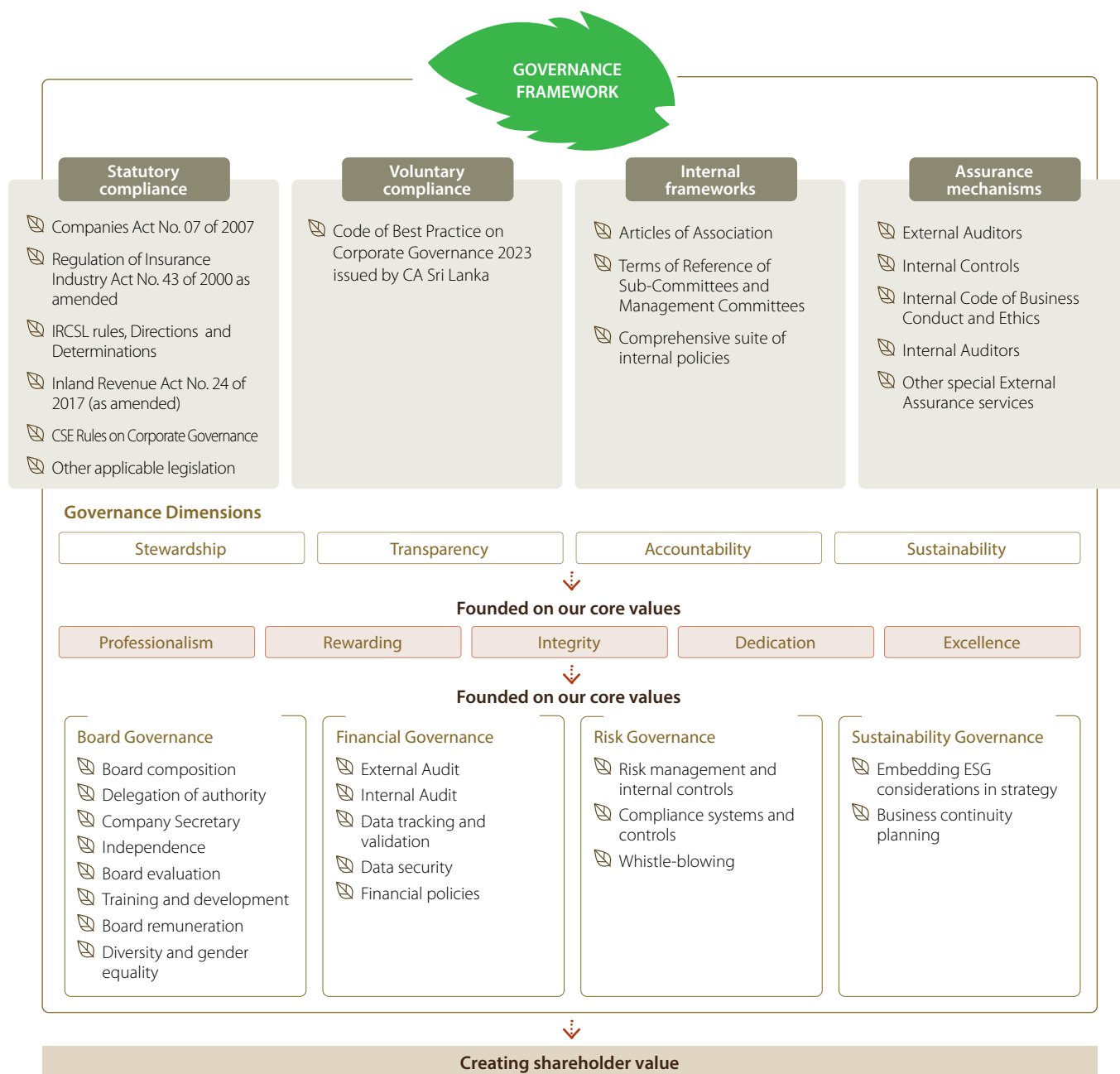
1.1 Corporate philosophy

Ceylinco Life is committed to the highest standards of governance and conducts its affairs with the utmost intellectual honesty, integrity and diligence whilst being mindful of its obligations to society and the environment. The Board is collectively responsible for promoting the long-term, sustainable success of the Company through seeking to generate value for shareholders while fulfilling its responsibilities to all of our stakeholders and contributing positively to the societies in which we operate. This tone set at the topmost echelons of the Company echoes through the entire corporate culture balancing the needs, interests and expectations of stakeholders in the best interests of the organisation.

The Board ensures that the Governance Framework supports the achievement of the Company's strategic objectives while safeguarding the corporate values, reputation and assets and regularly reviews and updates this to be in line with the evolving regulations and best practice. This framework is underpinned by the governance principles of Stewardship, Transparency, Accountability and Sustainability and it supports the Company to venture beyond mandatory compliance and expand conformance practices to different areas of the business, promoting responsible corporate behaviour, strengthening operations, addressing expectations of various stakeholder groups and eventually supporting sustained performance.

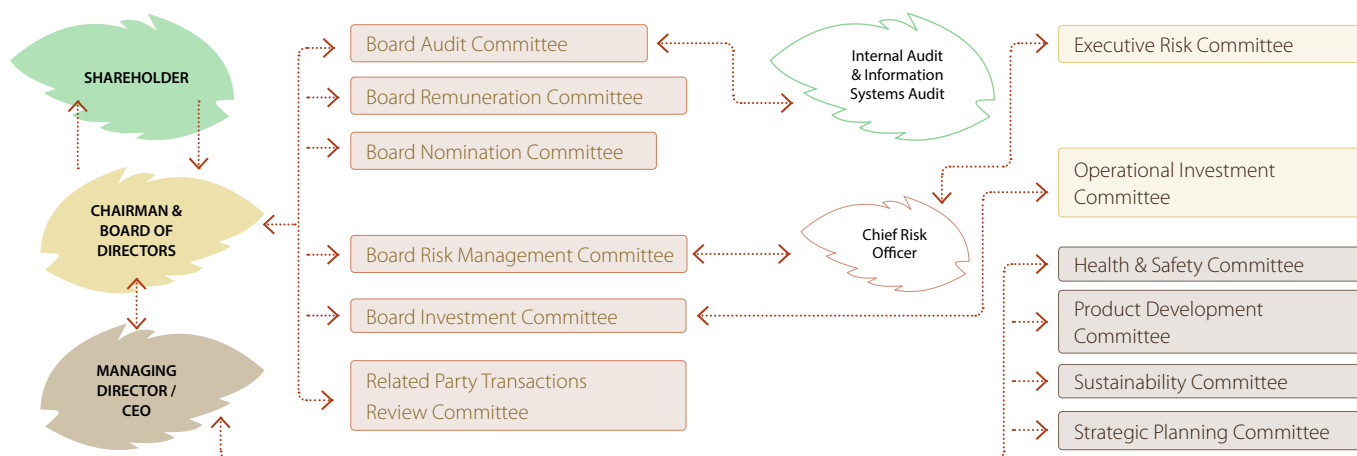
Delivering Protection

Corporate Governance

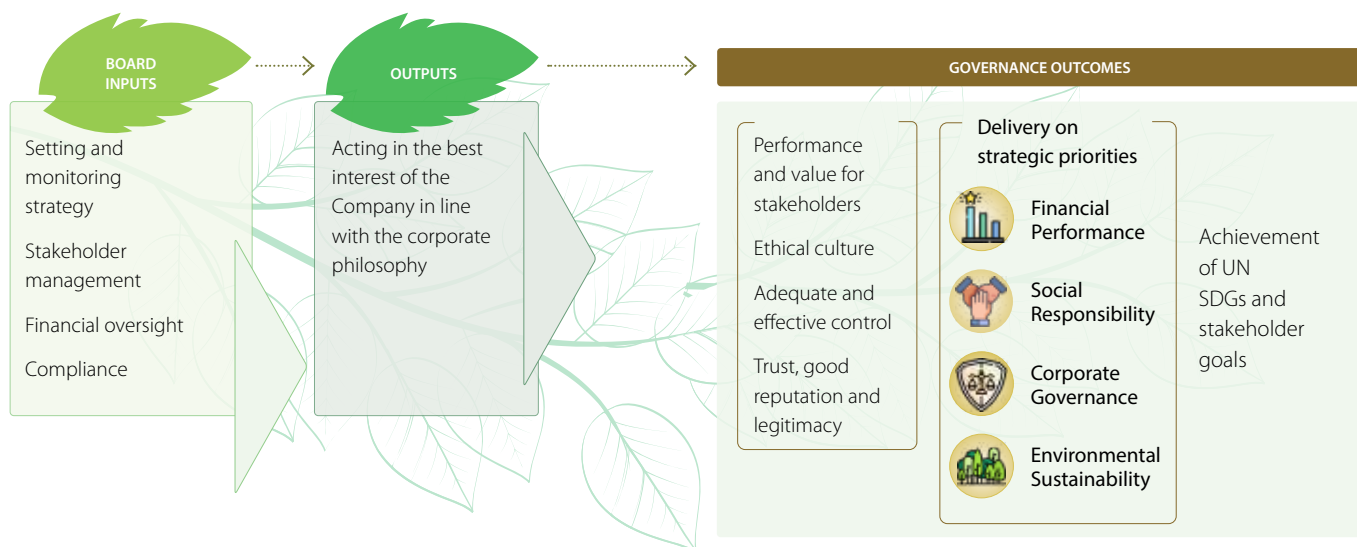


1.2 Board and committee structure

Our governance structure demonstrates how the Board has delegated roles and responsibilities to provide dedicated focus and achieve corporate strategies within the bounds of the four governance dimensions. The Board Committees form an integral part of the governance structure which usually provides independent and objective judgement on significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined. The entire process is examined by the Internal and External Auditors of the Company.



1.3 Governance value creation



1.4 The Board

As at the date of this report the Board comprised of an Executive Chairman, four Executive Directors, nine Independent Non-Executive Directors and one Non-Independent Non-Executive Director. Details of the role of the Board and its committees are described in this report and the duties of the Board and of each of its committees are set out in their respective Terms of Reference (ToR). The Board delegates clearly defined responsibilities to its committees and reports from the Audit, Remuneration, Risk Management, Related Party Transactions Review, Nominations and

Governance and Investment committees are contained in this report.

The Board is well balanced and competent to discharge their statutory and fiduciary duties, objectively and effectively. All Directors dedicate significant time and effort to attend the Board and Board Sub-committee meetings and provide independent judgement on matters relating to strategy, performance, risk management, governance and business conduct and ensure all business functions are carried

out in an ethical and effective manner to ensure continued satisfaction of stakeholders. Eight Directors possess sufficient financial acumen and knowledge gained through experience from leading large enterprises and their professional backgrounds. The Board assumes a supervisory role in overseeing the Management and its performance and acknowledges the responsibility to ensure that the annual report represents a balanced and accurate view of Corporate Governance practices and the salient matters which are expected to affect the stakeholders.

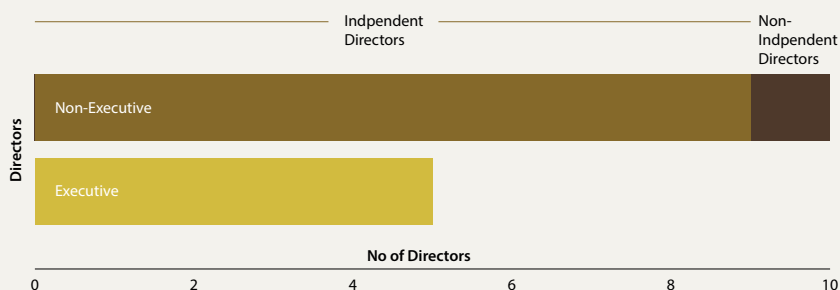
Delivering Protection

Corporate Governance

Director	Status	No of years on the Board		Board Sub-Committee membership	
Mr R Renganathan	Executive Chairman	Years	9	BIC Board Investment Committee	C
		Months	8		
Mr E T L Ranasinghe	Managing Director/CEO	Years	9	BIC Board Investment Committee	
		Months	8		
Mr P D M Cooray	Senior Executive Director/ Head of HR and Training	Years	9		
		Months	8		
Mr P A Jayawardena	Senior Executive Director/ Chief Financial Officer	Years	9	BIC Board Investment Committee	
		Months	8		
Mr S R Abeynayake	Executive Director/ Chief Operating Officer/ Compliance Officer	Years	9	BIC Board Investment Committee	
		Months	8		
Dr L J S Harsha Cabral PC	Independent Non-Executive Director/Senior Independent Director	Years		BNGC Board Nominations and Governance Committee	C
		Months	8		
Mr J Durairatnam	Independent Non-Executive Director	Years	5	BAC Board Audit Committee	
		Months	1	BNGC Board Nominations and Governance Committee	
Mr W W L R A Fernando	Independent Non-Executive Director	Years	2	RPTRC Related Party Transactions Review Committee	C
		Months	6		
Mr O G V J Senanayake	Independent Non-Executive Director	Years	1	BRMC Board Risk Management Committee	C
		Months	6		
Mr H M Hennayake Bandara	Independent Non-Executive Director	Years		BIC Board Investment Committee	
		Months	8	BAC Board Audit Committee	
				BRMC Board Risk Management Committee	
Mr E R C Moraes	Independent Non-Executive Director	Years		BRC Board Remuneration Committee	C
		Months	8		
Mr M Ismail	Independent Non-Executive Director	Years		BRC Board Remuneration Committee	
		Months	8		
Ms R J Moraes	Independent Non-Executive Director	Years		BRC Board Remuneration Committee	
		Months	8	BRMC Board Risk Management Committee	
Prof S K Chandrasekera	Non-Independent Non-Executive Director	Years		RPTRC Related Party Transactions Review Committee	
		Months	8		
Ms A A Ludowyke	Independent Non-Executive Director	Years		BAC Board Audit Committee	C
		Months	6	BNGC Board Nominations and Governance Committee	
				RPTRC Related Party Transactions Review Committee	

C Chairperson

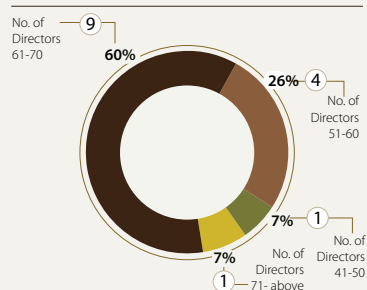
TOTAL NO. OF EXECUTIVE / NON EXECUTIVE DIRECTORS



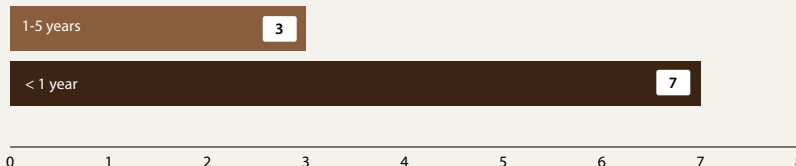
GENDER ANALYSIS OF THE DIRECTORS





















AGE ANALYSIS OF THE DIRECTORS



TENURE OF NON-EXECUTIVE DIRECTORS



EXPERTISE - BOARD OF DIRECTORS

Specific skills					
	 Accounting, Finance and Management	 Investment & banking	 IT	 Marketing	
General skills					
	 Human Resource Management	 Medicine	 Legal	 Engineering	 Architectural

1.5 Responsibilities of the Board

- Appointing the Chairman and the Senior Independent Director.
- Ensuring that the CEO and the management team possess the skills, experience and knowledge to implement the corporate strategy.
- Ensuring adoption of an effective succession plan for the CEO and Key Management Personnel.
- Approving budgets and major capital expenditure.
- Determining the matters explicitly reserved to the Board and those delegated to the Management including limits of authority and financial delegation.
- Ensuring effective systems to secure integrity of information, internal controls, business continuity and risk management.
- Ensuring compliance with laws, regulations and ethical standards.
- Ensuring all stakeholder interests are considered in corporate decisions.
- Recognising sustainable business development in corporate strategy, decisions and activities and considering the need for adopting Integrated Reporting.
- Ensuring that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
- Establishing a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks.

Delivering Protection

Corporate Governance

- Ensuring that a process is established for corporate reporting on an annual and quarterly basis or more regularly as relevant to the Company.
- Fulfilling other Board functions, given the scale, nature and complexity of the business concerned.

1.6 Balance of power

The Chairman, Mr. Renganathan, plays an executive role in the Company and his role is separate from that of the CEO. Dr. Harsha Cabral PC was appointed as the Senior Independent Director of the Company on 27th April 2023 in terms of the Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka due to the executive role of the Chairman. He functioned as the Senior Independent Director (SID) of the company during the period from 27th April 2023 to 31st December 2023. Dr. B G S De Silva (retired on 22nd April 2023) functioned as the Senior Independent Director from 1st January 2023 to 22nd April 2023. The presence of the Senior Independent Director provides an effective mechanism to review the effectiveness of the Board and ensures that no individual holds unfettered powers of decision making.

CHAIRMAN

- Providing leadership to the Board and promoting a culture of good governance practices while maintaining the standards of integrity.
- Fostering a culture of inclusivity by encouraging expression of diverse views by Board members and ensuring the participation of all Directors during discussions.
- Ensuring compliance with all applicable laws and regulations.
- Ensuring shareholder concerns are appropriately addressed.

CEO

- In charge and be responsible for the general control, direction and supervision of the business activities of the Company.
- Formation of corporate objectives with the support of the Senior Management and leading the team towards the achievement of the strategic objectives.
- Identification, assessment and management of risks and establishing appropriate internal controls to mitigate such risks.
- Development of the succession plan for the Senior Management.
- Strengthening the regulatory and supervisory compliance framework
- Implementing decisions/directions of the regulator

SENIOR INDEPENDANT DIRECTOR

- Supporting the Chairman in his role and to act as an intermediary for other non-executive directors when necessary
- Providing guidance in addressing the development needs of the Board as a whole with a view to enhancing the overall effectiveness of the Board
- Promoting the best Board practices and higher standards of Corporate Governance
- Ensuring Board proceedings are carried out in a transparent and effective manner while avoiding conflicts of interest
- Ensuring that the views of the other Non-executive Directors are given due consideration
- Acting as Chairman of the Board when matters concerning the Chairman are considered.
- Acting as a conduit to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.

1.7 Sub-committees

Six Board Sub-committees have been established allowing the main Board to allocate sufficient time to matters reserved for its decision making, while ensuring delegated matters receive detailed attention. Six further Management Committees have been established along subject specific lines to help drive the Company's strategic aspirations.

Board Audit Committee



Independent Non-Executive Directors

Board Remuneration Committee



Independent Non-Executive Directors

Board Risk Management Committee



Independent Non-Executive Directors

Related Party Transactions Review Committee



Independent Non-Executive Directors



Non-Independent Non-Executive Director

Board Nominations and Governance Committee



Independent Non-Executive Directors

Board Investment Committee



Independent Non-Executive Director



Executive Directors



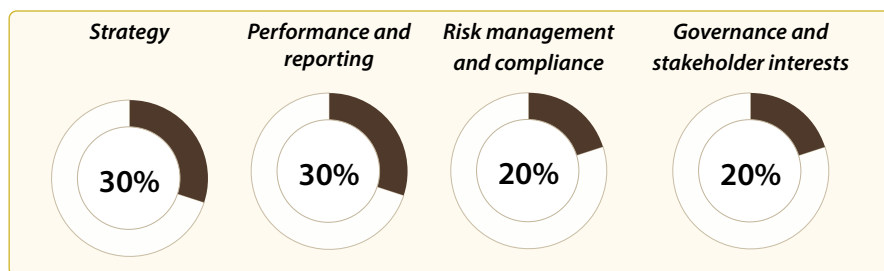
1.8 Company secretary

The Company Secretary plays a pivotal role in facilitating good governance. The Board holds the responsibility for appointment and removal of the Company Secretary as prescribed by applicable laws and regulations.

- Facilitating the smooth operation of the Company's formal decision making and reporting mechanism.
- Organising Board and Board Sub-committee meetings, formulating meeting agendas with Chairman and/or the Chief Executive Officer and coordinating with the management on Board papers and necessary documentation.
- Ensuring that all proceedings of the meetings are minuted and that the minute books are maintained properly and securely.
- Monitoring that all Board Sub-committees are properly constituted and provided with clear terms of reference.
- Ensuring that the Annual General Meetings and Extraordinary General Meetings are held in accordance with the requirements of the Companies Act and the Company's Articles of Association.
- Ensuring that the company complies with its Articles of Association.
- Maintaining the statutory registers
- Continually reviewing developments in corporate governance.

2. KEY FOCUS AREAS OF THE BOARD AND TIME SPENT

The Board uses its meetings to discharge its duties and monitor the strategic direction and approach to risk management. Each Board meeting follows a carefully tailored agenda, agreed in advance with the Chairman, CEO and Company Secretary. A typical meeting will comprise reports on current operating and financial performance, strategic risks and opportunities, governance updates and regulatory considerations, a review of the company's business and investment portfolios and deeper discussions regarding areas of strategic importance.



2.1 Strategy

During the year, the Board and its various committees discussed, oversaw and monitored Ceylinco Life's key strategic initiatives.

Social Responsibility



Retaining market leadership

- Informative decisions were made by the Board for the safety of all stakeholders as well as the sustainability of the business.
- Divisional KPIs were continuously reviewed by the Strategic Planning Committee during the year.
- Approval and review of systems for improving convenience, reach and accessibility via various customer touchpoints and determining customer needs.



Pioneer in digital transformation

- Unrivalled knowledge, strategy and innovation to identify areas for improvement and drive product innovation and process improvements by using data analytics
- Focused on process automation, i.e. TR & Collection applications, web based quotation system, e-signature application, Lead application, E-KYC etc.
- Through Board Audit and Risk Management Committees, the Board assessed the cyber security and IT Governance of the Company.



Building relationships for life

- The Board maintained an effective communication with the sole shareholder through multiple channels during the year i.e. AGM and its related correspondence.
- Annual assessment of Board skills, composition and its succession plan
- Corporate Communications and digital channels with various stakeholders.



Investing in Human Capital

- Onsite/physical training programmes and participation of key management personnel in overseas training programs.
- Brainstorming sessions for Directors and Key Management Personnel on new developments in laws and regulations.
- Review of remuneration for Executive Directors including CEO, senior management staff and all other employees.

Delivering Protection

Corporate Governance



Financial Performance

- Board Risk Management Committee constantly reviewed business continuity plan and cyber security.
- Operational Investment Committee and Board Investment Committee constantly evaluated sound economic decision making and reported to the Board.
- The Board reviewed the Asset Liability Management Policy, Universal Life Distribution Policy, Investment Policy and Loss Limit Policy to be in line with the current economic conditions and approved the Principles and Practices of Financial Management of the Participating Fund for business purposes.



Environmental Sustainability

- Changes were made to put in place a green building construction methodology
- Conducting an e-waste campaign
- Board oversight and approvals for Investments made in solar projects, green water harvesting, usage of recycled products, etc.
- Ongoing reforestation project in Balangoda, covering 10 acres with 10,000 new trees planted.
- Carried out carbon footprint assessment to measure the Company carbon footprint where the process was audited by Sri Lanka Climate Fund established under the Central Environmental Authority.

2.2 Performance and reporting



Performance

- Discussed strategic risks, market pressures and challenges such as impact of the economic volatility in the country and their effects on the performance of the business.
- Periodically discussed and reviewed operational and financial performance updates.



Reporting

- Checked the compliance with the statutory reporting requirements (Refer to Statement of Directors' Responsibility for Financial Reporting on page 202).
- Reviewed and approved the integrated Annual Report prior to publication, ensuring that it presents a balanced and understandable view of the Company's financial position, performance and prospects.

2.3 Risk Management and Compliance

Risk Management

The Board is responsible for promoting the long-term success of the Company for the benefit of shareholders, as well as other stakeholders including employees and customers. This includes establishing an appropriate system of risk governance. To discharge this responsibility, the Board has established frameworks for risk management and internal control using a 'three lines of defence' model and reserves for itself the setting of the Company's risk appetite.

The principal committees that oversee risk management are given below.

Board Risk Management Committee	Board Audit Committee
<ul style="list-style-type: none"> Assists the Board in its oversight of risk and risk management across the Company and makes recommendations on risk appetite to the Board. Reviews the effectiveness of the risk management framework and the methodology in determining Ceylinco Life's capital and liquidity requirements. 	<ul style="list-style-type: none"> Works closely with the Board Risk Management Committee and is responsible for assisting the Board in ensuring the integrity of the Group's financial statements, the effectiveness of the system of internal controls and for monitoring the effectiveness, performance and objectivity of the internal and external auditors.

The Board retains ultimate responsibility for the Company's systems of risk management and internal control and has reviewed its effectiveness during the year. The systems are regularly reviewed and were in place for the financial year under review and up to the date of this reporting. Key focus areas addressed during the year are discussed in detail in the Risk Management report (pages 40 to 49), Report of the Board Audit Committee (pages 193 to 194) and the Report of the Board Risk Management Committee (pages 204 to 205).

During the year 2023, Ceylinco Life continued to focus on strengthening the internal controls, overseeing assurance over non-financial information including sustainability and ESG disclosures. Based on its assessment, management has concluded that, as of 31 December 2023, Ceylinco Life's internal controls over financial reporting were effective.

IT and Cyber risks

With the increased thrust towards digitalisation the Board is committed to identifying and managing IT related risks including cyber security risk, across the Company. A framework of robust IT policies, clear delegation of responsibilities and a highly skilled IT team ensure that IT risks and vulnerabilities are managed in a holistic and a consistent manner.

The Head of Information Security equipped with the relevant knowledge and expertise heads the ICT vertical. ICT functions have been segregated into information system development, ICT operations including branch operations, communication network and IT security functions. The Head of Information Security is responsible for overall information security of the Company. The ICT Risk Committee exists to identify cyber risks and reports to the CRO and critical risks are escalated to the ERM Executive Committee and the Board Risk Management Committee.

Raising awareness

- 🍃 Relevant policies, standards, procedures and guidelines are published on the Company intranet and users need to read and comply with them.
- 🍃 Regular emails are circulated to the employee base creating awareness of cyber security threats.
- 🍃 Awareness sessions were conducted with the support of external security consultants to educate on current cyber security threats.
- 🍃 A simulated cyber drill was conducted to improve the skill levels of the IT security team – Company Emergency Response Team.

Actions to be taken in the event of a cyber security risk

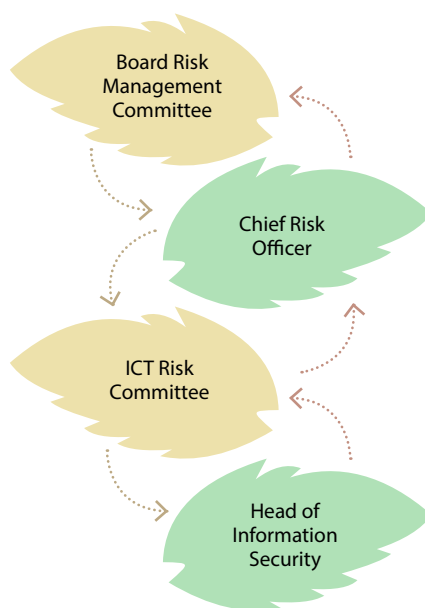
- 🍃 Remove/block affected system from the network.
- 🍃 Notify relevant personnel or authority.

- 🍃 Implement incident response plan including forensics analysis, patching of vulnerabilities, changing compromised credentials and implementing recommendations by the security consultant.
- 🍃 Recovery process with back up solutions were tested.
- 🍃 Post incident review and creation of awareness.

Independent review

- 🍃 The IT security consultant conducted 3 internal and 2 external vulnerability and penetration assessments, in addition to providing updates on any external threats that might affect Ceylinco Life. Cyber risk management of the Company was a regular agenda item of the Board Risk Management Committee meetings during the year and the minutes of the said meetings were tabled and discussed in detail at the subsequent Board meetings.

Reporting structure under the Cyber Security Policy



Compliance

The Company is bound by the Code of Business Conduct and Ethics which applies to all employees including KMP's and Directors. The code is available on the intranet for information of all employees and is reinforced at all levels through structured communication. The Compliance Officer reports the status of statutory and non-statutory compliance to the Audit/Risk Management Sub-committees and thereafter such reports are tabled to the Board for their evaluation. The Board is not aware of any material violations of any of the provisions of the Code by any Director or employee of the Company.

The Company was compliant with the Regulation of Insurance Industry Act No.43 of 2000 and its subsequent amendments, Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, along with several other applicable legislative enactments during the year under review.

2.4 Governance and stakeholder interests

Embedding policy commitments

Our business processes are designed guaranteeing that all workers act in a moral and responsible manner. The Code of Conduct and various other policies incorporated set out the manner in which workers ought to act, while on the job as well as off the job. These policies are documented and communicated in a clear manner allowing easy access to respective parties to peruse the policies and necessary training and guidance is given as and when needed.

The Board exercises its oversight on the Company's policies and practices and is aware of evolving societal, investor and legal expectations. In the exercise of fiduciary responsibilities and oversight, the Board ensures that the necessary policies, systems and incentives are in place to encourage a corporate culture where respect for core policies/values including human rights throughout the company and in business relationships created.

Delivering Protection

Corporate Governance

EMPLOYEES

- The orientation programme of new employees includes a training on how to adhere to the corporate policies and the code of conduct and ethics of the Company. At the point of recruitment, each employee signs a declaration that they will comply with the Code in its entirety.
- The Code of Business Conduct and Ethics for all Directors and employees encourages reporting of any illegal, fraudulent or unethical behaviour.

SUPPLIERS AND PARTNERS

- Evaluation of suppliers
- Creating awareness among suppliers regarding the necessity of supplying quality goods
- Providing opportunities to diversify their business
- Creating awareness about the green concept and sustainable developments.
- Policy on Environmental and Governance Sustainability
- Agreements contain anti corruption and bribery clauses
- Information is given on the code of business conduct and ethics of the Company and links to the relevant Website references.

CUSTOMERS AND THE COMMUNITY

- Customer compliant management procedure of the Company is available on the website.
- Implementation of the requirements under the Personal Data Protection Act

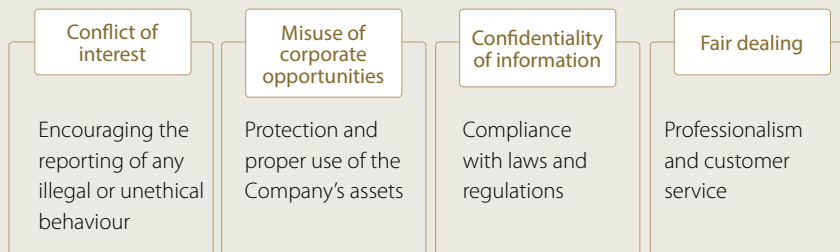
The Company has established and maintained the following policies in terms of the Code of Best Practice on Corporate Governance 2023 and the Rules of the Colombo Stock Exchange.

- Policy on Corporate Governance, Nominations and Re-elections
- Policy on Remuneration
- Policy on Internal Code of Business Conduct and Ethics for Directors and Employees
- Policy on Risk Management Framework
- Policy on Whistle-blowing
- Policy on Anti-Bribery and Corruption

Code of Conduct

The Board of the Directors, Corporate Business Management team and all the employees are mandated to comply with the Code of Business Conduct and Ethics at all times. The Code of Conduct includes policies on gifts, entertainment, facilitation, payments, proprietary and confidential information. The Board's compliance with the Code of Conduct is declared by the Chairman of the Board on page 28 to 30.

Key aspects of the Code of Conduct



Ceylinco Life's policy framework provides reasonable assurance on the effective delivery of the Company's strategic aspirations. Policies are reviewed and revised annually to ensure applicability to evolving operating conditions.

Whistle-blower policy

PURPOSE	Deter, detect and address any genuine concerns of malpractices and unethical behaviour in a discreet and confidential manner.
CHANNELS	Any stakeholder can raise their concerns or complaints in writing, via e-mail or telephone call directly to any of the Executive Directors of the Company.
PROCESS	<p>Preliminary independent investigation is commenced by the committee comprising of Executive Directors of the Company based on the evidence received.</p> <p>Arrive at a decision on the complaint based on the facts and findings of preliminary investigation.</p> <p>Convey the decision in writing to the appropriate parties for necessary corrective action or documentation.</p> <p>Convey the final decision to the complainant and appreciate the contribution appropriately, if the complaint is not anonymous.</p>

Approach to anti-bribery and corruption

Anti-bribery and corruption policy and processes are in place to effectively govern aspects related to bribery and corruption. Ceylinco Life is committed to maintaining zero tolerance for bribery and corruption and there were no confirmed incidents of corruption during the year.

Communication of critical concerns

Ceylinco Life trusts that the stakeholders are an invaluable asset that governs the business to create enduring value. Therefore the Company continuously collaborates and engages with the stakeholders to identify and prioritise their interests on an ongoing basis. The critical concerns of the sole shareholder were directly reported to the Board whereas the concerns of regulators were reported to the Principal Officer, Compliance Officer and the Board of Directors. Details of complaints and concerns reported during the year from various types of stakeholders are published from Page 50 to page 56 of this Annual Report.

Relations with Shareholders




The Company places considerable importance on communication with its sole shareholder Ceylinco Insurance PLC. Various means of ongoing and periodic communication including the AGM, Annual Report, quarterly financial statements, memos, notices published in the newspapers and Company website are used to disseminate information. The shareholder is also encouraged to





maintain direct communication with the Company via the Company Secretary. All responses towards any actions decided by the Board are formally communicated and appropriately recorded.

Details of the AGM and key matters discussed

The Annual General Meeting of the Company was held on 28th March 2023 at 10.00 a.m. at Ceylinco Life Insurance Ltd, No. 106, Havelock Road, Colombo 05.

Key matters discussed were as follows;

-  Adopting the Annual Report of the Board of Directors on the affairs of the Company and the Audited Financial Statements for the year ended 31st December 2022 together with the Report of the Auditors.
-  Approving the first and final dividend of Rs. 18.25 per share for the year ended 31st December 2022.
-  Re-election of Mr D H J Gunawardena and Dr B G S De Silva who retired at the AGM in terms of Section 210 of the Companies Act No.7 of 2007.

-  Re-election of Directors, Mr J A Setukavalar, Prof. W M M De Silva and Ms A K Seneviratne who retired in terms of Article 18B of the Articles of Association of the Company.
-  Election of Director, Mr O G V J Senanayake who was appointed as an Independent Non-Executive Director on 15th June 2022, in terms of Rule A.8.2 of the Code of Best Practice on Corporate Governance 2017.
-  Re-appointment of M/s Ernst & Young, Chartered Accountants as the Company's Auditors for the ensuing year and authorising the Directors to determine their remuneration.
-  Authorising the Directors to determine contributions to charities and other donations for the year ending 31st December 2023.

Engagement with other stakeholders

The Board recognises its accountability towards a wider range of stakeholders such as employees, suppliers, customers and society at large and seeks to act in the best interest of such stakeholders. Key engagement mechanisms and responses of the Company to matters raised are provided in the stakeholder engagement' section on pages 50 to 56.

ESG integration

The Board continued to place strong emphasis on strengthening Ceylinco Life's ESG considerations. By setting the tone at the Board level, sustainability and related topics are regularly discussed in the management committees and operational policies and procedures are cascaded down to all employees. The Board has also taken measures to strengthen the Company's sustainability reporting practices by advocating the adoption of local and international sustainability reporting standards.

Delivering Protection

Corporate Governance

The Company's sustainability procedures are set out on pages 21 to 27 of this Report, along with the progress made in each of the priority areas.



Board's oversight on climate-related risks and opportunities

Climate change is an important disruptive force, with potential to drive substantive changes in our operations and supply chain in the short term, medium term and long term. The climate crisis is a collective problem that necessitates collective action to generate solutions and the Board with the support of the Sustainability Committee continuously identifies and responds to climate related risks and opportunities affecting Ceylinco Life's business model. The ways in which the insurance sector could be affected by the climate crisis are diverse. Thus, when developing our product strategy and updating our overall business plan, the impact of these risks and opportunities is considered over the relevant time horizons.

We use our risk identification process to identify potential exposure to climate-related risks and then conduct exposure analysis to understand how these risks will impact our critical operations. Even though we have not assessed climate change to be a significant risk to our strategy and business model, sustainability ambition is focused on creating a positive impact on climate change for both today and for the future.

2.5 Board meetings

Board meetings are held every two months and 5 meetings were held during 2023. The Board meeting calendar is communicated to all members before the start of the next calendar year.

Prior to the meeting

The Chairman sets the Board agenda in consultation with the CEO and the Company Secretary.

Agenda and Board Papers for meetings are usually sent at least one week prior to the meeting, ensuring Board members receive timely, high-quality information that enables them to make sound decisions.

During the meeting

Directors are provided accurate, relevant and timely information on which they base their decisions.

The CEO briefs the Board on the business operations, financial performance, industry trends and developments.

Members of Corporate Management are invited to attend Board meetings to discuss relevant areas of business.

The Articles of Association of the Company provides direction as to how Directors can call for a resolution to be presented to the Board. Resolutions concerning business matters may be passed by circulation, within the set regulations.

After the meeting

All proceedings of the meetings, including Directors' concerns regarding matters which are not resolved unanimously, are recorded in the Board minutes.

Board minutes are circulated to Members at least within two weeks after the meeting, in compliance with the code.

Follow-up action required is tabulated by the Company Secretary and forwarded to the respective departments / committees for action.

Board and Board Sub-committee Meeting Attendance

Name of the Director	Status	Board Meetings	Audit Committee	Risk Management Committee	Related Party Transactions Review Committee	Remuneration Committee	Nominations and Governance Committee	Investment Committee
Mr R Renganathan	Executive Chairman	5/5					3/3	4/4
Mr E T L Ranasinghe	Managing Director/Chief Executive Officer	5/5						4/4
Mr P D M Cooray	Senior Executive Director/Head of HR and Training	5/5						
Mr P A Jayawardena	Senior Executive Director/Chief Financial Officer	5/5						4/4
Mr S R Abeynayake	Executive Director/Chief Operating Officer/ Compliance Officer	5/5						4/4
Dr L J S Harsha Cabral PC (appointed w.e.f. 22.04.2023)	Independent Non-Executive Director/Senior Independent Director	2/4					1/1	
Mr J Durairatnam	Independent Non-Executive Director	5/5	4/5				1/1	
Mr W W L R A Fernando	Independent Non-Executive Director	4/5		1/1	4/4			
Mr O G V J Senanayake	Independent Non-Executive Director	4/5		4/4				
Mr D H J Gunawardena (Retired w.e.f. 22.04.2023)	Non-Independent Non-Executive Director	1/1	2/2		2/2			
Mr R S W Senanayake (Retired w.e.f. 22.04.2023)	Non-Independent Non-Executive Director	1/1		1/1				1/1
Mr J A Setukavalar (Retired w.e.f. 22.04.2023)	Independent Non-Executive Director	1/1	1/2		1/2			
Prof. Emeritus W M M De Silva (Retired w.e.f. 22.04.2023)	Independent Non-Executive Director	0/1						
Dr B G S De Silva (Retired w.e.f. 22.04.2023)	Independent Non-Executive Director	1/1					3/3	
Mr S Caldera (Retired w.e.f. 22.04.2023)	Independent Non-Executive Director	0/1						
Ms A K Seneviratne (Retired w.e.f. 22.04.2023)	Independent Non-Executive Director	0/1		1/1				
Mr H M Hennayake Bandara (appointed w.e.f. 22.04.2023)	Independent Non-Executive Director	4/4	3/3	3/3				2/2
Mr E R C Moraes (appointed w.e.f. 22.04.2023)	Independent Non-Executive Director	4/4				2/2		
Mr M Ismail (appointed w.e.f. 22.04.2023)	Independent Non-Executive Director	3/4				1/2		
Ms R J Moraes (appointed w.e.f. 22.04.2023)	Independent Non-Executive Director	4/4		3/3		2/2		
Prof S K Chandrasekera (appointed w.e.f. 22.04.2023)	Non-Independent Non-Executive Director	2/4			1/2			
Ms A A Ludowyke (appointed w.e.f. 01.07.2023)	Independent Non-Executive Director	3/3	2/2		2/2		1/1	

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3. HOW WE MAINTAIN BOARD EFFECTIVENESS

Independence

During the year the Board Governance and Nominations Committee assessed the independence of the Non-Executive Directors to ensure that they are able to properly fulfil their roles on the Board and to provide constructive challenge to the Executive Directors.

Criteria

The independence criteria set out in the Code of Best Practice on Corporate Governance issued by CA Sri Lanka were taken into account as part of the selection process for the 10 Non-Executive Directors who joined Ceylinco Life during 2023.

Declaration

All Non-Executive Directors are required to submit annual declarations of independence or non-independence in accordance with the Code of Best Practice on Corporate Governance and Section 9 of the Rules of the Colombo Stock Exchange.

Outcome

The Committee determined that 9 out of the 10 Non-Executive Directors were free from any relationship or circumstances that could affect, or appear to affect, their independent judgement.

All directors have access to the advice and services of the Company Secretary in relation to the discharge of their duties on the Board and any committees they serve on. Furthermore, any director may take independent professional advice at the Company's expense.

Directors also have unrestricted access to the management team, company information as well as other resources required to effectively execute their responsibilities.

Conflict of interest

The Board has adopted guidelines for dealing with conflicts of interest relating to matters of Directors and Key Management Personnel. The responsibility for authorising matters relating to conflicts of interest are reserved for the Board. A Director or a person considered Key Management Personnel (KMP) is prohibited from using his or her position, or confidential or price sensitive information, for personal benefit or benefit of any third party, whether financially or otherwise.

In the case of a potential conflict, the relevant Board Sub-committee considers the circumstances, appropriate controls and protocols and makes recommendations to the Board. The Board should confirm that it was not aware of any situations that may or did give rise to conflicts with the interests of the Company and that any conflicts that may later arise would be managed in accordance with the Company's Conflicts of Interest Policy.

Appointment, re-election, retirement

Appointment

Board appointments are made following a rigorous and transparent process facilitated by the Board Nominations and Governance Committee. Upon completion of the formalities of the appointment of the new Board Member, a brief resume of the Director will be forwarded to the sole shareholder of the Company for their information.

Appointments during 2023-

Seven Directors were appointed to the Board as mentioned below;

- Five Independent Non-Executive Directors (Dr Harsha Cabral PC, Mr H M Hennayake Bandara, Mr E R C Moraes, Mr M Ismail and Ms R J Moraes) w.e.f. 22nd April 2023
- One Non-Independent Non-Executive Director (Prof S K Chandrasekera) w.e.f. 22nd April 2023
- One Independent Non-Executive Director (Ms A A Ludowyke) w.e.f. 1st July 2023

Re-election

The re-election of Directors is governed by the Articles of Association and the Code of Best Practice on Corporate Governance and is carried out at the Annual General Meeting (AGM) of the Company. Accordingly, one third of the Directors, excluding the Executive Directors who have been in office the longest, offer themselves for re-election.

Directors reaching the age of 70 years are recommended for re-election by way of an ordinary resolution by the sole shareholder of the Company in terms of Sec.210 of the Companies Act No. 07 of 2007 and Direction 02 of 2022 (Revised) of IRCSL.

Re-elections during 2023-

- Mr D H J Gunawardena and Dr B G S De Silva were re-elected by the Shareholders in terms of Section 210 and 211 of Companies Act No. 7 of 2007.
- Mr J A Setukavalar, Prof. W M M De Silva and Ms A K Seneviratne who retired by rotation in terms of the Articles of Association of the Company were re-elected (Article 18B)
- Mr O G V J Senanayake was elected as a Director in terms of Rule A.8.2 of the Code of Best Practice on Corporate Governance.

Retirement

In terms of Section 210 of the Companies Act No.07 of 2007, (subject to the provisions of section 211), a director of a public company or of a private company which is a subsidiary of a public company, shall vacate office at the conclusion of the annual general meeting commencing next after he attains the age of seventy years.

In terms of Direction No. 02 of 2022 (Revised) issued by the IRCSL, the total period of service of a Non-Executive Director (except for Major Shareholder Directors and Technical Directors) of an insurer shall not exceed nine years and the age of a Director shall not exceed 75 years.

Retirements during 2023 – The following Directors retired on 22nd April 2023 in terms of Section B.2. of Direction No. 02 of 2022 issued by the IRCSL.

- Mr D H J Gunawardena
- Mr R S W Senanayake
- Mr J A Setukavalar
- Prof. Emeritus W M M De Silva
- Dr B G S De Silva
- Mr S Caldera
- Ms A K Seneviratne

Training

On appointment, all Directors receive a comprehensive induction training tailored to their individual requirements, designed to provide them with an understanding of how the Company works and the key issues

that it faces. Directors are kept up to date on applicable legislations and regulations, relevant sector developments and changes in the risk and general business environment on an ongoing basis. Directors undertake training and professional development as they consider necessary, where requirements are

coordinated through the Company Secretary.

A brainstorming session was conducted by an external resource panel with regard to the Personal Data Protection Act and Electronic Transactions Act for the benefit of all Directors. New Directions issued by the IRCSL

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for the year 2023 were discussed and briefed at Board Meetings. Regulations of Anti Money Laundering were also discussed as and when required.

Succession planning

Succession planning remained a key focus for the Board in 2023. The Board and the Board Nominations and Governance Committee discussed succession planning in detail at regular points during the year, in addition to discussions at formal Committee meetings. Robust succession planning ensures that we have the right balance of skills, experience and effectiveness on the Board to benefit from diversity, while taking into account current and anticipated future business needs. This includes contingency planning for any unforeseen departures or unexpected absences, orderly succession of the Board and Sub-committees and looking ahead at the skills that may be required in the future.

Remuneration

The Board is assisted by the Remuneration Committee in determining remuneration of Executive Directors, Non-Executive Directors, KMP's and others. The remuneration policy and schemes are designed to attract and retain persons with skills, capabilities and experience required to pursue business objectives.

Remuneration Policy

The Company has an approved remuneration policy which governs the remuneration process of the Executive Directors and the employees. The key objective of the policy is to ensure employees are appropriately compensated for the services they provide to the Company, providing flexible and competitive salary structures, motivate employees to perform in the best interest of the Company and its stakeholders, determine remuneration in a way which ensures equity and consistency and to comply with all relevant legal requirements.

Remuneration is structured taking into account performance and risk factors required for the job and is aligned to

corporate and individual performance. No individual Director is involved in determining his own remuneration. The Remuneration Committee is responsible for suggesting and approving the Directors' remuneration and benchmarks it with the market regularly to ensure that it remains competitive to attract and retain talent. The Remuneration Committee sets the principles, parameters and governance framework of the Company's remuneration policy and recommends the terms and conditions of employment of the Chairman, Executive Directors and the Senior Management.

The remuneration package of the CEO is structured to link rewards to corporate and individual performance, ensuring there is strong alignment between the short-term and long-term goals and interests of the Company. Fees of the Non-Executive Directors are determined by the Board and supported by the Remuneration Committee which also seeks advice from HR professionals.

The breakdown of remuneration paid to the Directors is disclosed on page 334 in the Annual Report. For further details, refer to the Remuneration Committee Report on page 190.

Diversity and equality

Ceylinco Life is committed to fostering a diverse and inclusive corporate culture that values and respects the contributions of individuals from different backgrounds, experiences and perspectives. As part of this commitment the Company strives to maintain diversity in its Board composition by considering a broad range of factors, including skills, qualifications, experiences and personal attributes, in addition to diversity dimensions such as gender, ethnicity and nationality.

4. COMBINED ASSURANCE

4.1 Internal audit

The Internal Audit Department and the Information System Audit Department are responsible for reviewing the design and effectiveness of the internal control systems, management information systems, as well as the systems for compliance with applicable laws, regulations, rules and directives.

Audits are carried out based on the risk based Internal Audit Plan and the Information System Audit Plan which are reviewed and approved by the Audit Committee. The Audit Committee conducts quarterly reviews to address significant findings with respect to non-compliances or ineffectiveness.

4.2 External audit

Following the last AGM held in March 2023, Messrs. Ernst & Young were appointed as external auditors of the financial year 2023. The Board Audit Committee oversees the terms of engagement, skills and experience and the work of the external auditors annually and remains satisfied with the independence, objectivity and effectiveness of Messrs. Ernst & Young in rendering their audit and non-audit services.

At the previous Audit Committee Meeting held on 2nd February 2024, Messrs. Ernst & Young submitted their Annual Statement confirming independence in relation to the external audit as required by the Companies Act No. 07 of 2007 and their re-appointment for the year 2024 will be recommended to the shareholder by the Board of Directors at the upcoming AGM.

Compliance with the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka ('the Code')

The status of compliance with the Code is given below:

Principle		Level of Compliance
A	Directors	
A.1	The Board	<p>Complied.</p> <p>The Board of the Company comprises fifteen eminent professionals drawn from multiple fields and ten of them are Non-Executive Directors. They bring diverse perspectives and independent judgement to deliberate on matters set before the Board. Refer Page/s 157-161</p>
A.1.1	Regular Board Meetings	<p>Complied.</p> <p>The Board meets regularly. Five meetings were held during the year. Each Board Sub-committee also has its own schedule of meetings as set out in the respective Committee Reports. Refer Page/s 166-167</p>
A.1.2	Role and Responsibilities of the Board	<p>Complied.</p> <p>The Board provides entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. Refer Page/s 159</p>
A.1.3	Act in accordance with laws of the country	<p>Complied.</p> <p>Refer Page/s 163</p>
A.1.4	Access to advice and services of the Company Secretary Availability of Directors' and Officers' Liability Insurance	<p>Complied.</p> <p>All Directors are able to obtain the advice and services of the Company Secretary. Refer Page/s 161</p> <p>The Company has obtained a Directors' and Officers' Liability Insurance for the Directors and KMP's. Refer Page/s 185</p>
A.1.5	Independent Judgement	<p>The Board comprises of senior professionals who are experts in their respective fields and use their independent judgement in discharging their duties and responsibilities on matters of strategy, performance, risk management, compliance and standards of business conduct. The composition of the Board ensures that there is a sufficient balance of power and contribution by all Directors which minimises the tendency for one or a few members of the Board to dominate the Board processes or decision-making. Refer Page/s 157 and 159</p>
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	<p>Complied.</p> <p>Board Meetings and Board Sub-committee meetings are scheduled well in advance and the relevant papers are circulated a week prior to the meeting using electronic means to ensure that Directors have sufficient time to review the same and call for additional information or clarifications if required. While there is provision to circulate papers closer to the meeting in exceptional circumstances, this is generally discouraged. Refer Page/s 166</p>

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	Principle	Level of Compliance
A.1.8	Board induction and training	Complied. Refer Page 169
A.2	Chairman and the Chief Executive Officer Separating the business of the Board from the executive responsibilities for management of the Company	Complied. The positions of Chairman and the CEO have been separated in line with the best practice in order to ensure balance of power and authority, such that no one individual has unfettered powers of decision Refer Page/s 160
A.3	Chairman's role in preserving good Corporate Governance	Complied. The Chairman provides leadership to the Board, preserving order and facilitating the effective discharge of the duties of the Board. He is responsible for ensuring the effective participation of all Directors and maintaining open lines of communication with KMPs acting as a sound Board on strategic and operation matters. Refer page 160 of the Report for Chairman's role.
A.4	Availability of financial acumen and knowledge to offer guidance on matters of finance	Complied. The Chairperson of the Board Audit Committee who is an independent director is a member of the Institute of Chartered Accountants of Sri Lanka and ensures sufficient financial acumen within the Board on matters of finance. The Board consists of several directors who are professionals with vast experience on matters of finance. Refer Directors' profiles on page 159
A.5	Board balance	Complied. The Board consists of 15 Directors of whom 10 Directors hold Non-Executive positions. Nine Directors out of the ten Non-Executive Directors are Independent Directors. All Non-Executive Directors have submitted Annual Declarations in terms of these rules declaring their independence/non-independence. There are no alternate directors appointed to represent the directors of the Company.
A.6	Provision of appropriate and timely information	Complied. Board members receive information regarding matters set before the Board a week prior to the meetings. The Chairman ensures that all Directors are properly briefed on same by requiring the presence of members of the Senior Management team when deemed necessary. Refer Page/s 166
A.7	Appointments to the Board, Nominations and Governance Committee	
A.7	Formal transparent procedure for the appointment of new Directors to the Board	Complied.
A.7.1	Composition of the Committee	Complied. Refer the Board Nominations and Governance Committee Report. Refer Page/s 191-192

Principle		Level of Compliance
A.7.2	Annual assessment of Board Composition	Complied. Refer Page/s 184
	Fit and Proper Assessment Criteria for Directors and CEO	Complied. Refer Page/s 185
A.7.3	Succession Planning for CEO and all KMPs	Complied. Refer Page/s 19
A.7.4	Disclosure to the Shareholders regarding the appointment of new directors to the Board.	Complied.
A.7.5	Identification of Chairman, Committee members and the functions of the Board Nominations and Governance Committee	Complied. Refer the Report of the Board Nominations and Governance Committee on page 191
A.7.6	Terms of Reference of the Committee	Complied. Refer Page/s 191
A.8	Re-election	
A.8 -A.8.3	Re-election of Non-Executive Directors	Complied. Approval of the Shareholder is obtained prior to the appointment of the Directors to the Board.
A.9	Appraisal of Board Performance	Complied. The Board Performance Evaluation Checklist was completed by all Directors (confidential survey) and the outcome was summarised and submitted to the Board nominations and Governance Committee for review purposes. The reviewed report was submitted to the Board. The performance evaluation of the Chairman was conducted at the meeting of the Non-Executive Directors chaired by the Senior Independent Director. The profiles of the Directors and the areas of their expertise including the other directorships/positions held by the Directors who are due to retire are submitted to the Board for review purposes.
A.10	Annual Report to disclose specified information regarding Directors	Complied. Refer Directors' profiles on pages 142-146 and Board Meetings on page 167
A.11	Appraisal of the Chief Executive Officer	Complied. Annual appraisal of the CEO was conducted. Refer Page/s 185
B	Directors' Remuneration	
B.1	Remuneration Procedure	Complied. The following Board approved policies are in place; - Remuneration Policy for all employees. - A policy on Remuneration for Non-Executive Directors.

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	Principle	Level of Compliance
B.2	Remuneration Committee	Complied. Terms of Reference is in place. Refer Report of the Board Remuneration Committee on page 190
B.3	Disclosure of Remuneration	Complied. Refer Report of the Board Remuneration Committee on page 190 and the aggregate remuneration paid to Directors on page 334
C	Relations with Shareholders	
C.1	Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings	Complied.
C.2	Effective Communication with Shareholders	Complied.
C.3	Major and Material Transactions	Complied.
D	Accountability and Audit	
D.1	Financial and Business Reporting (the Annual Report)	Complied. Refer the following Reports : <ul style="list-style-type: none"> • Chief Executive Officer's and Chief Financial Officer's Responsibility Statement on page 203 • Statement of Directors' Responsibility in Financial Reporting on page 202 • Statement on Risk Management and Internal Control on page 204 • Independent Auditors' Report on page 215 • Related Party Transactions (i) Note 44 in the Financial Statements (ii) Report of the RPTRC on page 195
D.2	Risk Management and Internal Control	Complied. A Board approved Risk Management Framework is in place. Refer Page/s 40-49
D.3	Audit Committee	Complied. Refer Report of the Board Audit Committee on pages 193-194
D.4	Risk Committee	Complied. Refer Report of the Board Risk Management Committee on pages 196-197
D.5	Related Party Transactions Review Committee	Complied. Refer Report of the Related Party Transactions Review Committee on page 195
D.6	Code of Business Conduct and Ethics	Complied. Refer Page/s 163-164
D.7	Corporate Governance Disclosures	Complied. Refer Corporate Governance Report on pages 154-179
E	Institutional Investors	Complied.
F	Other investors	Not applicable
G	Internet of Things and Cyber security	Refer 'IT and Cyber risks' in the Corporate Governance Report on page 163
H	Sustainability : ESG Risk and Opportunities	Refer Pages 21 to 27 of the Annual Report.

Principle	Level of Compliance
I Establishment and Maintenance of Policies	<p>The Board has established the following policies as at the date of this report;</p> <ul style="list-style-type: none"> - Policy on Corporate Governance, Nominations and Re-election - Remuneration Policy for Employees - Policy on Remuneration for Non-Executive Directors - Internal Code of Business Conduct and Ethics for all Directors and Employees - Risk Management Framework - Policy on Whistle-blowing - Policy on Anti-bribery and Corruption

Direction No. 02 of 2022 (Revised) - Corporate Governance Framework for Insurers issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) under Sec.96 (A) of the Insurance Act No. 43 of 2000

The status of compliance with Direction No.02 of 2022 issued by the IRCSL given below.

Section	Requirement	Level of Compliance Reference/Page No/s
A	Code of Best Practice on Corporate Governance 2017 issued by the CA Sri Lanka (amended as the Code of Best Practice on Corporate Governance 2023)	Compliance Status is given on pages 171-175 in the Corporate Governance Report
B	1. Minimum Number of Directors	At least 2 members of the Board should be citizens and residents in Sri Lanka Complied Refer Page 159
	2. Service Period of Non-Executive Directors	The total period of service of a Non-Executive Director should not be more than 9 years. However, this rule is not applicable for Major Shareholder Director and Technical Director. Complied Refer Page 159
	3. Age of Directors	(i) Age of person who serves as Director shall not exceed 75 years. (ii) A person who serves as a Director and is over 75 years of age or above as at 01.07.2019 may continue to serve as a Director till 30.06.2022. Complied Refer Page 159 Not applicable
	4. Section 7.10 of the Listing Rules of the Colombo Stock Exchange (or any amendments made thereto) pertaining to Corporate Governance	Status of Compliance with Section 9 of the Rules of the CSE where applicable Complied
	5. Other Company Directorships	Total Number of directorships in other companies should not exceed 20. Complied
	6. Demonstration of the level of compliance with the Direction in the Annual Report.	Level of Compliance with the Direction Annual Report to be available in the official website of the Company within 5 months after the Balance Sheet Date Complied Refer table and the Company website www.ceylincolife.com

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Section	Requirement	Level of Compliance Reference/Page No/s
7. Enforcement procedure on Non-Compliance with the Corporate Governance Requirements	The Insurer shall rectify its non-compliance in respect of items B. 1-6 referred above within 3 months from the date of non-compliance and inform IRCSL.	Not applicable
8. Certification and written confirmation to IRCSL	(a) Certification from the Company Secretary – continuation of the Director/s beyond the age of 70 years (b) Written confirmation from the Company Secretary that the continuation of a director , beyond the age of 70 years is not prohibited by the Articles of Association of the Insurer and that such Insurer complies with the provisions of the Companies Act	Complied Complied

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Compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange [CSE] on Corporate Governance (amended Rules in lieu of Section 7.10 of the CSE Listing Rules)

The status of compliance with Section 9 of the Listing Rules of the CSE is given below.

Section	Requirement	Level of Compliance/Reference/Page No/s
9.2	Policies	
9.2.1	Companies to establish and maintain the policies as per the Rules.	The following policies were established by the Company as at date. <ul style="list-style-type: none"> - Policy on Corporate Governance, Nominations and Re-election - Remuneration Policy for Employees - Policy on Remuneration for Non-Executive Directors - Internal Code of Business Conduct and Ethics for all Directors and Employees - Risk Management Framework - Policy on Whistle-blowing - Policy on Anti-Bribery and Corruption
9.2.2	Waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions	No waivers were required.
9.2.3	Disclosure in the Annual Report	List of the above policies are disclosed.
9.2.4	Availability of the policies to the shareholders upon written request.	Will be complied

Section	Requirement	Level of Compliance/Reference/Page No/s
9.3	Board Committees	
9.3.1	Establishment and maintenance of the Board Sub-committees	Complied. The Company has established the following Board Sub-committees; <ul style="list-style-type: none"> - Board Nominations and Governance Committee - Board Remuneration Committee - Board Audit Committee - Board Risk Management Committee - Related Party Transactions Review Committee
9.3.2	Compliance with the composition, responsibilities and disclosures in respect of the above committees	Complied Refer Page/s 190-197
9.3.3	The Chairperson of the Company shall not be the Chairperson of the above Committees	Complied Refer Directors' Profiles on Pages 142-146
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Complied
9.4.1	Maintenance of records of all resolutions and information required in terms of these rules upon a resolution being considered at any General Meeting of the Company	Complied
9.6	Chairperson and CEO	
9.6.1	The Chairperson of every company to be a Non-Executive Director, unless otherwise a Senior Independent Director is appointed.	Complied.
9.6.3(a) / 9.6.4	Appointment of an Independent Director as the SID	Complied. The SID was appointed since the Chairman of the Company is an Executive Director.
9.6.3(b) & (d)	Independence Directors' meetings chaired by the SID to discuss matters and concerns relating to the Company and the operations of the Board and the SID to provide feedback to the Chairperson and other Board Members.	Complied. Refer 'Statement of the Senior Independent Director' on Page 155
9.6.3(c) & (d)	The SID to chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and as deemed necessary	Complied. Refer Page 185
(e)	The SID to make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.	Complied. Refer Statement of the Senior Independent Director on page 155
9.7	Fitness of Directors and CEOs	
9.7.1 -4	Ensuring Fitness and Propriety of Directors by the Board Nominations and Governance Committee and obtaining the Declarations as per the rules.	Complied. All Directors have submitted Declarations and same were tabled at the Meeting of the Board Nominations and Governance Committee and assessed.

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Section	Requirement	Level of Compliance/Reference/Page No/s
9.7.5	Disclosure in the Annual Report	Complied. Refer Annual Report of the Board of Directors and the Corporate Governance Report on pages 180-189 and 154-179 respectively.
9.8	Board Composition	
9.8.1	The Board to consist of minimum 5 Directors	Complied. The Board consists of 15 Directors Refer Page 157
9.8.2	Minimum number of Independent Directors in the Board (2 or 1/3 of the total number of Directors of the Company)	Complied. The Board consists of 9 Independent Directors out of 15 Directors. Refer Page 157
9.8.3-5	Criteria for Determining Independence and submitting of Declarations	Complied. Each Independent Director has submitted a signed Declaration in terms of these rules and the annual determination was conducted and the necessary disclosures were made in the Annual Report. Refer Annual Report of the Board of Directors and the Corporate Governance Report on pages 180-189 and 154-179 respectively.
9.9	Alternate Directors	Alternate Directors were not appointed by the Company during the year.
9.10	Disclosures relating to Directors	
9.10.4	Disclosures in the Annual Report	Complied. Refer Directors' Profiles on Page/s 146-147 and Meeting Attendance on Page 167
9.11	Nominations and Governance Committee	
9.11.1-3	Policy on appointment of new Directors and re-election of Directors to the Board and Terms of Reference of the Committee	Complied. Refer Page/s 191-192
9.11.4	Composition of the Committee	Complied. The Committee consists of 3 Independent Non-Executive Directors and the Chairman is an Independent Director. Refer Page 191
9.11.5	Functions	Complied as mentioned in the Report of the Board Nominations and Governance Committee on page 191
9.11.6	Disclosure in the Annual Report	Complied Refer the Report of the Board Nominations and Governance Committee. Refer Page/s 191-192
9.12	Remuneration Committee	
9.12.1-4	Remuneration Committee and Remuneration Policy	Complied.
9.12.5	Terms of Reference of the Committee	Complied. Refer Page 190

Section	Requirement	Level of Compliance/Reference/Page No/s
9.12.6	Composition of the Committee	Complied The Committee consists of 3 Independent Non-Executive Directors and the Chairman is an Independent Director. Refer Page 190
9.12.7	Functions	Complied as mentioned in the Report of the Board Remuneration Committee. Refer Page 190
9.12.8	Disclosure in the Annual Report	Complied Refer the Report of the Board Remuneration Committee. Refer Page 190
9.13	Audit Committee	
9.13.1	Requirement of Audit Committee to perform risk functions in the event of the Company not having a separate Risk Committee	Complied. The Company has established a Board Risk Management Committee which is in compliant with these rules. Refer Page 196
9.13.2	Availability of a Terms of Reference of the Audit Committee	Complied
9.13.3	Composition	The Committee comprises of 3 Independent Non-Executive Directors and the Chairperson of the Committee is an Independent Director who is a Member of a recognised professional accounting body. The Committee meets on a quarterly basis to recommend the financial statements. Refer Page 193
9.13.4	Functions	Complied. Refer the Report of the Board Audit Committee. Refer Page/s 193-194 Functions relating to the Board Risk Management Committee were discussed in the Report of the Board Risk Management Committee.
9.13.5	Disclosure in the Annual Report	Complied. Refer the Report of the Board Audit Committee on pages 193-194
9.14	Related Party Transactions Review Committee	
9.14.1	Availability of a Related Party Transactions Review Committee	Complied
9.14.2	Composition	Complied. The Committee consists of 3 Non-Executive Directors of whom 2 Directors are Independent Non-Executive Directors. The Chairman of the Committee is an Independent Non-Executive Director. Refer Page 195
9.14.3	Functions	Complied as mentioned in the Report of the Related Party Transactions Review Committee. Refer Page 195 A Board approved Related Party Transactions Policy and Procedure is in place.
9.14.4-5	General Requirements	Complied.
9.14.6	Transactions required Shareholder approval	There were no transactions which required shareholder approval during the period under review.
9.14.8	Disclosures in the Annual Report	Complied. Refer Page 195

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Annual Report of the Board of Directors

1. INTRODUCTION


The Board of Directors of Ceylinco Life Insurance Limited (CLIL) takes pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st December 2023.

This report covers the statutory requirements and directions of the Companies Act, No. 07 of 2007, the Insurance Industry Act No. 43 of 2000 and its amendments thereon, Direction

No.02 of 2022 (Revised) on Corporate Governance Framework for Insurers issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) and the Voluntary adherence to the recommended best practices on Corporate Governance as per the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka. This report was approved by the Board of Directors on 22nd February 2024. The appropriate number of copies of the

Annual Report will be submitted to the IRCSL and to the Sri Lanka Accounting and Auditing Standards Monitoring Board within the statutory deadlines.

The following table depicts the information disclosed in this report as required by Section 168 of the Companies Act No. 07 of 2007;

Reference to the sections of the Companies Act No. 07 of 2007	Information required to be disclosed as per the Companies Act	 Reference to the pages in the Annual Report
Section 168 (1) (a)	The nature of the business of the Company together with any changes thereof during the accounting period.	180-181
Section 168 (1) (b)	Signed Financial Statements of the Company for the accounting period completed in accordance with Section 152.	217-335
Section 168 (1) (c)	Independent Auditors' Report on the Financial Statements of the Company.	215-216
Section 168 (1) (d)	Accounting Policies of the Company and any changes therein.	224-335
Section 168 (1) (e)	Particulars of the entries made in the Interests Registers of the Company during the accounting period	185
Section 168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	332
Section 168 (1) (g)	The total amount of donations made by the Company and its subsidiaries during the accounting period.	182
Section 168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during the accounting period.	181,183-184
Section 168 (1) (i)	Separate disclosure on amounts payable to the Auditors as audit fees and fees for other services rendered during the accounting period by the Company.	306
Section 168 (1) (j)	Auditors' relationship or any interest with the Company.	183
Section 168 (1) (k)	Acknowledgement of the contents of this report/Signatures on behalf of the Board of Directors.	187

2. REVIEW OF THE BUSINESS

2.1 FORMATION

CLIL is a Public Company with limited liability, incorporated on 22nd April 2014, bearing Registration No. PB 5183, licensed as an insurance company by the Insurance Regulatory Commission of Sri Lanka (IRCSL) to carry on long-term life insurance business, under the Regulation of Insurance Industry Act No. 43 of 2000 (as amended). The Company was incorporated as a legal requirement that arose out of Section 53 of an amendment to

the said Act, which required segregating the long term and general insurance business from the composite insurance Companies. The Company is domiciled in Sri Lanka and the registered office and the Head Office is situated at No. 106, Havelock Road, Colombo 05.

2.2 CORPORATE VISION, PURPOSE AND VALUES

The Company is strategically aligned to its Vision and Purpose which are set out on

page 11 of the Annual Report. The Board of Directors and the employees collectively conduct their activities adhering to the highest level of ethics reflecting their unwavering commitment to maintain high standards of business conduct and transparency.

2.3 PRINCIPAL ACTIVITY

The Company's principal activity is underwriting all classes of Life Insurance, which has remained unchanged since it

received the license to carry out its business as a long-term insurance provider by the IRC SL on 01st June 2015.

The Directors declared that the Company did not engage in any activity, which contravenes with laws and regulations of the country during the said period.

The ultimate Holding Company is Ceylinco Insurance PLC. Subsidiaries of the Company as of 31st December 2023 were Serene Resorts Limited and Ceylinco Healthcare Services Limited. Citizens Development Business Finance PLC and Kings Hospital Colombo (Pvt) Ltd were Associate Companies of CLIL.

Ceylinco Healthcare Services Limited

CLIL holds a 99.60% stake and the registered number of the Company is PB 135.

Ceylinco Healthcare Services Limited was established in 2000 and it is one of the most specialised cancer care hospitals in Sri Lanka, with the latest state-of-the-art equipment and services.

Serene Resorts Limited

CLIL holds a 98.88% stake and the registered Number of the Company is PB 19.

Serene Resorts Limited seeks to provide assisted retirement living facilities for the elderly population of the country by establishing a retirement home.

2.4 REVIEW OF OPERATIONS OF THE COMPANY

The Reflection from the Chairman given on pages 28-29, the Managing Director/CEO's Review on pages 31 to 33 and the 'Strategy Development and Integration' on pages 63 to 68 together with the Audited Financial Statements provide an overall review of the business performance and the state of affairs of the Company together with the important events which took place during the year under review as required by Section 168 of the Companies Act No.07 of 2007 and the recommended best accounting practices.

The Company has an established presence across the country covering all districts. As at the end of the year under review, there were 127 branches.

The sector-wise contribution to the Company's revenue, results, assets and liabilities is disclosed in Note 05 to the Financial Statements on pages 227 to 234.

2.5 FUTURE DEVELOPMENTS

Likely future developments of the business are discussed in the Chief Executive Officer's Review on pages 31-33. The Company has taken into cognisance the wider developments in the business environment and demographic changes which has increased the need for insurance and retirement planning in the country. In this context the Company has set in place a strategic plan which aims to affirm its market leadership position to reach its strategic objectives.

3. FINANCIAL STATEMENTS OF THE COMPANY

3.1 DIRECTOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors assume the responsibility for the preparation and presentation of the Financial Statements, which reflect a true and fair view of the state of affairs of the Company. The Directors are of the view that the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Significant Accounting Policies and Notes thereto appearing on pages 224 to 235 have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto, Rules and Regulations of the Insurance Regulatory Commission of Sri Lanka. The said Accounting Policies adopted in the Financial Statements, are given on pages 224 to 235 as required by the Section 168 (1) (d) of the Companies Act No. 07 of 2007.

The Statement of Directors' Responsibility appearing on page 202 forms an integral part of this Report.

The Financial Statements of the Company, for the year ended 31 December 2023, duly certified by the Senior Executive Director/CFO, recommended by the Board Audit Committee, approved by the Board of Directors and signed by the Chairman and Managing Director/CEO, in compliance with the requirements of Sections 151, 152 and 168 (1) (b) of the Companies Act No. 07 of 2007 are given on pages 217 to 335 of this Annual Report.

3.2 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The accounting policies adopted by the Company during the preparation of the Financial Statements are depicted on pages 224 to 335. The Board of Directors wishes to confirm that there were no material changes in the accounting policies adopted by the Company, during the year under review vis-a-vis the previous year.

3.3 GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these Financial Statements. The Directors are not aware of any material uncertainties that may create a significant impact on the Company's ability to continue as a going concern. The Company has committed itself to honour the medical and life insurance claims of its policyholders considering the best interest of all policyholders.

3.4 EVENTS OCCURRING AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

The payment of the first and final dividend of Rs. 15/- per share for the year ended 31 December 2023 will be submitted for approval by the shareholders at the forthcoming Annual General Meeting to be held on 28th March 2024. More information with regard to the dividend is given on Note 45 to the Financial Statements on page 334.

No material events have taken place after the reporting date, which require an adjustment to or a disclosure in the Financial Statements, except for the aforesaid proposed transaction.

Delivering Protection

Annual Report of the Board of Directors

The relevant disclosure is given under Note 45 to the Financial Statements on page 334.

3.5 CONTINGENCIES

There were no contingent liabilities of the Company except for the disclosure made under Note 42 of the Financial Statements as of the reporting date.

4. FINANCIAL RESULTS AND APPROPRIATIONS

4.1 GROSS WRITTEN PREMIUM

The Gross Written Income of the Company for year 2023 was Rs. 33.4 Bn (Rs.29.16 Bn in 2022). The sources of external operating income, net operating profit and asset allocation of the Company together with their proportions are given in Note 26 to the Financial Statements on page 229-301.

4.2 PROFITS AND APPROPRIATIONS

The Profit before Tax of the Company amounted to Rs. 8.44 Bn in 2023 (Rs.9.91Bn in 2022) marking an decrease of 14.85%. Further, the Net Profit after Tax of the Company amounted to Rs. 5.8 Bn in 2023 (Rs.7.63 Bn in 2022), indicating an decrease of 23.98%.

On this basis, the dividend payout ratio amounts to 12.93% in 2023, compared to 11.96% in the year 2022.

4.3 DIVIDENDS ON ORDINARY SHARES

For the year ended 31 December,	2023	2022
	Rs.000'	Rs.000'
Profit Before Taxation (PBT)	8,439,753	9,911,580
Income Tax Expenses	2,637,920	2,279,803
Profit for the Year	5,801,833	7,631,775
Dividends Proposed /Paid	750,001	912,501

The Board of Directors proposed a first and final dividend of Rs. 15/- per share (Rs. 18.25 in 2022) amounting to a total sum of Rs. 750 Mn for the year ended 31st December 2023 on the issued and fully paid ordinary shares of the Company, subject to the approval of

the shareholder at the forthcoming Annual General Meeting to be held on 28th March 2024 and subject to the directions issued by the Insurance Regulatory Commission of Sri Lanka. Further, Rs. 4.9 Bn (net of dividend) was transferred during the year to retained earnings.

The Board was satisfied that the Company would meet the solvency test after the declaration of the aforesaid dividend and subject to obtaining a solvency certificate from the Company's Auditors to that effect. The Board authorised the distribution, in terms of Section 56 of the Companies Act No. 07 of 2007.

4.4 RESERVES

A summary of the Company's reserves is given below;

Total reserves of the Company stood at Rs. 54.37 Bn as at 31st December 2023. This includes the Restricted Regulatory Reserve of Rs. 3.46 Bn recognised in compliance with the IRCSL Direction 16 on Identification and Treatment of One-off Surplus. Information on the movement of reserves is given in the Statement of Changes in Equity on page 221 and the Note 21 to the Financial Statements on pages 289 to 292.

4.5 TAXATION

Tax expense has been computed at the rates given in Note 35 to the Financial Statements, appearing on pages 307 to 308 of this report.

4.6 PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment of the Company, as at the reporting date amounted to Rs.12.82 Bn. Total capital expenditure during the year for the acquisition of property, plant and equipment by the Company, amounted to Rs. 423 Mn. More information on Property, Plant and Equipment is given in Notes 7 to the Financial Statements on pages 236 to 249.

Specific information on the extent, location and the valuation of the land and buildings held by the Company are given in Notes 7 (i) to the Financial Statements on pages 242 to 249.

The details of capital expenditure approved and contracted for are given in Note 7(c) to the financial Statements on pages 241.

4.7 MARKET VALUE OF LAND AND BUILDINGS

The Company carried out a re-valuation of all its freehold land and buildings as at 31 December 2023. The revaluation of the land and buildings of the Company was carried out by professionally qualified independent valuers and the Board of Directors of the Company is of the opinion that the revalued amounts are not in excess of the current market values of such properties.

Details of the market value (re-valued amounts) of freehold properties of the Company are given in Note 7 (i) to the Financial Statements on pages 242 to 249.

The next revaluation exercise on the freehold land and buildings of the Company will be carried out as at 31st December 2024.

4.8 INVESTMENTS

Total investments of the Company and other equity investments amounted to Rs. 198.1 Bn as of 31st December 2023.

4.9 PROVISIONS, LIABILITIES AND CAPITAL COMMITMENTS

The Directors have taken all reasonable steps to ensure that adequate provisions were made for all known liabilities and commitments.

4.10 DONATIONS

During the year, the Company has not made any contributions to charities or other donations. The CSR initiatives of the Company are detailed under 'Social Responsibility – Resilient Community' on pages 135 to 139.

5. INVESTOR RELATIONS

5.1 STATED CAPITAL

The stated capital is the total of all amounts received by the Company, in respect of the issue of shares. The stated capital of the Company, as at 31 December 2023, amounted to Rs. 500,000,500.00 (Five Hundred Million and Five Hundred Rupees), which is represented by issued and fully paid 50,000,050 ordinary shares.

The Company has not purchased its own shares during the year under review.

5.2 SUBSTANTIAL SHAREHOLDING

The Company is a fully owned subsidiary of Ceylinco Insurance PLC. The Company has issued 50,000,050 ordinary shares to the said Sole Shareholder of the Company. Information relating to dividends and net assets per share are stated under Note 37 and 38 to the Financial Statements on pages 309 to 310.

5.3 INFORMATION ON RATIOS, NET ASSET VALUE OF SHARES

Ratios relating to dividends, net assets, Net assets value price per share are presented below.

	2023	2022	%
Dividend per share (Rs.)	15	18.25	(17.81%)
Dividend Payout (Rs. Mn)	750	912.50	(17.81%)
Net assets value per share (Rs.)	1,087.47	987.98	10.07%

5.4 ISSUE OF SHARES OR DEBENTURES

During the year the Company has not raised any funds either through a public issue, right issue, debenture issue or through a private placement.

6. APPOINTMENT AND REMUNERATION OF INDEPENDENT AUDITORS

6.1 APPOINTMENT OF AUDITORS AND THE AUDIT REPORT

The Company's Independent External Auditors, Messrs. Ernst and Young, Chartered Accountants, who were re-appointed by a resolution passed at the 9th Annual General Meeting, have carried out an audit on the Financial Statements of the Company for the year ended 31 December 2023. The Auditors' Report issued thereon, is given on pages 215 to 216 as required by Section 168 (1) (c) of the Companies Act No. 07 of 2007.

A resolution will be proposed to the shareholder at the forthcoming Annual General Meeting for the approval pertaining to their re-appointment and to authorise the Directors to determine their remuneration.

6.2 AUDITORS' REMUNERATION

The fees paid to the Auditors are disclosed in Note 33 (b) in the Financial Statements.

6.3 AUDITORS' INDEPENDENCE

A confirmation of Independence has been provided by Messrs. Ernst & Young as required by the Section 163 (3) of the Companies Act No. 07 of 2007, in connection with the audit for the year ended 31 December 2023, confirming that Ernst & Young is not aware of any relationship or interest in the Company or any subsidiary audited by Ernst & Young, that in their judgment, may reasonably be thought to have an impairment on their independence

within the meaning of the Code of Professional Conduct and Ethics issued by CA Sri Lanka, applicable as at the reporting date.

7. THE BOARD OF DIRECTORS

7.1 INFORMATION ON DIRECTORS OF THE COMPANY

The Board of Directors of the Company as at 31st December 2023 consisted of 15 Directors with a wide knowledge and experience on economic, financial, banking, IT, legal, commercial, HR, marketing, engineering and medical as detailed in the Board of Directors' profiles on pages 142 to 146.

Names of the Directors of the Company during and as at end of 31st December 2023, as required by Section 168 (1) (h) of the Companies Act No. 07 of 2007 are given below;

Name of the Director	Status
Mr R Renganathan	Executive Chairman
Mr E T L Ranasinghe	Managing Director/ Chief Executive Officer
Mr P D M Cooray	Senior Executive Director/Head of HR and Training
Mr P A Jayawardena	Senior Executive Director/Chief Financial Officer
Mr S R Abeynayake	Executive Director/Chief Operating Officer
Mr D H J Gunawardena (Retired on 22.04.2023)	Non-Independent Non-Executive Director
Mr R S W Senanayake (Retired on 22.04.2023)	Non-Independent Non-Executive Director
Mr J A Setukavalar (Retired on 22.04.2023)	Independent Non-Executive Director
Prof. W M M De Silva (Retired on 22.04.2023)	Independent Non-Executive Director
Dr. B G S De Silva (Retired on 22.04.2023)	Independent Non-Executive Director
Mr H S B Caldera (Retired on 22.04.2023)	Independent Non-Executive Director
Ms. A K Seneviratne (Retired on 22.04.2023)	Independent Non-Executive Director
Dr L J S Harsha Cabral PC (Appointed w.e.f. 22.04.2023)	Independent Non-Executive Director /Senior Independent Director
Mr J Durairatnam	Independent Non-Executive Director
Mr W W L R A Fernando	Independent Non-Executive Director
Mr O G V J Senanayake	Independent Non-Executive Director
Mr H M Hennayake Bandara (Appointed w.e.f. 22.04.2023)	Independent Non-Executive Director
Mr E R C Moraes (Appointed w.e.f. 22.04.2023)	Independent Non-Executive Director
Mr M Ismail (Appointed w.e.f. 22.04.2023)	Independent Non-Executive Director
Ms R J Moraes (Appointed w.e.f. 22.04.2023)	Independent Non-Executive Director
Prof S K Chandrasekera (Appointed w.e.f. 22.04.2023)	Non-Independent Non-Executive Director
Ms A A Ludowyke (Appointed w.e.f. 01.07.2023)	Independent Non-Executive Director

Annual Report of the Board of Directors

7.2 DIRECTORS OF THE SUBSIDIARY COMPANIES

Ceylinco Healthcare Services Limited		Serene Resorts Limited	
Mr. R Renganathan	- Chairman	Mr. R Renganathan	- Chairman
Mr. E T L Ranasinghe	- Director	Mr. E T L Ranasinghe	- Director
Mr. P A Jayawardena	- Director	Mr. P D M Cooray	- Director
Mr. E R S G S Hemachandra	- Director	Mr. P A Jayawardena	- Director
Prof. M M R W Jayasekara	- Director	Mr. S R Abeynayake	- Director
		Mrs R M U K Ratnayake	- Director
		Mr A H R Udayasiri	- Director

7.3 CHANGES TO THE BOARD OF DIRECTORS

Seven Non-Executive Directors namely Mr D H J Gunawardena, Mr R S W Senanayake, Mr J A Setukavalar, Prof. Emeritus W M M De Silva, Dr B G S De Silva, Mr S Caldera and Ms A K Seneviratne retired from the Board on 22nd April 2023 in terms of Section B.2. of Direction No. 02 of 2022 (Revised) dated 25th February 2022 issued by the Insurance Regulatory Commission of Sri Lanka.

The following Directors were appointed to the Board with the approval of the IRCSL;

- Five Independent Non-Executive Directors, Dr Harsha Cabral PC, Mr H M Hennayake Bandara, Mr E R C Moraes, Mr M Ismail and Ms R J Moraes and one Non-Independent Non-Executive Director, Prof S K Chandrasekera appointed w.e.f. 22nd April 2023.
- Ms A A Ludowyke, Independent Non-Executive Director appointed w.e.f. 1st July 2023

Alternate Directors were not appointed to the Board during the year under review.

Retirement and Re-election

- In accordance with Section 210 read with 211 of the Companies Act No. 07 of 2007, Mr. R Renganathan will retire and be eligible to be re-elected as a Director at the forthcoming Annual General Meeting of the Company. Mr. Renganathan will be 71 years of age in September 2024. The shareholder's approval shall be sought by way of an ordinary resolution at the forthcoming Annual General Meeting of the Company, resolving that Section 210 of Companies Act No. 07 of 2007, shall not apply to Mr. R Renganathan, however subject to the provisions of "Revision to Direction No. 02 of 2022 – Corporate Governance Framework for Insurers" issued on 25th February 2022 by the IRCSL.
- In terms of Articles 18(B) of the Articles of Association, one third of the Non-Executive Directors are required to retire by rotation at each Annual General Meeting. Article 18 (B) provides that the Directors to retire by rotation at an AGM shall be those who (being subject to retirement by rotation) have been longest in office, since their last election or appointment.

The aforesaid appointments were considered by the Board Nominations and Governance Committee of the Company at their meeting held on 8th February 2024 and recommended to the Board of Directors to notify to the Shareholder. The Board recommended at their meeting held on 22nd February 2024, the re-election of the following Directors after considering the recommendations of the Board Nominations and Governance Committee.

- Mr J Durairatnam
- Mr W W L R A Fernando
- Mr O G V J Senanayake

More details are given on page 356 under the 'Notice of the AGM'.

7.4 DIRECTORS MEETINGS

Five Regular meetings of the Board of Directors were held during the year. The details of the Board and Board Sub-committee meetings and the attendance of Directors at these meetings, are given on page 167 and in the respective Committee reports on pages 190 to 199.

7.5 BOARD SUB-COMMITTEES

The Board of Directors of the Company has formed the following five (05) Board Sub-committees in terms of the Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

- Board Nominations and Governance Committee
- Board Remuneration Committee
- Board Audit Committee
- Board Risk Management Committee
- Related Party Transactions Review Committee

The Board has formed a Board Investment Committee on a voluntary basis to assist the Board of Directors. These Sub-committees play a critical role in ensuring that the activities of the Company are conducted with the highest ethical standards and in the best interest of all its stakeholders. The terms of reference of these Sub-committees conform to the recommendations made by various regulatory bodies such as IRCSL, The Institute of Chartered Accountants of Sri Lanka and the CSE.

The Composition of Board Sub-committees as at 31 December 2023 are tabulated in the respective Committee reports on pages 109 to 199.

7.6 DECLARATIONS BY NON-EXECUTIVE DIRECTORS

All Non-Executive Directors have submitted signed declarations confirming their independent/ non-independent status in compliance with Rule 9.8.5 of the CSE Rules on Corporate Governance as well as in compliance with Principle A.5.5 of the Code of Best Practice on Corporate Governance

issued by CA Sri Lanka and the Board determined that nine Non-Executive Directors were independent by nature (Refer page 184) based on the Directors' Declarations submitted and the other information available to the Company.

7.7 DECLARATIONS BY DIRECTORS AND CEO – 'FIT AND PROPER' STATUS

In terms of Section 9.7.4 of the CSE Rules and Principle A.7.2 of the Code of Best Practice on Corporate Governance 2023, both the Executive Directors (including Managing Director/CEO) and Non-Executive Directors submitted declarations confirming their fit and proper status in terms of the above rules and regulations and the Board noted that all the Directors of the Company comply with the above criteria.

7.8 LIST OF DIRECTORSHIPS OF THE DIRECTORS IN OTHER ENTITIES

Directorships held by the Directors in other entities as at 31 December 2023 are provided in the Annexure that follows this Report of the Directors. The list has also identified the status of directorships (executive/ non-executive/ independent status) and the status where an entity is a listed entity.

7.9 APPRAISAL OF BOARD PERFORMANCE

The Board carried out an annual self-evaluation of its own performance and that of the Sub-committees to ensure that they discharge their duties and responsibilities satisfactorily in terms of the Code of Best Practice on Corporate Governance and the CSE Rules. The results of the evaluation for the year under review were discussed at the Board Meeting held in 22nd February 2024 and those evaluations are maintained with the records of the Company.

The Senior Independent Director at a meeting of the Non-Executive Directors held on 8th February 2024, appraised the performance of the Chairman and the Board of Directors assessed the performance of the Managing Director/CEO based on the criteria agreed at the beginning of the year which consists of short, medium and long-term objectives

as required in the Code of Best Practice on Corporate Governance.

7.10 REMUNERATIONS AND OTHER BENEFITS OF DIRECTORS

Directors' remuneration in respect of the Company for the financial year ended 31st December 2023 is given in Note 44 (iv)d to the Financial Statements as required by Section 168 (1) (f) of the Companies Act No. 07 of 2007.

7.11 ENTRIES IN THE INTEREST REGISTER

The Company maintains an Interest Register in compliance with the Companies Act No. 07 of 2007. All Directors have made declarations as required by Section 192 (1) and (2) of the Companies Act No. 07 of 2007.

7.12 DISCLOSURE OF DIRECTORS' DEALINGS IN SHARES

Neither shares nor debentures of the Company were held by the Directors of the Company during the year under review.

7.13 DIRECTORS INTEREST IN CONTRACTS OR PROPOSED CONTRACTS

The Directors of the Company have no direct or indirect interest in any contract or proposed contract with the Company, except for those specified, which have been disclosed and declared at meetings of Directors, as requested by Sec.192 of the Companies Act No.07 of 2007.

The Directors have disclosed all material interests in contracts in this Annual Report and have refrained from voting on matters in which they were materially interested.

7.14 RELATED PARTY TRANSACTIONS WITH THE COMPANY

The Company carried out transactions in the ordinary course of business at an arm's length basis with entities where a Director of the Company is the Chairman or a Director of such entities.

In addition, Related Party Disclosures as per Sri Lanka Accounting Standards are detailed

in Note 44 to the Financial Statement on pages 329 to 335 of this Annual Report and the report of the Related Party Transactions Review Committee given on page 195

There were no non-recurrent related party transactions exceeding 10% of the equity or 5% of the total assets whichever is lower or recurrent related party transactions exceeding 10% of the gross revenue/income requiring disclosure in the Annual Report.

The Board of Directors confirm that the Rules pertaining to Related Party Transactions have been duly complied with by the Company.

7.15 DIRECTORS' AND OFFICERS' INSURANCE

The Company has, during the financial year paid an insurance premium in respect of insurance policy for the benefit of the Company and the Directors and further details on the same are given in Note 44 (iii) (d) to the Financial Statements on page 332.

7.16 REGISTER OF DIRECTORS AND SECRETARIES

As required under Section 223 (1) of the Companies Act No. 07 of 2007, the Company maintains a Register of Directors and Secretaries, which contains information of each Director and the Company Secretary.

8. MINIMUM CAPITAL REQUIREMENTS

As per the Gazette dated 7th May 2013 issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) by its the minimum capital requirement for all insurance companies was increased to Rs. 500,000,000/- with effect from 11th February 2015. The Company has an issued and paid-up capital of Rs.500,000,500/- and has abided by this statutory requirement.

9. TOTAL AVAILABLE CAPITAL (TAC)

Insurance Companies are required to maintain a Total Available Capital of Rs.500,000,000/- as per solvency margin (Risk Adjusted Capital) rules imposed with effect from 01st January 2016. The Company maintains a TAC of Rs. 90 Bn as at 31st December 2023.

Annual Report of the Board of Directors

10. COMPLIANCE WITH REGULATIONS IMPOSED BY THE IRCSL AND OTHER STATUTORY AUTHORITIES

The Company has complied with all statutory requirements imposed by the IRCSL and has submitted all returns and information on the stipulated due dates in conformity with the rules and regulations. In addition, the Company complies with the Financial Transaction Reporting Act No. 06 of 2006.

11. TRANSITION TO NEW REGULATIONS

The Company has laid in place the necessary platform for transition to SLFRS 17 which will be effective from 01st January 2026 by educating all stakeholders. KPMG and Wills Towers Watson have been engaged as independent consultancy teams to assist the Company for a smooth transition. The Company had already completed the operational and impact analysis to the financial statements and the latest developments are given in detail under 'Financial Performance' on pages 76 to 93.

12. RISK MANAGEMENT AND INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Company's system of internal controls. The systems are designed to provide reasonable assurance that the assets of the Company are safeguarded and to ensure that proper accounting records are maintained. The Board of Directors, having reviewed the systems of internal control, is satisfied with the systems and measures in effect at the date of signing this Annual Report.

The Board Risk Management Committee reviews the policy development for risk management of the Company. Steps taken by the Company in managing risks are given on pages 40 to 49 under the topic of 'Enterprise Risk Management'.

13. SUSTAINABILITY

The Company has embedded sustainability into its strategic planning process and focusses on business expansion and growth in a sustainable and responsible

manner. More details are provided on pages 63 to 68.

14. HUMAN RESOURCES POLICY

The Company is committed to maintain a superior workplace which provides equal opportunities for individuals to grow and realise their potential irrespective of gender, race or religion. The Company's employee cadre as at 31st December 2023 was 740 (2022 – 752). The Company offers a comprehensive array of benefits including medical insurance under group cover for all confirmed employees. The Company has created an environment for growth and development by offering training and development opportunities. The Company's HR Policy and other details are given in 'Social Responsibility – Empowering Our People' on pages 123 to 134.

15. COMPANY ETHICS AND VALUES

All employees and Directors of the Company are strongly anchored on the Company's values when conducting their day-to-day operations. Furthermore, the Company has a Code of Ethics in place which has been communicated to all employees and Directors.

16. WHISTLEBLOWING POLICY

The Company has a whistle-blowing policy and all employees have been educated on this policy through relevant training programmes.

17. EQUITABLE TREATMENT FOR STAKEHOLDERS

The Directors declare that the Company has made all endeavors to ensure fair treatment for all stakeholders.

18. ENVIRONMENTAL PROTECTION

The Company has not engaged in any activity that was detrimental to the environment and has been in due compliance with all applicable laws and regulations of the country to the best of its ability. The Company has since 2017 committed to preserving the environment through its 'Go Green' initiatives with all branches and operations complying with green practices in conserving natural resources. These initiatives are detailed in

the 'Environmental Sustainability' section set out on pages 94 to 105.

19. STATUTORY PAYMENTS

The Board of Directors confirm that to the best of their knowledge and belief, all taxes, duties and levies payable by the Company and in respect of the employees of the Company and all other known statutory dues, that were due and payable by the Company, as at the reporting date have been paid or where relevant provided for.

20. OUTSTANDING LITIGATION

As per the opinion of the Board of Directors and the Lawyers of the Company, there will not be a significant impact on the financial position of the Company or its future operations from the pending litigation by and against the Company.

21. CORPORATE GOVERNANCE

The Board of Directors is committed towards maintaining an effective Corporate Governance Framework and implementing systems and structures as required to ensure best practices in Corporate Governance and their effective implementation. The Company's compliance with relevant sections of the Code of Best Practice on Corporate Governance together with the compliance with provisions of the Corporate Governance framework issued by IRCSL and Section 9 of the Rules of the Colombo Stock Exchange, is given on pages 171 to 179.

The Board has made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to the Directions of the Insurance Regulatory Commission of Sri Lanka, Rules of the Colombo Stock Exchange on Corporate Governance and Principles of the Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

22. TECHNOLOGY

The Company recognises digitalisation as a key enabler to business transformation. Over the last three years the Company has accelerated its digital initiatives to transition to a future ready organisation. Digital transformation will be a key strategic pillar which will drive the Company towards

process and customer service excellence. Key achievements for the year are detailed in the section 'Social Responsibility – Inclusive Protection' on pages 109 - 114.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a socially responsible corporate citizen, the Company carries out a range of CSR activities. The details of Corporate Social Responsibility activities are given under 'Social Responsibility- Resilient Communities' section on pages 135 to 139.

24. OPERATIONAL EXCELLENCE

The Company has significantly transformed its processes to reach operational excellence. This has derived many benefits to policyholders by enhancing service levels greatly. Technology has been a key enabler in reaching operational excellence.

25. ANNUAL GENERAL MEETING

The tenth Annual General Meeting of CLIL, will be held at the Board Room of Ceylinco Life Insurance Limited at No. 106, Havelock Road, Colombo 05 on 28th March 2024 at 2.30 p.m. The Notice of the AGM appears on page 356 of the Annual Report.

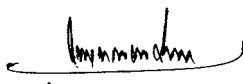
26. ACKNOWLEDGEMENT OF THE CONTENTS OF THE REPORT

As required by Section 168 (1) (k) of the Companies Act No. 07 of 2007, the Board of Directors hereby acknowledges the contents of the Annual Report.

Signed for and on behalf of the Board of Directors,



R Renganathan
Executive Chairman



P A Jayawardena
Senior Executive Director/CFO



K I Weththasinghe
Company Secretary

22nd February 2024
Colombo, Sri Lanka

Annexure to the Annual Report of the Board of Directors

Directorships/Positions in other entities

Director	Company in which Other Directorships/ Positions held	Status/Position
Mr R Renganathan – Executive Chairman	Ceylinco Insurance PLC*	Deputy Chairman/Non-Executive Director
	Ceylinco Healthcare Services Ltd	Non-Executive Chairman
	Serene Resorts Ltd	Non-Executive Chairman
	Kings Hospital Colombo (Pvt) Ltd	Non-Executive Director
	Golden Key Hospitals Ltd	Deputy Chairman/Executive Director
	CIESOT (Pvt) Ltd	Non-Executive Director
Mr E T L Ranasinghe – Managing Director/Chief Executive Officer	Ceylinco Insurance PLC*	Executive Director
	Ceylinco Healthcare Services Ltd	Director
	Serene Resorts Ltd	Director
	Kings Hospital Colombo (Pvt) Ltd	Non-Executive Director
Mr P D M Cooray – Senior Executive Director/ Head of Human Resources and Training	Ceylinco Insurance PLC*	Executive Director
	Serene Resorts Ltd	Executive Director
Mr P A Jayawardena – Senior Executive Director/Chief Financial Officer	Ceylinco Insurance PLC*	Non-Executive Director
	Ceylinco Healthcare Services Ltd	Non-Executive Director
	Serene Resorts Ltd	Non-Executive Director
	Kings Hospital Colombo (Pvt) Ltd	Non-Executive Director
Mr S R Abeynayake – Executive Director/Chief Operating Officer	Ceylinco Insurance PLC*	Non-Executive Director
	Serene Resorts Ltd	Non-Executive Director
Dr Harsha Cabral PC – Senior Independent Director	National Savings Bank	Chairman (Independent)
	Tokyo Cement Lanka PLC *	Chairman (Independent)
	Tokyo Cement Co. (Lanka) PLC *	Chairman (Independent)
	Tokyo Super Cement Co. Lanka (Pvt) Ltd	Chairman (Independent)
	Tokyo Cement Power Lanka (Pvt) Ltd	Chairman (Independent)
	Tokyo Eastern Cement Co. (Pvt) Ltd	Chairman (Independent)
	Tokyo Super Aggregate (Pvt) Ltd	Chairman (Independent)
	Tokyo Supermix (Pvt) Ltd	Chairman (Independent)
	Hayleys PLC *	Director (Independent)
	DIMO PLC *	Director (Independent)
	Alumex PLC *	Director (Independent)
	Chevron Lubricants Lanka PLC *	Director (Independent)
	World Export Centre Ltd	Director (Independent)
	Darley Property Holdings (Pvt) Ltd	Director (Independent)
	Sri Lanka Institute of Information Technology (Guarantee) Ltd.	Director (Independent)
	SLIIT International (Pvt) Ltd	Director (Independent)
	Nanadiriya (Guarantee) Ltd	Chairman (Independent)

Director	Company in which Other Directorships/ Positions held	Status/Position
	SLIIT UNI (Guarantee) Limited	Director (Independent)
Mr J Durairatnam – Independent Non-Executive Director	DFCC Bank PLC*	Chairman/ Independent Non-Executive Director
	Assetline Finance Ltd	Non-Executive Director
	Asian Hotels and Properties PLC*	Non-Executive Director
	Enviro Solutions (Pvt) Ltd	Non-Executive Director
Mr W W L R A Fernando - Independent Non-Executive Director	Nil	Nil
Mr O G V J Senanayake, Independent Non-Executive Director	Brandix	Group Chief Operating Officer – Digital Transformation
	Circle Ceylon Holidays (Pvt) Ltd	Non-Independent Non-Executive Director
	All Net Technologies (Pvt) Ltd	Non-Independent Non-Executive Director
Mr H M Hennayake Bandara - Independent Non-Executive Director	K Seeds Investment (Pvt) Ltd	Independent Non-Executive Director
Mr E R C Moraes - Independent Non-Executive Director	Nil	Nil
Mr M Ismail - Independent Non-Executive Director	ATS Consultants (Pvt) Ltd	Executive Director
	Hellibeas Racing (Pvt) Ltd	Independent Non-Executive Director
	Hellisports (Pvt) Ltd	Independent Non-Executive Director
	Proride (Pvt) Ltd	Independent Non-Executive Director
	M A M Holdings (Pvt) Ltd	Executive Director
Ms R J Moraes - Independent Non-Executive Director	Link Natural Products	Chief Executive Officer
Prof. S K Chandrasekera – Non-Independent Non-Executive Director	Kings Hospital Colombo (Pvt) Ltd	Managing Director
Ms A A Ludowyke - Independent Non-Executive Director	Seylan Bank PLC*	Independent Non-Executive Director
	Bogala Graphite PLC*	Independent Non-Executive Director

* Listed Entities

REPORT OF THE BOARD REMUNERATION COMMITTEE



E R C MORAES

Chairman – Board Remuneration Committee

COMPOSITION AND MEETINGS

The Committee comprised of the following Directors as at 31 December 2023;

Name	Category	Meeting Attendance
Mr E R C Moraes (Chairman) (appointed w.e.f. 27.04.2023)	Independent Non-Executive Director	2/2
Mr M Ismail (appointed w.e.f. 27.04.2023)	Independent Non-Executive Director	1/2
Ms R J Moraes (appointed w.e.f. 27.04.2023)	Independent Non-Executive Director	2/2

The Company Secretary functions as the Secretary to the Board Remuneration Committee. The Executive Chairman, Managing Director/Chief Executive Officer, Senior Executive Director/Chief Financial Officer (CFO) and/or Executive Director/Chief Operating Officer attend meetings by invitation.

PURPOSE OF THE COMMITTEE

The Committee was established to make recommendations to the Board on the Company's framework of remunerating the Chief Executive Officer, Executive Directors and guidelines for fair and transparent procedures for remunerating senior management including post-employment benefits as well as terminal benefits.

TERMS OF REFERENCE

The Committee's terms of reference outlines the composition, role and responsibilities of the Committee.

The Committee is committed towards upholding the principles of accountability and transparency ensuring that remuneration structures are fair and aligned with the performance of the Company and long-term interest of the shareholders.

KEY RESPONSIBILITIES

- ☛ Set the principles, parameters and governance framework of the Company's remuneration policy.
- ☛ Review the Human Resource policies and interventions, salary structures and incentive schemes
- ☛ Make recommendations to the Board regarding the Company's remuneration practices ensuring these are in line with the overall business strategy, objectives and long-term interests of the Company.
- ☛ Make recommendations to the Board regarding the remuneration of the Chairman, Managing Director/Chief Executive Officer and Executive Directors.

ACTIVITIES PERFORMED DURING THE YEAR 2023 AND AS AT THE DATE OF THIS REPORT

- ☛ Review of the Remuneration Policy of the Company in line with the latest developments in the market.
- ☛ Review of the Terms of Reference of the Committee.
- ☛ Establishment of Policy on Remuneration for Non-Executive Directors
- ☛ Discussed the findings of Employee survey "Great Place to Work" and recommended developments.
- ☛ Discussed Staff Benefits for Ceylinco Life's Employees.
- ☛ Discussed the Benefit scheme for the sales force and the permanent staff in line with the Company's 35th anniversary.

PROFESSIONAL ADVICE

The Committee is authorised to seek external professional advice on matters within its purview.

REMUNERATION PAID TO DIRECTORS

The remuneration paid to Directors during the year under review is disclosed in Note 44 (iv) (d) to the financial statements.

All Non-Executive Directors receive a fee for serving on the Board and Board Sub-committees. They do not receive any performance related incentive.

The Company does not have an Employee Share Ownership Plan for Directors and Key Management Personnel.

CONCLUSION

In 2024, the Company will continue to focus on introducing and strengthening HR policies, practices and systems in the area of performance management, employee recognition, strategic workforce planning and productivity, capability development, employee engagement and succession management.

The annual evaluation of the performance of the Committee was carried out by the Board and the Committee was deemed to be operating effectively.

E R C Moraes

Chairman – Board Remuneration Committee

22nd February 2024

REPORT OF THE BOARD NOMINATIONS AND GOVERNANCE COMMITTEE



DR. HARSHA CABRAL PC

Chairman – Board Nominations and Governance Committee

COMPOSITION AND MEETINGS

The Committee comprised of the following members during the year and as at 31 December 2023;

Name	Category	Meeting Attendance
Dr Harsha Cabral PC (Chairman) (appointed w.e.f. 27.04.2023)	Independent Non-Executive Director/ Senior Independent Director	1/1
Mr J Durairatnam	Independent Non-Executive Director	1/1
Ms A A Ludowyke (appointed w.e.f. 26.10.2023)	Independent Non-Executive Director	1/1
Mr. R Renganathan (ceased to be a member w.e.f. 26.10.2023)	Executive Chairman	3/3
Dr B G S De Silva (Retired on 22.04.2023)	Independent Non-Executive Director	3/3

The Company Secretary acts as the secretary to the Board Nominations and Governance Committee. The Chairman, Managing Director/CEO and the Senior Executive Director/Chief Financial Officer attend meetings by invitation.

PURPOSE OF THE COMMITTEE

The main purpose of the Committee is to assist the Board with making recommendations on Board appointments and on maintaining a balance of skills and experience on the Board and its committees and to review and recommend the overall Corporate Governance framework of the Company.

TERMS OF REFERENCE

The Committee is governed by the Terms of Reference which has been prepared in line with the Rules set out in the Rules of the Colomb Stock Exchange and the principles of the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. It provides an outline of the objectives, composition, role and responsibilities of the Committee.

KEY RESPONSIBILITIES

- ☛ Recommending to the Board the appointment of new Directors and Key Management Personnel and implementing approved procedures to select such personnel.
- ☛ Recommending the re-election of existing Directors who are over the age of 70 years.
- ☛ Recommending the retirement by rotation of Directors as per the Company's Articles of Association.
- ☛ Reviewing factors such as independence, qualifications, expertise and skills and other key attributes required to be considered for appointments to key positions of the Company.
- ☛ Overseeing the process by which the Board and its Sub-Committee assess the effectiveness of their performance and report on findings, improvements and recommendations to the Board.
- ☛ Review the overall corporate governance framework of the Company.

ACTIVITIES IN 2023 AND AS AT THE DATE OF THIS REPORT

- ☛ Monitoring corporate governance of regulatory developments, that may impact the Committee/Company and recommending actions or changes it considered necessary for Board approval.
 - ☛ Perusing duly completed affidavits and declarations of all Directors and recommending the same for approval of the Board.
 - ☛ Recommended the succession planning of the organisation which included the appointment of Chief Operating Officer and Deputy Chief Operating Officer.
 - ☛ Recommendation of appointment of seven Directors to the Board, i.e. Dr Harsha Cabral PC, Mr H M Hennayake Bandara, Mr E R C Moraes, Mr M Ismail, Ms R J Moraes, Prof. S K Chandrasekera and Ms. A A Ludowyke and notification of retirement of 7 Directors from the Board w.e.f. 22nd April 2023.
 - ☛ Recommendation of the AGM related matters;
 - a. Based on the performance and contribution made to achieve the Company's objectives, the Committee recommended to re-elect Mr. R Renganathan, Executive Chairman who has reached the age of 70 years in terms of Section 210 read with Section 211 of the Companies Act No.07 of 2007, subject to the provisions of the Direction 02 of 2022 (Revised) issued by the IRCSL. Brief profile of Mr Renganathan is given below;
- Mr R Renganathan was appointed to the Board as an Executive Director on 22nd April 2014 and was made the Executive Chairman of the Company since November 2018. He serves as the Chairman of the Board Investment Committee.

Delivering Protection

Report of the Board Nominations and Governance Committee

- b. Recommended the re-election of Directors, Mr J Durairatnam, Mr W W L R A Fernando and Mr O G V J Senanayake who are due to retire by rotation in terms of Article 18(B) of the by rotation Company's Articles of Association. Brief profiles of the Directors are given below;

Mr J Durairatnam was appointed to the Board w.e.f. 18th November 2018 as an Independent Non-Executive Director. He was re-elected on 23rd March 2022. He serves as a member of the Board Audit Committee and Board Nominations and Governance Committee.

Mr W W L R A Fernando was appointed to the Board w.e.f. 30th June 2021 as an Independent Non-Executive Director. He was re-elected on 23rd March 2022. He serves as the Chairman of Related Party Transactions Review Committee.

Mr O G V J Senanayake was appointed to the Board w.e.f. 15th June 2022 as an Independent Non-Executive Director. He was re-elected on 28th March 2023. He serves as the Chairman of the Board Risk Management Committee.

- 📌 Collective outcome of the Board performance evaluation questionnaire was discussed and recommended certain actions for the areas which require future improvement.
- 📌 Determining the Independence/Non-Independence of the Non-Executive Directors.
- 📌 Evaluation of the Declarations submitted by the Directors in respect of the fit and proper assessment criteria outlined in the rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.

📌 Reviewed the Terms of Reference of the Committee.

📌 Reviewed the Policy on Corporate Governance, Nominations and Re-election.

The aforesaid initiatives have been discussed in detail in the Corporate Governance report on pages 154 to 179.

DISCLOSURES

The Company has a documented policy and processes in place when nominating Directors to the Board.

All Non-Executive Directors retire by rotation and offer themselves for re-election at regular intervals and at least once in three years.

The Board is diversified with Directors in a wide range of experience, skills, age and gender and perform effectively. The profiles of the Directors are published in page 142 to 146 of the Annual Report. Details of the training programs/brainstorming sessions conducted for Directors, are published in the Corporate Governance Report.

All Non-Executive Directors have submitted signed declarations confirming their independent/ non-independent status in compliance with Rule 9.8.5 of the CSE Rules on Corporate Governance as well as in compliance with Principle A.5.5 of the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka and the Board determined that nine Non-Executive Directors are independent by nature (Refer page 184) based on the Directors' Declarations submitted and the other information available to the Company.

In terms of Section 9.7.4 of the CSE Rules and Principle A.7.2 of the Code of Best Practice on Corporate Governance, both the Executive Directors (including Managing Director/ CEO) and Non-Executive Directors submitted declarations confirming their fit and proper status in terms of the above rules and regulations and the Board noted that the all the Directors of the Company comply with the above criteria.

Board Performance Evaluation and the evaluation of the Board Sub-committees were carried out and the improvements required were discussed at the meeting of the Board of Directors held on 22nd February 2024.

PROFESSIONAL ADVICE

The Committee is authorized to obtain external legal or other professional advice on any matters within its Terms of Reference with the prior approval of the Board.

CONCLUSION

The Committee continues to work with the Board on reviewing its skills mix and succession planning based on the immediate and emerging needs.

The annual evaluation of the Committee was carried out by the Board and it was deemed that the Committee's functions were being carried out effectively.



Dr. Harsha Cabral PC

Chairman – Board Nominations and Governance Committee

22nd February 2024

REPORT OF THE BOARD AUDIT COMMITTEE



A A LUDOWYKE

Chairperson - Board Audit Committee

COMPOSITION AND MEETINGS

The Committee comprised of the following Directors during the year and as at 31st December 2023.

Name	Category	Meeting Attendance
Ms. A A Ludowyke-Chairperson (Appointed w.e.f. 01.07.2023)	Independent Non-Executive Director	2/2
Mr. J. Durairatnam	Independent Non-Executive Director	4/5
Mr. H M Hennayake Bandara (Appointed w.e.f. 27.04.2023)	Independent Non-Executive Director	3/3
Mr J A Sethukavalar (retired w.e.f. 22.04.2023)	Independent Non-Executive Director	1/2
Mr. D H J Gunarwardena (retired w.e.f. 22.04.2023)	Independent Non-Executive Director	2/2

The Chairperson of the Committee, Ms Averil Ludowyke who counts over 36 years' experience in auditing, accounting and finance, is a Fellow member of the Institute of Chartered Accountants of Sri Lanka and a Fellow member of the Chartered Institute of Management Accountants, UK.

The Company Secretary acts as the Secretary to the Committee. The Senior Executive Director/CFO, Senior AGM - Internal Audit, Senior AGM - Information Systems Audit and External Audit Partners attend meetings by invitation.

PURPOSE OF THE COMMITTEE

The Board Audit Committee is a Sub-Committee of the Board of Directors of the Company and reports directly to the Board. It holds oversight responsibility for the Company's financial reporting system, compliance with legal and regulatory requirements, internal control mechanism, risk management process, internal audit function and review of independence and performance of external auditors, with a view to safeguarding the interests of the shareholders and all other stakeholders.

TERMS OF REFERENCE

The Committee is governed by the Terms of Reference (Charter) which has been prepared in line with the Rules set out in the Code of Best Practice on Corporate Governance. It provides an outline of the objectives, composition, role and responsibilities of the Committee.

KEY RESPONSIBILITIES

- Assist the Board of Directors in fulfilling its overall responsibilities towards monitoring and reviewing the adequacy and effectiveness of accounting policies, financial and other internal control systems, financial reporting processes and risk management procedures.
- Exercise independent oversight of the Company's assurance functions, including external and internal audit and ensure the independence and effectiveness of both the external and internal audit functions.
- Make recommendations to the Board on the appointment of external auditors, their remuneration and terms of engagement.
- Review the Company's processes for monitoring compliance with accounting standards and financial reporting requirements, information requirements pertaining to the Companies Act, Insurance Regulatory Commission of Sri Lanka, Securities and Exchange Commission of Sri Lanka, Colombo Stock Exchange and other relevant laws and regulations.

- Assessing the Company's ability to continue as a going concern in the foreseeable future.

ACTIVITIES AND RESPONSIBILITIES DISCHARGED BY THE COMMITTEE DURING THE YEAR

Financial Reporting

- Reviewed and recommended the Company's quarterly and annual financial statements to the Board for approval, prior to release, including the extent of compliance with Sri Lanka Accounting Standards (LKASs and SLFRSs) and the adequacy of disclosures required by other applicable laws, rules and guidelines.
- Reviewed significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas and recent professional and regulatory pronouncements and their impact on the financial statements
- Verified that appropriate accounting policies and practices and adequate internal controls and procedures are in place to provide reasonable assurance that the financial reporting system is effective and well managed in order to enable the preparation of financial statements in accordance with Sri Lanka Accounting Standards.
- Reviewed the Quarterly Regulatory Compliance Reports submitted to the Committee and verified that the Company's compliance framework provided reasonable assurance that all relevant laws, regulations, code of ethics and standards of governance have been adhered to.
- Reviewed the findings of examinations by regulatory agencies and auditor observations, especially in areas/ functions concerning Investment Division, Audit on Money Laundering and Terrorist Financing, Risk Management, Audit on Reinsurance and Audit on Underwriting among others.

Report of the Board Audit Committee

Internal Audit

- ☛ Reviewed and approved the annual Audit Plan.
- ☛ Reviewed the scope of the internal audit, its budget, resource plan, activities and organizational structure of the internal audit function with the Chief Audit Managers.
- ☛ Reviewed the independence, objectivity and performance of the internal audit function, the findings of the internal audits completed and their evaluation of the internal control system
- ☛ Reviewed the internal audit reports, status of significant findings and their recommendations, management response and the status of the implementation on a regular basis.

Risk Management and Controls

- ☛ Reviewed the processes for identification, evaluation and management of operational risks faced by the Company. The Committee was satisfied that an effective system of internal controls is in place to provide reasonable assurance on safeguarding the Company's assets and reliability of Financial Statements.
- ☛ Reviewed the processes to ensure that internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards.

External Audit

- ☛ Reviewed the independence and objectivity of the Independent External Auditors. The Committee was satisfied that the independence of the External Auditors has not been adversely influenced by any event or service that could result in a conflict of interest.
- ☛ Reviewed the external auditors' proposed audit scope and approach, including coordination of audit effort with the internal audit. Discussions concerning the audit plan, key audit issues arising from the interim and final audits and their resolutions, Management Letter and management responses, proposed remuneration of the Auditor were carried out.

- ☛ Reviewed the non-audit services provided by the External Auditors against the policy, to ensure such functions do not fall within the restricted services and provision of such services would not impair the External Auditors' independence and objectivity.
- ☛ The Committee recommended Messrs. Ernst & Young, Chartered Accountants to be re-appointed as the independent External Auditors subject to the approval of the shareholders at the next Annual General Meeting.

WHISTLE-BLOWING POLICY

In accordance with the Whistleblowing Policy all incidents which are reported are forwarded to an independent Whistle-blowing Committee which comprises of all Executive Directors. If in the event any incident which is reported is deemed to contain any potential or existing wrongdoing the matter will be further investigated whilst ensuring the anonymity and confidentiality of the Whistle-blowing.

DISCLOSURES

The Audit Committee has reviewed the assurance from the Chief Executive Officer and the Chief Financial Officer with regard to the operations and finances of the Company and the Chief Executive Officer's and Chief Financial Officer's Statement is published in page 203 of the Annual Report.

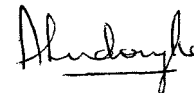
The Committee is of the opinion that the Company is compliant with the financial reporting requirements and information requirements under the Sri Lanka Accounting Standards (LKASs and SLFRSs), the Rules of the Colombo Stock Exchange, the Companies Act and other relevant financial reporting related regulations and requirements.

The Committee has obtained written assurance from the external auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;

The Committee has further made a determination of the independence of external auditors by considering the period of engagement of the external auditor and the audit partner and the non-audit services provided by them and their affiliated parties.

COMMITTEE EVALUATION

The Audit Committee is satisfied that the effectiveness of the Company's accounting policies and operational controls provide reasonable assurance that the affairs of the Company are managed in accordance with the Company policies and that the Company's assets are properly accounted for and sufficiently safeguarded. The annual evaluation of the committee was carried out and it was deemed that the Committee's functions were carried out effectively.



A A Ludowyke

Chairperson – Board Audit Committee

22nd February 2024

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE



W W L R A FERNANDO

Chairman - Related Party Transactions Review Committee

COMPOSITION AND MEETINGS

The Committee comprised of the following Directors during the year and as at 31 December 2023.

Name	Category	Meeting Attendance
Mr. W W L R A Fernando (Chairman) (appointed as the Chairman w.e.f. 27.04.2023)	Independent Non-Executive Director	4/4
Ms A A Ludowyke (appointed w.e.f. 01.07.2023)	Independent Non-Executive Director	2/2
Prof. S. K. Chandrasekera (appointed w.e.f. 27.04.2023)	Independent Non-Executive Director	1/2
Mr J A Sethukavalar (retired w.e.f. 22.04.2023)	Independent Non-Executive Director	1/2
Mr. D H J Gunarwardena (retired w.e.f. 22.04.2023)	Independent Non-Executive Director	2/2

The Company Secretary functions as the Secretary to the Related Party Transactions Review Committee. The Senior Executive Director / CFO and AGM – Financial Operations & Compliance attend the meetings by invitation.

PURPOSE OF THE COMMITTEE

The Committee was established for the purpose of reviewing the Related Party Transactions (RPT's) in determining whether

the proposed transactions are in compliance with various applicable laws and standards, the governance code and the listing rules, prescribed for related party transactions.

The Committee reviews any proposed related party transactions on behalf of the Board to safeguard the interests of the shareholders by preventing Directors, Senior Management and/or substantial shareholders taking advantage of their positions to execute transactions.

TERMS OF REFERENCE

The Committee is governed by the Terms of Reference approved by the Board of Directors, which encompasses the Committee's purpose, duties and responsibilities. The Committee exercises oversight on behalf of the Board to ensure compliance with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance issued by CA Sri Lanka and LKAS 24. The Terms of Reference of the Committee was reviewed and updated in line with the new regulations and approved by the Board.

KEY RESPONSIBILITIES

- To review related party transactions of the Company either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Seek any information required from management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain competent independent professional advice to assess all aspects of proposed related party transactions where necessary. Apart from obtaining Independent Specialists' advice wherever necessary, the committee is empowered to access data and information pertaining to Related Parties as well as call for clarifications from the Management and Auditors both External and Internal on any associated matter.
- To recommend, where necessary, to the Board and obtain their approval, prior to the Company executing any related party

transaction.

ACTIVITIES IN 2023 AND AS AT THE DATE OF THIS REPORT

- The Committee reviewed the details of related party transactions entered into by the Company during the year which are disclosed in Note 44 to the financial statements.
- All proceedings of the Committee meetings are reported to the Board on a regular basis along with recommendations to improve the process of reporting related party transactions whenever they arise.
- Reviewed the Terms of Reference of the Committee.
- Reviewed the Related Party Transactions Policy and Procedure
- The annual evaluation of the Committee was carried out by the Board and it was deemed that the Committee's functions were being carried out effectively.

CONFIRMATIONS

The Company has not entered into non-recurrent related party transactions exceeding 10% of the equity or 5% of the total assets whichever is lower or recurrent related party transactions exceeding 10% of the gross revenue/income, requiring disclosure in the Annual Report during the year under review.

The Company has not entered into non-recurrent related party transactions or recurrent related party transactions where the approval of the shareholders were required by way of a Special Resolution during the year under review.

W W L R A Fernando

Chairman -Related Party Transactions Review Committee

22nd February 2024

REPORT OF THE BOARD RISK MANAGEMENT COMMITTEE



O G V J SENANAYAKE

Chairman – Board Risk Management Committee

COMPOSITION AND MEETINGS

The Committee comprised of the following Directors during the year and as at 31 December 2023.

Name	Category	Meeting Attendance
Mr. O G V J Senanayake – Chairman (Appointed as the Chairman w.e.f. 27.04.2023)	Independent Non-Executive Director	4/4
Mr. H M Hennayake Bandara (appointed w.e.f. 27.04.2023)	Independent Non-Executive Director	3/3
Ms. R J Moraes (appointed w.e.f. 27.04.2023)	Independent Non-Executive Director	3/3
Ms. A K Seneviratne (Retired w.e.f. 22.04.2023)	Independent Non-Executive Director	1/1
Mr. R S W Senanayake (Retired w.e.f. 22.04.2023)	Independent Non-Executive Director	1/1
Mr. W W L R A Fernando (ceased to be a member w.e.f. 27.04.2023)	Independent Non-Executive Director	1/1

The Company Secretary acts as the Secretary to the Board Risk Management Committee. The Chief Risk Officer attends meetings by invitation. Ms. A K Seneviratne was appointed as a consultant to the Committee with effect from 27th July 2023.

PURPOSE OF THE COMMITTEE

The Committee was established for the purpose of assisting the Board in fulfilling its responsibilities towards overseeing the adequacy and effectiveness of the Enterprise Risk Management (ERM) Framework and activities of the Company, including the review of major risk exposures and the steps taken to monitor and manage those exposures with the risk appetite.

TERMS OF REFERENCE

The Terms of Reference of the Board Risk Management Committee outlines the composition, roles and responsibilities of the Committee. It also specifies the manner in which meetings are conducted. The Committee works closely with the Chief Risk Officer, Corporate Management, Heads of Divisions, Consultants and Senior Managers supervising broad risk categories such as business, financial, regulatory, ICT, insurance and demographic and operational risks. The matters discussed in the Committee are informed to the Board of Directors on a regular basis.

KEY RESPONSIBILITIES

- Setting the tone and developing a corporate culture that embraces risk management practices while supporting the Company's strategic objectives.
- Ensuring that the executive team has identified and assessed all key risks and has established a sound risk management framework capable of addressing those risks.
- Monitoring risk management capabilities within the Company, including communication lines established to escalate risks, preparedness to face crisis and recovery plans.
- Overseeing the division of risk related responsibilities to each Board Subcommittee as clearly as possible to ensure that all risks are addressed.
- Review and oversee the risk and compliance profile of the Company within the context of the Board determined risk parameters.

- Make recommendations to the Board concerning the Company's risk appetite and any risk or compliance management practices.
- Oversee and review the implementation of risk management and regulatory compliance throughout the Company.

ACTIVITIES DURING THE YEAR 2023 AND AS AT DATE OF THIS REPORT

- Reviewed the Management's assessment of key risk exposures and emerging trends that have reasonable potential to exceed the Company's stated risk appetite and risk tolerance limits and where appropriate, recommended action plans.
- Reviewed applicable legislative changes, including the Workmen's Compensation (Amendment) Act, No. 10 of 2022 and the Personal Data Protection Act, No. 9 of 2022 and their impact to the Company.
- Reviewed the proceedings of ERM Executive Committee meetings
- Regularly reviewed the IT disaster recovery operations, servers and equipment required for such and the DR tests conducted.
- Followed up on the escrow agreements entered into with various vendors of key IT systems used by the Company
- Reviewed the latest Cyber Security Reporting Framework and controls on ensuring IT security
- Reviewed the Implementation of data classification in MS Office 365 and data encryption
- Reviewed whether the IT systems and infrastructure of the Company are up-to-date
- Discussed the proposed implementation of a Network Operations Centre

- 🍃 Reviewed improvements to the Anti-Money Laundering (AML) measures
- 🍃 Reviewed the actions plans of the management to ensure preparedness against fire and other contingencies.

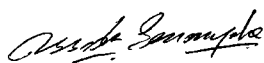
PROFESSIONAL ADVICE

The Committee is authorised to obtain legal or other professional advice internally and/ or externally as and when it deems necessary, at the Company's expense.

The Committee may also seek the views of other Board Sub-committees as and when required and may inform them of any relevant developments that maybe of relevance to their mandates.

CONCLUSION

A self-assessment of the Committee was carried out and the Committee was deemed to be operating effectively. Areas identified for improvement were addressed during the course of the year.



O G V J Senanayake
Chairman - Board Risk Management
Committee

22nd February 2024

REPORT OF THE BOARD INVESTMENT COMMITTEE



From an economic and investment perspective, we concluded yet another challenging, but interesting year. As in the past, we focused on the fundamentals and continued our prudent and conservative investment strategy, amidst highly volatile and uncertain market conditions.

R RENGANATHAN

Chairman – Board Investment Committee

COMPOSITION AND MEETINGS

The Committee comprised the following Directors/members during the year and as at 31 December 2023.

Name	Category	Meeting Attendance
Mr. R Renganathan	Executive Chairman	4/4
Mr. E T L Ranasinghe	Managing Director/CEO	4/4
Mr. P A Jayawardena	Senior Executive Director/CFO	4/4
Mr. S R Abeynayake	Executive Director/Chief Operating Officer	4/4
Mr. H M Hennayake Bandara (Appointed w.e.f. 27.04.2023)	Independent Non-Executive Director	2/2
Mr. R S W Senanayake (Retired w.e.f. 22.04.2023)	Non-Executive Director	1/1

The Company Secretary acts as the Secretary to the Board Investment Committee. Chief Risk Officer/Deputy General Manager, Senior Assistant General Manager - Portfolio and Assistant Manager – Dealing attend meetings by invitation. Mr R S W Senanayake, an industry veteran, was appointed as a Consultant to the Committee w.e.f. 27th April 2023.

PURPOSE OF THE COMMITTEE

The Committee was established by the Board of Directors of Ceylinco Life to ensure compliance with the “Guidelines on Investment for Insurance Companies” issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) and principles of good governance. The main purpose of the Committee is to set out and oversee the policies relating to the governance of investment management, management of investment portfolios and associated risks.

TERMS OF REFERENCE

The Terms of Reference of the Committee outlines the composition, role and responsibilities of the Committee. The primary objective of the Committee is to oversee the investment decision making process and investment management function of the Company, while providing direction and guidance in strategic asset allocation of investments and investment risk management.

KEY RESPONSIBILITIES

- ☛ Review and recommend to the Board, significant investment strategies and proposals.
- ☛ Exercise due care to ensure that the interests and rights of policyholders are uncompromised.
- ☛ Ensure full compliance with laws, rules, regulations, determinations and guidelines issued by the IRCSL and other relevant regulatory authorities.
- ☛ Institute effective and efficient governance of investment activities of the Company.
- ☛ Ensure that the Company has a sound risk management framework for

identifying, monitoring and mitigating various risks arising from investment activities / fluctuations in macro-economic parameters and provide necessary oversight to ensure effective and efficient management of the investment portfolio.

- ☛ Review the adequacy of investment-related internal controls and risk management systems to support prudent investment management.
- ☛ Review the investment policy and other related policy documents of the Company on a regular basis to ensure that it remains applicable and in-line with the changes in business, regulatory and economic environment.

KEY ACTIVITIES OF 2023

Prudent investment

- ☛ Reviewed and recommended significant investment proposals and strategies to the Board.
- ☛ Ensured that investments were made prudently, according to diverse investment objectives and varied risk profiles and funds are well positioned and managed to ensure the objectives of various stakeholders such as policyholders, shareholders and regulators.
- ☛ Given the renewed financial and economic climate, all investment-related policies were reviewed and where applicable, revisions were proposed to the Board for approval.

Investment-related internal control

- ☛ Ensured that a sound risk management framework was maintained for identifying, monitoring and mitigating various risks arising from investment activities and provided necessary oversight to ensure effective and efficient management of the investment portfolio.
- ☛ Reviewed the performance of investment function as per the guidelines issued by the IRCSL and monitored the portfolio performance, composition and credit quality on a quarterly basis.

- Periodically reviewed the adequacy of investment-related internal control and risk management systems to support prudent investment activities.
- Reviewed the Investment Policy of the Company and other related policy documents on a regular basis to ensure that it remains applicable and in line with the changes in the business, regulatory and economic environment.
- Reviewed the critical internal audit findings related to investment decision making and operations.

COMPLIANCE

The Committee oversaw effective and efficient governance of investment activities of the Company. Due care was exercised to ensure that the interests and rights of policyholders were not compromised at any time.

Further, the Committee reviewed and ensured that laws, rules, regulations, determinations and guidelines issued by the IRCSL and other relevant regulatory authorities were fully complied with.

PROFESSIONAL ADVICE

The Committee is authorised to seek external professional advice where deemed necessary on matters within their purview. During the year, such advice was specifically sought on market interest rate movements, expected path of monetary and fiscal policy, domestic debt restructuring and analysis of key macro-economic variables.

COMMITTEE EVALUATION

The annual evaluation of the performance of the Committee was carried out by the Board and the Committee was deemed to be operating effectively.



R Renganathan

Chairman - Board Investment Committee

22nd February 2024

REPORT OF THE OPERATIONAL INVESTMENT COMMITTEE



R RENGANATHAN

Chairman – Operational Investment Committee

The Long-Term Insurance Fund ("Fund") of Ceylinco Life Insurance Limited ("Ceylinco Life") is overseen by the Board Investment Committee, to ensure it provides a secure and a steady return for its policyholders.

As an adoption of the "Guidelines on Investments for Insurance Companies" issued by the Insurance Regulatory Commission of Sri Lanka, the Board Investment Committee was established by the Board of Directors of Ceylinco Life ("Board") to ensure compliance with the said code as well as global best practices. The Board Investment Committee acts in a fiduciary capacity with respect to the Fund and is accountable to the Board. Board Investment Committee formulates investment strategies and oversees the performance of investments on a quarterly basis.

In order to make timely decisions on executing strategies crafted, the Board Investment Committee has appointed the Operational Investment Committee ("Committee") which meets on a weekly basis. To ensure a return that is secure and steady, investments are made diligently according to diverse investment objectives and varied risk preferences.

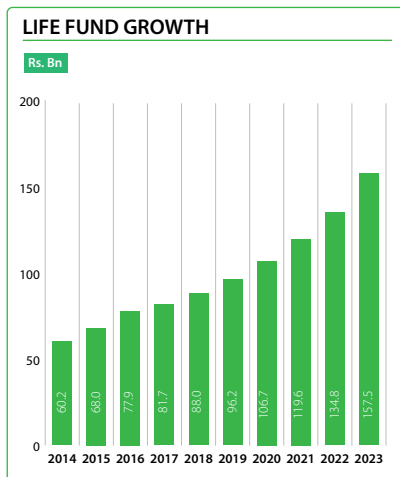
By crafting investment strategies that add value, continuously monitoring the execution of the set strategies to ensure conformity and making timely calls deemed necessary to ensure probity, the Committee ensures that the funds are well positioned, ideally invested and coherently managed to meet the objectives of various stakeholders such as policyholders, shareholders and regulators.

VALUE CREATION

	2023 Rs. Bn	2022 Rs. Bn	Growth %	Impact on Capitals	Impact on Stakeholders
Life Fund	157.5	134.9	16.8%		
Investment and Other Income	28.0	20.1	39.5%		

1. LONG TERM INSURANCE FUND

The Long-term Insurance Fund of Ceylinco Life, which is considered a safe haven for policyholders, has surged over the Rs. 157 Billion mark, which depicts the superior performance and stability of its investments and the continuous trust and loyalty placed by the policyholders.



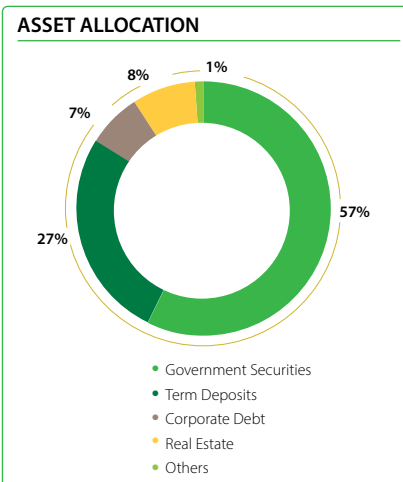
2. QUALITY OF INVESTMENTS

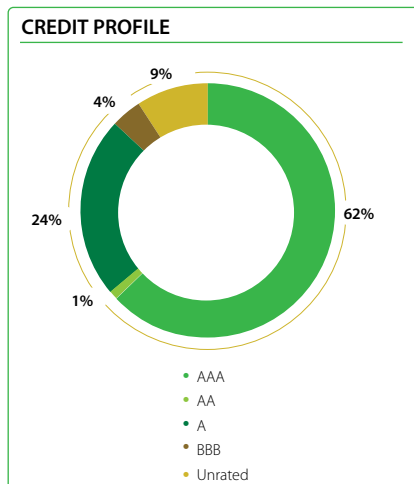
The Investment Front Office of Ceylinco Life, with the recommendations and guidance of the Operational Investment Committee, along with the oversight and supervision of the Board Investment Committee, manages the Long-term Insurance Fund, which is considered to be one of the largest and thriving life insurance portfolios in Sri Lanka.

The execution and settlement of approved investments is performed by the Investment Back Office, while the Investment Middle Office constantly monitors investment-related risk exposures.

Risk and return, while carrying an inherent trade-off, are two aspects which hold paramount importance in crafting an investment strategy. Ceylinco Life takes utmost care and diligence in providing the best possible solutions to maintain an optimum and cautious balance between the two.

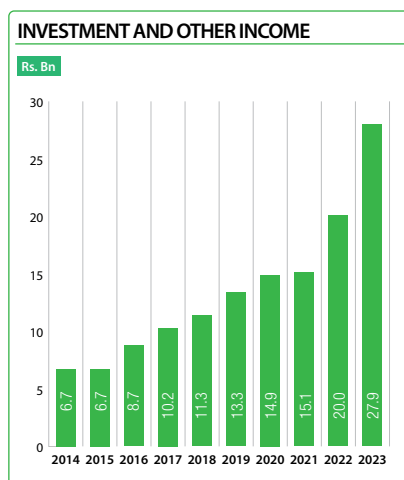
In order to illustrate the prudence and diligence of investments, the charts given below elaborate the asset allocation and the credit rating profile as of 31st December 2023.





3. INVESTMENT INCOME

Stemming from our prudent and conservative investment strategy, the Investment Front Office continued to invest in the medium term, with an anticipation of easing interest rates by the end of 2023. The outcome was fruitful as interest rates declined drastically towards levels prevailed in early 2022, leading to a 39.5% YoY growth in Investment and Other Income - which is a 10-year high and surpassing Rs. 27 Billion - which is an all-time high.



OPERATIONAL INVESTMENT COMMITTEE

The following members served on the Operational Investment Committee during the year.

1 Mr. R. Renganathan (Chairman)	Chairman
2 Mr. E. T. L. Ranasinghe (Managing Director/CEO)	Member
3 Mr. P. A. Jayawardena (Director/CFO)	Member
4 Mr. S. R. Abeynayake (Director/COO)	Member
5 Mr. R. S. W. Senanayake (Consultant)	Member
6 Mr. E. R. S. G. S. Hemachandra (Deputy COO)	Member
7 Mr. V. Hemakumara (CRO)	Member
8 Mr. D. M. G. L. Alwis (Senior AGM - Portfolio)	Member
9 Mr. H. A. Chandana (AGM – Financial Op. & Compliance)	Member
10 Mr. K. I. Weththasinghe (AGM – Legal)	Member
11 Ms. R. Gunasekara (AGM – Actuarial)	Member
12 Mr. G. D. D. Perera (Dealer/Assistant Manager)	Member

The Committee members contribute immensely and add value to the investment decision making process with their vast knowledge and diverse experience. Moreover, the Committee seeks external professional counsel on matters within its purview.

MEETINGS AND ATTENDANCE

The Committee meets weekly, recognising the prominence of the investment decision making function, to proactively monitor the implementation of investment strategies and to timely face the challenges posed from ever-changing global and local macro-economic landscapes.

In addition to the members, management representatives from other related areas such as Actuarial, Finance, Life Operations, Marketing and Systems attend the meetings upon invitation.

INVESTMENT OUTLOOK FOR 2024

The Committee is of the view that growth prospects rely on the swift conclusion of external debt restructuring and the implementation of structural reforms. Inflation is projected to stay within single digits amid weak demand, as monetisation of fiscal deficit wanes, although monetary loosening and exchange rate pressures could reverse this trend.

While necessary macro-economic as well as fiscal adjustments have already been made, continuation of such unpopular and contractionary policies is vital to regain debt sustainability, elevate our sovereign credit rating and access international financial markets. Any development which might derail the current Extended Fund Facility with International Monetary Fund (IMF) would seem catastrophic for the country as well as financial markets.

The Committee recognises that investment strategies adopted should evolve in response to emerging challenges and ever-changing market conditions. Therefore, the Committee continues to closely monitor the developments in the economy, financial markets and subsequent monetary and fiscal responses by the government and act appropriately.

On behalf of the Operational Investment Committee,

R. Renganathan
Chairman

22nd February 2024

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Statement sets out the responsibility of the Board of Directors, in relation to the Financial Statements of Ceylinco Life Insurance Limited (CLIL). In terms of Sections 150 (1), 151, 152 and 153 (1) & (2) of the Companies Act No. 07 of 2007 and amendments thereto, the Board of Directors of CLIL is responsible for ensuring that the Company keeps proper books of accounts of all the transactions and prepares Financial Statements that give a true and fair view of the financial position of the Company as at the end of the financial year and of the financial performance during the year and place them before a general meeting. The Financial Statements comprise of the Statement of Financial Position as at December 31, 2023, the Income Statement and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Board of Directors confirms that the Financial Statements of CLIL give a true and fair view of the –

- 📄 financial position of CLIL as at 31 December 2023 ; and
- 📄 financial performance of CLIL for the financial year then ended.

COMPLIANCE

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements prepared and presented. The Directors confirm that:

- I. In preparing the Financial Statements, appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any have been disclosed and explained.
- II. Reasonable and prudent judgments and estimates have been used so that the form and substance of transactions are appropriately reflected.
- III. Sufficient accounting records have been maintained to disclose with reasonable accuracy, the financial position of the Company and to ensure that the Financial Statements have been prepared

and presented in accordance with the Sri Lanka Accounting Standards and provide the information required by the Companies Act No. 7 of 2007.

- IV. Financial Statements have been prepared on a going-concern basis and sufficient funds and other resources are available within the Company to continue its operations and to facilitate planned future expansions and capital commitment.
- V. Reasonable measures have been taken to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Accordingly, the Directors have taken steps to establish appropriate systems of internal controls comprising internal audit checks, risk assessment tests and financial and other controls to safeguard its assets and secure as far as practicable, the accuracy and reliability of the records.
- VI. As required by the Sections 166 (1) and 167 (1) of the Companies Act, they have prepared this Annual Report in time and ensured that a copy thereof is sent to Ceylinco Insurance PLC, the sole shareholder of the Company.
- VII. External Auditors, Messrs Ernst & Young who were re-appointed by the shareholder at the last Annual General Meeting held on 28th March 2023 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to give their audit opinion. They have examined the Financial Statements made available to them by the Board of Directors together with all the financial records, related data and Minutes of shareholders' and Directors' Meetings and expressed their opinion in the "Independent Auditors' Report" which appears as reported by them on pages 215 to 216.
- VIII. To the best of their knowledge and belief all statutory payments in relation to regulatory and statutory authorities that were due, in respect of the Company as

at the Reporting date have been duly paid or where relevant, provided for.

Accordingly, the Board of Directors is of the view that they have discharged their responsibilities as set out in this Statement.

By Order of the Board,



K I Weththasinghe
Company Secretary

22nd February 2024
Colombo

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S STATEMENT

The Financial Statements of Ceylinco Life Insurance Limited as at 31st December 2023 are prepared and presented in conformity with the requirements of the following:

- ☞ Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka);
- ☞ Companies Act No. 07 of 2007 and amendments thereto;
- ☞ Regulation of Insurance Industry Act No.43 of 2000 (as amended),
- ☞ Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- ☞ Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The Accounting Policies used in preparation of the Financial Statements are appropriate and consistently applied, except unless otherwise stated in the Notes accompanying the Financial Statements. There are no deviations from the prescribed Accounting Standards in their adoption. Comparative information has been re-classified whenever necessary to comply with the current presentation. Application of Significant Accounting Policies and estimates that involve a high degree of judgement and complexity were discussed with the members of the Board Audit Committee and External Auditors.

We confirm that to the best of our knowledge, the Financial Statements, Significant Accounting Policies and other financial information included in this Annual Report, fairly present in all material respects the financial position, results of the operations and the Cash Flows of the Company during the year under review. The estimates and judgements relating to the financial statements were made on a prudent and reasonable basis. We also confirm that the Company has adequate resources to continue in operation and have applied the Going Concern basis in preparing these Financial Statements.

In order to ensure this, the Company has taken proper and adequate care in installing a system of internal control and accounting records, which are reviewed, evaluated and updated on an-ongoing basis.

All accounting controls are continuously updated to ensure prudence and completeness, prevention and detection of fraud and other irregularities. This ensures that accounting records are free from error and omission. The internal control system in place functions properly and it is regularly evaluated. All procedure manuals are updated whenever necessary and are accessible to all the staff.

The Internal Auditors of the Company have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company have been consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Financial Statements of the Company as at 31 December 2023 were audited by Messrs. Ernst & Young and their Report is given on pages 215 to 216.

The Audit Committee of the Company meets on a quarterly basis. Internal Auditors and the External Auditors join the meeting on invitation when necessary to review the manner in which these Auditors execute their audit procedures and to discuss major variations or observations, internal control and reporting issues. To ensure complete independence, the Independent External Auditors and the Internal Auditors have full and free access to the members of the Board Audit Committee to discuss any matters of substance.

We confirm that to the best of our knowledge:

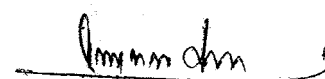
- ☞ The Company has complied with all applicable laws, regulations and prudential requirements;

- ☞ There are no material non-compliances; and
- ☞ There is no material litigation that is pending against the Company.



E T L Ranasinghe

Managing Director/ Chief Executive Officer



P A Jayawardena

Senior Executive Director/ Chief Financial Officer

22nd February 2024
Colombo

THE BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Ceylinco Life Insurance Limited (the Company) wishes to present this Report on Risk Management and Internal Control mechanisms, in line with section D.1.5 of the Code of Best Practice on Corporate Governance (Code) issued by CA Sri Lanka.

RESPONSIBILITY

The Board is responsible for the adequacy and effectiveness of the system of risk management and internal controls in place in order to safeguard shareholders' investment and the Company's assets. This system is designed to manage the Company's key areas of risk within an acceptable risk profile, rather than eliminating the risk of failure to achieve the business objectives and policies of the Company. Accordingly, a reasonable but not absolute assurance can be provided, against material mis-statement of management and financial information and against financial losses and fraud.

The Company has established key processes that aid in ensuring the integrity and efficacy of the system of internal controls that has been adopted with respect to financial reporting. Similar processes have been adopted to help with management of key risks within the risk appetite of the Company. These processes are regularly reviewed by Committees which assist the Board in matters relating to the Company's operations and any risks associated with them and ensure that approved corporate objectives, strategies and policies are adhered to while ensuring effective management of risks that may hinder the achievement of such objectives and strategies. The Board is of the view that the system of internal controls in place over financial reporting is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements. Additionally, the Board is also satisfied with the overall risk management framework adopted by the Company.

KEY INTERNAL CONTROL PROCESSES

• BOARD RISK MANAGEMENT COMMITTEE (BRMC)

The Board Risk Management Committee is responsible for assisting the Board in all matters relating to the overall management of principal areas of risk to the Company. The BRMC implements the Risk Management Framework via Executive Risk Committee. Quarterly meetings are held during which key risk areas are discussed and required action initiated. All areas that come under discussion are escalated to Board level. A detailed account of the activities carried out by the Board and Executive Risk Committees are available in the Risk Management section from pages 40 to 49 of this report.

• INTERNAL AUDIT & INFORMATION SYSTEMS AUDIT DEPARTMENTS

The Internal Audit Department and Information System Audit Department are responsible for reviewing the design and effectiveness of the internal control systems, management information systems, as well as the systems for compliance with applicable laws, regulations, rules and directives.

Audits are carried out at all the branches and departments. The frequency of these audits is determined using a risk-based methodology which factors in the input of Senior Management. An independent and objective report is mandatory. Some reviews are outsourced to external parties with specialist knowledge in the relevant area. These external audits are carried out depending on the nature and complexity of the area requiring review. The annual audit plan is drawn up by the Internal Audit Department and Information System Audit Department and is reviewed and approved by the Audit Committee.

In relation to risk management, the Internal Audit and IS Audit functions serve as the third line of defence to ensure that key risks have been addressed effectively in the enterprise risk management framework.

• AUDIT COMMITTEE

The Audit Committee conducts quarterly reviews to address significant findings with respect to non-compliances or ineffectiveness through the Internal Audit Department and Information Systems Audit Department. The Audit Committee is also responsible for taking action to deal with significant issues and control weaknesses highlighted by the External Auditors. The Audit Committee reviews the quality assurance and improvement in programmes of the Internal Audit and IS Audit Departments and the performance of External Auditors, in order to evaluate the adequacy and effectiveness of the Company's risk management and internal control system.

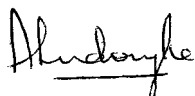
The comments made by the External Auditor in connection with the internal control system over financial reporting in previous years were reviewed during the year and necessary steps were taken to address them where appropriate. The minutes of the Audit Committee meetings and recommendations regarding the requirements for improvements, are tabled for the information of the Board on a periodic basis. Further details of the activities undertaken by the Audit Committee of the Company are available in the Audit Committee Report on pages 193 to 194.

CONFIRMATION

Backed by the continued review and verification of the suitability and effectiveness of the existing procedures and controls by the Internal Audit and IS Audit functions and the Board Audit Committee, the Board of Directors confirms that the financial reporting system of the Company has been designed to provide a reasonable assurance regarding the reliability of financial reporting and that the preparation of Financial Statements for various stakeholders has been done in accordance with Sri Lanka Accounting Standards and comply with regulatory requirements including the Companies Act No. 07 of 2007 and the Insurance Industry Act No. 43 of 2000 (as amended). The Board of Directors, based on

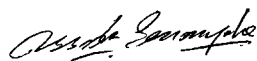
the oversight by the Board Risk Management Committee, also confirms that the Company has a Enterprise Risk Management Framework to identify, assess and manage key risks of the Company on a timely basis.

By order of the Board,



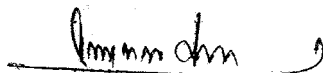
A A Ludowyke

Chairperson – Board Audit Committee



O G V J Senanayake

Chairman – Board Risk Management Committee



P A Jayawardena

Senior Executive Director/ Chief Financial Officer



R Renganathan

Chairman

22nd February, 2024
Colombo

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF CEYLINCO LIFE INSURANCE LIMITED ON THE INTEGRATED ANNUAL REPORT 2023



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

SCOPE

We have been engaged by Ceylinco Life Insurance Limited to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, hereafter referred to as the engagement, to report on Ceylinco Life Insurance Limited's Information on how its strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Ceylinco Life Insurance Limited's (the "Entity's") Integrated Annual Report for the year ended 31 December 2023 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report and accordingly, we do not express a conclusion on this information.

CRITERIA APPLIED BY CEYLINCO LIFE INSURANCE LIMITED

In preparing the Subject Matter, Ceylinco Life Insurance Limited applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organisational overview & external environment outlook presented in the Integrated Annual Report is presented in

accordance with the relevant criteria. As a result, the subject matter information may not be suitable for another purpose.

CEYLINCO LIFE INSURANCE LIMITED'S RESPONSIBILITIES

Ceylinco Life Insurance Limited management is responsible for selecting the criteria and for presenting the subject matter in accordance with that criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

ERNST & YOUNG'S RESPONSIBILITIES

Our responsibility is to express a conclusion on the presentation of the subject matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised) and the terms of reference for this engagement as agreed with the Ceylinco Life Insurance Limited 19th February 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the subject matter in order for it to be in accordance with the criteria and to issue a report. The nature, timing and extent of the procedures selected depend on our

judgment, including an assessment of the risk of material mis-statement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited

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assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected Key Management Personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.

- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organisation creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organisation's strategy and how the organisation creates value, what matters most to the stakeholders and enquiring from the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

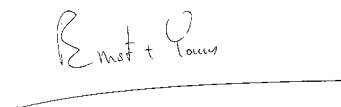
EMPHASIS OF MATTER

Economic, Environment, Social and Intellectual Capital Management data/ information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Ceylinco Life Insurance Limited for the year ended 31 December 2023, in order for it to be in accordance with the criteria.



22nd February 2024
Colombo

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF CEYLINCO LIFE INSURANCE LIMITED ON THE SUSTAINABILITY REPORTING CRITERIA PRESENTED IN THE INTEGRATED ANNUAL REPORT 2023



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SCOPE

We have been engaged by Ceylinco Life Insurance Limited to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Ceylinco Life Insurance Limited's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Ceylinco Life Insurance Limited's (the "Entity's") Integrated Annual Report for the year ended 31 December 2023 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report and accordingly, we do not express a conclusion on this information.

CRITERIA APPLIED BY CEYLINCO LIFE INSURANCE LIMITED

In preparing the subject matter, Ceylinco Life Insurance Limited applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at <https://www.globalreporting.org>

Such criteria were specifically designed for the purpose of assisting you in determining

whether the Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

CEYLINCO LIFE INSURANCE LIMITED'S RESPONSIBILITIES

Ceylinco Life Insurance Limited management is responsible for selecting the criteria and for presenting the subject matter in accordance with that criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

ERNST & YOUNG'S RESPONSIBILITIES

Our responsibility is to express a conclusion on the presentation of the subject matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised) and the terms of reference for this engagement as agreed with the Ceylinco Life Insurance Limited on 19th February 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are

aware of any material modifications that need to be made to the subject matter in order for it to be in accordance with the criteria and to issue a report. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organisation through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.

- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

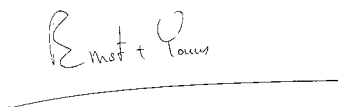
EMPHASIS OF MATTER

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Ceylinco Life Insurance Limited for the year ended 31 December 2023, in order for it to be in accordance with the Criteria.



22nd February 2024
Colombo



OUR *Financial Performance*

Ceylinco Life stands tall, providing strength, stability, growth and nourishment to its stakeholders whilst contributing positively to the ecosystem that it operates in. The fruits of the tree symbolise the benefits and returns reaped from the growth of the tree, which offers much benefits including financial protection, savings and investment returns.

FINANCIAL CALENDAR

Annual Report 		Annual General Meeting 	
2024	22 February	2024	28 March
2023	23 February	2023	28 March
Final Dividend payment (for previous year) 		Final Dividend proposed 	
2024	April	2024	22 February
2023	01 June	2023	23 February

UNDERSTANDING OUR FINANCIALS

The statement of income of a life insurance company contains the income and expenses pertaining to the underwriting of life insurance. Thus, the statement of income of a life insurer contains income and expense items that do not appear in a statement of income of a manufacturing and trading business. Similarly, the statement of financial position of a life insurer also contains some industry-specific assets and liabilities.

This brief note is aimed at helping the reader to understand our financials and is to be read along with the explanatory notes to the financial statements and the glossary.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2023

	Brief Description	Rs.'000	Rs.'000
Gross Written Premiums	The main source of income of a life insurer is the premium paid/payable by customers for the risks transferred to the life insurer through the insurance contract.	33,411,394	
Premiums Ceded to Reinsurers	Reinsurance is the process by which part of the risks undertaken by the life insurer is transferred to a reinsurer, for which reinsurance premium paid/payable by the insurer to the reinsurer.	(639,875)	
Net Written Premiums	Net earned premium is the premium earned by the insurer for the financial year.		32,771,519
Fees and Commission Income	Fees and commission income includes the charges and policy fees paid by customers and reinsurance commission income.	101,657	
Investment Income	Investment income contains the interest income, dividend income and rental income on investments made out of the Life Fund, after deducting the related investment expenses.	27,479,553	
Realised Gains	Realised gains and losses include gains and losses arising on sale of financial assets and Property, Plant and Equipment.	106,631	
Fair Value Gains and Losses	Fair value gains and losses are gains and losses that arise from changes in fair values of investment property and financial assets at FVtPL.	252,009	
Other operating revenue	Other income comprises fees charged for policy administration services, and miscellaneous income.	51,258	
Other Revenue			27,991,108
Net Income			60,762,627
Gross Benefits and Claims Paid	Gross benefits and claims paid refer to the total amount of claims and claim-related expenses incurred during the year and benefits paid to customers, such as maturity, bonuses, advance payments.	(23,425,601)	
Claims Ceded to Reinsurers	Claims ceded to reinsurers contain the proportion of claims paid, which was recovered from reinsurers.	290,552	
Gross Change in Contract Liabilities	Gross change in contract liabilities is the net transfer to the Life Fund during the period.	(23,015,741)	
Net Benefits and Claims			(46,150,790)
Acquisition Cost	Acquisition cost refers to the commission expenses incurred for the financial year. Life insurance business is predominantly transacted through independent contractual agents who are paid commission based on premium they collected.	(2,267,578)	
Other Operating and Administrative Expenses	Other operating and administrative expenses include administration, staff, sales and marketing expenses related to the company.	(3,824,629)	
Finance Cost	Finance cost includes charges on the financial services provided by financial institutions, particularly bank charges.	(79,877)	
Total Other Expenses			(6,172,084)
Profit Before Tax			8,439,753
Income Tax Expense	Income tax expense comprises the current and deferred tax. Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous year.		(2,637,920)
Profit for the Year			5,801,833

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Brief Description		Rs.'000
Assets		
Intangible Assets		260,235
Property, Plant and Equipment		12,819,913
Right-of-use Asset		179,490
Investment Properties		4,646,800
Investment in Subsidiaries		1,511,000
Investment in Associates		2,641,672
Financial Instruments	Financial instruments represent the financial investments made out of the Life Fund and Shareholders' Fund by a life insurer, with the aim of earning investment income to increase profitability of the company.	189,300,976
Employee Gratuity Benefit Asset		6,947,880
Employee Pension Benefit Asset		1,159,395
Reinsurance Receivables	Represent the amounts receivable by the life insurer from the reinsurer for the claims made the policyholders.	683,424
Loans to life policyholders	Include the loans granted by the life insurer to policyholders. Eligible policyholders can obtain loans up to a pre-determined percentage of the surrender value of their policy.	2,930,981
Premium receivables	Represent the gross written premium accrued up to the reporting date.	405,029
Other Assets		582,424
Cash and Cash Equivalents		677,077
Total Assets		224,746,296
Equity and Liabilities		
Equity Attributable to Equity Holders of Parent		
Stated Capital		500,001
Retained Earnings		42,420,188
AFS Reserve		19,107
Restricted Regulatory Reserve		3,456,184
Special Reserve		7,311,651
Total Ordinary Shareholders' Equity		54,373,319
Total Equity		54,373,319
Liabilities		
Insurance Contract Liabilities - Life	Due to the long-term nature of life insurance business, life insurers are required to maintain a separate fund to meet future policyholder obligations. This fund is known as 'Insurance Contract Liabilities - Life', or more commonly as 'Life Fund'. An actuarial valuation is performed at each year end to determine the size of the fund necessary in comparison to the assets maintained out of the fund. Any excess of assets over the policy liabilities of the fund, known as the 'Life Surplus', is transferred to the shareholders' funds of the company.	157,537,917
Insurance Contract Liabilities - Unit Linked		228,774
Insurance Contract Liabilities-Family Takaful	These items represent the balances of the other separately identifiable funds, in addition to the Life Fund, maintained by a life insurer.	17,496
Individual Investment Fund ISF		414,963
Deferred Tax Liabilities		542,211
Reinsurance Payables	Reinsurance payables contain amounts outstanding to be paid to reinsurers by a life insurer as at the reporting date.	1,148,390
Trade and Other Payables		5,334,351
Lease Liabilities		181,867
Bank Overdraft		913,434
Total Liabilities		170,372,977
Total Equity and Liabilities		224,746,296

ACTUARIAL REPORT



16 February 2024

To The Directors of Ceylinco Life Insurance Limited

Actuarial Valuation as at 31 December 2023

I have carried out an actuarial valuation of the Life Fund of Ceylinco Life Insurance Limited ("the Company") as at 31 December 2023. I hereby certify that:

- 1 I have satisfied myself about the accuracy of the valuation data furnished to me by making a number of reasonableness checks;
- 2 Adequate and proper reserves have been provided as at 31 December 2023 for all known liabilities in respect of the long term business of the Life Fund, taking into account all bonus declared as at that date in accordance with the requirements of Solvency Margin (Risk Based Capital) Rules 2015 dated 15 December 2015; and
- 3 Based on information on assets extracted from the audited accounts of the Company for the year ended 31 December 2023, the Company has adequate financial resources to cover its capital requirements in accordance with the Solvency Margin (Risk Based Capital) Rules 2015 dated 15 December 2015.

Yours faithfully

Vivek Jalan FIA

Head of Insurance Consulting & Technology, India

Willis Towers Watson India Private Limited

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INDEPENDENT AUDITORS' REPORT



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TO THE SHAREHOLDERS OF CEYLINCO LIFE INSURANCE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ceylinco Life Insurance Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical

responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the financial reporting process of both Company and Group.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

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INDEPENDENT AUDITORS' REPORT



and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

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

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

22 February 2024
Colombo

STATEMENT OF FINANCIAL POSITION

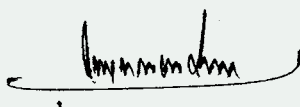
As at 31 December			GROUP		COMPANY	
			2023	2022	2023	2022
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets						
Intangible Assets	235	6	260,454	317,810	260,235	317,695
Property, Plant and Equipment	239	7	16,218,212	15,202,819	12,819,913	11,835,209
Right-of-use Asset	251	8.(a)	181,424	197,747	179,490	195,813
Investment Properties	253	9	1,589,299	1,288,730	4,646,800	4,268,230
Investment in Subsidiaries	257	10	-	-	1,511,000	1,211,000
Investment in Associates	259	11.(a)	7,310,729	6,946,848	2,641,672	2,641,672
Financial Instruments						
Held to Maturity Financial Assets	264	12.(a)	111,819,800	92,014,385	111,170,229	91,730,251
Loans and Receivables	265	12.(b)	70,646,195	65,770,166	69,589,711	64,965,241
Available-For-Sale Financial Assets	266	12.(c)	4,216,304	828,588	4,210,309	621,942
Financial Assets at Fair Value Through Profit or Loss	268	12.(d)	4,430,355	467,979	4,330,727	467,979
Employee Gratuity Benefit Asset	276	13	6,947,880	6,185,951	6,947,880	6,185,951
Employee Pension Benefit Asset	279	14	1,159,395	1,265,468	1,159,395	1,265,468
Reinsurance Receivables	281	15	683,424	499,817	683,424	499,817
Income Tax Receivables	284	16.(a)	6,620	6,376	-	-
Loans to Life policyholders	286	17.(a)	2,930,981	2,703,623	2,930,981	2,703,623
Premium Receivables	287	18	405,029	368,089	405,029	368,089
Other Assets	288	19	859,888	2,105,228	582,424	1,848,629
Cash and Cash Equivalents	288	20	678,161	332,261	677,077	405,331
Total Assets			230,344,150	196,501,885	224,746,296	191,531,940
Equity and Liabilities						
Equity Attributable to Equity Holders of Parent						
Stated Capital	289	21.(a)	500,001	500,001	500,001	500,001
Retained Earnings	290	21.(c)	46,526,537	41,227,449	42,420,188	37,530,856
AFS Reserve	290	21.(d)	19,107	18,552	19,107	18,552
Revaluation Reserves	290	21.(g)	1,127,873	979,571	666,188	581,769
Restricted Regulatory Reserve	291	21.(e)	3,456,184	3,456,184	3,456,184	3,456,184
Special Reserve	291	21.(f)	7,311,651	7,311,651	7,311,651	7,311,651
Total Ordinary Shareholders' Equity			58,941,353	53,493,408	54,373,319	49,399,013
Non-Controlling Interests	308	36	9,499	8,084	-	-
Total Equity			58,950,852	53,501,492	54,373,319	49,399,013

STATEMENT OF FINANCIAL POSITION

As at 31 December	Page	Note	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Liabilities						
Insurance Contract Liabilities - Life	294	22.(a)	157,540,297	134,888,219	157,537,917	134,885,839
Insurance Contract Liabilities - Unit Linked	294	22.(a)	228,774	254,911	228,774	254,911
Insurance Contract Liabilities - Family Takaful	294	22.(a)	17,496	16,087	17,496	16,087
Individual Investment Fund - ISF	294	22.(a)	414,963	392,339	414,963	392,339
Employee Gratuity Benefit Liability	276	13	11,259	8,474	-	-
Deferred Tax Liabilities	285	16.(c)	1,229,749	1,132,194	542,211	527,765
Reinsurance Payables	297	24	1,148,390	686,493	1,148,390	686,493
Trade and Other Payables	298	25	5,654,236	4,688,105	5,334,351	4,436,632
Lease Liabilities	251	8.(b)	176,790	202,410	181,867	207,338
Interest Bearing Borrowings	296	23.(a)	4,053,574	-	4,053,574	-
Bank Overdraft	288	20	917,769	731,161	913,434	725,523
Total Liabilities			171,393,297	143,000,393	170,372,977	142,132,927
Total Equity and Liabilities			230,344,150	196,501,885	224,746,296	191,531,940

The above Statement of Financial Position is to be read in conjunction with the notes to the Financial Statements on pages 224 to 335 which form an integral part of the Financial Statements.

These Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.



P.A. Jayawardene
Senior Director/ Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and Signed on behalf of the Board by;



R. Renganathan
Executive Chairman



E.T.L. Ranasinghe
Managing Director/Chief Executive Officer

22nd February, 2024

INCOME STATEMENT

For the Year Ended 31 December			GROUP			COMPANY		
			2023	2022	Change	2023	2022	Change
	Page	Note	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Net Income			61,267,125	49,068,789	24.86	60,762,627	48,759,204	24.62
Gross Written Premiums	299	26.(a)	33,410,928	29,159,890	14.58	33,411,394	29,160,164	14.58
Premiums Ceded to Reinsurers	300	26.(c)	(639,875)	(472,197)	35.51	(639,875)	(472,197)	35.51
Net Written Premiums			32,771,053	28,687,693	14.23	32,771,519	28,687,967	14.23
Revenue from Subsidiaries	301	26.(f)	435,164	337,885	28.79	-	-	-
			33,206,217	29,025,578	14.40	32,771,519	28,687,967	14.23
Fees and Commission Income	301	27	101,657	205,977	(50.65)	101,657	205,977	(50.65)
Investment Income	302	28	27,615,027	19,432,944	42.10	27,479,553	19,323,140	42.21
Realised Gains/(Losses)	303	29	106,631	57,960	83.97	106,631	57,960	83.97
Fair Value Gains/ (Losses)	303	30	186,652	274,403	(31.98)	252,009	433,421	(41.86)
Other Operating Revenue			50,941	71,926	(29.18)	51,258	50,739	1.02
Other Revenue			28,060,908	20,043,211	40.00	27,991,108	20,071,237	39.46
Gross Benefits and Claims Paid	304	31.(a)	(23,425,601)	(19,187,615)	22.09	(23,425,601)	(19,187,615)	22.09
Claims Ceded to Reinsurers	304	31.(b)	290,552	218,349	33.07	290,552	218,349	33.07
Gross Change in Contract Liabilities	304	31.(c)	(23,015,741)	(13,375,957)	72.07	(23,015,741)	(13,375,957)	72.07
Net Benefits and Claims			(46,150,790)	(32,345,223)	42.68	(46,150,790)	(32,345,223)	42.68
Direct Costs of Subsidiaries			(283,164)	(255,239)	10.94	-	-	-
Acquisition Cost	305	32	(2,267,578)	(2,097,314)	8.12	(2,267,578)	(2,097,314)	8.12
Other Operating and Administrative Expenses	305	33	(4,024,392)	(4,464,572)	(9.86)	(3,824,629)	(4,300,705)	(11.07)
Finance Cost	306	34	(80,179)	(104,621)	(23.36)	(79,877)	(104,382)	(23.48)
Total Other Expenses			(6,655,313)	(6,921,746)	(3.85)	(6,172,084)	(6,502,401)	(5.08)
Total Benefits, Claims and Other Expenses			(52,806,103)	(39,266,969)	34.48	(52,322,874)	(38,847,624)	34.69
Profit Before Share of Associates			8,461,022	9,801,820	(13.68)	8,439,753	9,911,580	(14.85)
Share of Profit of Associates	260	11.(b)	567,524	591,521	(4.06)	-	-	-
Profit Before Tax			9,028,546	10,393,341	(13.13)	8,439,753	9,911,580	(14.85)
Tax Expense	307	35.(a)	(2,719,867)	(2,228,592)	22.04	(2,637,920)	(2,279,803)	15.71
Profit for the Year			6,308,679	8,164,749	(22.73)	5,801,833	7,631,777	(23.98)
Profit Attributable to:								
Equity Holders of the Parent			6,307,264	8,163,769	(22.74)	5,801,833	7,631,777	(23.98)
Non-Controlling Interests	309	36.(b)	1,415	980	44.37	-	-	-
			6,308,679	8,164,749	(22.73)	5,801,833	7,631,777	(23.98)
Basic Earnings Per Share	309	37.(a)	126.15	163.28	(22.74)	116.04	152.64	(23.98)
Dividend Per Share	310	38	15.00	18.25	(17.81)	15.00	18.25	(17.81)

The above Income Statement is to be read in conjunction with the notes to the Financial Statements on pages 224 to 335 which form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December	Page	Note	GROUP		COMPANY	
			2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Profit for the Year			6,308,678	8,164,749	5,801,833	7,631,777
Other Comprehensive Income						
Items that will not be reclassified subsequently to income statement						
Revaluation Surplus/ (Deficit) During the Year	311	39	927,204	1,754,749	835,944	1,579,173
Actuarial Gain/(Loss) on Defined Benefit Plans	311	39	(1,567,939)	556,880	(1,568,623)	555,552
Share of Other Comprehensive Income of Equity Accounted Investees	311	39	(14,643)	(219,497)	-	-
Items that may be reclassified subsequently to income statement						
Net Gain/(Loss) on Available-For-Sale Assets	311	39	34,696	(121,118)	34,696	(121,118)
Income Tax relating to Components of Other Comprehensive Income	311	39	(55,930)	(210,421)	(28,347)	(97,137)
Other Comprehensive Income for the Year, Net of Tax			(676,612)	1,760,593	(726,330)	1,916,470
Total Comprehensive Income for the Year, Net of Tax			5,632,067	9,925,342	5,075,503	9,548,247
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent			5,630,652	9,924,350	5,075,503	9,548,247
Non-Controlling Interests			1,415	992	-	-
			5,632,067	9,925,342	5,075,503	9,548,247

The above Statement of Comprehensive Income is to be read in conjunction with the notes to the Financial Statements on pages 224 to 335 which form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT											
			Stated Capital	Special Reserve	Restricted Regulatory Reserve	Revaluation Reserves	Retained Earnings	Available- for-Sale Reserve	Total Ordinary Share- Holders' Equity	Non- Controlling Interests	Total Equity
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
GROUP											
Balance As At 1st January 2022			500,001	7,311,651	3,456,184	831,796	34,279,196	29,368	46,408,196	7,092	46,415,288
Net Profit for the Year			-	-	-	-	8,163,769	-	8,163,769	980	8,164,750
Other Comprehensive Income for the Year			-	-	-	1,549,156	337,144	(125,719)	1,760,582	12	1,760,594
Total Comprehensive Income for the Year			-	-	-	1,549,156	8,500,913	(125,719)	9,924,351	992	9,925,343
Final Dividend Paid - 2021			-	-	-	-	(787,501)	-	(787,501)	-	(787,501)
Transferred to Long Term Insurance Fund			-	-	-	(1,401,380)	(555,552)	114,903	(1,842,029)	-	(1,842,029)
Associate Change in Equity			-	-	-	-	(209,606)	-	(209,606)	-	(209,606)
Balance As At 31st December 2022			500,001	7,311,651	3,456,184	979,571	41,227,449	18,552	53,493,410	8,084	53,501,494
Net Profit for the Year			-	-	-	-	6,307,263	-	6,307,263	1,415	6,308,678
Other Comprehensive Income for the Year			-	-	-	863,646	(1,582,787)	42,530	(676,611)	-	(676,611)
Total Comprehensive Income for the Year			-	-	-	863,646	4,724,477	42,530	5,630,653	1,415	5,632,068
Final Dividend Paid - 2022	310	38	-	-	-	-	(912,501)	-	(912,501)	-	(912,501)
Transferred to Long Term Insurance Fund			-	-	-	(715,344)	1,568,623	(41,975)	811,304	-	811,304
Associate Change in Equity			-	-	-	-	(81,510)	-	(81,510)	-	(81,510)
Balance As At 31st December 2023			500,001	7,311,651	3,456,184	1,127,873	46,526,538	19,107	58,941,356	9,499	58,950,855

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										
	Page	Note	Stated Capital Rs.'000	Special Reserve Rs.'000	Restricted Regulatory Reserve Rs.'000	Revaluation Reserves Rs.'000	Retained Earnings Rs.'000	Available-for-Sale Reserve Rs.'000	Total Ordinary Share-Holders' Equity Rs.'000	Total Equity Rs.'000
COMPANY										
Balance As At 1st January 2022			500,001	7,311,651	3,456,184	496,512	30,686,580	29,368	42,480,294	42,480,294
Net Profit for the Year			-	-	-	-	7,631,777	-	7,631,777	7,631,777
Other Comprehensive Income for the Year			-	-	-	1,486,637	555,552	(125,719)	1,916,470	1,916,470
Total Comprehensive Income for the Year			-	-	-	1,486,637	8,187,329	(125,719)	9,548,247	9,548,247
Final Dividend Paid - 2021			-	-	-	-	(787,501)	-	(787,501)	(787,501)
Transferred to Long Term Insurance Fund			-	-	-	(1,401,380)	(555,552)	114,903	(1,842,029)	(1,842,029)
Balance As At 31st December 2022			500,001	7,311,651	3,456,184	581,769	37,530,856	18,552	49,399,012	49,399,012
Net Profit for the Year			-	-	-	-	5,801,833	-	5,801,833	5,801,833
Other Comprehensive Income for the Year			-	-	-	799,764	(1,568,623)	42,530	(726,329)	(726,329)
Total Comprehensive Income for the Year			-	-	-	799,764	4,233,210	42,530	5,075,504	5,075,504
Final Dividend Paid - 2022	310	38	-	-	-	-	(912,501)	-	(912,501)	(912,501)
Transferred to Long Term Insurance Fund			-	-	-	(715,344)	1,568,623	(41,975)	811,304	811,304
Balance As At 31st December 2023			500,001	7,311,651	3,456,184	666,188	42,420,188	19,107	54,373,319	54,373,318

STATEMENT OF CASH FLOWS

For the Year Ended 31 December				GROUP		COMPANY	
				2023	2022	2023	2022
	Page	Notes		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities							
Premiums/Revenue received from Customers				33,373,988	29,161,351	33,374,454	29,161,624
Net Reinsurance Premiums Paid And Receipts On Claims And Benefits				(187,018)	(216,813)	(187,018)	(216,813)
Commission Paid				(2,205,687)	(2,137,869)	(2,205,687)	(2,137,869)
Claims and Benefits Paid				(23,430,793)	(19,123,848)	(23,430,793)	(19,123,848)
Reinsurance Receipts in respect of Claims & Benefits				106,944	108,133	106,944	108,133
Interest and Dividends Received				17,943,610	14,789,652	18,022,133	14,872,401
Other Operating Cash Payments				(3,980,216)	(5,118,135)	(4,205,337)	(5,270,389)
Other Income				609,778	163,603	609,778	163,603
Gratuity/Pension payments	275	13.(b) & 14		(695,210)	(578,120)	(695,089)	(578,120)
Income Taxes Paid				(2,034,727)	(3,111,676)	(2,015,873)	(3,111,676)
Interest Paid				(690,231)	(82,855)	(692,671)	(82,855)
Lease Rental Paid				(158,455)	(65,749)	(158,455)	(65,749)
Net Cash Flows from Operating Activities		Note A		18,651,984	13,787,673	18,522,385	13,718,442
Cash Flows from Investing Activities							
Investments in/Proceeds from Subsidiaries/ Associates				-	(3,242,000)	(300,000)	(3,317,000)
Acquisition of Investment Property				(223,261)	(260,619)	(223,261)	(260,619)
Proceeds from sale of Investment Property				-	450,000	-	450,000
Acquisition of Financial Investments	271	12.(h)		(469,344,755)	(796,535,865)	(468,757,414)	(796,456,245)
Proceeds from Financial Investments	271	12.(h)		448,318,861	789,898,748	448,143,935	789,898,748
Acquisition of Property, Plant & Equipment	238 & 239	7		(411,651)	(331,043)	(395,158)	(315,055)
Proceeds from Disposal of Property, Plant & Equipment				28,351	891	28,351	891
Acquisition /Disposal of Intangible Assets	235	6		(76,311)	(139,752)	(76,076)	(139,752)
Net Cash Flows from Investing Activities				(21,708,766)	(10,159,640)	(21,579,624)	(10,139,032)
Cash Flows from Financing Activities							
Net Proceeds from short-term borrowing				4,053,575	(3,210,934)	4,053,575	(3,202,054)
Interest Paid				-	(149)	-	-
Dividends Paid to Equity holders				(912,501)	(787,501)	(912,501)	(787,501)
Net Cash Flows from Financing Activities				3,141,074	(3,998,584)	3,141,074	(3,989,554)
Increase / (Decrease) in Cash & Cash Equivalents		Note B		84,292	(370,551)	83,836	(410,144)

For the Year Ended 31 December			GROUP		COMPANY	
			2023	2022	2023	2022
	Page	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Note A.						
Reconciliation of Profit Before Tax with Net Cash Flows from Operating Activities						
Profit before tax			9,028,545	10,393,342	8,439,753	9,911,580
Adjustments for:						
Depreciation including Right-to Use Assets	238 & 239	7	298,646	382,107	303,257	317,041
Interest Income			68,684	-	-	-
Provision for Gratuity & Pension			(2,220,886)	545,028	(2,224,479)	543,309
Amortisation of Intangible Assets	235	6	133,666	118,551	133,537	118,504
Loan amortization			-	11,770	-	11,770
Change in Trade and Other Receivables			(10,352,720)	(4,523,355)	(9,157,980)	4,578,394
Change in Reinsurance Receivable			461,897	(107,646)	461,897	(107,646)
Increase in Life Insurance Funds	304	31	23,015,741	13,375,957	23,015,741	13,375,957
Increase in Unit-linked Fund			(26,137)	(63,941)	(26,137)	(63,941)
Increase in Takaful Fund			1,409	113	1,409	113
Increase in Individual Investment Fund (IFS)			22,624	40,898	22,624	40,898
Change in Trade and Other Payables			1,427,342	(2,519,809)	805,971	(1,831,167)
Change in Reinsurance Payable			(183,607)	161,595	(183,607)	161,595
Realised Gains/(Losses)	303	29	(106,630)	(57,960)	(106,630)	(57,960)
Fair value Gain recorded in Income Statement	303	30	(186,652)	(274,403)	(252,009)	(433,421)
Income Tax Paid			(2,034,727)	(3,111,676)	(2,015,873)	(3,111,676)
Payment to gratuity and pension funds	275	13.(b) & 14	(695,210)	(582,895)	(695,089)	(578,120)
Net Cash Flows from Operating Activities			18,651,984	13,787,673	18,522,385	13,718,442
Note B.						
Cash and Cash Equivalents at 1st January			(323,900)	(28,347)	(320,192)	89,953
Cash and Cash Equivalents at 31st December			(239,608)	(398,900)	(236,357)	(320,192)
Increase / (Decrease) in Cash and Cash Equivalents			84,292	(370,551)	83,835	(410,144)
Note C						
Cash at Bank and in Hand			678,161	332,261	677,077	405,331
Bank Overdraft			(917,769)	(731,161)	(913,434)	(725,523)
			(239,608)	(398,900)	(236,357)	(320,192)

The above Statement of Cash Flows is to be read in conjunction with the notes to the Financial Statements on pages 224 to 335 which form an integral part of the Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Entity information

1.1. Reporting Entity

Ceylinco Life Insurance Limited (the Company) is a public limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 106, Havelock Road, Colombo 05. Additional corporate information is given on the inner back page.

1.2. Nature of Operations and Principal Activities

Descriptions of the nature of operations and principal activities of the Company, its Subsidiaries and Associates are given on page 12. There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

The parent of Ceylinco Life Insurance Limited is Ceylinco Insurance PLC, which is incorporated and domiciled in Sri Lanka.

Financial Statements

1.3. Consolidated Financial Statements

The Consolidated Financial Statements of Ceylinco Life Insurance Limited, as at and for the year ended 31 December 2023 encompass the Company, its Subsidiaries (together referred to as the 'Group') and the Group's interest in Associates. All companies in the Group are limited liability companies incorporated and domiciled in Sri Lanka.

The financial statements of all the companies in the group have been prepared for a common financial year ending 31 December.

The assets and liabilities presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

No adjustments have been made for inflationary factors affecting the Financial Statements.

1.4 Responsibility for Financial Statements

The Board of Directors is responsible for preparation and presentation of the Financial Statements of the Group/Company as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards. The responsibility of the Directors in relation to the Financial Statements is set out in detail in the Statement of Directors' Responsibility Report in on page 202.

These Financial Statements include the following components:

- Income Statement and Statement of Other Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review (refer pages 219 to 220)
- Statement of Financial Position (SOFPI) providing the information on the financial position of the Group and the Company as at the year end (refer page 217 to 218).
- Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company (refer page 221).

- Statement of Cash Flows providing the information on the ability of the Group and the Company to generate cash and cash equivalents and utilisation of those cash flows (refer page 222 to 223).
- Notes to the Financial Statements comprising Material Accounting Policy Information and other explanatory information (refer page 224 to 335).

1.5. Approval of Financial Statements

The Consolidated Financial Statements of Ceylinco Life Insurance Limited and its Subsidiaries (collectively, the Group) for the year ended 31 December 2023 were authorised for issue by the Directors on 22nd February 2024.

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS/LKAS) promulgated by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in compliance with the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and with the requirements of the Companies Act, No. 07 of 2007 and the requirements of the Regulation of Insurance Industry Act, No.43 of 2000, amendments there to, and rules and regulation of the Insurance Regulation Commission of Sri Lanka (IRCSL).

2.2. Basis of Measurement

The Financial Statements, except for information on cash flows, have been prepared on accrual basis under the historical cost convention except for the following:

Item	Basis of Measurement
Land and buildings – LKAS 16	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation
Investment property – LKAS 40	Fair value
Financial assets at fair value through profit or loss and available-for-sale financial assets – LKAS 39	Fair value
Policyholder liabilities – SLFRS 4	Actuarial valuation
Net defined benefit assets or liabilities – LKAS 19	Actuarial valuation

2.3. Functional and Presentation Currency

Items included in the Financial Statements of the company are measured using the currency of the primary economic environment in which the company operates (the Functional Currency). These Financial Statements are presented in Sri Lankan Rupees (LKR), which is the company's Functional and Presentation Currency. There was no change in the Company's Presentation and Functional Currency during the year under review.

All amounts presented in rupees have been rounded to the nearest rupees thousand (Rs'000), except when otherwise indicated.

2.4. Materiality and Aggregation

Each item which is similar in nature is presented separately if material. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted LKAS 1 – "Presentation of Financial Statements".

2.5. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amount and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenditures are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standard and as specially disclosed in the Material Accounting Policy Information of the Group.

2.6. Going Concern

The Directors have made an assessment of the company's ability to continue as a going concern and is satisfied about the ability to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

2.7. Comparative Information

The Consolidated Financial Statements provide comparative information in respect of the previous financial year. The presentation and classification of assets and liabilities in the financial statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Policies disclosed within individual notes

Material accounting policy information have been disclosed along with the relevant individual notes to the Financial Statements. The accounting policies presented within each note have been applied consistently by the Company.

Policies not covered with individual notes

Following accounting policies which have been applied consistently by the company, are considered to be significant but are not covered with individual notes.

(a) Insurance Receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the Statement of the Comprehensive Income.

Insurance receivables are de-recognised when the de-recognition criteria for financial assets have been satisfied.

(b) Cash Flow Statement

The Statements of Cash Flows has been prepared using 'Direct Method' and cash flows from Operating Activities are shown using 'Indirect Method' with the purpose of better comparison. Interest paid is classified as an operating cash flow except interest paid on REPO borrowings. Dividend and interest income are classified as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Dividends paid are classified as financing cash flows. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

4. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRS and LKAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Information about significant areas of estimation under uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following Notes:

Critical Accounting Judgments, Estimates and Assumptions	Disclosure Reference	
	Note	Page
Insurance Provision – Life	22	292
Revaluation of Property, Plant & Equipment	7.(a)	240
Valuation of Investment Property	9.(a)	253
Measurement of Defined Benefit Obligation	13 and 14	275
Fair Value Measurement of Financial Instruments	12.(g)	269
Income Tax (Current Tax and Deferred Tax)	16	282

5. SEGMENT INFORMATION

ACCOUNTING POLICY

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

For management purposes, the Group is organised into business units based on their products and services and has following reportable operating segments as follows:

Reportable operating segment	Class of information	Explanation
Life Insurance	Nature of business	The company offers a wide range of long term life insurance products belongs to Life insurance, Retirement plans, medical plans with and without discretionary Participating features. The products are available to purchase online as well.
	Products offered	Whole life, endowment, anticipated endowment, term insurance, mortgage protection, retirement and group insurance products.
	Revenue driver	Insurance premium and fees charged from policyholders, Reinsurance Commission Income, Investment Income and Fair Value Gains and Losses on Investments and other operating revenue.
Healthcare segment	Nature of business	Ceylinco Healthcare Services Ltd, specializes in treatment and detection of Cancer.
	Products offered	The Ceylinco Healthcare Centre includes provides facilities through cancer screening, radiation treatment including Tomotherapy treatment which is considered the most advanced radiation treatment for cancer in the world today.
	Revenue driver	Fee income from the treatments, medical tests, registration fees net of discounts.
Retirement resort	Nature of business	Retirement resort caters both active retirees and those who need assistance while facilitating them with premium living standards for senior individuals.
	Products offered	44 single and double bedroom with ocean and land view with assisted and general living facilities.
	Revenue driver	Monthly resident income is recognized from the individuals living in the housing units

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Transaction between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expenses and results include transfers between business segments which will then be eliminated on consolidation.

Geographic information

The activities of the Group are located mainly in Sri Lanka. Consequently, the economic environment in which the Group operates is not subject to risks and rewards that are significantly different on a geographical basis. Hence, disclosure by geographical region is not provided.

Major Customers

The company does not have any major customers

5.(a) Segment Income Statement for the Year Ended 31 December 2023

	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Total Rs.'000
Gross Premiums	33,411,394	-	-	(466)	33,410,928
Premiums Ceded to Reinsurers	(639,875)	-	-	-	(639,875)
Net Premiums	32,771,519	-	-	(466)	32,771,053
Revenue from Subsidiaries	-	378,028	57,136	-	435,164
Fees and Commission Income	101,657	-	-	-	101,657
Investment Income	27,479,553	143,965	106,998	(115,490)	27,615,026
Realised Gains/(Losses)	106,631	-	-	-	106,631
Fair Value Gains/(Losses)	252,009	12,644	-	(78,000)	186,653
Other Operating Revenue	51,258	(1,078)	842	(81)	50,941
Other Revenue	27,991,108	533,559	164,976	(193,571)	28,496,072
Segment Revenue	60,762,627	533,559	164,977	(194,038)	61,267,124
Gross Benefits and Claims Paid	(23,425,601)	-	-	-	(23,425,601)
Claims Ceded to Reinsurers	290,552	-	-	-	290,552
Gross Change in Contract Liabilities	(23,015,741)	-	-	-	(23,015,741)
Net Benefits and Claims	(46,150,790)	-	-	-	(46,150,790)
Direct Cost of Subsidiaries	-	(257,718)	(25,446)	-	(283,164)
Acquisition Cost	(2,267,578)	-	-	-	(2,267,578)
Other Operating and Administrative Expenses	(3,824,629)	(143,346)	(50,577)	(5,840)	(4,024,392)
Finance Costs	(79,877)	-	(2,743)	2,441	(80,179)
Other Expenses	(6,172,084)	(401,064)	(78,766)	(3,999)	(6,655,313)
Segment Benefits, Claims and Other Expenses	(52,322,874)	(401,065)	(78,765)	(3,400)	(52,806,104)
Share of Profit of Associates	-	-	-	567,524	567,524
Segment Results	8,439,753	132,495	86,210	370,086	9,028,544

Segment income statement for the year ended 31 December 2022

	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Total Rs.'000
Gross Premiums	29,160,164	-	-	(274)	29,159,891
Premiums Ceded to Reinsurers	(472,197)	-	-	-	(472,197)
Net Premiums	28,687,967	-	-	(274)	28,687,694
Revenue from Subsidiaries	-	300,250	37,635	-	337,885
Fees and Commission Income	205,977	-	-	-	205,977
Investment Income	19,323,140	112,807	79,747	(82,750)	19,432,944
Realised Gains/(Losses)	57,960	-	-	-	57,960
Fair Value Gains/(Losses)	433,421	4,381	-	(163,400)	274,403
Other Operating Revenue	50,739	20,302	934	(49)	71,926
Other Revenue	20,071,237	437,740	118,316	(246,199)	20,381,095
Segment Revenue	48,759,205	437,740	118,316	(246,472)	49,068,789
Gross Benefits and Claims Paid	(19,187,615)	-	-	-	(19,187,615)
Claims Ceded to Reinsurers	218,349	-	-	-	218,349
Gross Change in Contract Liabilities	(13,375,957)	-	-	-	(13,375,957)
Net Benefits and Claims	(32,345,223)	-	-	-	(32,345,223)
Direct Cost of Subsidiaries	-	(233,374)	(21,865)	-	(255,239)
Acquisition Cost	(2,097,314)	-	-	-	(2,097,314)
Other Operating and Administrative Expenses	(4,300,705)	(117,653)	(37,464)	(8,749)	(4,464,572)
Finance Costs	(104,382)	-	(1,060)	821	(104,621)
Other Expenses	(6,502,402)	(351,027)	(60,389)	(7,928)	(6,921,745)
Segment Benefits, Claims and Other Expenses	(38,847,624)	(351,027)	(60,389)	(7,928)	(39,266,968)
Share of Profit of Associates	-	-	-	591,521	591,521
Segment Results	9,911,580	86,713	57,927	337,121	10,393,342

5.(b) Segment Statement of Financial Position as at 31 December 2023

	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Total Rs.'000
Intangible Assets	260,235	67	298	(146)	260,454
Property, Plant & Equipment	12,819,913	510,209	30,271	2,857,820	16,218,212
Right-of-use Asset	179,490	-	7,236	(5,301)	181,424
Investment Property	4,646,800	-	-	(3,057,499)	1,589,301
Investment in Associates	2,641,672	-	-	4,669,057	7,310,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Total Rs.'000
Investment in Subsidiaries	1,511,000	-	-	(1,511,000)	-
Financial Instruments	189,300,976	1,246,762	564,930	(13)	191,112,655
Reinsurance Assets	683,424	-	-	-	683,424
Loans to Policyholders	2,930,981	-	-	-	2,930,981
Premium Receivables	405,029	-	-	-	405,029
Other Assets	9,366,776	17,122	8,368	259,679	9,651,945
Total Assets	224,746,296	1,774,160	611,103	3,212,597	230,344,154
Insurance Contract Liabilities	158,199,149	-	-	2,380	158,201,529
Other Liabilities	12,173,827	154,349	48,223	638,581	13,014,980
Total Liabilities	170,372,976	154,349	48,223	640,961	171,216,508

Segment Statement of Financial Position as at 31 December 2022

	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Total Rs.'000
Intangible Assets	317,695	113	-	-	317,809
Property, Plant & Equipment	11,835,209	563,958	21,842	2,781,812	15,202,820
Right-of-use Asset	195,813	-	11,508	(9,574)	197,747
Investment Property	4,268,230	-	-	2,979,499	1,288,731
Investment in Associates	2,641,672	-	-	4,305,176	6,946,848
Investment in Subsidiaries	1,211,000	-	-	(1,211,000)	-
Financial Instruments	157,785,413	778,390	501,246	16,069	159,081,118
Reinsurance Assets	499,817	-	-	-	499,817
Loans to Policyholders	2,703,623	-	-	-	2,703,623
Premium Receivables	368,089	-	-	-	368,089
Other Assets	9,705,378	15,979	5,966	167,960	9,895,284
Total Assets	191,531,939	1,358,440	540,563	3,070,944	196,501,886
Insurance Contract Liabilities	135,549,176	-	-	2,380	135,551,556
Other Liabilities	6,583,751	139,025	40,862	482,791	7,246,429
Total Liabilities	142,132,927	139,025	40,862	485,171	142,797,985

5.(c) Segment Statement of Cash Flows

For the Year Ended 31 December 2023	Page	Notes	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Group Rs.'000
Net Cash Flows from Operating Activities			18,522,385	158,352	(28,755)	-	18,651,984
Net Cash Flows from Investing Activities			(21,579,623)	(459,283)	30,141	300,000	(21,708,766)
Net Cash Flows from Financing Activities			3,141,074	300,000	-	(300,000)	3,141,074
Increase / (Decrease) in Cash & Cash Equivalents			83,836	(930)	1,386	-	84,292
Note A.							
Cash and Cash Equivalents at 1st January			(320,192)	(2,901)	(807)	-	(323,900)
Cash and Cash Equivalents at 31st December		Note A	(236,357)	(3,830)	580	-	(239,608)
Increase / (Decrease) in Cash and Cash Equivalents			83,836	(930)	1,386	-	84,292
Note A							
Cash at Bank and in Hand			677,077	558	580	(55)	678,161
Bank Overdraft			(913,434)	(4,389)	-	55	(917,769)
			(236,357)	(3,830)	580	-	(239,608)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.(c) Segment Statement of Cash Flows

For the Year Ended 31 December 2022	Page	Notes	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Group Rs.'000
Net Cash Flows from Operating Activities			13,718,442	55,593	13,636	-	13,787,673
Net Cash Flows from Investing Activities			(10,139,032)	(6,256)	(14,352)	-	(10,159,640)
Net Cash Flows from Financing Activities			(3,989,554)	(9,029)	-	-	(3,998,584)
Increase / (Decrease) in Cash & Cash Equivalents			(410,144)	40,308	(716)	-	(370,552)
Cash and Cash Equivalents at 1st January			89,953	(43,210)	(90)	(75,000)	(28,347)
Cash and Cash Equivalents at 31st December		Note A	(320,192)	(2,902)	(807)	(75,000)	(398,900)
Increase / (Decrease) in Cash and Cash Equivalents			(410,144)	40,308	(716)	-	(370,552)
Note A							
Cash at Bank and in Hand			405,331	1,740	189	(75,000)	332,261
Bank Overdraft			(725,523)	(4,642)	(996)	-	(731,161)
			(320,192)	(2,902)	(807)	(75,000)	(398,900)

5.(d) Disclosure Under Paragraph 23 (a -i) of SLFRS 08

As at 31st December	2023			2022		
	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000
Revenue from other Segments	(466)	186	280	(274)	138	135
Revenue from External Customers	33,411,394	-	-	29,159,891	-	-
Interest Income	27,479,553	106,998	143,965	19,323,140	112,807	79,747
Interest Expenses Recognized on Lease Creditors	(24,304)	-	-	(21,527)	-	(821)
Depreciation on Property, Plant and Equipment	(234,573)	-	-	(236,037)	(57,326)	11,228
Amortisation of Intangible Assets	(133,537)	-	-	(118,504)	(46)	-
Depreciation of Right of Use Assets	(68,684)	-	-	(81,003)	-	(2,902)

5.(e) Disclosure Under Paragraph 24 (a & b) of SLFRS 08

As at 31st December	2023			2022		
	Life Insurance	Ceylinco Healthcare Services Limited	Serene Resort Limited	Life Insurance	Ceylinco Healthcare Services Limited	Serene Resort Limited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Additions to Property, Plant and Equipment	423,217	3,554	18,926	326,334	224	15,764
Additions to Intangible Assets	77,636	-	235	139,752	-	-
Investment in Associate	2,641,672	-	-	2,641,672	-	-

5.(f) Summarised information of Significant Subsidiaries

Summarised Income Statement	Serene Resorts Limited		Ceylinco Healthcare Services Limited	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	57,136,247	37,634,970	378,028	300,250
Cost of Sales	(29,729,511)	(21,865,017)	(257,718)	(233,374)
Other Income	841,859	934,111	(1,078)	20,302
Administrative Expenses	(45,793,246)	(36,616,406)	(128,693)	(109,456)
Selling & Distribution Expenses	(499,641)	(847,791)	(14,653)	(8,197)
Finance Income/ (Cost)	106,998,446	79,747,285	143,965	(112,807)
Profit Before Tax	86,211,279	57,927,482	132,494,184	86,713

Summarised Statement of Financial Position

Summarised Income Statement	Serene Resorts Limited		Ceylinco Healthcare Services Limited	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Assets	6,873,628	5,966,281	1,263,884	794,369
Non-Current Assets	564,930,084	501,246,148	510,276	564,071
Total Assets	611,102,250	540,562,788	1,774,160	1,358,440
Current Liabilities	34,195,317	23,745,936	31,464	49,795
Non-Current Liabilities	14,027,215	17,116,132	122,885	89,230
Equity	562,879,718	499,700,720	1,619,811	1,219,415
Total Equity and Liabilities	611,102,250	540,562,788	1,774,160	1,358,440

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Summarised Statement of Cash Flows

Summarised Income Statement	Serene Resorts Limited		Ceylinco Healthcare Services Limited	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Operating Cash Flows	(23,205,204)	4,946,027	14,388	55,595
Investing Cash Flows	30,141,353	(89,352,083)	(15,317)	(6,256)
Financing Cash Flows	(5,550,000)	83,689,739	-	(9,029)
Net Increase /(Decrease) In cash and cash equivalents	1,386,149	(716,317)	(930)	40,309
Cash and Cash Equivalent at the Beginning of the Year	(806,531)	(90,214)	(2,900)	(43,210)
Cash and Cash Equivalent at the End of the Year	579,618	(806,531)	(3,830)	(2,900)

6. INTANGIBLE ASSETS

ACCOUNTING POLICY

The Group's Intangible Assets include the value of Computer Software.

Initial Recognition and measurement

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embedded in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Intangible assets with finite useful lives

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement in the expense category consistent with the function of the intangible asset.

Useful economic life and amortization

Intangible Assets	Useful economic life	Residual value	Amortization method
Computer software	3-5 years	Nil	Straight line basis

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at cash generating unit level, irrespective of whether there is an indication of impairment. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Group or the Company does not have intangible assets with indefinite useful life for the year under review.

Derecognition

The carrying amount of an intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use. Gain or loss arising from de-recognition of an intangible asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset as at the date of disposal, and are recognised in the statement of profit or loss when the asset is de-recognised.

			GROUP		COMPANY	
			Computer Software & License	Total	Computer Software & License	Total
Page	Note		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost						
At 1 January 2022			851,211	851,211	839,508	839,508
Addition			139,790	139,790	139,752	139,752
At 1 January 2023			991,001	991,001	979,260	979,260
Addition			77,870	77,870	77,636	77,636
Disposal/Writeoff			(2,007)	(2,007)	(2,007)	(2,007)
At 31 December 2023			1,066,864	1,066,864	1,054,889	1,054,889
Accumulated Amortisation and Impairment						
At 1 January 2022			554,603	554,603	543,060	543,060
Amortisation Adjustment			38	38	-	-
Amortisation	305	33	118,550	118,550	118,504	118,504
At 1 January 2023			673,191	673,191	661,564	661,564
Amortisation	305	33	133,666	133,666	133,537	133,537
Writeoff			(447)	(447)	(447)	(447)
At 31 December 2023			806,410	806,410	794,654	794,654
Carrying amount						
As at 01 January 2022			296,607	296,607	296,448	296,448
At 1 January 2023			317,810	317,810	317,695	317,695
At 31 December 2023			260,454	260,454	260,235	260,235

6 (a) Acquisition of Intangible Assets during the year

Group

During the year, the Group acquired intangible assets amounting to Rs .77.8 Million (2022- Rs. 139.7 Million).

Company

During the year, the Company acquired intangible assets amounting to Rs .76 Million (2022- Rs. 139.8 Million).

6 (b) Fully Amortised Intangible Assets in use

Group/Company

Fully amortized Intangible Assets includes fully amortized Computer software which are in the use of normal business activities having cost amounts of Rs. 330.48 Million. (2022- Rs. 330.48 Million).

6 (c) Title Restriction on Intangible Assets

There were no restrictions that existed on the title of the Intangible Assets of the Group/Company as at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 (d) Assessment of impairment of Intangible Assets

The Group has assessed potential impairment indicators of intangible assets as at 31st December 2023. Based on the assessment, no impairment indicators were identified.

6 (e) Capitalisation of Borrowing Costs

There were no capitalised borrowing costs related to the acquisition of Intangible Assets during the year. (2022 - Nil)

6 (f) Research and development costs

Expenditure on research activities is recognised in Profit or Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in Profit or Loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

7. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used during more than one period.

Basis of Recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably in accordance with "LKAS 16 - Property, Plant and Equipment".

Measurement after Recognition

Items of property, plant and equipment are stated at cost or revalued amount less accumulated depreciation and accumulated impairment losses.

Cost Model

The Group applies the cost model to Property, Plant and Equipment except for freehold land and buildings and records at cost of purchase or construction together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

Revaluation Model

Revaluation is performed on freehold land and buildings by professionally qualified valuers using the open market value. Land and buildings are revalued with sufficient regularity so that the carrying value does not differ materially from the fair value at the reporting date. The revaluation surplus is recognised on the net carrying value of the asset. Any revaluation gain or loss attributable to policyholders is recognised in the Life Insurance Fund, whereas any revaluation gain or loss attributable to shareholders is recognised in revaluation reserve.

Initial measurement

Initially items of property, plant and equipment are measured at its cost. Cost includes expenditure that is directly attributable to the acquisition or construction of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are also capitalised. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Replacement Cost

The cost of replacing a component of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of Property, Plant and Equipment are recognised in Profit or Loss as incurred.

Repairs and maintenance

Repairs and maintenance are charged to Profit or Loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the Group and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related asset.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The assets are depreciated from the month it is available for use and cease to depreciate from the month of disposal. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives for property, plant and equipment are as follows:

Item	2023 Useful Life	2022 Useful Life
Buildings	50-70 years	50-70 years
Furniture and fittings	5-10 years	5-10 years
Office equipment	3-10 years	3-10 years
Computer equipment	2-5 years	2-5 years
Motor vehicles	4-5 years	4-5 years
Plant and machinery - Medical equipment	5 years	5 years
Plant and machinery - Electrical equipment	5 years	5 years
Plant and machinery - Other	4-33 years	4-33 years

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each Reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in Income Statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

For assets excluding goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The impairment analysis is principally based upon discounted estimated cash flows from the use and eventual disposal of the assets. Factors like lower than anticipated sales and resulting decreases of net cash flows and changes in the discount rates could lead to impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Capital work-in-progress

Capital work-in-progress is stated at cost. Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work in progress, whilst the capital assets which have been completed during the year and available to use have been transferred to property, plant and equipment.

Borrowing Cost

Borrowing Cost that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset as per the Sri Lanka Accounting Standard – LKAS 23 Borrowing Costs. A qualifying asset is an asset which takes a substantial period of time to get ready for its intended use or sale. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed. Other borrowing cost are recognized in the income statements in the period in which expense incur.

Derecognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in Income Statement in the year the asset is de-recognised. When a previously revalued asset is de-recognised, the revaluation reserve pertaining to such asset is transferred to retained earnings.

Movement of Property ,Plant and Equipment (PPE) -Group

	Page	Note	Freehold Land Rs:000	Building Rs:000	Plant & Machinery Rs:000	Motor Vehicles Rs:000	Office Equipment Rs:000	Computer Equipment Rs:000	Furniture & Fittings Rs:000	Capital WIP Rs:000	Total Rs:000
At Cost/ Valuation											
At 1 January 2022			7,830,902	4,016,480	995,003	798,192	835,350	598,743	386,946	73,972	15,535,588
Additions			51,720	18,057	-	60,926	35,115	44,842	6,267	125,395	342,322
Revaluation			1,035,878	645,863	-	-	-	-	-	-	1,681,741
Disposals			-	-	-	(4,059)	(1,120)	(53)	(735)	-	(5,968)
Written - Off			-	-	-	(4,250)	(44,066)	(127,602)	(14,808)	-	(190,725)
Transfers			-	14,043	-	-	(10,918)	1,775	(12,844)	(14,693)	(22,638)
At 1 January 2023			8,918,500	4,694,443	995,003	850,809	814,361	517,705	364,826	184,674	17,340,320
Additions			-	82,298	3,803	43,849	32,862	59,103	3,448	220,334	445,697
Revaluations			464,800	370,376	-	-	-	-	-	-	835,176
Disposals			-	-	-	(31,677)	(887)	(291)	(3,016)	-	(35,871)
Asset Written off			-	-	-	(18,794)	(18,916)	(112,540)	(10,993)	-	(161,243)
Transfers			-	387,113	-	-	(47,859)	(49,083)	1,154	(393,101)	(101,776)
At 31 December 2023			9,383,300	5,534,230	998,807	844,187	779,561	414,894	355,418	11,906	18,322,303
Accumulated Depreciation at Cost/Valuation											
At 1 January 2022			-	26,587	401,682	364,676	505,618	501,137	305,575	-	2,105,274
Depreciation	305	33	-	73,773	52,220	84,548	49,807	35,539	17,839	-	313,727
Disposals			-	(80)	-	(2,990)	(53,254)	(126,152)	(25,648)	-	(208,124)
Transfers			-	75,342	-	-	-	-	-	(75,342)	-
Revaluation			-	(73,375)	-	-	-	-	-	-	(73,375)
At 1 January 2023			-	102,247	453,902	446,234	502,171	410,524	297,766	(75,342)	2,137,502
Depreciation	305	33	-	92,710	53,024	72,899	46,135	31,990	14,887	-	311,645
Disposals/Written off			-	-	-	(25,747)	(11,527)	(103,137)	(12,049)	-	(152,460)
Transfers			-	-	-	-	(52,446)	(48,141)	(106)	-	(100,692)
Revaluation			-	(91,903)	-	-	-	-	-	-	(91,903)
At 31 December 2023			-	103,053	506,927	493,386	484,334	291,236	300,498	(75,342)	2,104,091

	Page	Note	Freehold Land Rs.'000	Building Rs.'000	Plant & Machinery Rs.'000	Motor Vehicles Rs.'000	Office Equipment Rs.'000	Computer Equipment Rs.'000	Furniture & Fittings Rs.'000	Capital WIP Rs.'000	Total Rs.'000
Carrying Amount											
At 01 January 2022			7,830,902	3,989,893	593,321	433,516	329,733	97,608	81,370	73,973	13,430,315
At 1 January 2023			8,918,500	4,592,196	541,100	404,575	312,190	107,181	67,060	260,016	15,202,819
At 31 December 2023			9,383,300	5,431,177	491,880	350,801	295,227	123,658	54,920	87,248	16,218,212

Movement of Property ,Plant and Equipment (PPE) -Company

	Page	Note	Freehold Land Rs.'000	Building Rs.'000	Plant & Machinery Rs.'000	Motor Vehicles Rs.'000	Office Equipment Rs.'000	Computer Equipment Rs.'000	Furniture & Fittings Rs.'000	Capital WIP Rs.'000	Total Rs.'000
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At Cost/ Valuation

At 1 January 2022			6,361,102	2,842,701	-	798,192	764,659	579,214	303,021	71,093	11,719,982
Additions			51,720	18,057		60,926	28,012	44,598	931	122,091	326,334
Revaluation			926,678	591,662	-	-	-	-	-	-	1,518,340
Disposals			-	-	-	(4,059)	(1,120)	(53)	(735)	-	(5,968)
Asset Written off			-	-	-	(4,250)	(44,066)	(127,602)	(14,808)	-	(190,725)
Transfers			-	14,043	-	-	(10,918)	1,775	(12,844)	(14,693)	(22,638)
At 1 January 2023			7,339,500	3,466,463	-	850,809	736,567	497,932	275,565	178,491	13,345,325
Additions				80,549		43,849	31,003	58,963	231	208,623	423,217
Revaluation			419,900	337,276	-	-	-	-	-	-	757,176
Disposals			-	-	-	(31,677)	(887)	(291)	(3,016)	-	(35,871)
Asset Written off			-	-	-	(18,794)	(18,916)	(112,540.01)	(10,993)	-	(161,243)
Transfers			-	387,113	-	-	(47,859)	(49,083)	1,154	(387,113)	(95,788)
At 31 December 2023			7,759,400	4,271,400	-	844,188	699,908	394,981	262,939	0	14,232,814

Accumulated Depreciation at Cost/Valuation

											-
At 1 January 2022			-	(0)	-	364,675	470,596	483,923	223,769	-	1,542,963
Depreciation	305	33	-	60,832	-	84,548	43,201	33,881	13,576	-	236,037
Disposals			-	-		(2,990)	(53,254)	(126,159)	(25,648)	-	(208,051)
Revaluation			-	(60,832)	-	-	-	-	-	-	(60,832)
At 1 January 2023			-	-	-	446,233	460,543	391,645	211,697	-	1,510,117
Depreciation	305	33	-	78,643	-	72,899	40,911.89	30,731	11,388	-	234,573
Adjustment			-	124		-	-	-	-	-	124
Disposals/Written off			-	-		(25,747)	(11,527)	(103,137)	(12,049)	-	(152,460)
Revaluation			-	(78,769)	-	-	-	-	-	-	(78,769)
Transfers			-	-	-	-	(52,446)	(48,132)	(106)	-	(100,683)
At 31 December 2023			-	(1)	-	493,386	437,481	271,107	210,930	-	1,412,903

Carrying Amount

At 01 January 2022			6,361,102	2,842,701	-	433,517	294,063	95,291	79,252	71,093	10,177,019
At 1 January 2023			7,339,500	3,466,463	-	404,576	276,024	106,287	63,868	178,491	11,835,209
At 31 December 2023			7,759,400	4,271,401	-	350,802	262,427	123,874	52,009	-	12,819,913

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. (a) Valuation of Freehold Land and Building

The Company performed the valuation as of 31 December 2023 for the freehold land and buildings and significant changes in the market value of the properties as of reporting period have been recognized in revaluation reserve.

As at 31 December 2023, the fair values of the freehold land and building are based on valuations performed by an accredited independent valuer, Mr. Chandrasena Weerasinghe.

The Effective date of valuation of the freehold land and buildings is 31 December 2023

Valuation models used for valuation include Cost Basis method, Investment Method and Comparison Method are in compliance with the SLFRS/LKAS and also in accordance with the 8th Edition of International Valuation Standards recommended by the International Valuation Standards Committee.

There were no transfers between Levels 1 and 2 or to Level 3 during the year.

Description of the above valuation techniques together with narrative descriptions on sensitivity of the fair value measurement to changes in significant unobservable inputs are tabulated below;

Valuation Technique	Significant unobservable valuation inputs	Sensitivity of the fair value measurement to inputs
Market Comparable Method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property in this process outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.	Price per perch for Land Price per square foot for Building	Estimated fair value would increase (decrease) if; Price per perch increases (decreases) Price per square foot increases (decreases) Depreciation rate for building (decreases)/increases
Contractor's Test method The Contractor's method is a cost method of valuation, and can sometimes be used when comparative, profits or investments methods cannot be used.	Price per perch for Land Price per square foot for Building	Estimated fair value would increase (decrease) if; Price per perch increases (decreases) Price per square foot increases (decreases) Depreciation rate for building (decreases)/increases
Replacement method Replacement value method takes into account 'the amount required to replace the existing property' as the valuation of the property	Price per perch for Land Price per square foot for Building	Estimated fair value would increase (decrease) if; Price per perch increases (decreases) Price per square foot increases (decreases) Depreciation rate for building (decreases)/increases
Investment Method This method involves capitalisation of the expected rental income at an appropriate Rate of years purchase currently characterised by the real estate market.	Gross Monthly Rental Years	Estimated fair value would increase (decrease) if; Gross Annual Rental increases (decreases) Years Purchase increases (decreases) Void Period (decrease) / increases

7.(b) Acquisition of Property, Plant and Equipment's during the year**Group**

During the financial year Group has acquired Property, Plant & Equipment to the aggregate value of Rs. 445.7 million(2022-Rs. 342.3 million-). Cash payments amounting to Rs. 411.7 million(2022 - Rs. 331 million) were made for the purchase of Property, Plant and Equipment

Company

During the financial year, the Company acquired property, plant and equipment to the aggregate value of Rs. 423.2 million (2022 - 326.3 million) - Cash payments amounting to Rs. 395.1 million (2022- Rs. 315.1 million) were made during the year for purchase of Property, Plant and Equipment.

7.(c) Capital Commitments and Assets Pledged

The Company has committed to pay an amount of Rs. 33,230,154/- (2022 -Rs.145,734,228/-) as at the reporting date under contract entered into on Capital expenditure projects.

7.(d) Title Restrictions on Property, Plant and Equipment

There are no restriction that existed on the title of the Property, Plant and Equipment of the Group and Company as at reporting date

7.(e) Temporarily idle Property, Plant and Equipment

There are no temporarily idle Property, Plant and Equipment's as at year ended 31 December 2023

7.(f) Assessment of Impairment

The Group has assessed the potential Impairment indicators of Property, Plant and Equipment's as at 31 December 2023. Based on the assessment conducted, no impairment indicators were identified concluded that no impairment is necessary for any of the Group's Property, Plant and Equipments as at the reporting date.

7.(g) Capitalization of Borrowing Cost

There are no capitalised borrowing costs relating to the acquisition of Property, Plant and Equipment during the year. 2022 Nil

7 (h). Fully Depreciated Property, Plant and Equipment

The initial cost of fully depreciated property, plant and equipment which are still in use as at reporting date is as follows;

At 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Plant and Machinery	118,061	121,488	-	-
Computer Equipment	179,616	320,059	166,920	307,859
Office Equipment's	234,649	280,078	206,658	269,134
Furniture and Fittings	203,062	223,768	126,507	140,508
Motor Vehicles	211,152	228,466	211,152	228,466
	946,540	1,173,859	711,237	945,967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 (i). Details of Freehold Land & Buildings of Company

Company

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023				
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.115, Greens Road, Negombo	13,169	A-0-R-0-P-15.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,300,000 Rs. 13,200	64,500	126,000	190,500	2023-12-31
No.60, Colombo Road, Kaluwella, Galle	11,385	A-0-R-0-P-15.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,200,000 Rs. 10,400	67,600	74,000	141,600	2023-12-31
No.163, Dharmapala Mawatha, Anuradhapura	22,015	A-0-R-1-P-10.68	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,200,000 Rs. 12,000	212,900	198,100	411,000	2023-12-31
No.144, Hambanthota Road, Kachcheriyagama, Tissamaharama	8,130	A-0-R-1-P- 00.00	Replacement Cost Method	Price per perch Price per Sq ft	Rs.750,000- 2,650,000 Rs. 11,500	68,000	70,100	138,100	2023-12-31
No .45,Dharmapala Mawatha , Rathnapura	2,560	A-0-R-0-P-35.50	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,750,000 Rs. 10,000	97,600	18,600	116,200	2023-12-31
No .45,Dharmapala Mawatha , Rathnapura (New Building)	8,102	-	Contractor's Test Method	Price per Sq ft	Rs. 18,000	-	131,300	131,300	2023-12-31
No. 401, Galle Road , Panadura	7,116	A-0-R-1-P-44.12	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 5,000,000 Rs. 17,550	220,600	103,000	323,600	2023-12-31
No. 423, Main Street , Kalutara	12,000	A-0-R-0-P-32.75	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,000,000 Rs. 14,200	98,300	136,000	234,300	2023-12-31
No, 327, Badulla Road , Bandarawela	8,970	A-0-R-0-P-17.01	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,000,000 Rs. 12,600	34,000	96,000	130,000	2023-12-31
No. 106, Havelock Road, Colombo 05	61,630	A-0-R-0-P-35.27	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 18,500,000 Rs. 18,600	652,500	888,000	1,540,500	2023-12-31
No. 32, Mistry Hills, Nuwara Eliya	5,227	A-0-R-0-P-26.9	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,120,000 Rs. 10,000	27,200	52,300	79,500	2023-12-31

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023				
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No15 , Rexdias Mawatha, Wennappuwa	8,664	A-0-R-0-P-37.40	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,500,000 Rs 11,000	56,100	76,000	132,100	2023-12-31
No 91, Buddhaloka Mawatha, Gampaha	9,458	A-0-R-0-P-32.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 6,200,000 Rs. 15,000	201,500	117,000	318,500	2023-12-31
No. 40, Rajapihilla Road, Kurunegala	10,485	A-0-R-0-P-15.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,700,000 Rs. 15,500	57,400	134,000	191,400	2023-12-31
No.90/4, Kurunegala Road, Chilaw	6,385	A-0-R-0-P-30.0	Contractor's Test Method	Price per perch Price per Sq ft	Rs.775,000 - 1,775,000 Rs. 15,000	38,300	95,800	134,100	2023-12-31
No 406, Galle Road, Rawatawatta, Moratuwa	6,874	A-0-R-0-P39.70	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,200,000 Rs.1,430 - 2,000	166,700	12,000	178,700	2023-12-31
No. 37,39 & 41, Kannarthiddy Road, Jaffna	4,144	A-0-R-1-P-7.94	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,200,000 Rs. 5,000	153,400	9,300	162,700	2023-12-31
No.22 (New 32), Lloyd's Avenue, Batticaloa	12,317	A-0-R-0-P-23.83	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,500,000 Rs. 13,700	59,600	139,000	198,600	2023-12-31
No.2, Gower Street, Colombo-05	2,610	A-0-R-1-P-27.25	Market Comparable Method	Price per perch Price per Sq ft	Rs. 18,500,000 Rs. 10,000	1,244,100	13,000	1,257,100	2023-12-31
No. 20 & 22/3 Kandy Road, Trincomalee	11,310	A-0-R-1-P-20	Investment Method	Price per perch Price per Sq ft	Rs. 1,500,000 Rs. 14,210	90,000	145,000	235,000	2023-12-31
No.38,38/B Rajapilla Road, Kurunegala	-	A-0-R-0-P-23.93	Market Comparable Method	Price per perch	Rs. 3,700,000	88,500	-	88,500	2023-12-31
No.92 & 98 Jampettah Street, Colombo - 13	18,480	A-0-R-1-P-11.22	Market Comparable Method	Price per perch Price per Sq ft	Rs. 5,000,000 Rs. 8,400 - 9,800	256,100	95,100	351,200	2023-12-31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023				
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.70, Park Street, Colombo 02	4,510	A-0-R-1-P-32.4	Replacement Cost Method	Price per perch Price per Sq ft	Rs.18,000,000 Rs. 28,500	1,339,400	121,800	1,461,200	2023-12-31
No.615, Galle Road, Mount Lavinia	4,315	A-0-R-1-P-12.44	Market Comparable Method	Price per perch Price per Sq ft	Rs. 6,750,000 Rs. 7,000	354,000	21,900	375,900	2023-12-31
No.274, Panadura Road, Horana	5,860	A-0-R-0-P-25.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,750,000 Rs. 15,000	95,600	79,100	174,700	2023-12-31
No.65, King Street, Kandy	14,650	A-0-R-1-P-1.25	Contractor's Test Method	Price per perch Price per Sq ft	Rs.12,000,000 Rs. 8,000	433,100	76,200	509,300	2023-12-31
No.45, Anagarika Dharmapala Mawatha, Matara	7,232	A-0-R-0-P-26.44	Replacement Cost Method	Price per perch Price per Sq ft	Rs. 7,750,000 Rs. 9,000	204,900	32,500	237,400	2023-12-31
No.213, Highlevel Road, Nugegoda	2,250	A-0-R-0-P-23.75	Market Comparable Method	Price per perch Price per Sq ft	Rs. 4,300,000 Rs. 9,800	102,100	19,800	121,900	2023-12-31
No.15A, Jaya Mawatha, Kadawatha	5,914	A-0-R-0-P-19.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,500,000 Rs. 14,800	48,800	76,500	125,300	2023-12-31
No.26 Gammedda Road, Jaala	7,230	A-0-R-0-P-32	Market Comparable Method	Price per perch	Rs. 2,300,000 Rs. 25,200	73,600	182,200	255,800	2023-12-31
192, Horana Road, Piliyandala	5,683	A-0-R-0-P-25.34	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,000,000 Rs. 15,000	101,400	76,700	178,100	2023-12-31
No 43 & 45, Galle Road, Wellawatta, Colombo 6	12,676	A-0-R-0-P-25.31	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 17,000,000 Rs. 3,700 - 11,000	430,300	47,000	477,300	2023-12-31

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023				
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.582 Malabe Road Malabe	5,600	A-0-R-0-P-29	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 5,000,000 Rs. 18,000	145,000	95,800	240,800	2023-12-31
No 301, point pedro Rd, Nelliady, Karaveddy	9,462	A-0-R-1-P-4.30	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 850,000 Rs. 15,000	37,700	124,000	161,700	2023-12-31
Mirigama Road, Wewagedara, Divulapitiya.	5,229	A-0-R-0-P-40	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,250,000 Rs. 15,000	50,000	70,600	120,600	2023-12-31
No.301/A, Point Pedro Road, Nelliyaddy		A-0-R-1-P-13.78	Contractor's Test Method	Price per perch	Rs. 400,000	21,500	-	21,500	2023-12-31
No. 37,39 & 41, Kannarthiddy Road, Jaffna (Jaffna New Building)	13,710		Contractor's Test Method	Price per Sq ft	Rs. 12,250	-	151,000	151,000	2023-12-31
No.746/1/1, Trincomalee Street,Madandawela,Matale		A-0-R-0-P-31	Contractor's Test Method	Price per perch	Rs. 2,755,000 Rs. 24,000	85,400	156,900	242,300	2023-12-31
No.115, Greens Road, Negombo	7,345	A-0-R-0-P-37.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,300,000 Rs. 15,700	161,300	115,300	276,600	2023-12-31
No.101, Veyangoda Road, Minuwangoda		A-0-R-0-P-37.23	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,800,000 Rs. 21,300	67,000	74,000	141,000	2023-12-31
No 143,/No 394 Neboda Road,Matugama		A-0-R-1-P-2.74	Market Comparable Method	Price per perch	Rs. 1,250,000	53,400.00	20,500	73,900.00	2023-12-31
Total						7,759,400	4,271,400	12,030,800	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2022				
					Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.115, Greens Road, Negombo	13,169	A-0-R-0-P-15.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,000,000 Rs. 12,000	60,000	126,000	186,000	2022-12-31
No.60, Colombo Road, Kaluwella, Galle	11,385	A-0-R-0-P-15.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,200,000 Rs. 10,000	63,000	74,000	137,000	2022-12-31
No. 54, Dharmapala Mawatha, Anuradhapura	22,015	A-0-R-1-P-10.68	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,000,000 Rs. 9,950	202,000	170,000	372,000	2022-12-31
No.144 ,Hambanthota Road, Kachcheriyagama, Tissamaharama	8,130	A-0-R-1-P- 00.00	Replacement Cost Method	Price per perch Price per Sq ft	Rs.700,000- 2,200,000 Rs. 10,000	58,000	65,000	123,000	2022-12-31
No .45,Dharmapala Mawatha , Rathnapura	2,560	A-0-R-0-P-35.50	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,500,000 Rs. 7,500	89,000	14,000	103,000	2022-12-31
No .45,Dharmapala Mawatha , Rathnapura (New Building)	8,102	-	Contractor's Test Method	Price per Sq ft	Rs. 15,000	-	109,000	109,000	2022-12-31
No. 401, Galle Road , Panadura	7,116	A-0-R-1-P-44.12	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 15,000	198,500	93,500	292,000	2022-12-31
No. 423, Main Street , Kalutara	12,000	A-0-R-0-P-32.75	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,800,000 Rs. 13,000	91,000	125,000	216,000	2022-12-31
No. 327, Badulla Road , Bandarawela	8,970	A-0-R-0-P-17.01	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,750,000 Rs. 12,000	29,000	94,000	123,000	2022-12-31
No. 106, Havelock Road, Colombo 05	61,630	A-0-R-0-P-35.27	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 18,000,000 Rs. 16,000	635,000	788,000	1,423,000	2022-12-31
No. 32, Mistry Hills, Nuwara Eliya	5,227	A-0-R-0-P-26.9	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,000,000 Rs. 10,000	27,000	52,000	79,000	2022-12-31
No15 , Rexdias Mawatha, Wennappuwa	8,664	A-0-R-0-P-37.40	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,400,000 Rs 11,000	52,000	76,000	128,000	2022-12-31

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2022				
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No 91, Buddhaloka Mawatha, Gampaha	9,458	A-0-R-0-P-32.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 6,000,000 Rs. 13,500	195,000	108,000	303,000	2022-12-31
No. 40, Rajapihilla Road, Kurunegala	10,485	A-0-R-0-P-15.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,500,000 Rs. 12,000	54,000	116,000	170,000	2022-12-31
No.90/4, Kurunegala Road, Chilaw	6,385	A-0-R-0-P-30.0	Contractor's Test Method	Price per perch Price per Sq ft	Rs.700,000 - 1,600,000 Rs. 10,000	34,000	80,000	114,000	2022-12-31
No 406, Galle Road, Rawatawatta, Moratuwa	6,874	A-0-R-0-P-39.70	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,000,000 Rs.1,125 - 2,000	158,000	11,000	169,000	2022-12-31
No. 37,39 & 41, Kannarthiddy Road, Jaffna	4,144	A-0-R-1-P-7.94	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,000,000 Rs. 1,700	143,000	7,000	150,000	2022-12-31
No.22 (New 32), Lloyd's Avenue, Batticaloa	12,317	A-0-R-0-P-23.83	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,200,000 Rs. 11,000	52,000	118,000	170,000	2022-12-31
No.2, Gower Street, Colombo-05	2,610	A-0-R-1-P-27.25	Market Comparable Method	Price per perch Price per Sq ft	Rs.18,000,000 Rs. 7,500	1,210,000	10,000	1,220,000	2022-12-31
No. 20 & 22/3 Kandy Road, Trincomalee	11,310	A-0-R-1-P-20	Investment Method	Price per perch Price per Sq ft	Rs. 1,250,000 Rs. 12,500	75,000	127,000	202,000	2022-12-31
No.38,38/B Rajapilla Road, Kurunegala	-	A-0-R-0-P-23.93	Market Comparable Method	Price per perch	Rs. 3,500,000	83,000	-	83,000	2022-12-31
No.92 & 98 Jampettah Street, Colombo - 13	18,480	A-0-R-1-P-11.22	Market Comparable Method	Price per perch Price per Sq ft	Rs. 4,200,000 Rs. 8,500	215,000	85,000	300,000	2022-12-31
No.70, Park Street, Colombo 02 - 1st floor	4,510	A-0-R-1-P-32.4	Replacement Cost Method	Price per perch Price per Sq ft	Rs.18,000,000 Rs. 28,500	1,303,000	122,000	1,425,000	2022-12-31
No.615, Galle Road, Mount Lavinia	4,315	A-0-R-1-P-12.44	Market Comparable Method	Price per perch Price per Sq ft	Rs. 6,500,000 Rs. 6,500	340,500	21,000	361,500	2022-12-31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2022				
					Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No.274, Panadura Road, Horana	5,860	A-0-R-0-P-25.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,600,000 Rs. 13,500	91,000	73,000	164,000	2022-12-31
No.65, King Street, Kandy	14,650	A-0-R-1-P-1.25	Contractor's Test Method	Price per perch Price per Sq ft	Rs.10,000,000 Rs. 8,000	411,000	76,000	487,000	2022-12-31
No.45, Anagarika Dharmapala Mawatha, Matara	7,232	A-0-R-0-P-26.44	Replacement Cost Method	Price per perch Price per Sq ft	Rs. 7,500,000 Rs. 9,000	198,000	32,000	230,000	2022-12-31
No.213, Highlevel Road, Nugegoda	2,250	A-0-R-0-P-23.75	Market Comparable Method	Price per perch Price per Sq ft	Rs. 4,000,000 Rs. 7,600	95,000	17,000	112,000	2022-12-31
No.15A, Jaya Mawatha, Kadawatha	5,914	A-0-R-0-P-19.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,800,000 Rs. 12,500	39,000	73,925	112,925	2022-12-31
No.26 Gammedda Road, Jaela	7,230	A-0-R-0-P-32	Market Comparable Method	Price per perch	Rs. 2,000,000	64,000	-	64,000	2022-12-31
192, Horana Road, Piliyandala	5,683	A-0-R-0-P-25.34	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,500,000 Rs. 12,500	88,000	71,038	159,038	2022-12-31
No 43 & 45, Galle Road, Wellawatta, Colombo 6	12,676	A-0-R-0-P-25.31	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 17,000,000 Rs. 3,000 - 10,000	430,000	42,000	472,000	2022-12-31
No.582 Malabe Road Malabe	5,600	A-0-R-0-P-29	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 15,000	130,000	84,000	214,000	2022-12-31
No 301, point pedro Rd, Nelliady, Karaveddy	9,462	A-0-R-1-P-4.30	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 750,000 Rs. 12,000	33,000	113,000	146,000	2022-12-31
Mirigama Road, Wewagedara, Divulapitiya.	5,229	A-0-R-0-P-40	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,000,000 Rs. 12,500	40,000	65,000	105,000	2022-12-31
No.301/A, Point Pedro Road, Nelliyaddy		A-0-R-1-P-13.78	Contractor's Test Method	Price per perch	Rs. 350,000	18,000	-	18,000	2022-12-31
No. 37,39 & 41, Kannarthiddy Road, Jaffna (Jaffna New Building)	13,710		Contractor's Test Method	Price per Sq ft	Rs. 10,200	-	133,000	133,000	2022-12-31

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2022				
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No. 746/1/1, Trincomalee Street, Madandawela, Matale		A-0-R-0-P-31	Contractor's Test Method	Price per perch	Rs. 2,500,000	77,500	-	77,500	2022-12-31
No.115, Greens Road, Negombo	7,345	A-0-R-0-P-37.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,000,000 Rs. 13,000	150,000	95,000	245,000	2022-12-31
No.101, Veyangoda Road, Minuwangoda		A-0-R-0-P-37.23	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,500,000	55,000	-	55,000	2022-12-31
No 143,/No 394 Neboda Road,Matugama		A-0-R-1-P-2.74	Market Comparable Method	Price per perch	Rs. 1,250,000	53,000	-	53,000	2022-12-31
Total						7,339,500	3,466,463	10,805,963	-

7 (j). Movement of Revalued Freehold Land & Buildings, if Accounted on Cost.

	Freehold land	Building
At Cost		
As at 1 January 2022	3,051,577	2,636,838
Addition during the year	51,720	18,057
As at 31 December 2022	3,103,297	2,654,895
Addition during the year	-	80,549
As at 31 December 2023	3,103,297	2,735,444

	Freehold land	Building
Depreciation		
As at 1 January 2022	-	335,276
Addition during the year	-	61,279
As at 31 December 2022	-	396,555
Addition during the year	-	53,098
As at 31 December 2023	-	449,653

	Freehold land	Building
Carrying amount		
As at 1 January 2021	3,051,577	2,301,562
As at 31 December 2022	3,103,297	2,258,340
As at 31 December 2023	3,103,297	2,285,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. RIGHT-OF-USE ASSETS

ACCOUNTING POLICY

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Recognition

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset

Initial Measurement

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Where a subsidiary company has a right-of-use assets and lease liability as result of property rented out by the Company to the subsidiary, such right-of-use asset and lease liability are eliminated in the Consolidated Financial Statements.

Subsequent Measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Short-term leases and leases of low-value assets

The Group has elected not to recognise Right of Use Assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

8.(a) Assets held under lease recognized as Right-of Use Assets

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January	197,747	230,155	195,813	238,137
Impact of new leases	74,862	44,227	74,862	44,227
Removal of Right to Used Assets from group	-	12,819	-	-
Preclosure of Leases	(22,501)	(5,548)	(22,501)	(5,548)
Depreciation for the year	(68,684)	(83,906)	(68,684)	(81,003)
As at 31 December	181,424	197,747	179,490	195,813

8.(b) Lease liabilities

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January	202,410	233,814	207,338	251,560
Impact of new leases	74,862	57,046	74,862	44,227
Preclosure of Leases	(23,933)	(6,647)	(23,933)	(6,647)
Accretion of Interest	24,155	21,527	24,304	21,527
Rental paid during the year	(94,193)	(100,491)	(94,193)	(100,491)
Rental paid in Advance	(6,511)	(2,838)	(6,511)	(2,838)
As at 31 December	176,790	202,410	181,867	207,338

8.(c) Maturity analysis – contractual undiscounted cash flows

The Company has entered into commercial leases on certain property and equipment. These leases have an average life of between three and five years, with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into the leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are, as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within one year	78,131	92,989	78,131	92,989
After one year but not more than three years	109,913	121,211	109,913	121,211
After three years but not more than five years	40,021	38,001	40,021	38,001
More than five years	22,677	12,729	22,677	12,729
Total operating lease rentals payable	250,742	264,930	250,742	264,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8.(d) Amounts recognised in profit or loss

For the year ended 31st December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Depreciation Charge for the year				
Interest on lease liabilities	24,154	21,527	24,304	21,527

8.(e) Amounts recognised in statement of cash flows

For the year ended 31st December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Advance paid to Right of Use Asset	(6,511)	(2,838)	(6,511)	(2,838)
Payment of Lease Liabilities	(151,944)	(62,911)	(151,944)	(62,911)

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8.(f). Impairment of right-of-use assets

The Group does not foresee any impairment of right-of-use assets and does not anticipate discontinuation of any assets for which the Group has the right to use.

8.(g). Lease Liability Reassessment

Lease liabilities are not assessed as there are no known moratorium received for the lease payments during the year.

9. INVESTMENT PROPERTIES

ACCOUNTING POLICY

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production of supply of goods or services or for administrative purposes.

Initial Measurement

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Where a subsidiary company occupies a significant portion of the investment property of the Company, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements and accounted using Group accounting policy for property, plant and equipment.

Subsequent Measurement

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Income Statement in the year in which they arise.

Fair values are evaluated annually by an accredited external independent valuator applying the relevant valuation models.

Transfers

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes investment property, the Company and the Group account for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

Derecognition

Investment properties are de-recognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Income Statement in the year of retirement or disposal.

			GROUP		COMPANY	
Reconciliation of carrying amounts of Investment Property			2023	2022	2023	2022
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At 1 January			1,288,730	1,229,600	4,268,230	4,045,700
Additions			223,261	260,619	223,261	260,619
Disposal			-	(450,000)	-	(450,000)
Fair Value Gains	303	30	77,308	248,511	155,309	411,911
At 31 December			1,589,299	1,288,730	4,646,800	4,268,230

9. (a) Valuation of Investment Properties

As at 31 December 2023 the fair values of the land and building held for investment purpose are based on valuations performed by an accredited independent valuer, Mr. Chandrasena Weerasinghe.

Valuation models used for valuation include Cost Basis method, Investment Method and Comparison Method, which are in compliance with the SLFRS/LKAS and also in accordance with the 8th Edition of International Valuation Standards recommended by the International Valuation Standards Committee.

The Effective date of valuation of the land and building held for investment purpose is 31 December 2023

There were no transfers between Levels 1 and 2 or to Level 3 during the year.

Description of the above valuation techniques together with narrative descriptions on sensitivity of the fair value measurement to changes in significant unobservable inputs are tabulated below;

Valuation Technique	Significant unobservable valuation inputs	Sensitivity of the fair value measurement to inputs
Market Comparable Method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property in this process outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.	Price per perch for Land Price per Square Foot for Building	"Estimated fair value would increase (decrease) if; Price per perch increases (decreases) Price per square foot increases (decreases) Depreciation rate for building (decreases)/ increases"
Investment Method This method involves capitalisation of the expected rental income at an appropriate Rate of years purchase currently characterised by the real estate market.	Gross Monthly Rental Years	"Estimated fair value would increase (decrease) if; Gross Annual Rental increases (decreases) Years Purchase increases (decreases) Void Period (decrease) / increases

The fair value measurement for all of the Land and Building held as investment purpose has been categorized as a Level 3 based on the inputs to the valuation techniques used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9.(b) Temporarily Idle Investment Property

There are no temporarily idle Investment property as at year ended 31 December 2023

9.(c) Assessment of Impairment

The Group has assessed the potential Impairment indicators of Investment Properties as at 31 December 2023 . Based on the assessment, no impairment indicators were identified and concluded that no impairment is necessary for any of the Group's Investment Property as at year end.

9.(d) Capital commitments and assets pledged

There are no capital commitments as at reporting date under contract entered into on Capital expenditure projects.

9.(e) Title restriction on Investment Property.

There are no restriction that existed on the title of the Investment Property of the Group and Company as at reporting date

9.(f) Capitalization of Borrowing Cost

There are no capitalised borrowing costs relating to the acquisition of Investment Property during the year. (2022 Nil)

9.(g) Details of Investment Properties of Company

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023				
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No. 36, Talbot Town, Galle	6,668	A-0-R-0-P-20	Investment Method	Rent per Sq.ft per month	Rs.145 - Rs. 160	140,000	32,000	172,000	2023-12-31
No.24A, New Galle Road, Nambimulla, Ambalangoda	4,614	A-0-R-0-P-20	Investment Method	Rent per Sq.ft per month	Rs.110 - Rs. 150	90,000	27,700	117,700	2023-12-31
No. 428, 428/2/1, R. A. De Mel Mawatha, Colombo 03	8,249	Condominium	Investment Method	Rent per Sq.ft per month	Rs.80 - Rs. 190	-	153,000	153,000	2023-12-31
No. 60, Park Street, Colombo 02	34,854	A-0-R-1-P-2.82	Investment Method	Rent per Sq.ft per month	Rs.200 - Rs. 295	749,400	286,400	1,035,800	2023-12-31
No. 70, Park Street, Colombo 02 - Ground floor	4,510	A-0-R-1-P-72.40	Market Comparable Method	Rent per Sq.ft per month	Rs.33,500	-	136,000	136,000	2023-12-31
No. 06, Railway Station Road, Matara	2,982	A-0-R-0-P-25.88	Investment Method	Rent per Sq.ft per month	Rs.80 - Rs. 135	112,600	9,500	122,100	2023-12-31
Serene Resorts, Bopitiya Road, Uswetakeiyawa	38,176	A-2-R-3-P-30	Market Comparable Method	Price per perch	Rs.650,000	305,500	273,700	579,200	2023-12-31
No 38, Abdul Gafoor Mawatha, Colombo 03	-	A-0-R-1-P-4.5	Investment Method	Price per perch	Rs.18,500,000	823,300	-	823,300	2023-12-31
No. 02 Gower Street Colombo 05	2,610		Investment Method	Price per Sq.ft per	Rs.10,000 - 10,000	-	13,100	13,100	2023-12-31
No.09 1&9A,Layards Road,Colombo 05	4,120	A-0-R-0-P14.26	Investment Method	Price per Sq.ft per	Rs.8,500 - 8,500	228,200	32,400	260,600	2023-12-31
63 Janadhipathi Mawatha Colombo 1		A-0-R-0-P-13.84	Investment Method	Price per perch	Rs.22,000,000	311,400	-	311,400	2023-12-31
No. 10, Gower Street, Colombo 05	5680	A-0-R-0-P-20.25	Investment Method	Price per Sq.ft per	Rs.10,200	334,100	29,000	363,100	2023-12-31
No. 42/1, Dickmon road, Havelock town, Colombo 05	3885	A-0-R-0-P-20.00	Investment Method	Price per perch	Rs.12,200,000	244,000	116,000	360,000	2023-12-31
No. 1 A , Gower Street , Colombo 5	3260	A-0-R-0-P-10.75	Investment Method	Price per perch	Rs.17,000,000	182,500	17,000	199,500	-
Total						3,521,000	1,125,800	4,646,800	

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2022				
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
No. 36, Talbot Town, Galle	6,668	A-0-R-0-P-20	Investment Method	Rent per Sq.ft per month	Rs.145 - Rs. 160	130,000	26,000	156,000	2022-12-31
No.24A, New Galle Road, Nambimulla, Ambalangoda	4,614	A-0-R-0-P-20	Investment Method	Rent per Sq.ft per month	Rs.110 - Rs. 140	85,000	23,000	108,000	2022-12-31
No. 428, 428/2/1, R. A. De Mel Mawatha, Colombo 03	8,249	Condominium	Investment Method	Rent per Sq.ft per month	Rs.50 - Rs. 210	-	150,000	150,000	2022-12-31
No. 60, Park Street, Colombo 02	34,854	A-0-R-1-P-2.82	Investment Method	Rent per Sq.ft per month	Rs.190 - Rs. 280	728,000	261,000	989,000	2022-12-31
No. 70, Park Street, Colombo 02	4,510	A-0-R-1-P-72.40	Market Comparable Method	Rent per Sq.ft per month	Rs.30,000	-	135,000	135,000	2022-12-31
No. 06, Railway Station Road, Matara	2,982	A-0-R-0-P-25.88	Investment Method	Rent per Sq.ft per month	Rs.80 - Rs. 135	111,000	8,000	119,000	2022-12-31
Serene Resorts, Bopitiya Road, Uswetakeiyawa	38,176	A-2-R-3-P-30	Market Comparable Method	Price per perch	Rs.600,000	282,000	267,000	549,000	2022-12-31
No 38 Abdul Gafoor Mawatha Colombo 03	-	A-0-R-1-P-4.5	Investment Method	Price per perch	Rs.18,000,000	801,000	-	801,000	2022-12-31
NO02 Gower Street Colombo 05	2,610		Investment Method	Price per Sq.ft per	Rs.7,500 - 7,500	-	9,750	9,750	2022-12-31
No.09 1&9A,Layards Road,Colombo 05	4,120	A-0-R-0-P14.26	Investment Method	Price per Sq.ft per	Rs.7,500 - 7,500	221,000	30,000	251,000	2022-12-31
63 Janadhipathi Mawatha Colombo 1		A-0-R-0-P-13.84	Investment Method	Price per perch	Rs.22,000,000	304,480	-	304,480	2022-12-31
No. 10, Gower Street, Colombo 05	5680	A-0-R-0-P-20.25	Investment Method	Price per Sq.ft per	Rs.5,650	334,000	16,000	350,000	2022-12-31
No.42/1, Dickmon road, Havelock town, Colombo 05	3885	A-0-R-0-P-20.00	Investment Method	Price per perch	Rs.12,000,000	240,000	106,000	346,000	2022-12-31
Total						3,236,480	1,031,750	4,268,230	

No Depreciation/Amortization recognized for the investments properties carried at Fair Value

9.(h) Rental Income

	Page	Note	GROUP		COMPANY	
			2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Rental Income Derived from Investment Properties	302	28	30,786	27,435	38,786	34,905
Direct operating Expenses Generating Rental Income			-	(3,083)	-	(3,083)
Direct operating Expenses that did not Generating Rental Income			(3,740)	(2,401)	(3,740)	(2,401)
Net Profit Arising From Investment Properties			27,046	21,951	35,046	29,421

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9.(i). Maturity analysis – contractual undiscounted cash flows

The Company has entered into operating lease agreements with various parties including its subsidiaries. Cash flows from operating leases from subsidiaries are eliminated in the Group figures. The remaining period of these lease arrangements varies between one to ten years.

Future minimum rentals receivable under operating leases as at 31 December are, as follows:

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within one year	29,909	29,033	29,909	29,033
After one year but not more than three years	43,817	49,297	43,817	49,297
After three years but not more than five years	27,726	24,627	27,726	24,627
More than five years	30,856	46,867	30,856	46,867
Expected Future Rentals	132,308	149,824	132,308	149,824

10. INVESTMENT IN SUBSIDIARIES-COMPANY

ACCOUNTING POLICY

Business combinations are accounted for using the purchase method. Transaction costs directly attributable to the acquisition form part of the acquisition costs. Non-controlling interests are measured at the proportionate share of the acquirer's identifiable net assets.

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquire. For each business combination, the Group measures the non-controlling interest in the acquire at fair value or at the proportionate share of the acquirer's identifiable net assets. Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combinations are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in Income Statement. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with LKAS 39 either in Income Statement or as a change to Other Comprehensive Income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS/LKAS.

Subsidiary Companies

Serene Resorts Limited
Ceylinco Healthcare Services Limited

Associate Companies

Citizens Development Business Finance PLC
Kings Hospital Colombo (Pvt) Ltd

As common control business combinations are scoped out in SLRFS 3 – Business Combinations, management used the guidance available in LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and the guidance issued under the Statement of Recommended Practice ('SoRP') – 'Merger Accounting for Common Control Business Combinations' issued by The Institute of Chartered Accountants of Sri Lanka.

In applying merger accounting, Financial Statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the Consolidated Financial Statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

Accordingly, the comparative figures of the Consolidated Financial Statements were restated as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties of Ceylinco Life Insurance Limited.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income expenses arising from intra-group transactions and dividend, are eliminated in preparation of the Consolidated Financial Statements.

SUBSIDIARIES

Subsidiaries are entities controlled by the parent company. Control is achieved when the Group is exposed or has the right, to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee. Specially, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., Existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee including:

- The contractual agreement with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The Financial Statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Unquoted Shares

	% of Direct Holding		Number of Shares		Cost	
	2023	2022	2023	2022	2023 Rs.'000	2022 Rs.'000
Serene Resorts Ltd.	98.88%	98.88%	44,000,000	44,000,000	440,000	440,000
Ceylinco Healthcare Services Ltd.	99.60%	99.45%	107,100,000	77,100,000	1,071,000	771,000
					1,511,000	1,211,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Transactions with Non-Controlling Interests

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, is disclosed separately under 'Non-Controlling Interest'. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Assessment of Impairment

Having evaluated the business continuity plans and the cash flows (where necessary) of each subsidiary, the Group determined that no impairment provision is required for investment made in its subsidiaries as at 31 December 2023.

11. Investment in Associates

ACCOUNTING POLICY

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies. The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries.

"The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date."

The Income Statement reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income of those investees is presented as part of the Group's Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Income Statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The Financial Statements of the associate is prepared for the same Reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. At each Reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the Income Statement.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in Income Statement.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

11.(a) Investments in Associates

GROUP	% Holding		Number of Shares		Value	
	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Negative Goodwill on Acquisition over Consideration	-	-	-	-		
Citizens Development Business Finance Ltd	-	-	-	-	103,749	103,749
Group's Share of Associates Companies Retained Assets	-	-	-	-		
Citizens Development Business Finance PLC	-	-	-	-	4,974,308	4,649,219
Kings Hospital Colombo (Pvt.) Limited	-	-	-	-	(409,000)	(447,792)
Group Investment in Associates (Equity Basis)	-	-	-	-	7,310,729	6,946,848

COMPANY	% Holding		Number of Shares		Value	
	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Quoted Investments (At Cost)						
Citizens Development Business Finance PLC	30.68%	30.80%	21,498,096	21,498,096	807,672	807,672
					807,672	807,672
Unquoted Investments (At Cost)						
Kings Hospital Colombo (Pvt.) Limited	43.69%	43.69%	176,859,657	176,859,657	1,834,000	1,834,000
					1,834,000	1,834,000
Total					2,641,672	2,641,672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. (b) Summarized Financial Information of the Associates

	Citizens Development Business Finance PLC				Kings Hospital Colombo (Pvt.) Limited			
	Total -Associate		Share of Associate		Total -Associate		Share of Associate	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Associate's Statement of Financial Position								
Total Assets	126,703,539	104,719,289	38,872,646	32,253,541	8,590,983	9,263,702	3,753,400	4,047,312
Total Liabilities	(107,521,931)	(86,665,261)	(32,987,728)	(26,692,900)	(5,426,946)	(6,188,446)	(2,371,033)	(2,703,732)
Net Assets	234,225,470	191,384,550	5,884,917	5,560,641	14,017,928	3,075,256	6,124,433	1,343,580
Associate's Revenue and Profit								
Revenue	21,370,589	18,974,332	6,556,497	5,844,094	3,795,529	2,322,071	1,658,267	1,014,513
Profit Before Tax	2,269,747	355,027	696,358	109,348	(367,188)	(493,038)	(160,424)	(215,408)
Profit After Tax	1,716,663	2,539,280	526,672	782,098	88,781	(683,604)	38,788	(298,666)
Other Comprehensive Income	(47,543)	187,818	(14,586)	57,848	-	(588,668)	-	(257,189)

Above summarized financials includes share of following account balances

	Citizens Development Business Finance PLC				Kings Hospital Colombo (Pvt.) Limited			
	Total -Associate		Share of Associate		Total -Associate		Share of Associate	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash and Cash Equivalent	7,980,016	1,862,059	2,448,269	573,514	131,525	246,640	57,463	107,757
Non Current Financial Liabilities	-	-	-	-	7,862,482	8,156,538	3,435,118	3,563,591
Interest Expenses	(13,643,733)	(10,549,491)	(4,185,897)	(3,249,243)	-	-	-	-
Income Tax Expense	(553,084)	1,011,247	(169,686)	311,464	455,968	(190,566)	199,213	(83,258)

Citizens Development Business Finance PLC (CDB) is a public limited liability company incorporated and domiciled in Sri Lanka. which is also listed in Colombo Stock Exchange. The principle activity of the Company is to provide a vast range of Financial Services including accepting deposits, leasing, hire purchase, and loan facilities etc.

Kings Hospital Colombo (Pvt) Limited is a Modern hospital which provides medical services such as inpatient care , maternity care ,outpatient services ,emergency care , laboratory services etc.

11. (c) Fair Value of the Investment

Fair Value of the Company's investments in the associate as at reporting date Rs.4,299.62 Mn (2022 Rs.4,084.64 Mn)

11.(d). Impairment of Investment in Associates

Having evaluated the business continuity plans and the cash flows of the investment in associate, the Group determined that no impairment provision is required for the carrying value of investment in associate as at 31 December 2023.

12. FINANCIAL INSTRUMENTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of Financial Assets

Depending on the intention and ability to hold the invested assets, the Company classifies its non-derivative financial assets into following categories:

- Financial assets at fair value through profit or loss (FVTPL)
- Held-to-maturity (HTM)
- Loans and receivables (L&R) and
- Available-for-sale (AFS) financial assets as appropriate.

LKAS 39 was replaced by SLFRS 9 – Financial Instruments with effect from 1 January 2018. However, the Company meets the eligibility criteria of the temporary exemption from SLFRS 9 and intends to defer its application until 1 January 2026.

Initial Recognition

The Group/Company initially recognises loans and receivables, and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group/Company becomes a party to the contractual provisions of the instrument. In the case of financial assets not at fair value through profit or loss, a financial asset is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Income and expenses are presented on a net basis only when permitted under SLFRS/LKAS, or for gains and losses arising from a group of similar transactions such as in the Group/Company's trading activity.

Subsequent measurement

Subsequent measurement of each classes of financial assets are disclosed in respective sub-notes.

Fair Value through Profit or Loss investments and Available-For-Sale investments are valued at fair value. Held to maturity investments and loans and receivable investments are valued at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impairment of Financial Assets

The Group assesses, at each Reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re-organisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset de-recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the Consolidated Income Statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Group has transferred substantially all the risks and rewards of the asset; or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

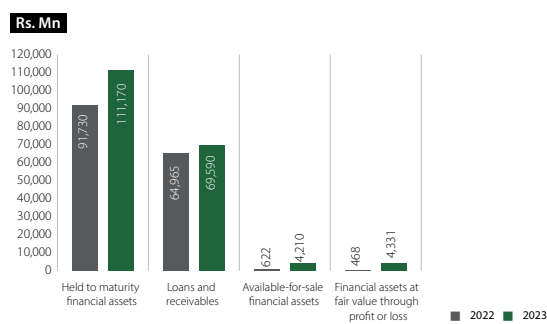
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

The following table compares the fair values of the financial instruments to their carrying values:

As at 31 December	GROUP						COMPANY			
	Page	Note	2023		2022		2023		2022	
			Carrying value Rs.'000	Fair value Rs.'000	Carrying value Rs.'000	Fair value Rs.'000	Carrying value Rs.'000	Fair value Rs.'000	Carrying value Rs.'000	Fair value Rs.'000
Held to maturity financial assets	264	12.(a)	111,819,800	111,131,551	92,014,385	70,069,457	111,170,229	111,131,551	91,730,251	70,854,330
Loans and receivables	265	12.(b)	70,646,195	70,646,195	65,770,166	65,770,166	69,589,711	69,589,711	64,965,241	64,965,241
Available-for-sale financial assets	266	12.(c)	4,216,304	4,216,304	828,588	828,588	4,210,309	4,210,309	621,942	621,942

As at 31 December	GROUP						COMPANY			
	Page	Note	2023		2022		2023		2022	
			Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets at fair value through profit or loss	268	12.(d)	4,430,355	4,430,355	467,979	467,979	4,330,727	4,330,727	467,979	467,979
Total Financial Instruments			191,112,655	190,424,405	159,081,118	137,136,190	189,300,976	189,262,298	157,785,413	136,909,492

Composition of Financial Instruments - Company



12. (a) Held to Maturity Financial Assets

ACCOUNTING POLICY

Initial measurement

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold it to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Amortized cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The losses arising from impairment are recognised as finance cost in the Income Statement.

Impairment

Any impairment loss on an HTM investment is recognized as finance cost in income statement.

De-recognition

Any gain or loss arising from de-recognition of an HTM investment is recognized in income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December	Page	Note	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair value						
Treasury Bill & Bonds			110,638,983	60,797,643	110,638,983	61,582,516
Debentures - Quoted			492,568	9,271,814	492,568	9,271,814
Total Held to Maturity Financial Assets at Fair Value			111,131,551	70,069,457	111,131,551	70,854,330
Amortised Cost						
Treasury Bill & Bonds			111,302,584	82,732,117	110,653,013	82,447,983
Debentures - Quoted	272	12 (j) (1)	517,216	9,282,268	517,216	9,282,268
Total Held to Maturity Financial Assets at Amortised Cost			111,819,800	92,014,385	111,170,229	91,730,251

Composition of HTM Assets - Company (Rs. Mn)



12. (a). 1. Impairment of Financial Investments at HTM

The Group/ Company has not experienced any indication for impairment in respect of HTM financial assets.

12. (a). 2. Re-Classification

During the Year Group/Company did not reclassify any financial assets under this category.

12. (a). 3. Fair Value Measurement

The Group/Company measures the fair value using fair value hierarchy which reflects the significance of level of inputs used in making the fair value measurement which is described in the Note 12.(g).

12. (b) Loans and Receivables

ACCOUNTING POLICY

Initial measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus transaction costs that are directly attributable to acquisition or issue of such instrument.

Subsequent measurement

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Income Statement.

Impairment

The losses arising from impairment are recognised in the Income Statement in finance costs for loans and in other operating expenses for receivables

De-recognition

Any gain or loss arising from de-recognition of loans and receivables is recognized in income statement.

As at 31 December	Page	Note	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Staff Vehicle Hire Purchase			481,833	575,811	481,833	575,811
Staff Loans other than vehicle Hire Purchase			170,777	163,807	170,777	163,807
Repo Investment			763,026	5,463,433	562,303	5,463,433
Debentures - Unquoted	273	12 (j)(3)	3,096,106	1,483,776	3,096,106	1,483,776
Debentures - Quoted	272	12 (j)(2)	10,378,459	14,452,543	10,378,459	14,452,543
Term Deposits	273	12 (j)(4)	55,755,994	43,630,797	54,900,233	42,825,872
Total			70,646,195	65,770,166	69,589,711	64,965,241



The carrying value of the staff loan and the Car hire to sales agents have been computed based on the market interest rates prevailed at the time of granting the loan/hire.

12. (b).1. Impairment of Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Income Statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income

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in the Income Statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the Income Statement.

12. (b).2. Re-Classification

During the Year Group/Company did not reclassify any financial assets under this category.

12. (b).3. Fair Value Measurement

The Group/Company measures the fair value using fair value hierarchy which reflects the significance of level of inputs as shown under Note 12.(g).

12. (c) Available-For-Sale Financial Assets

ACCOUNTING POLICY

Initial measurement

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

Subsequent measurement

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses on available-for sale equity instruments are recognised in Other Comprehensive Income and presented within equity in the available-for-sale reserve. Fair value changes in the assets of the Policyholders' Fund are recognized under Insurance Contract Liabilities - Life.

Interest earned whilst holding Available For Sale investments is reported as 'Interest Income' using the EIR. Dividends earned whilst holding Available For Sale investments are recognised in income statement as 'Dividend Income' when the right of the payment has been established.

De- recognition

When an investment is derecognized, the cumulative gain or loss in Other Comprehensive Income is transferred to income statement.

As at 31 December	Page	Note	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Treasury Bills & Bonds			4,090,551	531,088	4,090,551	364,427
Quoted debentures	273	12 (j)(5)	-	164,657	-	164,657
Quoted Share Investment	274	12 (j)(6)	117,233	90,334	117,233	90,334
Unquoted Share Investment	274	12 (j)(7)	2,525	2,525	2,525	2,525
Unit Trust Investments			5,995	39,984	-	-
Total Available-For-Sale Financial Assets at Fair Value			4,216,304	828,588	4,210,309	621,942



12. (c).1. Impairment of Available-for-Sale Financial Investments

The Group assesses at each Reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as Available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the Income Statement – is removed from Other Comprehensive Income and recognised in the Income Statement. Impairment losses on equity investments are not reversed through the Income Statement; increases in their fair value after impairment are recognised directly in Other Comprehensive Income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the Income Statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the Income Statement.

The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates among other factors, the duration or extent to which the fair value of the investment is less than its cost.

12. (c).2. Re-Classification

The Group evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term would still be appropriate. In the case where the Group is unable to trade these financial assets due to inactive markets and management's intention significantly changes to do so in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and management has the intention and ability to hold these assets for the foreseeable future or until maturity. There classification to held-to-maturity is permitted only when the entity has the ability and intention to hold the financial asset until maturity.

During the Year Group/Company did not reclassify any financial assets under this category.

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12. (c).3. Fair Value Measurement

The Group/Company measures the fair value using fair value hierarchy which reflects the significance of level of inputs as shown under Note 12.(g).

12. (d) Financial Assets at Fair Value Through Profit or Loss

ACCOUNTING POLICY

Initial Measurement

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's investment strategy. Attributable transaction costs are recognised in Income Statement as incurred.

Subsequent Measurement

Subsequent to initial recognition, these investments are re-measured at fair value. Changes in fair value are recorded in 'Fair value gains and losses' in Income Statement.

Financial assets designated at fair value through profit or loss comprises quoted equity instruments and Treasury Bills unless otherwise have been classified as available-for-sale.

As at 31 December			GROUP		COMPANY	
			2023	2022	2023	2022
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair value						
Treasury Bills			4,429,310	467,092	4,329,682	467,092
Short Term Investment - Quoted	274	12 (j)(8)	1,045	887	1,045	887
Total Financial Assets at Fair Value Through Profit or Loss			4,430,355	467,979	4,330,727	467,979

12. (d) .2. Re-Classification

During the Year Group/Company did not reclassify any financial assets under this category.

12. (d) .3. Fair Value Measurement

The Group/Company measures the fair value using fair value hierarchy which reflects the significance of level of inputs used in making the fair value measurement which is described in the Note 12.(g).

12 (e). Accrued Investment Income

As at 31 December			GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to Maturity Investments			2,776,510	2,814,564	2,776,510	2,814,564
Loans & Receivables			522,369	725,584	522,369	725,584
Available for sale investments			4,844	7,211	4,844	7,211
			3,303,723	3,547,359	3,303,723	3,547,359

Accrued Income of Financial Instruments are amalgamated to the each instruments and shown under each class of financial instruments above.

12. (f). Pledged of Financial Instruments

Details of pledged financial instruments are disclosed in Note 43.

12. (g) Determination of Fair Value and Fair Value Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or;
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly and
- Level 3:** Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each Reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair Value Basis – Instrument Wise

Instrument	Measurement Basis
Government Securities	
Treasury Bonds	Average buying yield as per secondary market daily report published by the Central Bank of Sri Lanka plus accrued interest
Listed Shares	Closing Price
Corporate Debt	
Listed	Last traded price plus accrued interest
Unlisted Fixed Rate	Amortized cost
Fixed and Term Deposits	Amortized cost
REPO Lending	Amortized cost

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The following table shows an analysis of Assets & Liabilities recorded at fair value by level of the fair value hierarchy:

Company	2023				2022			
	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total fair value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total fair value Rs.'000
Financial assets								
Financial Assets at Fair Value Through Profit/Loss								
Equity securities	1,045	-	-	1,045	887	-	-	887
Debt securities	4,329,682	-	-	4,329,682	467,092	-	-	467,092
	4,330,727	-	-	4,330,727	467,979	-	-	467,979
Available-For-Sale Financial Assets:								
Equity securities								
Debt securities	117,233	-	2,525	119,758	90,334	-	2,525	92,859
	4,090,551	-	-	4,090,551	529,083	-	-	529,083
Loans and receivables	-	-	69,589,711	69,589,711	-	-	64,965,241	64,965,241
Held to Maturity Financial Assets	4,207,784	-	2,525	4,210,309	619,417	-	2,525	621,942
	110,638,983	492,568		111,131,551	61,582,516	9,271,814	-	70,854,330
Total Financial Assets	119,177,494	492,568	69,592,236	189,262,298	62,669,912	9,271,814	64,967,766	136,909,492
Property Plant and Equipment's								
Land	-	-	7,759,400	7,759,400	-	-	7,339,500	7,339,500
Buildings	-	-	4,271,400	4,271,400	-	-	3,466,463	3,466,463
	-	-	12,030,800	12,030,800	-	-	10,805,963	10,805,963
Investment Properties	-	-	4,646,800	4,646,800	-	-	4,268,230	4,268,230
Total Assets	119,177,494	492,568	86,269,837	205,939,899	62,669,912	9,271,814	80,041,959	151,983,685
Financial Liabilities								
Interest Bearing Borrowings	-	-	4,053,574	4,053,574	-	-	-	-
Total Liabilities	-	-	4,053,574	4,053,574	-	-	-	-

*Listed corporate debt has been classified under level two in the above fair value hierarchy as there is no active market for those corporate debts, even though such corporate debts are listed.

12 .(h) Carrying Values of Financial Instruments

The movement of carrying value of above financial instruments as of Reporting date is as follows:

Group	Held to Maturity Rs.'000	Loans and Receivables Rs.'000	Available -For-Sale Rs.'000	Fair value Through Profit or Loss Rs.'000	Total Rs.'000
As at 1 January 2022	63,905,376	84,883,811	783,569	1,073	149,573,830
Purchases	82,389,501	707,246,375	4,484,699	2,335,670	796,456,245
Maturities	(52,591,991)	(700,283,926)	(426,785)	(200,000)	(753,502,702)
Disposals	-	(30,697,670)	(3,984,799)	(1,713,578)	(36,396,047)

Group	Held to Maturity Rs.'000	Loans and Receivables Rs.'000	Available -For-Sale Rs.'000	Fair value Through Profit or Loss Rs.'000	Total Rs.'000
Fair value gains recorded in the income statement	-	-	-	21,510	21,510
Fair value gains recorded in other comprehensive income	-	-	(121,118)	-	(121,118)
Interest Accrual Adjustment	(899,851)	102,384	1,271	-	(796,196)
Amortisation adjustment	(788,649)	4,519,192	91,751	23,303	3,845,597
As at 1 January 2023	92,014,386	65,770,166	828,588	467,978	159,081,119
Purchases	89,407,586	333,257,283	10,061,629	36,618,258	469,344,755
Maturities	(74,316,403)	(333,762,094)	(763,999)	-	(408,842,496)
Disposals	-	-	(6,006,529)	(33,469,835)	(39,476,365)
Fair value gains recorded in the income statement	-	-	-	109,344	109,344
Fair value gains recorded in other comprehensive income	-	-	34,696	-	34,696
Interest Accrual Adjustment	38,054	203,215	2,367	-	243,636
Amortisation adjustment	4,676,178	5,177,625	59,553	704,609	10,617,965
As at 31 December 2023	111,819,800	70,646,195	4,216,305	4,430,354	191,112,655

Company	Held to Maturity Rs.'000	Loans and Receivables Rs.'000	Available -For-Sale Rs.'000	Fair value Through Profit or Loss Rs.'000	Total Rs.'000
As at 1 January 2022	63,905,377	83,943,190	616,108	1,073	148,465,749
Purchases	82,389,501	707,246,375	4,484,699	2,335,670	796,456,245
Maturities	(52,591,991)	(700,283,926)	(426,785)	(200,000)	(753,502,702)
Disposals	-	(30,697,670)	(3,984,799)	(1,713,578)	(36,396,047)
Fair value gains recorded in the income statement	-	-	-	21,510	21,510
Fair value gains recorded in other comprehensive income	-	-	(121,118)	-	(121,118)
Interest Accrual Adjustment	(899,851)	102,384	1,271	-	(796,196)
Amortisation adjustment	(1,072,786)	4,654,889	52,566	23,303	3,657,973
As at 1 January 2023	91,730,250	64,965,242	621,942	467,978	157,785,414
Purchases	89,075,075	333,326,053	10,028,029	36,328,258	468,757,414
Maturities	(74,111,403)	(334,024,503)	(763,999)	-	(408,899,905)
Disposals	-	-	(5,977,029)	(33,267,000)	(39,244,030)
Fair value gains recorded in the income statement	-	-	-	96,700	96,700
Fair value gains recorded in other comprehensive income	-	-	34,696	-	34,696
Interest Accrual Adjustment	38,054	203,215	2,367	-	243,636
Amortisation adjustment	4,438,236	5,119,705	264,304	704,790	10,527,035
As at 31 December 2023	111,170,212	69,589,712	4,210,310	4,330,726	189,300,960

12. (I) Assets For Which Fair Value Approximation is applied for Carrying Value

For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

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For quoted debt instruments the fair values are determined based on quoted market prices.

For unquoted equity investments book values have been used as a base to calculate fair value of investments.

For unquoted debt instruments, the carrying value approximates the fair value of the investments.

Instruments Category - Fair Value Basis

Government Securities	Measurement Basis
Treasury Bonds	Average of the buy/sell yields included in the weekly economic indicators published daily by CBSL
Treasury Bills	Average of the buy/sell yields included in the weekly economic indicators published daily by CBSL
Listed Shares	Closing Price
Corporate Debt	
Listed	Last traded price plus accrued interest
Unlisted Fixed Rate	Discounted Cash Flow (DCF) Method (Cost plus accrued interest)
Fixed and Term Deposits	
Deposit > 1 year	Discounted Cash Flow (DCF) Method (Cost plus accrued interest)

12(j) Entity wise details of Financial Instruments

12 (j)(1) Held to Maturity Financial Assets -Debentures (Quoted)

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Bank of Ceylon	-	205,906	-	205,906
Commercial Bank of Ceylon PLC	517,216	517,267	517,216	517,267
DFCC Bank PLC	-	1,928,306	-	1,928,306
Hatton National Bank PLC	-	2,460,231	-	2,460,231
National Development Bank PLC	-	702,034	-	702,034
Nations Trust Bank PLC	-	544,598	-	544,598
Sampath Bank PLC	-	1,344,873	-	1,344,873
Seylan Bank PLC	-	1,579,053	-	1,579,053
Total	517,216	9,282,268	517,216	9,282,268

12 (j)(2) Loans and Receivables -Debentures (Quoted)

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Abans PLC	175,754	175,771	175,754	175,771
Citizens Development Business Finance PLC	114,137	114,158	114,137	114,158
Commercial Bank of Ceylon PLC	4,872,982	9,099,550	4,872,982	9,099,550
DFCC Bank PLC	2,202,531	2,202,793	2,202,531	2,202,793
Hatton National Bank PLC	2,861,924	2,860,271	2,861,924	2,860,271
National Development Bank PLC	151,131	-	151,131	-
Total	10,378,459	14,452,543	10,378,459	14,452,543

12 (j)(3) Loans and Receivables - Debentures (Unquoted)

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Kings Hospital Colombo (Private) Limited	1,612,129	-	1,612,129	-
Nations Trust Bank PLC	450,891	450,537	450,891	450,537
National Savings Bank	1,033,086	1,033,238	1,033,086	1,033,238
Total	3,096,106	1,483,776	3,096,106	1,483,776

12 (j)(4) Loans and Receivables - Term Deposits

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Bank of Ceylon	12,588,034	12,279,761	12,288,157	12,059,282
Central Finance Company PLC	499,979	499,932	499,979	499,932
Citizens Development Business Finance PLC	546,421	565,178	546,421	565,178
Commercial Credit & Finance PLC	12,176,885	-	12,176,885	-
DFCC Bank PLC	-	1,077,220	-	1,077,220
Hatton National Bank PLC	341,382	96,754	299,060	55,900
National Development Bank PLC	2,468,537	10,502,340	2,468,537	10,502,340
National Savings Bank	11,131,767	7,921,094	10,618,205	7,542,502
People's Bank	13,231,407	3,232,216	12,618,047	3,232,216
People's Leasing & Finance PLC	1,038,804	1,038,908	1,038,804	1,038,908
Sampath Bank PLC	1,287,786	5,554,289	1,287,786	5,389,289
Seylan Bank PLC	1,025,692	829,542	1,025,692	829,542
Union Bank of Colombo PLC	32,660	33,563	32,660	33,563
Total	55,755,994	43,630,797	54,900,233	42,825,872

12 (j)(5) Available-for-Sale Financial Assets - Quoted Debentures

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Bank of Ceylon	-	1,047	-	1,047
DFCC Bank PLC	-	50,676	-	50,676
Hatton National Bank PLC	-	57,807	-	57,807
National Development Bank PLC	-	55,126	-	55,126
Total	-	164,657	-	164,657

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12 (j)(6) Available-For-Sale Financial Assets - Quoted Shares

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Commercial Credit and Finance PLC	117,233	90,334	117,233	90,334
Total	117,233	90,334	117,233	90,334

12 (j)(7) Available-For-Sale Financial Assets - Unquoted Shares

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Ceylinco Education Group Pvt LTD	2,525	2,525	2,525	2,525
Total	2,525	2,525	2,525	2,525

12 (j)(8) Financial Assets at Fair Value Through Profit or Loss - Quoted Shares

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Fair Value Rs.'000	Fair Value Rs.'000	Fair Value Rs.'000	Fair Value Rs.'000
Banking, Finance and Insurance				
National Development Bank PLC	8	4	8	4
Commercial Bank of Ceylon PLC	36	18	36	18
DFCC Bank PLC	166	64	166	64
Central Finance PLC	23	13	23	13
Manufacturing, Plantations				
Chevron Lubricants Lanka PLC	45	48	45	48
Tokyo Cements Company PLC	60	38	60	38
Dipped Products PLC	98	102	98	102
Chemical Industries Colombo PLC	17	22	17	22
Hayleys PLC	72	68	72	68
Kotagala Plantation	1	1	1	1
Service				
John Keels Holdings PLC	80	56	80	56
Aitken Spense PLC	261	285	261	285
Hemas Holdings PLC	85	71	85	71
Dialog Axiata PLC	31	30	31	30
Royal Palms Beach Hotels PLC	3	2	3	2
Asiri Surgical Hospital Holdings PLC	39	39	39	39
Ceylon Hospitals PLC	20	24	20	24
Total	1,045	887	1,045	887

13/14 PENSIONS, GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS

ACCOUNTING POLICY

(a) Pensions and Other Post-Employment Benefits

Measurement

The Group operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit valuation method as recommended by LKAS 19 – ‘Employee Benefits’. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit valuation method. The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to creditors of the Company nor can they be paid directly to the Company.

Fair value is based on market price information and, in the case of quoted securities, it is the published market price. The value of any defined benefit asset is restricted to the sum of any past service cost and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognised as defined benefit liabilities has been netted with the fair value of the plan assets of the reporting period. Any surplus in plan assets has been measured based on the requirements of LKAS 19 - Employee Benefits, Para 58 and IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

However, according to the Payment of Gratuity Act No. 12 Of 1983, the liability for gratuity payments to an employee arises on the completion of five years of continued service with the company. The provision is externally funded.

Recognition

Actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to income statement in subsequent periods. Past service costs are recognised in income statement on the earlier of:

- * The date of the plan amendment or curtailment, and
- * The date that the Company recognises restructuring related costs

Valuation of the employee defined benefit liability

The defined benefit obligation is calculated by a qualified Actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - ‘Employee Benefits’. The actuarial valuation involves making assumptions about discount rate, salary increment rate and balance service period of employees. Due to the long-term nature of the plans such estimates are subject to significant uncertainty.

(b) Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

13. GRATUITY BENEFIT LIABILITY/(ASSET)

The amounts recognised in the income statement are as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current service cost	47,572	(70,565)	47,572	(70,565)
Interest cost on benefit obligation	153,755	147,076	153,755	147,076
Expected return on plan assets	(1,254,854)	(745,562)	(1,254,854)	(745,562)
	(1,053,527)	(669,051)	(1,053,527)	(669,051)
Net actuarial gain/ (loss) recognised in other comprehensive income	(1,203,484)	(35,095)	(1,203,484)	35,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The amounts recognised in the statement of financial position at the reporting date are as follows:

	Page	Note	GROUP		COMPANY	
			2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Present value of the defined benefit obligation	276	13.(a)	(1,446,271)	(863,793)	(1,446,271)	(863,793)
Fair value of plan assets	276	13.(b)	8,394,151	7,049,744	8,394,151	7,049,744
Net defined benefit obligation	277	13.(e)	6,947,880	6,185,951	6,947,880	6,185,951

13.(a) The Movement in the Defined Benefit Liability is as follows:

	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Defined Gratuity Benefit obligation of the company				
At 1 January	863,793	1,232,825	863,793	1,232,825
Current service cost	47,572	(70,565)	47,572	(70,565)
Interest cost	153,755	147,076	153,755	147,076
Benefits paid	(62,057)	(104,882)	(62,057)	(104,882)
Actuarial (gains)/ losses	443,208	(340,661)	443,208	(340,661)
As at 31 December	1,446,271	863,793	1,446,271	863,793
Gratuity Liability -Subsidiaries	11,259	8,474	-	-

As at 31 December 2023, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) Method by Consultant Actuary Mr K A Pandit as required by Sri Lanka Accounting Standard (LKAS) 19 – 'Employee Benefits'.

According to LKAS 19 - Employee Benefits, the re-measurements of the net defined benefit liability, assets, which comprise actuarial gains and losses are recognised in Other Comprehensive Income.

13.(b) The movement in the plan assets is as follows:

	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
As at 1 January	7,049,744	6,249,474	7,049,744	6,249,474
Contribution Paid by employer	911,886	535,345	911,886	535,345
Expected return on plan assets	1,254,854	745,562	1,254,854	745,562
Actuarial gains/(Loss)	(760,276)	(375,756)	(760,276)	(375,756)
Benefit Paid	(62,057)	(104,882)	(62,057)	(104,882)
As at 31 December	8,394,151	7,049,744	8,394,151	7,049,744

13.(c). Details of Planned Assets:

The distribution of the Plan Assets at the reporting date is as follows:

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investment in shares	5,597,200	4,880,704	5,597,200	4,880,704
Fixed Deposits	1,002,022	1,135,199	1,002,022	1,135,199
Other Assets	1,794,929	1,033,841	1,794,929	1,033,841
Total Plan Assets	8,394,151	7,049,744	8,394,151	7,049,744

The overall expected rate of return on assets is determined based on market expectations prevailing on that date, applicable to the period over which the obligation is to be settled.

Gratuity funds' Plan Assets include investment in equity shares of Ceylinco Insurance PLC, market value amounting to Rs.5,597,199,180 as at the reporting date.(2022 - Rs. 4,880,704,000).

13.(d). Principal Actuarial Assumptions

The principal actuarial assumptions used in determining the gratuity benefit obligation for the Group's plan assets are as follows:

	2023	2022
Financial Assumptions		
Future salary increases	10.00%	15.00%
Discount rate	12.60%	17.80%
Expected rate of return on plan assets	12.60%	17.80%
Demographic Assumptions		
Retirement Age	60 Yrs	60 Yrs
Attrition Rate	1%	1%
Mortality Table	IALM2006-08	IALM2006-08

13.(e) Change in the defined benefit obligation and fair value of the plan assets**Group/ Company**

31- December 2023	Amounts charged to Profit or Loss					Remeasurement gains/(Losses) in other comprehensive income						
	As at 01 January	Service cost	Net interest	Sub total included in profit or loss	Benefit paid	Return on plan assets (Excluding amounts included in net interest expenses)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Actuarial Gains/ (Losses)	contribution by employers	As at 31 December
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Defined Benefit Obligation	(863,793)	(47,572)	(153,755)	(201,328)	62,057	-	-	(108,333)	(334,875)	(443,208)	-	(1,446,271)
Fair value of plan assets	7,049,744	-	-	-	(62,057)	1,254,854	-	-	(760,276)	(760,276)	911,886	8,394,151
Benefit assets/ (Liability)	6,185,951	(47,572)	(153,755)	(201,328)	-	1,254,854	-	(108,333)	(1,095,151)	(1,203,484)	911,886	6,947,880

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31- December 2022	Amounts charged to Profit or Loss					Return on plan assets (Excluding amounts included in net interest expenses)	Remeasurement gains/(Losses) in other comprehensive income					As at 31 December
	As at 01 January	Service cost	Net interest	Sub total included in profit or loss	Benefit paid		Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Actuarial Gains/ (Losses)	contribution by employers	
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Defined Benefit Obligation	(1,232,825)	70,565	(147,076)	(76,511)	104,882	-	-	59,620	281,041	340,661	-	(863,793)
Fair value of plan assets	6,249,474	-	-	-	(104,882)	745,562	-	-	(375,756)	(375,756)	535,345	7,049,744
Benefit assets/ (Liability)	5,016,649	70,565	(147,076)	(76,511)	-	745,562	-	59,620	(94,715)	(35,095)	535,345	6,185,951

Gratuity benefit asset has been in excess of the Gratuity benefit liability due to share investment which has share appreciation annually.

Retirement age - 60 Years

13.(f). A quantitative sensitivity analysis for significant assumptions are as follow:

	Discount Rate		Rate of Future salary increase rate		Rate of Employee Turnover	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%	1%	1%

Sensitivity level

Impact on defined benefit obligation (Rs. 000)	2023	(98,843)	111,792	112,430	(101,039)	11,935	(13,259)
Impact on defined benefit obligation (Rs. 000)	2022	(68,246)	77,296	78,575	(70,381)	16,512	(18,363)

13(g) Method and Assumptions Used in Preparing the Sensitivity Analysis

The above sensitivity analyses are based on a change in significant assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method "Projected Unit Credit method (PUC)" has been applied as when calculating the defined benefit obligation recognised in the balance sheet as at the reporting date. The methods and types of assumptions used in preparing the sensitivity did not change compared to the prior period. However, the discount rate has changed from 17.8% to 12.6% during the year to reflect the increment in market interest rates and future salary increment rate has changed from 15% to 10.0% to be inline with the economic variables.

13.(h). Following payments are expected contributions to the defined benefit plan obligation in the future years

As at 31 December	2023 Rs.'000	2022 Rs.'000
Within the next 12 Months	156,870	25,853
2nd Following Year	27,193	20,251
3rd Following Year	83,522	26,825
4th Following Year	84,402	42,731
5th Following Year	113,589	76,013
Between 5 and 10 Years	1,368,797	1,099,329
Sum of Years 11 and above	3,617,107	7,374,475

14. PENSION BENEFIT OBLIGATION

The Company has two defined benefit pension plans, both of which require contributions to be made to separately administered funds namely Pension Trust Fund of Ceylinco Insurance PLC and Pension Fund of Ceylinco Insurance PLC.

As at 31 December 2023, and as at the end of the comparative period the pension liability was actuarially valued under the Projected Unit Credit (PUC) method by Consultant Actuary K A Pandit, as required by Sri Lanka Accounting Standard (LKAS) 19 – 'Employee Benefits'.

Pension benefit obligation is valued by K A Pandit Actuarial Valuers.

According to LKAS 19 - Employee Benefits, the re-measurements of the net defined benefit liability, assets, which comprise actuarial gains and losses are recognised in Other Comprehensive Income.

14.(a). Change in the defined benefit obligation and fair value of the plan asset

Pension benefit asset has been excess over the Pension benefit liability due to share investment which has share appreciation annually.

Group/ Company

2023	Remeasurement gains/(losses) in other comprehensive income										As at 31 December
	As at 01 January Rs.000	Interest cost on benefit obligation Rs.000	Sub total Included in Profit/Loss Rs.000	Benefit paid Rs.000	Return on plan assets (excluding amounts in net interest expenses) Rs.000	Recognised in Income Statement Note Rs.000	Actuarial changes arising from changes in financial assumptions Rs.000	Experience adjustments Rs.000	Actuarial Gains/(Losses) Rs.000	Contributions by employer	
Defined benefit Obligation	(248,969)	(53,279)	(53,279)	4,768	-	(48,511)	(79,696)	(45,672)	(125,369)	-	(422,849)
Fair value of plan assets	1,514,437	-	-	(4,768)	269,569	264,801	-	(239,769)	(239,769)	42,775	1,582,244
Total recognised benefit (liability) / Asset	1,265,468	(53,279)	(53,279)	-	269,569	216,291	(79,696)	(285,441)	(365,138)	42,775	1,159,395

2022	Remeasurement gains/(losses) in other comprehensive income										As at 31 December
	As at 01 January Rs.000	Interest cost on benefit obligation Rs.000	Sub total Included in Profit/Loss Rs.000	Benefit paid Rs.000	Return on plan assets (excluding amounts in net interest expenses) Rs.000	Recognised in Income Statement Note Rs.000	Actuarial changes arising from changes in financial assumptions Rs.000	Experience adjustments Rs.000	Actuarial Gains/(Losses) Rs.000	Contributions by employer	
Defined benefit Obligation	(837,875)	(74,326)	(74,326)	4,768	-	(69,557)	638,763	19,700	658,463	-	(248,969)
Fair value of plan assets	1,429,859	-	-	(4,768)	114,389	109,620	-	(67,817)	(67,817)	42,775	1,514,437
Total recognised benefit (liability) / Asset	591,984	(74,326)	(74,326)	-	114,389	40,063	638,763	(48,117)	590,646	42,775	1,265,468

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14.(b). Distribution of Plan Asset

The distribution of the Plan Assets at the reporting date is as follows:

As at 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Investment in shares	813,131	835,452	813,131	835,452
Other Assets	769,111	678,983	769,111	678,983
Total Plan Assets	1,582,242	1,514,435	1,582,242	1,514,435

Plan Assets include investment in equity shares of Ceylinco Insurance PLC, market value amounting to Rs. 813,130,915/- at the Reporting date. (2022 - 835,452,041 /-)

14.(c). Principal Actuarial Assumptions

The principal assumptions used in determining pension and post-employment medical benefit obligations for the Company's plans are shown below:

	2023	2022
Financial Assumptions		
Discount rate	12.60%	17.80%
Expected rate of return on plan assets	12.60%	17.80%
Future salary increases	10%	15%
Demographic Assumptions		
Attrition rate	1% p.a	1% p.a
Retirement age	60 Yrs	60 Yrs
Mortality Table	IALM2006-08	IALM2006-08

14 (d). A quantitative sensitivity analysis for significant assumption as at 31 December are as follow:

Sensitivity level	Discount Rate	
	Increase 1%	Decrease 1%
Impact on defined benefit obligation (Rs. 000) 2023	(18,464)	20,417
Impact on defined benefit obligation (Rs. 000) 2022	(11,259)	12,239

14 (e) Method and Assumptions Used in Preparing the Sensitivity Analysis

The method and type of assumption used in preparing the sensitivity did not change compared to the prior period. However, the discount rate has changed from 17.8% to 12.6% during the year to reflect the increment in market interest rates and future salary increment rate has changed from 15% to 10% to be inline with the economic variables.

15. REINSURANCE RECEIVABLES

ACCOUNTING POLICY

Reinsurance receivables consist of short term balances due from reinsurers that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance is recorded gross in the Statement of Financial Position unless a right to offset exists.

Impairment

Reinsurance assets are reviewed for impairment at each Reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group/Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group/Company will receive from the reinsurer. The impairment loss is recorded in the Income Statement.

Derecognition

Reinsurance assets are de-recognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

As at 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Reinsurance Receivable - Swiss Re	328,202	168,885	328,202	168,885
Reinsurance Receivable - Munich Re	354,963	299,437	354,963	299,437
Reinsurance Receivable - RGA	259	31,495	259	31,495
Total Reinsurance Receivables	683,424	499,817	683,424	499,817

The carrying amounts disclosed above is in respect of the reinsurance of insurance contracts approximate fair value at the reporting date.

15.(a). The age analysis of the reinsurance receivable

As at 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Up to 90 Days	105,542	120,260	105,542	120,260
91-180 Days	123,412	45,530	123,412	45,530
181- 365 Days	114,680	105,749	114,680	105,749
More than 365 Days	339,790	228,278	339,790	228,278
Total	683,424	499,817	683,424	499,817

15.(b). Fair Value Measurement

The carrying value of reinsurance receivables approximate the fair value at the reporting date.

15.(c). Impairment Losses on Reinsurance Receivables

The Group has assessed potential impairment loss of reinsurance receivables as at 31st December 2023 and the Group does not identify any objective evidences which require an impairment to its reinsurance receivable. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15.(d). Collateral Details

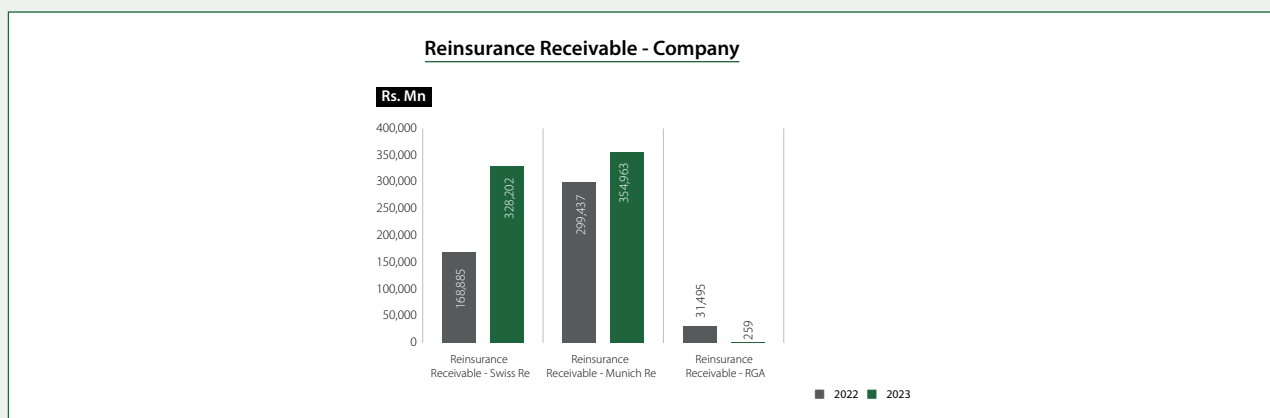
The Group does not hold any collateral as security against potential default by reinsurers

15 (e) Reinsurance Receivables on Outstanding Claims

The reinsurance portion of the outstanding claims has not been materialised, since the insurance claim has not been paid as at the reporting date.

15 (f) Financial risk associated with reinsurance receivable

More Details on how we mitigate reinsurance risk is described under risk management report on pages 40 to 49.



16. TAXATION

ACCOUNTING POLICY

Income Tax Expense

Income tax expense comprises current and deferred tax. It is recognised in the Income Statement except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Reporting date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

The Company is liable to pay income tax in accordance with the provisions of the Inland Revenue Act, No.24 of 2017 and subsequent amendments thereto. Income tax rates applicable for year 2023 as per the act are stipulated as follows:

1. Surplus distributed to shareholders from Life Insurance business as certified by appointed actuary @ 30%
2. Investment Income of Shareholder fund less any expenses incurred in the production of such income @ 30%
3. Bonuses Distributed to policyholders @ 30%
4. Realization of capital gains @ 30%
5. Dividend Income @ 15%

Ceylinco Healthcare Services Ltd is liable to pay income taxes on below rates for year 2023 as per the act.

1. Business income @ 30%
2. Investment income @ 30%

Ceylinco Serene Resorts Ltd is liable to pay income taxes on below rates for year 2023 as per the act.

1. Business income @ 30%
2. Investment income @ 30%

(ii) Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination, that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- Temporary differences related to investments in subsidiaries, associates and jointly-controlled entities to the extent that the Group/Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and the measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group/Company expects, at the end of the Reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each Reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances changed.

Uncertainties exist with respect to the interpretation of complex tax regulation, changes in tax laws and the amount and timing of future taxable income. Given the long term nature and the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Significant Judgment

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(iv) Transfer pricing

As prescribed in Inland Revenue Act No. 24 of 2017 and gazette notification on transfer pricing Group and Company have complied with the arm's length principles relating to transfer pricing.

(v) Withholding Tax on Dividends

Withholding tax that arises from the distribution of dividends by the Company is recognized at the time the liability to pay the related dividend is recognized.

16. (a) Movement of Tax Receivable

As at 31 December	Page	Note	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January			6,376	6,376	-	-
Estimated tax expense for the period			(2,651,821)	(2,228,038)	(2,517,716)	(2,228,038)
Tax Payable Recognized			1,699,380	1,735,127	1,565,263	1,735,127
Notional tax/ WHT recognized	284	16.(b)	952,685	492,910	952,453	492,910
As at 31 December			6,620	6,376	-	-

16. (b) Details of Notional Tax / WHT Recognized

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Notional Tax Receivable	523,173	486,520	523,173	486,520
WHT Receivable	429,512	6,390	429,280	6,390
Total	952,685	492,910	952,453	492,910

16. (c) Deferred Tax Liability- Group

	Consolidated Other Comprehensive Income Statement		Consolidated Income Statement		Consolidated Statement of Financial Position	
	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Losses carried forward	-	-	47,897	(75,112)	26,548	74,444
Temporary Difference from Retirement Benefit Liability - Gratuity	205	227	(2,182)	(189)	1,434	(542)
Temporary Difference from Property Plant and Equipment	27,378	113,057	(34,397)	117,204	(327,935)	(334,952)
Temporary Difference from Investment Properties	-	-	(18,883)	(87,180)	(34,554)	(53,436)
Temporary Difference from Revaluation reserve	36,180	92,536	-	-	(234,577)	(198,397)

	Consolidated Other Comprehensive Income Statement		Consolidated Income Statement		Consolidated Statement of Financial Position	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Temporary Difference from Available for sale financial assets	(7,833)	4,601	-	-	(50,932)	(58,765)
Deferred Tax on Share of profit of Associate	-	-	49,188	35,337	(609,733)	(560,545)
Deferred Tax Expense/ (Income)	55,930	210,421	41,623	(9,940)	-	-
Deferred Tax Liability					(1,229,749)	(1,132,194)

Total Deferred Tax Liability

As at 31 December	GROUP	
	2023 Rs.'000	2022 Rs.'000
As at 1 January	1,132,194	931,714
Amounts recorded in the income statement	(7,564)	(45,277)
Amounts recorded in other comprehensive income	55,930	210,421
Deferred Tax on Share of profit of Associate	49,188	35,337
As at 31 December	1,229,749	1,132,194

16. (d) Deferred Tax Liability- Company

	Other Comprehensive Income Statement		Income Statement		Statement of Financial Position	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Temporary Difference from Property Plant and Equipment	-	-	(18,418)	29,541	(68,176)	(86,594)
Temporary Difference from Investment Properties	-	-	4,517	22,224	(188,526)	(184,008)
Temporary Difference from Revaluation reserve	36,180	92,536	-	-	(285,509)	(249,329)
Temporary Difference from Available for sale financial assets	(7,833)	4,601	-	-	-	(7,833)
Deferred Tax Expense/ (Income)	28,347	97,137	(13,901)	51,765	-	-
Deferred Tax Liabilities	-	-	-	-	(542,211)	(527,765)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Total Deferred Tax Liability

As at 31 December	COMPANY	
	2023 Rs.'000	2022 Rs.'000
As at 1 January	527,765	378,863
Amounts recorded in the income statement	(13,901)	51,765
Amounts recorded in other comprehensive income	28,347	97,137
As at 31 December	542,211	527,765

17. LOANS TO POLICY HOLDERS

ACCOUNTING POLICY

Policyholder Loans are granted up to 90% of the surrender value of a Life Insurance Policy at a rate equivalent to market rate. Policyholder loans are initially measured at Fair value of Loan amount granted and subsequently measured at the amortised cost. If the policyholder dies before the full repayment of the loan, the loan balance is deducted from the death benefit. Policyholder Loans are reviewed for impairment at each reporting date. Loans receivable as at reporting date as follows.

17.(a) Movement of Policy Loans

As at 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Balance as of 1st January	2,703,623	1,561,981	2,703,623	1,561,981
Loans Granted During the Period	3,179,047	2,397,597	3,179,047	2,397,597
Repayment During the Period	(2,951,689)	(1,255,955)	(2,951,689)	(1,255,955)
Total Policy Holder Loans as at 31 December	2,930,981	2,703,623	2,930,981	2,703,623

17.(b) Fair value of loans to life policyholders

The fair value of the policyholder loans are equal to its carrying value as those are given at competitive market rates.

17.(c) Concentration risk of loans to life policyholders

There is lower concentration of credit risk with respect to policyholders, as the company has a large number of dispersed receivables.

The total receivable of the loan, including interest due and accrued, exceeds the cash surrender value, the policy terminates and becomes void. The Company has a first lien on all policies which are subject to policy loans. This mitigates the Company's credit exposure on Policy Loans.

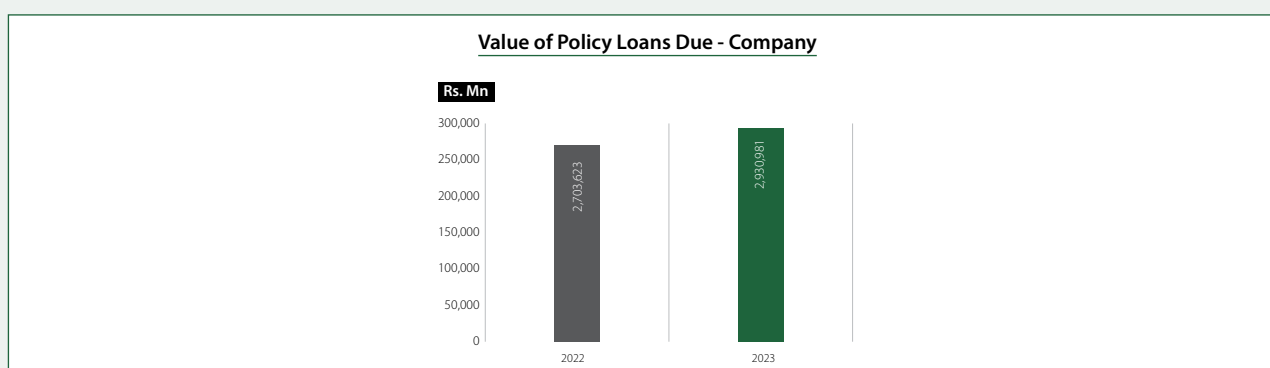
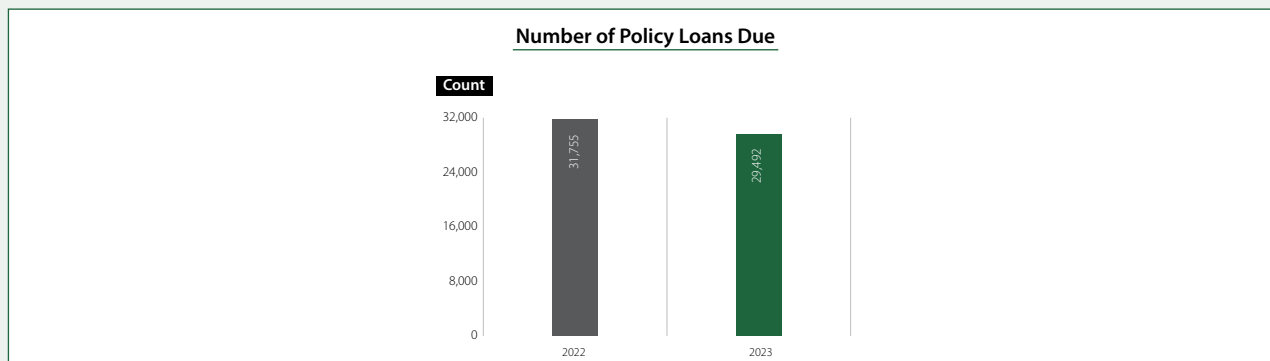
17.(d) Impairment of loans to life policyholders

The Group has assessed the potential impairment loss of Loans to Life Policyholders as at 31st December 2023.

Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of Loans to Life Policyholders.

17.(e) Number of Policy Loans

Number of policy loans due as at 31 December 2023 was 29,492 (2022 - 31,755)



17.(f) Collateral Details

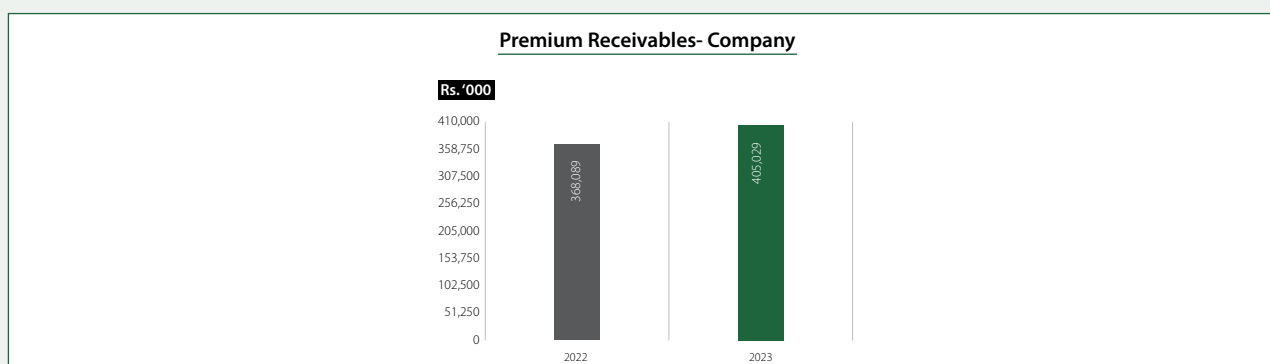
The company does not hold any collateral as security against potential default by policyholders other than surrender value.

18. PREMIUM RECEIVABLES

ACCOUNTING POLICY

Premium receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the Income Statement. Insurance receivables are de-recognised when the de-recognition criteria for financial assets have been satisfied.

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Premium Receivables	405,029	368,089	405,029	368,089
Total	405,029	368,089	405,029	368,089



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18.(a). Premium Receivables from Related Parties

There is no premium receivables from related parties as at the reporting date.

18.(b). Fair value of Premium Receivable

The carrying value of premium receivable approximates Fair Value at the reporting date.

18.(c). Concentration Risk of Premium Receivable

There is lower concentration of credit risk with respect to premium receivables, as the company has a large number of dispersed receivables.

18.(d). Impairment of Premium Receivable

The Group has assessed the potential impairment loss of Premium Receivables as at 31st December 2023. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of Premium Receivables.

18.(e). Collateral Details

The company does not hold any collateral as security against potential default by policyholders.

19. OTHER ASSETS

ACCOUNTING POLICY

INVENTORIES

Inventories include all consumable items and are measured at the lower of cost and net realisable value. Cost is generally determined by reference to weighted average cost. Net realisable value is the estimated market price in the ordinary course of business less any estimated expense to sell. The cost of the inventories include all expenses incurred in bringing inventories to the present location and condition.

Having evaluated the nature of the inventories held by the Group, the Group has assessed whether there is any impact to net realizable value of the inventories and assessed whether it was required to adjust the carrying value of the inventory. The Group has not identified any circumstances where adjustments are required to reduce the carrying value of the inventories.

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Advances, Deposits & Prepayments	665,164	1,951,277	390,740	1,697,690
Inventories	127,298	80,966	124,258	77,954
Deferred staff benefits	67,426	72,985	67,426	72,985
Total Other Assets	859,888	2,105,228	582,424	1,848,629

20. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents comprise cash in hand and cash at bank. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash in hand and at Bank	678,161	332,261	677,077	405,331
Bank Overdraft	(917,769)	(731,161)	(913,434)	(725,523)
Total Cash and Cash Equivalents	(239,608)	(398,900)	(236,357)	(320,192)

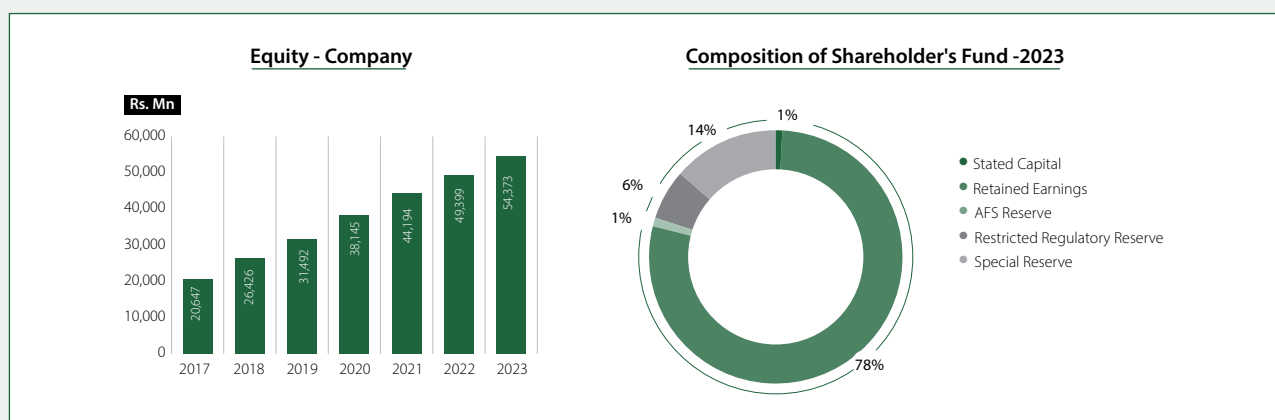
The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

20.(a). Cash Pledged as Security for Liabilities

The company has obtained a Bank Guarantee facility from Seylan Bank PLC and National Development Bank PLC, being the 25% of sum assessed by the Commissioner General of Inland Revenue (Refer note 42 C for details on "Assessments from Department of Inland Revenue").

21 EQUITY

As at 31 December		Page	Notes	GROUP		COMPANY	
				2023	2022	2023	2022
				Rs.'000	Rs.'000	Rs.'000	Rs.'000
Ordinary Shares - Voting	289	21.(a)		500,001	500,001	500,001	500,001
Other Reserves	290	21.(b)		58,441,352	52,993,407	53,873,318	48,899,012
				58,941,353	53,493,408	54,373,319	49,399,013

**21.(a) Ordinary Shares - Voting (Stated Capital)****ACCOUNTING POLICY****Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

As at 31 December		Page	Notes	GROUP		COMPANY	
				2023	2022	2023	2022
				Rs.'000	Rs.'000	Rs.'000	Rs.'000
Ordinary Shares - Voting	289	21.(a)		500,001	500,001	500,001	500,001
Total				500,001	500,001	500,001	500,001

All issued shares are fully paid. There is one class of ordinary shares. All shares issued carry equal voting rights. The holders of ordinary shares – voting are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The holders of ordinary shares – voting are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21.(b) Other Reserves

As at 31 December	Page	Notes	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Retained Earnings	290	21.(c)	46,526,538	41,227,449	42,420,188	37,530,856
Available for Sale Reserve	290	21.(d)	19,107	18,552	19,107	18,552
Revaluation Reserve	290	21.(e)	1,127,873	979,571	666,188	581,769
Restricted Regulatory Reserve	291	21.(g)	3,456,184	3,456,184	3,456,184	3,456,184
Special Reserve	291	21.(f)	7,311,651	7,311,651	7,311,651	7,311,651
Total			58,441,353	52,993,407	53,873,318	48,899,012

21.(c) Retained Earnings

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st January	41,227,449	34,279,196	37,530,856	30,686,580
Profit for the Period	6,307,264	8,163,769	5,801,833	7,631,777
Other Comprehensive Income for the period	(1,582,787)	337,144	(1,568,623)	555,552
Dividend Paid Equity Holder for Previous Year	(912,501)	(787,501)	(912,501)	(787,501)
Transferred to Long Term Insurance Fund	1,568,623	(555,552)	1,568,623	(555,552)
Associate Change in Equity	(81,510)	(209,606)	-	-
Total	46,526,538	41,227,449	42,420,188	37,530,856

21.(d) Available for Sale Reserve

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st January	18,552	29,368	18,552	29,368
Fair value changes recorded in Other Comprehensive Income for the period during the year	42,530	(125,719)	42,530	(125,719)
Amortization of previously recognised fair value changes in OCI(Refer note 12.c.2)				
Transferred to Long Term Insurance Fund	(41,975)	114,903	(41,975)	114,903
Total	19,107	18,552	19,107	18,552

The Available for Sale reserves comprises the cumulative net change in the fair value of Available for Sale financial instrument held by the Group and the Company as at 31 December 2023.

21.(e) Revaluation Reserve

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st January	979,571	831,796	581,769	496,512
Other Comprehensive Income for the period	863,646	1,549,156	799,764	1,486,637
Transferred to Long Term Insurance Fund	(715,344)	(1,401,380)	(715,344)	(1,401,380)
Total	1,127,873	979,571	666,188	581,769

The Revaluation Reserve relates to the gain of revaluation of property, plant and equipments recognised in Equity through OCI.

21.(f) Special Reserve

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Special Reserve	7,311,651	7,311,651	7,311,651	7,311,651
Total	7,311,651	7,311,651	7,311,651	7,311,651

The special reserve represents the value (net book value) of net assets transferred from Ceylinco Insurance PLC on 1 June 2015 as a result of the segregation.

21.(g) Restricted Regulatory Reserve

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Restricted Regulatory Reserve	3,456,184	3,456,184	3,456,184	3,456,184
Total	3,456,184	3,456,184	3,456,184	3,456,184

Restricted Regulatory reserve was created as a result of One-Off Surplus generated due to change in valuation method from 'Net Premium Valuation' to 'Gross Premium Valuation' as specified in Direction 16, issued by IRCSL on 20th March 2018, for identification and treatment of One-Off Surplus. Complying with the same, the transfer made from policyholders' to Shareholders' fund is limited to surplus generated from other than participating business, whereas the surplus generated from the participating business will be maintained within the participating fund.

The basis for computation of one-off surplus is in line with Direction 16 issued by IRCSL titled "Directions on the Identification and Treatment of One-off Surplus" dated 20th March 2018."

The Company's One-off Surplus is equal to the minimum One-off Surplus prescribed in the recommendations in the Direction issued by the IRCSL. The basis is same for both participating business and other than participating business."

The One-Off Surpluses in amounts, created for participating business and other than participating business are as follows:

Composition of One-off Surplus	Rs.000
Participating Business	2,736,685
Other than Participating Business	3,456,184
Tabarru Reserve	1,920
Total	6,194,789

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 upon receiving approval from IRCSL. The One-Off Surplus in the Shareholders' Fund will remain invested in assets in below note as per directions of IRCSL.

One-off surplus of participating business amounting to Rs. 2,736,685,339/- will be held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholders by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No.43 of 2000".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The composition of the assets, held to support the Restricted Regulatory Reserves (One-off Surplus for other than participating business) as at 31 December 2023 are disclosed below at their market values:

As at 31 December	2023	2022
	Market Value Rs.'000	Market Value Rs.'000
Government Debt Securities	1,234,486	745,439
Deposits with licensed commercial banks	-	-
Sampath Bank PLC	-	538,753
National Development Bank PLC	-	970,969
People's Bank	1,615,027	-
Bank of Ceylon	653,753	1,296,324
	2,268,780	2,806,046
Total	3,503,266	3,551,485

292 22. INSURANCE CONTRACT LIABILITIES

ACCOUNTING POLICY

(a) Classification of Insurance Contracts

SLFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are contracts under which one party (the Insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The classification of contracts identifies both, the insurance contracts that the Company issues and reinsurance contracts that the Company holds.

Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception, if insurance risk becomes significant. Insurance and investment contracts are further classified as being either with or without discretionary participating features (DPF).

(b) Discretionary Participating Features (DPF)

DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- likely to be a significant portion of the total contractual benefits;
- the amount or timing of which is contractually at the discretion of the issuer; and that are contractually based on:
- the performance of a specified pool of contracts or a specified type of contracts;
- realised and or unrealised investment returns on a specified pool of assets held by the issuer; and
- the profit or loss of the Company, fund or other entity that issues the contract.

IRC SL regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF eligible surplus) and within which the Company may exercise its discretion as to the quantum and timing of their payment to contract holders.

At least 90% of the eligible surplus must be attributed to contract holders as a group (which can include future contract holders) and

the amount and timing of the distribution to individual contract holders is at the discretion of the Company, subject to the advice of the Appointed Actuary. All DPF liabilities including unallocated surpluses, at the end of the reporting period are held within insurance contract liabilities, as appropriate.

(c) Unit-Linked Contracts

Unit-Linked contracts are those contracts that do not meet the definition of insurance or investment contracts with discretionary participating features. For these Unit-Linked contracts, the liabilities are valued at current unit value, i.e., on the basis of the fair value of the financial investments backing those contracts at the reporting date together with rights to future management fees.

(d) Life Insurance Contract Liabilities

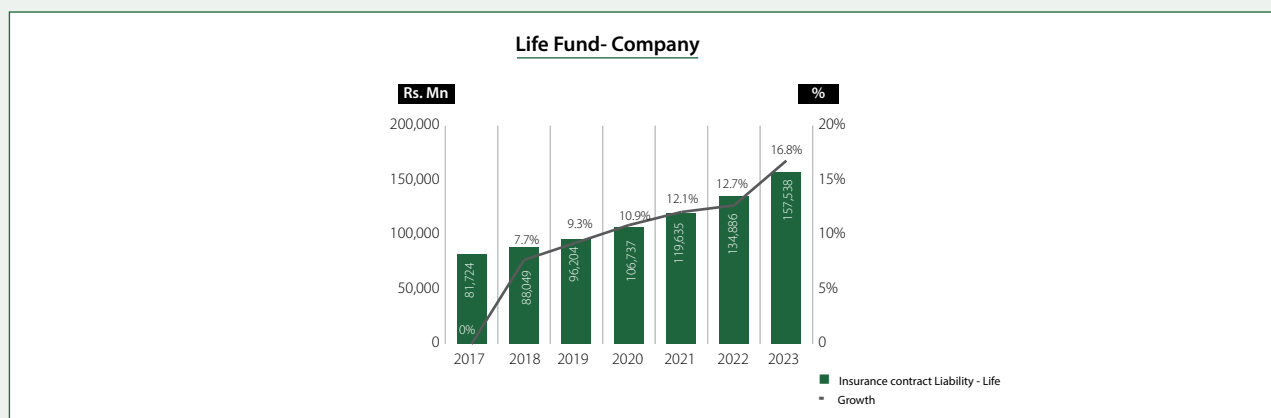
These liabilities are calculated as the total of best estimate liability and a risk margin for adverse deviation. The best estimate liabilities are measured by using the gross premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees, investment income from assets backing such liabilities and investment management expenses, which are directly related to the contract, less the discounted value of the expected premiums that would be required to meet the future cash outflows, based on the valuation assumptions used, charges and fees. Adjustments to the liabilities at each Reporting date are recorded in the Income Statement in 'Increase in life insurance contract liabilities'.

The liability is released when the contract expires, discharged or cancelled.

At each Reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate, by using an existing liability adequacy test in accordance with SLFRS 4.

For products containing DPF, the amount of the DPF is deemed to be the investment return on all related assets, where the apportionment between the shareholder and the policyholder has not yet been determined. The liability includes certain elements of net unrealised gains/ (losses) and retained earnings attributable to the DPF, based on the mandated rates applied to these gains and earnings on the assumption that they had been realised as of the Statement of Financial Position date.

The minimum mandated amounts, which are to be paid to policyholders plus any declared/undeclared additional benefits, are recorded in liabilities.



22. (a). Liability Adequacy Test (LAT)

At each Reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate by using an existing liability adequacy test as laid out under SLFRS 4. The liability value is adjusted to the extent that it is sufficient to meet future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. A number of valuation methods are applied, including discounted cash flows to the extent that the test involves discounting of cash flows, the interest rate applied based on management's prudent expectation of current market interest rates. Any deficiency shall be recognised in the Income Statement by setting up a provision for liability adequacy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Insurance Contract Liability - Long Term	157,540,297	134,888,219	157,537,917	134,885,839
Insurance Contract Liability - Unit Linked	228,774	254,911	228,774	254,911
Insurance Contract Liability - Takaful	17,496	16,087	17,496	16,087
Individual Investment Fund (ISF)	414,963	392,339	414,963	392,339
Total Insurance Contract Liabilities	158,201,530	135,551,556	158,199,150	135,549,176

The Company's actuaries have performed Liability Adequacy Test in accordance with SLFRS -4 Insurance Contracts requirements.

The valuation of the Life Insurance business as at 31 December 2023 was carried out by our Consulting Actuary, Mr Vivek Jalan, FIA, on behalf of Willis Towers Watson. In the opinion of the Consulting Actuary, proper reserves have been provided for all known liabilities in respect of the Life Insurance business and the Company has adequate financial resources to cover its capital requirements in accordance with the Solvency Margin (risk-based capital) Rules 2015 dated 15th December 2015.

Consultant Actuary further concluded that the liability value has been determined on a "going concern" basis and assumes a continuation of current economic, regulatory and legal environment prevailing in Sri Lanka; and are considered sufficient to meet future benefits and expenses under what is believed to be a view of the "most probable" future experience.

Following the actuarial valuation as at 31 December 2023 the Consulting Actuary has approved a transfer of Rs. 1,977Mn (2022 - 4,829Mn) from the Life Fund to the Shareholder's Retained Profit Account.

The Company's Capital Adequacy Ratio (CAR) as at 31 December 2023 is 344% (2022 - 298%) and is well above the minimum requirement of 120%.

Key Assumptions

The company exercises a significant judgment in determining the policy liabilities and in selecting assumptions. The key assumptions for which the liability value can be sensitive are mortality, morbidity, expenses, discount rates, lapse and surrender rates. The choice of assumptions depends on the past and current experience of the Company and other available information. Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the Company's historical experience. Discount rates are based on current industry risk free rates. All these assumptions are within the guidelines issued by the IRCSL.

Mortality rate

Mortality assumptions are based on standard mortality tables.

Lapse rates

Lapses occur due to non-payment of premiums before the policy acquires a surrender value. Surrenders occur due to termination of policies by policyholders after acquiring a surrender value.

Risk Free Rate

Risk free discount rate is used to discount the cash flows for corresponding durations for guaranteed benefits of non-participating and participating insurance fund policies. The applicable risk free rates are shared by the Insurance Board of Sri Lanka every quarter."

Fund-based yield

Fund-based yield was used in the participating fund to discount the cash flows for corresponding durations where total benefits are considered.

Management Expense

The assumptions for management expenses are determined based on the expense investigation into the expenses of the Company over the last four calendar years. Each expense is classified as acquisition/maintenance/termination and then classified as fixed/variable."

Key Assumption

Key Assumptions used for liability adequacy test of life insurance contracts liabilities are discussed under note 22.(a) in page 294.

22.(b) Life Insurance Contract Liabilities

The following tables shows the concentration of life insurance contract liabilities by type of contracts.

	Insurance Contract Liabilities with DPF Rs.'000	Insurance Contract Liabilities without DPF Rs.'000	Total Gross Insurance Contract Liabilities Rs.'000
As at 1 January 2023	69,769,405	65,116,433	134,885,838
Gross Premium Income	5,129,801	28,281,593	33,411,394
Premiums ceded to reinsurers	(12,469)	(627,406)	(639,875)
Liabilities paid for death, maturities, surrenders, benefits and claims	(7,511,515)	(15,623,886)	(23,135,401)
Investment return	9,406,286	12,784,382	22,190,668
Reinsurance commission income	4,272	(13,312)	(9,040)
Other operating and Admin Expenses Including Income Tax	(2,459,690)	(2,139,640)	(4,599,330)
Underwriting and net Acquisition Cost	(397,121)	(1,828,331)	(2,225,452)
Net Transfer to Shareholder	(177,222)	(1,800,000)	(1,977,222)
Increase in Pension Saver Fund	-	2,519,538	2,519,538
Revaluation Reserve and AFS Reserve Transferred to Life Fund	731,059	(3,614,260)	(2,883,201)
As at 31 December 2023	74,482,806	83,055,111	157,537,917

	Insurance Contract Liabilities with DPF Rs.'000	Insurance Contract Liabilities without DPF Rs.'000	Total Gross Insurance Contract Liabilities Rs.'000
As at 1 January 2022	65,991,218	53,643,561	119,634,779
Gross Premium Income	5,618,758	23,541,406	29,160,164
Premiums ceded to reinsurers	(27,177)	(445,020)	(472,197)
Liabilities paid for death, maturities, surrenders, benefits and claims	(8,639,102)	(10,813,757)	(19,452,859)
Investment return	7,157,209	8,611,394	15,768,603
Reinsurance commission income	4,904	88,209	93,113
Other operating and Admin Expenses Including Income Tax	(1,095,532)	(3,725,041)	(4,820,573)
Underwriting and net Acquisition Cost	(497,114)	(1,574,417)	(2,071,531)
Net Transfer to Shareholder	(288,763)	(4,540,000)	(4,828,763)
Increase in Pension Saver Fund	-	1,376,919	1,376,919
Revaluation Reserve and AFS Reserve Transferred to Life Fund	1,545,004	(1,046,821)	498,183
As at 31 December 2022	69,769,405	65,116,433	134,885,838

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. FINANCIAL LIABILITIES

ACCOUNTING POLICY

(i) Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as Financial Liabilities at Fair Value through Profit or Loss, loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowing and amounts due to equity accounted investees.

(ii) Subsequent Measurement

The measurement of financial liabilities depends on their classification as described below:

(a) Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at Fair Value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at Fair Value through Profit or Loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognized in the Income Statement.

Financial liabilities designated upon initial recognition at Fair Value through Profit and Loss are so designated at the initial date of recognition, if and only if the criteria of LKAS 39 are satisfied.

(b) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Income Statement when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Income Statement.

(iii) De-recognition of Financial Liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Income Statement.

(iv) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset de-recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the Consolidated Income Statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

23.(a). Interest Bearing Borrowings

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Hatton National Bank PLC	4,053,574	-	4,053,574	-
Total	4,053,574	-	4,053,574	-

Company's Interest bearing borrowing represent short term loan obtained from commercial banks with clean facility. No assets have been pledged as security for interest bearing loan.

23.(a).1 Interest Bearing Borrowings - Face value

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Face Value Rs.'000	Face Value Rs.'000	Face Value Rs.'000	Face Value Rs.'000
Hatton National Bank PLC	4,050,000	-	4,050,000	-
Total	4,050,000	-	4,050,000	-

23.(a).2 Interest Bearing Borrowings - Movement

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Face Value Rs.'000	Face Value Rs.'000	Face Value Rs.'000	Face Value Rs.'000
As at 1st January	-	3,200,000	-	3,200,000
Addition During the Year	4,050,000	-	4,050,000	-
Settlement During the Year	-	(3,200,000)	-	(3,200,000)
As at 31 December	4,053,574	-	4,053,574	-

23.(a).3 Interest Bearing Borrowings - Maturity

All interest bearing borrowings are payable within one year.

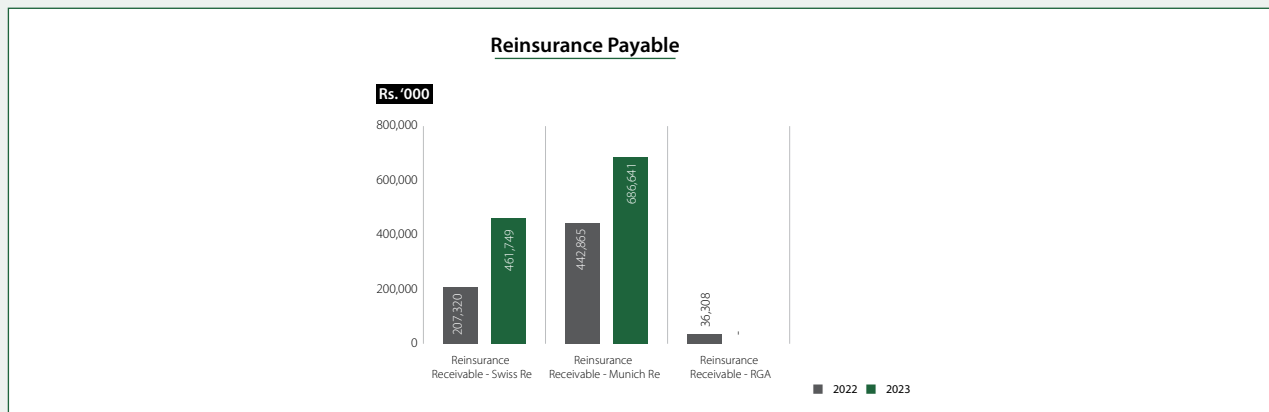
24. REINSURANCE PAYABLES**ACCOUNTING POLICY**

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets or liabilities are de-recognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Reinsurance payables - Swiss Re	461,749	207,320	461,749	207,320
Reinsurance payables - Munich Re	686,641	442,865	686,641	442,865
Reinsurance payables - RGA	-	36,308	-	36,308
Total	1,148,390	686,493	1,148,390	686,493

The carrying amounts disclosed above is in respect of the reinsurance of insurance contracts approximate fair value at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



24.(a). The age analysis of the reinsurance Payables

As at 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Up to 180 Days	435,437	178,706	435,437	178,706
181- 365 Days	136,541	307,507	136,541	307,507
More than 365 Days	576,412	200,280	576,412	200,280
Total	1,148,390	686,493	1,148,390	686,493

25. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

(a) Insurance Payables

Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration payable less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Insurance payables are derecognised when the obligation under the liability is discharged, cancelled or expired.

(b) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

As at 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Policyholders payment in advance	1,200,427	968,677	1,200,427	968,677
Agency commission payable	388,745	319,137	388,745	319,137
Tax Payable	1,201,971	1,504,866	1,187,787	1,495,268
Trade Creditors & Accrued Expenses	1,857,762	884,902	1,552,061	643,027
Unclaimed Death Claim Payable	128,238	129,947	128,238	129,947
Unclaimed Other Benefits Payable	877,093	880,576	877,093	880,576
Total	5,654,236	4,688,105	5,334,351	4,436,632

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

25. (b).1 Tax Payable

As at 31 December	Page	Note	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income Tax Payable	299	25. (b). 1.(a)	1,151,979	1,463,898	1,137,795	1,454,300
Other Taxes and Levies			49,992	40,968	49,992	40,968
Total			1,201,971	1,504,866	1,187,787	1,495,268

25. (b).1.(a). Movement of Income Tax Payable

As at 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January	1,463,898	1,117,112	1,454,300	1,117,112
Estimated tax charge in respect of the current year	2,597,304	2,245,713	2,570,882	2,235,219
Notional Tax / WHT Recovered	(955,678)	(493,806)	(952,451)	(492,910)
Payments made on-account during the year	(2,034,484)	(1,397,939)	(2,015,873)	(1,397,939)
Reversal of income tax over provision	80,939	(7,181)	80,939	(7,181)
As 31 December	1,151,979	1,463,898	1,137,795	1,454,300

(c) Maturity Analysis

All amounts are payable within one year.

References to the maturity analysis is given in Note 41.(j) on page 325

26. NET PREMIUMS**26.(a) Gross Premiums****ACCOUNTING POLICY****Revenue Recognition**

Gross recurring premiums are recognised as revenue when receivable from the policyholder. Premiums received in advance are not recognised as revenue but as a liability until the premiums become due. For single premium business, revenue is recognised on the date on which the policy is effective.

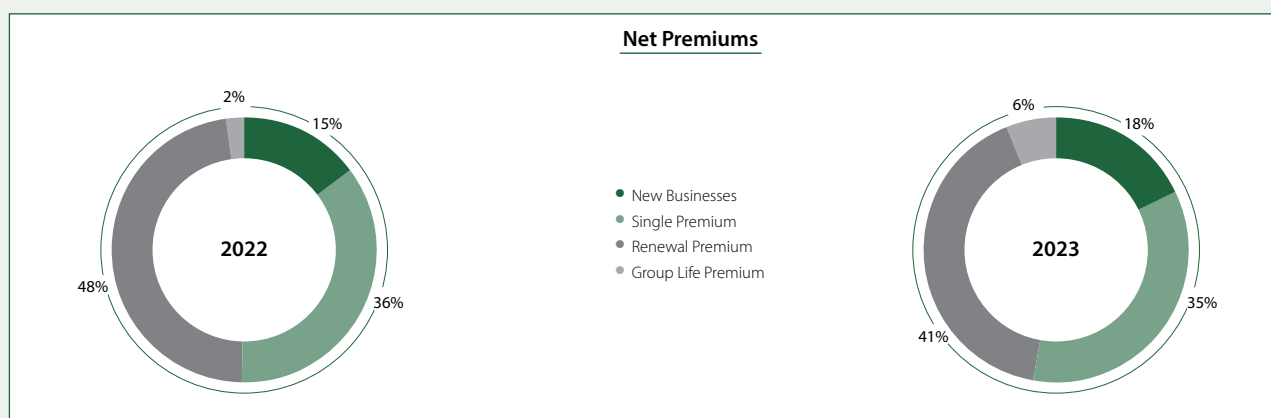
For the Year Ended 31 December	Page	Note	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Life insurance Premium	300	26.(b)	33,410,928	29,159,890	33,411,394	29,160,164
Gross Written Premiums			33,410,928	29,159,890	33,411,394	29,160,164

All product sold during the reporting period by the Company are insurance contracts and therefore, classified as Insurance Contracts as per SLFRS 4. The Company has not sold pure investment contracts for the Reporting Period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26.(b) Life Insurance Premium

For the Year Ended 31 December	GROUP		COMPANY		Change %
	2023	2022	2023	2022	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
New Businesses	5,902,767	4,328,564	5,902,767	4,328,564	36.37
Single Premium	11,828,460	10,434,657	11,828,460	10,434,657	13.36
Renewal Premium	13,652,749	13,888,365	13,653,215	13,888,639	(1.70)
Group Life Premium	2,026,952	508,304	2,026,952	508,304	298.77
Total	33,410,928	29,159,890	33,411,394	29,160,164	14.58



26.(c) Premiums Ceded to Reinsurers on Insurance Contracts

ACCOUNTING POLICY

Gross reinsurance premiums are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Reinsurance premiums are decided based on rates agreed with reinsurer and accounted on an accrual basis.

For the Year Ended 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Life insurance	639,875	472,197	639,875	472,197
Premiums ceded to Reinsurers	639,875	472,197	639,875	472,197

26.(d) Premiums Ceded to Reinsurers

For the Year Ended 31 December	GROUP		COMPANY		Change %
	2023	2022	2023	2022	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Reinsurance Receivable - Swiss Re	394,080	207,255	394,080	207,255	90.14
Reinsurance Receivable - Munich Re	245,607	228,634	245,607	228,634	7.42
Reinsurance Receivable - RGA	188	36,308	188	36,308	(99.48)
Total	639,875	472,197	639,875	472,197	35.51

	2023 Rs.	2022 Rs.
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26. (e) Annualised New Business Life Premium - Rs.	12,522,705,828	9,518,082,876
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26. (f) Revenue From Subsidiaries

For the Year Ended 31 December	2023 Rs.'000	2022 Rs.'000
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Ceylinco Healthcare Services Limited

Revenue from Treatments	361,057	286,394
Medical Tests	16,975	13,678
Registration Fees	531	451
Refunds (Packages and Test) and Discounts	(535)	(274)
	378,028	300,249

Serene Resorts

Resident Income	57,136	37,635
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Total Revenue from Subsidiaries	435,164	337,885
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27. FEES AND COMMISSION INCOME

ACCOUNTING POLICY

Reinsurance Commission Income

Commission received or receivable in respect of premium paid or payable to a Reinsurer. Reinsurance commission income on outwards reinsurance contracts are recognised as revenue when receivable.

For the Year Ended 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Reinsurance commission income	(9,040)	93,113	(9,040)	93,113
Other fees	110,697	112,864	110,697	112,864
Total Fees and Commission Income	101,657	205,977	101,657	205,977

28. INVESTMENT INCOME

ACCOUNTING POLICY

Finance Income

Finance income comprises interest income on funds invested. Interest income is recognised in the Income Statement as it accrues and is calculated by using the effective interest rate method (EIR). Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

Rental income

Rental income from property is recognised in profit or loss on a straight line basis over the term of the lease.

Other Income

Other income comprises fees charged for policy administration services, and miscellaneous income.

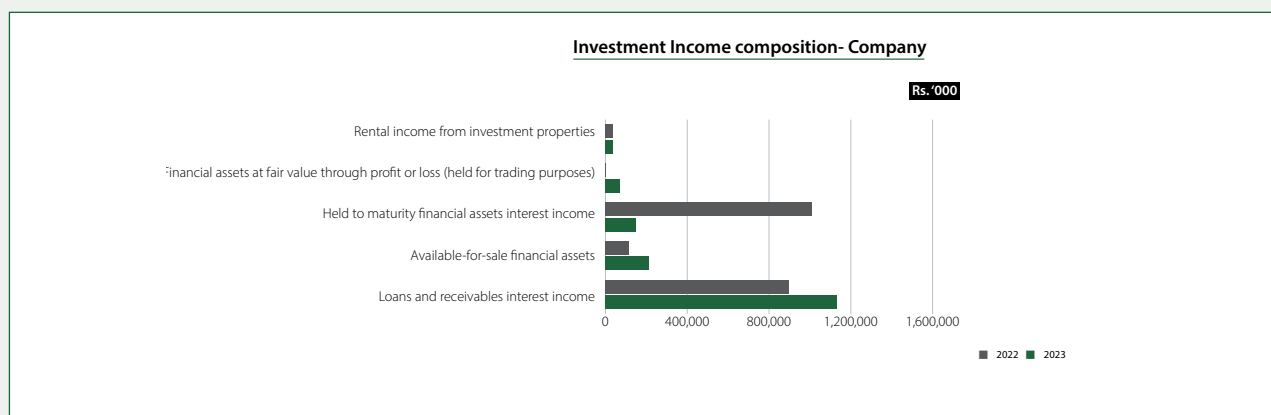
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28.(a). Investment Income

For the Year Ended 31st December	Page	Note	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rental income from investment properties	255	9.h	30,786	27,435	38,786	34,905
Financial assets at fair value through profit or loss (held for trading purposes)			-	-	-	-
Interest income			706,584	23,303	704,790	23,303
Held to maturity financial assets interest income			15,199,114	10,085,118	15,095,466	10,085,118
Available-for-sale financial assets						
Interest income			202,810	162,857	202,810	95,126
Dividend income			(4,849)	23,861	11,240	18,523
Loans and receivables interest income			11,418,323	9,044,966	11,272,801	8,920,143
Interest Income from Staff Loan			62,259	65,404	62,259	65,404
Investment income Excluding Dividend Income of Associate			27,615,027	19,432,944	27,388,152	19,242,522

28 (b) Dividend Income from Associate

For the Year Ended 31st December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Dividend Income	-	-	91,401	80,618
Total Investment Income	27,615,027	19,432,944	27,479,553	19,323,140



29. REALISED GAINS

ACCOUNTING POLICY

Realised gains and losses recorded in the Income Statement include gains and losses on financial assets and on disposal of property, plant and equipment and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

Gains and losses on disposal of property, plant and equipment and investment properties are calculated as the difference between net sales proceeds and the carrying amount on the date of disposal.

For the Year Ended 31st December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Property, Plant and equipment				
Realised gains	16,787	4,575	16,040	4,575
Right to used Assets				
Realised gains	(747)	-	-	-
Total realised gains non financial assets	16,040	4,575	16,040	4,575
Available-for-sale financial assets				
Realised gains				
Debt securities	90,591	53,385	90,591	53,385
Total realised gains for available-for-sale financial assets	90,591	53,385	90,591	53,385
Total Realised Gains	106,631	57,960	106,631	57,960

30. FAIR VALUE GAINS AND LOSSES

ACCOUNTING POLICY

Fair value gains and losses recorded in the Income Statement on investments include fair value gains and losses on financial assets at fair value through profit or loss, and on investment property.

For the Year Ended 31st December	Page	Note	GROUP		COMPANY	
			2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Fair value gains on investment properties	253	9	77,308	248,511	155,309	411,911
Fair value gains on financial assets at fair value through profit or loss (held for trading purposes)			109,344	25,892	96,700	21,510
Total fair value gains and losses			186,652	274,403	252,009	433,421

31. NET BENEFITS AND CLAIMS

ACCOUNTING POLICY

Gross Benefits and Claims Expense

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year, including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses. Death claims and surrenders are recorded on the basis of notifications received. Maturities, annuity payments and interim payments are recorded when due.

Reinsurance Claims Recoveries

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

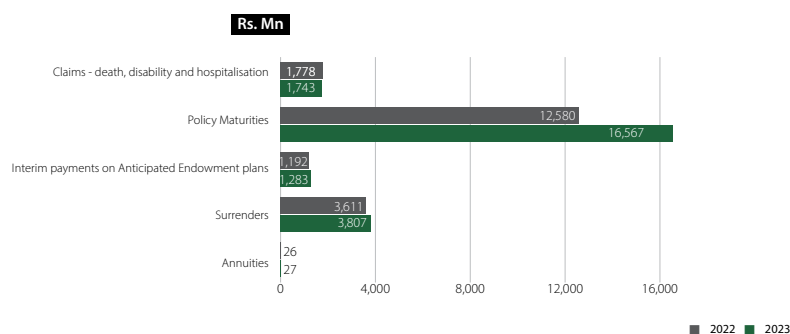
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31st December	Page	Note	GROUP		COMPANY	
			2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
31.(a) Gross benefits and claims paid	304	31.d	23,425,601	19,187,615	23,425,601	19,187,615
31.(b) Claims ceded to reinsurers	304	31.d	(290,552)	(218,349)	(290,552)	(218,349)
31.(c) Gross change in contract liabilities			23,015,741	13,375,957	23,015,741	13,375,957
Net benefits and claims			46,150,790	32,345,223	46,150,790	32,345,223

31.(d) Gross claims and benefits (Excluding Life fund increase)

For the Year Ended 31st December	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Claims - death, disability and hospitalisation	1,742,719	1,777,969	1,742,719	1,777,969
Policy Maturities	16,566,525	12,579,829	16,566,525	12,579,829
Interim payments on Anticipated Endowment plans	1,282,536	1,192,286	1,282,536	1,192,286
Surrenders	3,807,109	3,611,076	3,807,109	3,611,076
Annuities	26,712	26,455	26,712	26,455
Total	23,425,601	19,187,615	23,425,601	19,187,615
Share of Claim	(290,552)	(218,349)	(290,552)	(218,349)
Life Insurance Net Claims and Benefits	23,135,049	18,969,266	23,135,049	18,969,266

Gross Claims and Benefits -Company



32. ACQUISITION COSTS

ACCOUNTING POLICY

Commission expense is charged to the period in which it is incurred. Commission payable on accrued premium is recognised to the extent that these costs are recoverable out of future premiums. All expenses vary with, and are primarily related to, the acquisition of new insurance contracts.

For the Year Ended 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fees and commission expenses	2,267,578	2,097,314	2,267,578	2,097,314
Total	2,267,578	2,097,314	2,267,578	2,097,314

33. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

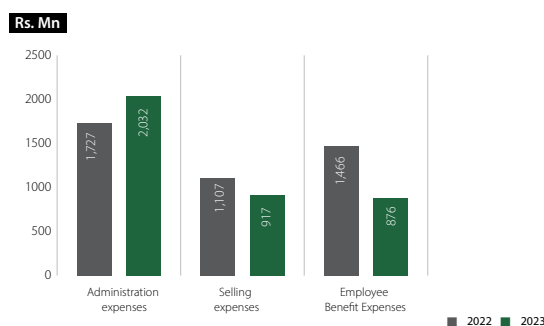
ACCOUNTING POLICY

Expenditure Recognition

Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Income Statement.

For the Year Ended 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Page	Notes		
Amortisation of intangible assets	235	6	133,666	118,550
Depreciation on property and equipment	238	7	311,645	313,727
Depreciation on Right-to use Assets	251	8 (a)	68,684	83,906
Other Operating Expenses			1,564,080	1,253,978
Auditors' remuneration	306	33 (b)	21,805	18,120
Employee benefits expense	306	33 (a)	941,837	1,529,826
Selling expenses			932,144	1,116,189
Legal Expenses			50,531	30,276
Total other operating and administrative expenses			4,024,392	4,464,572

Composition of expenses company



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 (a). Employee Benefits Expense

For the Year Ended 31 December	Page	Notes	GROUP		COMPANY	
			2023	2022	2023	2022
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Wages and salaries including bonus & incentives			2,066,874	2,008,636	2,012,292	1,957,971
Employees' Provident Fund 12%			137,147	128,242	131,278	122,868
Employees' Trust Fund 3%			34,287	32,078	32,820	30,717
Defined gratuity benefit & Pension costs			(1,309,506)	(668,294)	(1,313,099)	(670,598)
Other staff related cost			13,035	29,164	12,304	25,290
Total employee benefits expense	305	33	941,837	1,529,826	875,595	1,466,248

33. (b) . Auditor's Fee and Expenses

For the Year Ended 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Statutory Audit	7,832	6,403	7,832	6,403
Statutory Audit of Subsidiaries	530	325		
Audit Related Services	4,619	3,998	4,619	3,998
Non-Audit Services	8,823	7,394	8,823	7,394
	21,805	18,120	21,274	17,795

33. (c) Other Operating Expenses In Respect of Investment Properties

Operating Expenses incurred in respect of Investment Property are shown under Note 9.(h) in page 255

33.(d) Defined gratuity benefit & Pension costs

Net Gratuity Benefit and Pension Cost shows a negative amount primarily due to expected return on plan assets over current service cost and interest cost on benefit obligations.

34. FINANCE COSTS

ACCOUNTING POLICY

Finance cost mainly includes the charges and commission paid on financial services provided by financial institutions, particularly bank charges and the Lease interest expenses recognized under SLFRS 16 -Leases.

For the Year Ended 31 December	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Bank charges and Interest Expenses	80,179	104,621	79,877	104,382
Total Finance Cost	80,179	104,621	79,877	104,382

35. INCOME TAX EXPENSE

ACCOUNTING POLICY

Income tax expense comprises current and deferred tax. Refer Accounting Policy under Taxation Note No. 16 in Page 282.

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

(a) Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Reporting date and any adjustment to tax payable in respect of previous years.

35. (a) Current Year Tax Charge

For the Year Ended 31 December			GROUP		COMPANY	
			2023	2022	2023	2022
	Page	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax						
Estimated tax charge in respect of the current	308	35.(c)	2,597,304	2,245,713	2,570,882	2,235,219
Over/under provision in respect of previous year			80,939	(7,181)	80,939	(7,181)
Total current tax			2,678,243	2,238,532	2,651,821	2,228,038
Deferred tax						
Origination of temporary differences	285	16 (c) & (d)	41,623	(9,940)	(13,901)	51,765
Total Tax charge to income statement			2,719,867	2,228,592	2,637,920	2,279,803

35.(b) Tax Recorded in Other Comprehensive Income

For the Year Ended 31 December			GROUP		COMPANY	
			2023	2022	2023	2022
	Page	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax	311	39	55,930	210,421	28,347	97,137
Total tax charge to other comprehensive income			55,930	210,421	28,347	97,137

35.(c) Basis of computing the estimate tax

Company

A reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows;

	2023	2022		Full Year
	Rs.'000	JAN - SEP	OCT - DEC	
		Rs.'000	Rs.'000	Rs.'000
Investment Income from the business	6,099,619	2,669,539	1,544,173	4,213,711
Less-Exempted Interest Income *	(207,401)	(89,169)	(277,935)	(367,104)
Add- Taxable Gain	435	139,269	2,105	141,374
Less-Management Expenses *	(386,988)	(206,498)	(69,604)	(276,102)
Shareholders' taxable income	5,505,665	2,513,141	1,198,738	3,711,879

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2023		2022		Full Year Rs.'000
	Rs.'000		JAN - SEP	OCT -DEC	
			Rs.'000	Rs.'000	
Taxable income		5,505,665	2,513,141	1,198,738	3,711,879
Income tax on shareholders' taxable income	@30%	1,651,700	603,154	359,621	962,775
Income Tax for Bonuses distributed/declared to policyholders		1,086,723	510,511	-	510,511
	@30%	326,017	122,523	-	122,523
Income Tax for Surplus distributed to Shareholders		1,977,222	4,428,649	256,690	4,685,339
	@30%	593,167	1,062,876	77,007	1,139,883
Estimated tax charge in respect of the current year		2,570,882			2,235,219

308 36. NON CONTROLLING INTERESTS (NCI)

Non-controlling interest is measured at their proportionate share of the acquires identifiable net assets at the date of acquisition.

The total profit and loss for the year of the Company and its subsidiaries included in consolidation are shown in the Income Statement with the proportion of profit and loss after taxation pertaining to Non-controlling shareholders of subsidiaries being deducted as "Non-controlling Interest". All assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Statement of Financial Position. The interest of Non-controlling shareholders of subsidiaries in the net assets of the Group is indicated separately in the statement of financial position under the heading "Non-controlling interests". Changes in the Group's interest in subsidiary that do not result in loss of controls are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on proportionate amount of the net assets of the subsidiary.

36 (a) Accumulated Balances of Non-Controlling Interest

Name of the Company	2023	2022	Effective ownership by NCI
	Rs.'000	Rs.'000	%
Ceylinco Healthcare (Pvt) Ltd	5,745	4,930	0.55%
Srerene Resort Ltd	3,754	3,154	1.12%
Total	9,499	8,084	

36. (b) Profit Allocated to Non-Controlling Interest

Name of the Company	2023 Rs.'000	2022 Rs.'000
Ceylinco Healthcare (Pvt) Ltd	815	452
Srerene Resort Ltd	600	528
Total	1,415	980

37. BASIC/DILUTED EARNINGS PER SHARE**Earnings Per Share (EPS)****ACCOUNTING POLICY**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Basic Earnings per Share has been calculated by dividing profit after taxation attributable to ordinary shareholders of the parent by the weighted average Ordinary Shares in issue at the year end.

37.(a) Earnings Per Share

For the Year Ended 31 December	GROUP		COMPANY	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Profit for the year (Rs.'000)	6,307,264	8,163,769	5,801,833	7,631,777
Weighted Average Number of Ordinary Shares ('000)	50,000	50,000	50,000	50,000
Basic Earnings per Ordinary Share (Rs.)	126.15	163.28	116.04	152.64

There were no potential dilutive Ordinary Shares outstanding at any time during the year. Therefore, diluted earnings per share is same as basic earnings per share shown above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. DIVIDENDS

38.(a) Dividends Proposed

For the Year Ended 31 December	COMPANY	
	2023 Rs.'000	2022 Rs.'000
Final Dividend - Proposed	750,001	912,501
Total Dividend Proposed	750,001	912,501
No. of Shares in issue for the year ('000)	50,000	50,000
Final Dividend Per Share - Proposed (Rs.)	15.00	18.25

The Board of Directors has proposed a final dividend of Rs. 15/- (2022 Rs. 18.25) per share, amounting to a total of Rs. 750 million (2022 - Rs. 912.5 million) on 22 February 2024 out of the profit for the year ended 31 December 2023 subject to the approval of shareholder at the Annual General Meeting.

IRCSL requires insurance companies to consider some critical aspects such as financial results, impact of contingent liabilities, impact of potential risks, additional capital requirements, etc. when declaring dividends. The IRCSL also requires the Board of Directors to submit signed confirmations to the IRCSL that it considered all such aspects prior to declaring the dividend to shareholder.

As required by Section 56 of the Companies Act No. 07 of 2007, the Board of Directors of the company has confirmed that the company satisfies the 'Solvency Test'. A statement of solvency was duly signed by the directors on 29 February 2024 and has been audited by Messrs, Ernst & Young Chartered Accountants.

In accordance with LKAS 10- "Events after the reporting period", the proposed dividend has not been recognized as a liability in the financial statements.

38.(b) Dividends paid

For the Year Ended 31 December	COMPANY	
	2023 Rs.'000	2022 Rs.'000
Final Dividend - Paid	912,501	787,501
Total Dividend - Paid	912,501	787,501
No. of Shares in issue for the year ('000)	50,000	50,000
Final Dividend Per Share - Paid (Rs.)	18.25	15.75

The company has paid a final dividend of Rs. 18.25 per share, amounting to Rs. 912.5 Mn on 1 June 2023 for the financial year ended 2022.

As required by Section 56 of the Companies Act No. 07 of 2007, the Board of Directors of the company has satisfied the solvency test in accordance with Section 57 prior to recommending the final dividend for the year ended 31 December 2022. A statement of solvency was completed and duly signed by the directors on 23 February 2023, and has been audited by Messrs, Ernst & Young Chartered Accountants.

39. INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

GROUP	2023			2022		
	Before tax amount Rs.'000	Tax (expense) benefit Rs.'000	Net of tax amount Rs.'000	Before tax amount Rs.'000	Tax (expense) benefit Rs.'000	Net of tax amount Rs.'000
Net gain/(loss) on Available-for-sale financial assets	34,696	7,833	42,530	(121,118)	(4,601)	(125,719)
Actuarial gain on defined benefit plans	(1,567,939)	(205)	(1,568,144)	556,880	(227)	556,653
Share of other comprehensive income of equity accounted investees	(14,643)	-	(14,643)	(219,497)	-	(219,497)
Revaluation surplus/ (Deficit) during the year	927,204	(63,558)	863,646	1,754,749	(205,593)	1,549,156
Total	(620,682)	(55,930)	(676,611)	1,971,014	(210,421)	1,760,593

COMPANY	2023			2022		
	Before tax amount Rs.'000	Tax (expense) benefit Rs.'000	Net of tax amount Rs.'000	Before tax amount Rs.'000	Tax (expense) benefit Rs.'000	Net of tax amount Rs.'000
Net gain/(loss) on Available-for-sale financial assets	34,696	7,833	42,530	(121,118)	(4,601)	(125,719)
Actuarial gain on defined benefit plans	(1,568,623)	-	(1,568,623)	555,552	-	555,552
Revaluation surplus/(Deficit) during the year	835,944	(36,180)	799,764	1,579,173	(92,536)	1,486,637
Total	(697,983)	(28,347)	(726,329)	2,013,607	(97,137)	1,916,470

40. RISK MANAGEMENT FRAMEWORK

40. (a) Governance framework

The primary objective of the Group's financial risk management is to manage financial risks within its risk appetite and provide reasonable assurance on the achievement of financial objectives.

Financial risk management is embedded into the Group's broader Risk Management Framework and spans across the Group with clear objectives, duties and responsibilities specified at each level. The Board of Directors, with the assistance of the Board Risk Committee, bears the overall responsibility for establishment and oversight of the risk management framework. The Executive Risk Management Committee, headed by the Chief Risk Officer, is responsible for developing, facilitating and monitoring the control framework and execution of proper risk management strategies. The line management and staff are responsible for day-to-day risk management and are represented at the Sub-committee level. Regular review of risks and effective risk mitigation strategies ensure consistent corporate performance, while risks are managed within the risk appetite of the Group.

40. (b) Capital management objectives, policies and approach

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that return on capital employed meet the requirements of its capital providers

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders

40 (c) Approach to capital management

The Group allocates capital to businesses as required and ensures sufficient returns to shareholders and policyholders. The asset and liability management establishes the required level of liquidity and reduces the risks of the company and achieves the required capital levels of the company.

The primary source of capital used by the Company is equity shareholders' funds.

The return expectations are regularly forecasted and comparisons are made in order to ensure the requirements of stakeholders are achieved.

The Group had no significant changes in its policies and processes relating to its capital structure during the year from previous years.

The Company has following capital resources.

As at 31 December	2023 Rs.'000	2022 Rs.'000
Total equity as per the Statement of Financial Position	54,373,319	49,399,013
Adjustments to the capital under the RBC Framework	35,703,952	19,098,311
Available capital resources under the RBC Framework	90,077,271	68,497,323

The adjustments onto a regulatory basis Includes the followings:

1. Adjustment for valuation differences of Assets and Liabilities between SLFRS and RBC frameworks.
2. Unallocated valuation surplus maintained in the insurance funds.
3. 50% of net future bonuses in respect of participating business
4. Value of Inadmissible Assets considered as a deduction from capital under RBC framework.

40. (d) Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Group manages its business affairs in a manner that benefits the policyholders. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate Capital Adequacy position to meet unforeseen liabilities arising from economic shocks or natural disasters. The Company is regulated by Insurance Regulatory Commission of Sri Lanka (IRCSL) with the objective of protecting shareholders and policyholders.

There are various regulations and directives the company is expected to adhere to in order to achieve the expected norms, which leads the company to maintain required solvency and maintain sufficient capital.

The new Risk Based Capital framework or RBC is focused on managing the risks rather than complying with solvency margin rules. The RBC framework was tested and refined since 2011 and full implementation started from January 2016. RBC reporting to the regulator consists of templates and questionnaires developed over the past years. RBC is a flexible framework for maintenance of minimum capital requirements based on riskiness of respective insurance company. It consist of risk factors insurance companies are exposed to such as Credit Risk, Concentration Risk, Market Risk, Operational Risk and Liability Risk. It also includes quantified capital charges for those risk factors and valuation methodology for assets and liabilities of insurance companies. The implementation of RBC was intended to increase transparency and establish appropriate risk management systems. It was expected to create a more stable industry with greater public confidence. This framework helps to develop a culture of risk awareness in the industry while encouraging efficient use of capital to improve returns based on the risk exposure. This will be advantageous to the companies with good risk management practices.

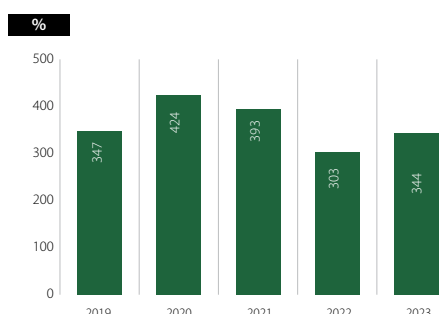
Operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The Company maintains capital, investments and solvency as per the regulations prescribed by Insurance Regulatory Commission of Sri Lanka. (IRCSL). New changes in regulations are timely adopted and necessary changes are made to internal processes.

The Company operates according to the requirements set by the Regulator - IRCSL. The Capital Adequacy Ratio of the Company is as follows:

		31st December 2023	31st December 2022
Total Available Capital (TAC)	Rs. Mn	90,077	68,497
Risk Based Capital Requirement (RCR)	Rs. Mn	26,174	22,632
Risk Based Capital Adequacy Ratio (CAR)	%	344%	303
Regulatory Minimum CAR	%	120%	120%

Risk Based Capital Adequacy Ratio (CAR) - Company



40. (e) Asset Liability Management (ALM) Framework

ALM framework is used to manage the risks arising due to mismatches of asset and liability cash flows. ALM is an ongoing process of formulating, implementing, monitoring and revising strategies related to management of assets and liabilities to achieve an organization's financial objectives, given the organization's risk appetite, tolerance and other constraints.

The Board Investment Committee (BIC), along with inputs from Operational Investment Committee (OIC), identifies the nature of liabilities arising from the product portfolio and evaluates investment options that best suit to hedge/manage the said risks. The Company manages these selected positions prudently, within a strategically crafted and Board approved ALM Policy that has been developed considering the cyclical nature of the domestic interest rates as well as other macroeconomic variables, in order to achieve risk-adjusted investment returns in excess of its obligations, in the long-term.

41. INSURANCE AND FINANCIAL RISK

41. (a) Insurance Risk

The principal insurance risk the Company faces is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient financial and reinsurance protection is available to cover these liabilities.

This risk is mitigated by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company has entered into long term reinsurance treaties with the world's leading reinsurers as a part of its risks mitigation program. The reinsurance program is designed to mitigate the Company's exposure to a single claim as well as to catastrophic losses.

More details on how we mitigate underwriting, claims and reinsurance risk are described under Risk Management Report on page 40 to 49.

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41. (a).1. Reinsurers' Credit Ratings

The following table shows the credit ratings of reinsurance companies with whom the Company has entered in to the reinsurance arrangements as of 31st December 2023

Reinsurer	Country of Origin	Ratings	Rating Agency
Munich-Re	Germany	AA	Fitch Rating
Munich-Re takaful	Malaysia (Retakaful branch)	AA	Fitch Rating
Swiss-Re	Switzerland	AA-	Standard & Poor
RGA	Ireland	AA-	Standard & Poor

The below note shows the re-insurance receivables as of 31st December, with the respective ratings of each reinsurer, company has engaged with.

As at 31 December	Ratings	GROUP		Ratings	COMPANY	
		2023 Rs.'000	2022 Rs.'000		2023 Rs.'000	2022 Rs.'000
Reinsurance Receivable - Swiss Re	AA-	328,202	168,885	AA-	328,202	168,885
Reinsurance Receivable - Munich Re	AA-	354,963	299,437	AA-	354,963	299,437
Reinsurance Receivable - RGA	AA-	259	31,495	AA-	259	31,495
Total Reinsurance Receivables		683,424	499,817		683,424	499,817

41. (a).(2) Life Insurance Contracts

Life insurance contracts offered by the Company include: whole life, term assurance, endowment plans, retirement plans, critical illness benefit, disability insurance, daily hospital cash, and major surgery benefit.

The main risks that the Company is exposed to are as follows:

Mortality risk – risk of loss arising due to policyholder death experience being different than expected

Morbidity risk – risk of loss arising due to policyholder health experience being different than expected

Investment return risk – risk of loss arising from actual returns being different than expected

Expense risk – risk of loss arising from expense experience being different than expected

Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

The Company's underwriting strategy is designed to ensure that risks are properly assessed and correct premium is charged.

The use of scientifically designed proposal forms and medical screening ensures that appropriate data related to the risks to be covered are collected to arrive at a premium which takes into account current health conditions and additional risks of the life to be insured.

The strategy also addresses regular review of actual claim experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

For contracts in which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected.

Key Assumptions

The company exercises to significant judgment in determining the policy liabilities and in selecting assumptions. The key assumptions for which the liability value can be sensitive are mortality, morbidity, expenses, discount rates, lapse and surrender rates. The choice of assumptions depends on the past and current experience of the Company and other available information. Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the Company's historical experience. Discount rates are based on current industry risk free rates. All these assumptions are within the guidelines issued by the IRCSL.

Mortality rate

Mortality assumptions are based on standard mortality tables.

Lapse rates

Lapses occur due to non-payment of premiums before the policy acquires a surrender value. Surrenders occur due to termination of policies by policyholders after acquiring a surrender value.

Risk Free Rate

Risk free discount rate is used to discount the cash flows for corresponding durations for guaranteed benefits of non-participating and participating insurance fund policies. The applicable risk free rates are shared by the IRCSL every quarter.

Fund-based yield

Fund-based yield is used in the participating fund to discount the cash flows for corresponding durations where total benefits are considered.

Management Expenses

The assumptions for management expenses are determined based on the investigation into the expenses of the Company over the last four calendar years. Each expense is classified as acquisition/maintenance/termination and then classified as fixed/variable.

41.(a) 3. Sensitivity of the Value of Insurance Liabilities for Changes in Assumptions

Sensitivity of the Value of Insurance Liabilities As at 31 December 2023	Changes in Assumptions	Impact on the Net Best Estimate Liabilities
Expenses	+10%	1.14%
Expenses	-10%	-1.14%
Mortality	+10%	0.32%
Mortality	-10%	-0.33%
Morbidity	+20%	0.29%
Morbidity	-20%	-0.31%
Withdrawal Rate	+20%	-0.37%
Withdrawal Rate	-20%	0.50%

- indicates a reduction in the liability while

+ indicates increase in liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. (b) Credit Risk

Credit risk (in ALM context) is the risk that an issuer or counterparty failing to meet its contractual obligations towards the Group, due to various reasons such as its declining financial strength.

The sub-categories of credit risk include;

- i. Default risk: the risk that the issuer failing to make timely interest or principal payments.
- ii. Downgrade risk: the risk that the credit rating of the issuer/debt instrument will be downgraded.
- iii. Credit spread risk: the risk that credit spreads will widen.

To minimize credit risk, financial investments (such as term deposits, debentures, etc.) are placed, investment transactions (such as government securities purchases and sales, repurchase/reverse repurchase agreements) are entered, strictly adhering to guidelines set by the Board Investment Committee (BIC).

In addition, individual exposures to such approved counterparties are set and monitored based on Insurance Regulatory Commission of Sri Lanka (IRCSL) determinations as well as internal limits which are set by the BIC. The internal limits and their exposures are monitored regularly by Investment Middle Office on an ongoing basis, and reviewed periodically by the BIC.

Reinsurance is placed with counterparties that have a good credit rating. At each reporting date, an assessment of creditworthiness of reinsurers are performed and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

More details on how we mitigate credit risk is described under risk management report on pages 40 to 49.

41. (b).1. Credit Risk Exposure

The table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position and items such as future commitments.

As at 31 December	Page	Notes	GROUP				COMPANY			
			2023		2022		2023		2022	
			Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Financial instruments										
Held-to-maturity financial assets	264	12(a)								
Government Securities			111,302,584	56.84	82,732,117	50.76	110,653,013	57.04	82,447,983	50.97
Corporate Debts			517,216	0.26	9,282,268	5.70	517,216	0.27	9,282,268	5.74
Loans and receivables	265	12(b)								
Repo Investments			763,026	0.39	5,463,433	3.35	562,303	0.29	5,463,433	3.38
Corporate Debts			13,474,565	6.88	15,936,318	9.78	13,474,565	6.95	15,936,318	9.85
Term Deposits			55,755,994	28.47	43,630,797	26.77	54,900,233	28.30	42,825,872	26.47
Other			652,610	0.33	739,618	0.45	652,610	0.34	739,618	0.46
Available-for-sale financial assets	266	12(c)								
Equity securities			119,758	0.06	92,859	0.06	119,758	0.06	92,859	0.06

As at 31 December	Page	Notes	GROUP				COMPANY			
			2023		2022		2023		2022	
			Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Debt securities			4,090,551	2.09	695,745	0.43	4,090,551	2.11	529,083	0.33
Unit Trust Investment			5,995	0.00	39,984	0.02	-	-	-	-
Financial assets at fair value through profit or loss	268	12(d)								
Equity securities			1,045	0.00	887	0.00	1,045	0.00	887	0.00
Debt securities			4,429,310	2.26	467,092	0.29	4,329,682	2.23	467,092	0.29
Reinsurance assets	281	15	683,424	0.35	499,817	0.31	683,424	0.35	499,817	0.31
Loans to Policyholders	286	17	2,930,981	1.50	2,703,623	1.66	2,930,981	1.51	2,703,623	1.67
Premium Receivables	287	18	405,029	0.21	368,089	0.23	405,029	0.21	368,089	0.23
Cash and cash equivalents	288	20	678,161	0.35	332,261	0.20	677,077	0.35	405,331	0.25
Total credit risk exposure			195,810,249	100	162,984,908	100	193,997,487	100	161,762,273	100

Investments in Government securities consist of Treasury Bonds, Treasury Bills and Repo investments. Treasury Bills and Treasury Bonds are considered to be risk free instruments , which are fully backed by the Government of Sri Lanka.

41. (b).2. Industry analysis - Company

31 December 2023

	Page	Note	Financial Services Rs.'000	Government Rs.'000	Services Rs.'000	Manufacturing and Power Rs.'000	Others Rs.'000	Total Rs.'000
Assets								
Held-to-Maturity Financial Assets	264	12.(a)						
Debt securities			517,216	110,653,013	-	-	-	111,170,229
			517,216	110,653,013	-	-	-	111,170,229
Loans and Receivables	265	12(b)						
Term Deposits			54,900,233	-	-	-	-	54,900,233
Repo Investments			562,303	-	-	-	-	562,303
Unquoted Debentures			1,483,977	-	1,612,129	-	-	3,096,106
Debentures - Quoted			10,378,459	-	-	-	-	10,378,459
Staff and vehicle Loans (Hire Purchase)			-	-	-	-	652,610	652,610
			67,324,972	-	1,612,129	-	652,610	69,589,711

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Page	Note	Financial Services Rs.'000	Government Rs.'000	Services Rs.'000	Manufacturing and Power Rs.'000	Others Rs.'000	Total Rs.'000
Available-for-Sale Financial Assets	266	12.(c)						
Equity securities			117,233	-	2,525	-	-	119,758
Debt securities			-	4,090,551	-	-	-	4,090,551
			117,233	4,090,551	2,525	-	-	4,210,309
Financial Assets at Fair Value through Profit or Loss	268	12.(d)						
Equity securities			233	-	519	293	-	1,045
Debt securities				4,329,682	-	-	-	4,329,682
			233	4,329,682	519	293	-	4,330,727
Total credit risk exposure			67,959,654	119,073,246	1,615,173	293	652,610	189,300,976

31 December 2022

	Page	Note	Financial Services Rs.'000	Government Rs.'000	Services Rs.'000	Manufacturing and Power Rs.'000	Others Rs.'000	Total Rs.'000
Assets								
Held-to-Maturity Financial Assets	264	12.(a)						
Debt securities			9,282,268	82,447,983	-	-	-	91,730,251
			9,282,268	82,447,983	-	-	-	91,730,251
Loans and Receivables	265	12.(b)						
Term Deposits			42,825,872	-	-	-	-	42,825,872
Repo Investments			5,463,433	-	-	-	-	5,463,433
Unquoted Debentures			1,483,776	-	-	-	-	1,483,776
Debentures - Quoted			14,452,543	-	-	-	-	14,452,543
Staff and vehicle Loans (Hire Purchase)			-	-	-	-	739,618	739,618
			-	-	-	-	-	-
			64,225,623	-	-	-	739,618	64,965,241
Available-for-Sale Financial Assets	266	12.(c)						
Equity securities			90,334	-	2,525	-	-	92,859
Debt securities			164,657	364,427	-	-	-	529,083
			254,991	364,427	2,525	-	-	621,942
Financial Assets at Fair Value through Profit or Loss	268	12.(d)						
Equity securities			99	-	508	280	-	887
Debt securities				467,092				467,092
			99	467,092	508	280	-	467,978
Total credit risk exposure			73,762,980	83,279,502	3,033	280	739,618	157,785,413

41. (b).3. Credit Ratings of Financial Instruments - Company

The below table indicates the rating of investments as at 31st December 2023 & 2022.

			AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	Unrated	Total
31 December	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2023																		
Financial instruments																		
Held-to-Maturity Financial Assets																		
Debt securities	264	12.(a)	110,653,013	-	-	-	-	-	-	517,216	-	-	-	-	-	-	-	111,170,229
Loans and Receivables	265	12.(b)	11,180,508	3,895,010	-	175,754	-	38,669,935	5,033,012	7,075,513	1,262,580	32,660	-	-	-	-	2,264,739	69,589,711
Available-for-Sale Financial Assets																		
Equity securities	266	12.(c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119,758	119,758
Debt securities		12.(c)	4,090,551	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,090,551
Financial Assets at Fair Value through Profit or Loss																		
Equity securities	268	12.(d)	31	-	-	121	197	-	-	-	-	-	-	-	-	-	696	1,045
Debt securities	268	12.(d)	4,329,682	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,329,682
Total			130,253,785	3,895,010	-	175,875	197	38,669,935	5,033,012	7,592,729	1,262,580	32,660	-	-	-	-	2,385,193	189,300,976

			AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	Unrated	Total
31 December	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022																		
Financial instruments																		
Held-to-Maturity Financial Assets																		
Debt securities	264	12.(a)	82,447,983	-	-	4,528,277	1,928,306	2,825,685	-	-	-	-	-	-	-	-	-	91,730,251
Loans and Receivables	265	12.(b)	14,039,173	-	-	32,872,279	4,818,854	11,782,419	-	679,337	-	33,563	-	-	-	-	739,618	64,965,241
Available-for-Sale Financial Assets																		
Equity securities	266	12.(c)	-	-	-	-	-	-	-	90,334	-	-	-	-	-	-	2,525	92,859
Debt securities		12.(c)	364,427	-	-	58,855	50,676	55,126	-	-	-	-	-	-	-	-	-	529,083
Financial Assets at Fair Value through Profit or Loss																		
Equity securities	268	12.(d)	30	-	-	90	81	-	-	-	-	-	-	-	-	-	686	887
Debt securities	268	12.(d)	467,092	-	-	-	-	-	-	-	-	-	-	-	-	-	-	467,092
Total			97,318,705	-	-	37,459,501	6,797,917	14,663,230	-	679,337	90,334	33,563	-	-	-	-	742,829	157,785,413

41. (b).4. Corporate Debt Securities by Credit Ratings

The following table shows the credit rating of Investment in Corporate Debt.

Held to Maturity Financial Assets -Debentures (Quoted)	GROUP				COMPANY			
	2023		2022		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AA-	-	-	4,528,277	48.78	-	-	4,528,277	48.78
A+	-	-	1,928,306	20.77	-	-	1,928,306	20.77
A	-	-	2,825,685	30.44	-	-	2,825,685	30.44
BBB+	517,216	100.00	-	-	517,216	100.00	-	-
	517,216	100.00	9,282,268	100.00	517,216	100.00	9,282,268	100.00

The Group/Company has invested 100.00% (2022 -100 %) of its investment in Corporate Debentures (Quoted) held under HTM category in instruments, which are rated BBB+ and above by Fitch Ratings Lanka Ltd. and ICRA Lanka Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Loans and Receivables -Debentures (Quoted)	GROUP				COMPANY			
	2023		2022		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AA+	2,861,924	27.58	-	-	2,861,924	27.58	-	-
AA-	175,754	1.69	12,135,591	83.97	175,754	1.69	12,135,591	83.97
A+	-	-	2,202,793	15.24	-	-	2,202,793	15.24
BBB+	7,075,513	68.17	114,158	0.79	7,075,513	68.17	114,158	0.79
BBB	265,268	2.56	-	-	265,268	2.56	-	-
	10,378,459	100.00	14,452,543	100.00	10,378,459	100.00	14,452,543	100.00

The Group/Company has invested 97.4% (2022- 100%) of its investment in Corporate Debentures (Quoted) held under Loans and Receivables category in instruments, which are rated BBB+ by Fitch Ratings Lanka Ltd and ICRA Lanka Ltd.

Loans and Receivables -Debentures (Unquoted)	GROUP				COMPANY			
	2023		2022		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AAA	-	-	1,033,238	69.64	-	-	1,033,238	69.64
AA+	1,033,086	33.37	-	-	1,033,086	33.37	-	-
A	-	-	450,537	30.36	-	-	450,537	30.36
BBB	450,891	14.56	-	-	450,891	14.56	-	-
Unrated	1,612,129	52.07	-	-	1,612,129	52.07	-	-
	3,096,106	100.00	1,483,776	100.00	3,096,106	100.00	1,483,776	100.00

The Group/Company has invested 47.9% (2022- 100%) of its investment in Corporate Debentures (Unquoted) held under Loans and Receivables category in instruments, which are rated BBB and above by Fitch Ratings Lanka Ltd and ICRA Lanka Ltd.

Unrated category represents the debenture investment made in Kings Hospital Colombo (Pvt) Ltd.

41. (b).5. Fixed Deposits by Credit Ratings

The following table shows the credit rating of Investment in Fixed Deposits

Loans and Receivables -Fixed Deposits	GROUP				COMPANY			
	2023		2022		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AAA	10,808,492	19.39	7,921,094	18.15	10,618,205	19.34	7,542,502	17.61
AA-	-	-	21,163,020	48.50	-	-	20,736,688	48.42
A+	-	-	13,118,401	30.07	-	-	2,616,061	6.11
A	39,335,409	70.55	829,542	1.90	38,669,935	70.44	11,331,882	26.46
A-	5,033,012	9.03	-	-	5,033,012	9.17	-	-
BBB+	-	-	565,178	1.30	-	-	565,178	1.32
BBB	546,421	0.98	-	-	546,421	1.00	-	-
BBB-	32,660	0.06	33,562	0.08	32,660	0.06	33,562	0.08
	55,755,994	100	43,630,797	100	54,900,233	100	42,825,872	100

The Group has invested 99.94% (2022- 99.92%) of its investment in Fixed Deposits held under Loans and Receivables in instruments, which are rated BBB and above by Fitch Ratings Lanka Ltd and ICRA Lanka Ltd.

The Company has invested 99.94% (2022- 99.92%) of its investment in Fixed Deposits held under Loans and Receivables in instruments, which are rated BBB and above by Fitch Ratings Lanka Ltd and ICRA Lanka Ltd.

Available for Sale -Debentures (Quoted)	GROUP				COMPANY			
	2023		2022		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AA-	-	-	58,855	35.74	-	-	58,855	35.74
A+	-	-	50,676	30.78	-	-	50,676	30.78
A	-	-	55,126	33.48	-	-	55,126	33.48
	-	-	164,657	100.00	-	-	164,657	100.00

The Company has invested 0% (2022- 100%) of its investment in Corporate Debentures (Quoted) held under Available for Sale category in instruments, which are rated A and above by Fitch Ratings Lanka Ltd and ICRA Lanka Ltd.

41.(c). Market Risk

Market risk is the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in market factors which are directly/indirectly related to financial markets.

The sub-categories of market risk include;

- Interest rate risk: the risk that market value and/or future cash flows of a financial instrument will fluctuate due to changes in the level of interest rates, credit spreads or shape of the yield curve. This includes reinvestment risk and inflation risk, which eventually impacts the interest rates.
- Currency risk: the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates.
- Equity price risk: the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in equity prices.
- Commodity price risk: the risk that market value or future cash flows of a commodity-linked financial instrument will fluctuate due to changes in commodity prices.
- In addition, due to its investments in real estate, the Company is also exposed (albeit on a marginal basis) to changes in real estate values.

More details on how we mitigate Market Risk is described under risk management report on pages 40 to 49.

41.(d). Currency Risk

The Group has no significant exposure to currency risk. However, lack of available foreign exchange liquidity in the banking system might impact Company's operations as foreign supplier payments might be delayed.

41.(e) Interest Rate Risk

Interest rate risk is the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in the level of interest rates, credit spreads or shape of the yield curve. This includes reinvestment risk and inflation risk, which eventually impacts the interest rates.

Since financial investments of the Group consist mainly of fixed income securities (such as government securities, term deposits, corporate debt, etc.), interest rate risk is one of the most prominent risks faced by the Group.

Given (a) unavailability of long-term financial instruments with adequate yields, (b) cyclical and volatile nature of domestic interest rates, and (c) frequent changes to taxation and policy decisions, in order to optimize the returns on its investment portfolio, the Company diligently carries a duration gap in its asset-liability management framework, in accordance with the Board approved ALM Policy.

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Further, Company's Board approved Investment Policy recognizes the cyclical nature of the domestic financial markets. As a part on its investment decision making process, the Company closely monitors the current and future expected shifts in monetary and fiscal policy, changes in inflation expectations, movements in domestic and global interest/exchange rates, balance of payment position, changes in taxation and other key macroeconomic indicators and in turn, fine tune the investment strategies/horizons accordingly.

In addition to internal expertise, to ensure prudence and probity, the Company seeks the views of independent macro research providers in crafting and reviewing its investment strategy.

More details on how we mitigate Interest rate risk is described under risk management report on pages 40 to 49

41.(e). Exposure to Interest Rate Risk

The following table presents the financial assets and liabilities which are subject to interest rate risk.

Group

31 December	2023				2022			
	Variable Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total	Variable Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets								
Held to Maturity	-	111,819,800	-	111,819,800	-	92,014,385	-	92,014,385
Loans & Receivables	-	70,646,195	-	70,646,195	-	65,770,166	-	65,770,166
Available For Sale	-	4,096,546	119,758	4,216,304	-	735,729	92,859	828,588
Fair Value through Profit & Loss	-	4,429,310	1,045	4,430,355	-	467,092	887	467,979
Loans to Life Policyholders	-	2,930,981	-	2,930,981	-	2,703,623	-	2,703,623
Cash and Cash Equivalent	-	-	678,161	678,161	-	-	332,261	332,261
Total Financial Assets	-	193,922,833	798,964	194,721,797	-	180,041,900	426,007	180,467,908
Financial Liabilities								
Interest Bearing Borrowings	4,053,574	-	-	4,053,574	-	-	-	-
Bank Overdraft	-	-	917,769	917,769	-	-	731,161	731,161
Total Financial Liabilities	4,053,574	-	917,769	4,971,343	-	-	731,161	731,161

Company

31 December	2023				2022			
	Variable Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total	Variable Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets								
Held to Maturity	-	111,170,229	-	111,170,229	-	91,730,251	-	91,730,251
Loans & Receivables	-	69,589,711	-	69,589,711	-	64,965,241	-	64,965,241
Available For Sale	-	4,090,551	119,758	4,210,309	-	529,083	92,859	621,942
Fair Value through Profit & Loss	-	4,329,682	1,045	4,330,727	-	467,092	887	467,979
Loans to Life Policyholders	-	2,930,981	-	2,930,981	-	2,703,623	-	2,703,623
Cash and Cash Equivalent	-	-	677,077	677,077	-	-	405,331	405,331
Total Financial Assets	-	192,111,154	797,880	192,909,021	-	160,395,290	499,077	160,894,368
Financial Liabilities								
Interest Bearing Borrowings	4,053,574	-	-	4,053,574	-	-	-	-

31 December	2023				2022			
	Variable Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total	Variable Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Bank Overdraft		-	913,434	913,434		-	725,523	725,523
Total Financial Liabilities	4,053,574	-	913,434	4,967,008	-	-	725,523	725,523

Below table depicts quantitative sensitivity analysis of the Group / Company by change in interest rate for variable interest rate instruments.

	Interest Rate	
	Increase 1% Rs.'000	Decrease 1% Rs.'000
Sensitivity on Interest Bearing Borrowing		
Impact on the Carrying Value of Interest Bearing Borrowing		328 (264)
Impact on Interest Expense		328 (264)

41.(f) Equity Price Risk

The equity price risk is relatively negligible due to Group's diminutive exposure to equity market, except for several strategic investments which are of long-term in nature. However, the Group maintains a closer watch on movements in stock prices and indices.

Following table shows diversification of the equity investments of the Group / Company as of 31 December 2022

31 December	GROUP				COMPANY			
	2023		2022		2023		2022	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Fair Value through Profit & Loss Financial Assets								
Banking, Finance and Insurance	233	0.19	99	0.11	233	0.19	99	0.11
Manufacturing, Plantations	293	0.24	280	0.30	293	0.24	280	0.30
Service	519	0.43	508	0.54	519	0.43	508	0.54
Total Fair Value through Profit & Loss Financial Assets	1,045	0.87	887	0.95	1,045	0.87	887	0.95
Available For Sale Financial Assets								
Banking, Finance and Insurance	117,233	97.05	90,334	96.36	117,233	97.05	90,334	96.36
Service	2,525	2.09	2,525	2.69	2,525	2.09	2,525	2.69
Total Available For Sale Financial Assets	119,758	99.14	92,859	99.05	119,758	99.14	92,859	99.05
Total Equity	120,803	100.00	93,746	100.00	120,803	100.00	93,746	100.00

More details on how we mitigate liquidity risk is described under risk management report on pages 40 to 49.

41.(g). Operational Risks

This is the risk that the Group may not meet its objectives due to failed, inadequate or incomplete internal processes, people, systems, controls, or due to external events. In the context of financial risk management, this involves management of operational risks which could lead to financial losses.

The Group manages operational risks by initiating a rigorous control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, ethical business practices and standards, staff education, training and assessment processes, including the use of internal audit."

More details on how we mitigate liquidity risk is described under risk management report on pages 40 to 49.

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41.(h). Liquidity risk

Liquidity risk is the risk that the Group will may not be able to meet both expected and unexpected current and future cash flow and collateral needs, efficiently, without affecting either daily operations or financial conditions of the Group.

In the context of providing financial protection to policyholders through life insurance, timely settlement of financial commitments such as policyholder benefits and claims is essential. In addition, preserving the confidence of investment counterparties is also vital for continued investment management and operations.

Since a strain on liquidity would lead to fire sale of assets which would adversely affect the profitability and policyholder/investor confidence, zero tolerance is maintained for adverse deviations. The investment strategy of the Group ensures that sufficient liquid assets/credit lines are available to comfortably meet such unforeseen cash outflows, if any.

More details on how we mitigate liquidity risk is described under risk management report on pages no. 40-49.

41.(i). Investment Concentration Risk

Investment Concentration risk is the risk that arises due to excessive concentration of the investment portfolio. Unless the investment portfolio is sufficiently diversified, an excessive concentration in to one or more asset classes, entities (issuers), currencies or markets would create investment concentration risk.

Investment Concentration risk can be viewed in two aspects;

1. Entity-wise: the concentration risk arising from an excessive concentration in to one or more issuers.
2. Asset class-wise: the concentration risk arising from an excessive concentration in to one or more asset classes.

The company notes that due to naturethe nature of domestic financial markets, number of available and regulated high credit quality issuers are limited. Further, diversification for the sole purpose of addressing investment concentration risk introduces unwarranted exposure to credit and liquidity risks. Therefore, BIC has taken a calculated conservative approach to maintain a suitable balance between credit risk vs. concentration risk.

Further, regular updates are presented to the BIC which identify, quantify and analyze impact on current and expected levels of investment concentration while ensuring that proper limit verifications are documented and available on all investment transactions. Further, all such counterparty/issuer exposures are monitored and reported regularly by Investment Middle Office.BIC monitors the current exposure to approved counterparties individually as well as on a related group basis and ensure compliance with determinations, directions and guidelines issued by IRCSL.

41.(j). Maturity Profile

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities of the Group/ Company based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contracts liabilities, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities.

Group

Asset and Liabilities

As at December 2023			No More Than 12 Months		More than 12 Months			
			Total Rs.'000	Less Than 1 Year Rs.'000	1 year to 3 Years Rs.'000	3 year to 5 Years Rs.'000	5 year to 15 Years Rs.'000	More than 15 Years Rs.'000
Page	Notes							
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	263	12.(a)	111,819,800	39,192,530	35,124,487	14,624,420	21,112,168	1,766,195
Loans and Receivables	264	12.(b)	70,646,195	18,519,002	32,365,164	13,669,891	6,092,138	-
Available-for-sale financial assets								
	266	12.(c)		-	-	-	-	-
Equity securities			119,758	119,758	-	-	-	-
Debt securities			4,096,546	3,892,588	126,431	-	77,527	-
Financial assets at fair value through profit or loss								
	268	12.(d)						
Equity securities			1,045	1,045	-	-	-	-
Debt securities			4,429,310	4,429,310	-	-	-	-
Reinsurance Receivables	281	15	683,424	343,634	339,790	-	-	-
Loans to life policyholders	286	17	2,930,981	461,694	856,177	413,618	941,371	258,121
Premium receivables	287	18	405,029	405,029	-	-	-	-
Cash and Cash Equivalents	288	20	678,161	678,161	-	-	-	-
			195,810,199	68,042,751	68,812,049	28,707,929	28,223,204	2,024,316
Liabilities								
Other Financial Liabilities								
	296	23						
Reinsurance Payables	297	24	1,148,390	571,978	576,412	-	-	-
Lease Liabilities	250	8	176,790	62,238	81,950	23,530	9,071	-
Trade and Other Payables	298	25	5,654,236	5,654,236	-	-	-	-
Interest Bearing Borrowings	296	23.(a)	4,053,574	4,053,574	-	-	-	-
Bank Overdraft	288	20	917,769	917,769	-	-	-	-
			11,950,758	11,259,795	658,362	23,530	9,071	-

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Asset and Liabilities

As at December 2022			No More Than 12 Months		More than 12 Months			
			Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
	Page	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	263	12.(a)	92,014,385	30,040,946	23,686,396	11,098,800	25,313,970	1,874,273
Loans and Receivables	264	12.(b)	65,770,166	36,541,931	12,898,405	10,128,346	6,201,485	-
Available-for-sale financial assets								
Equity securities	266	12.(c)	-	-	-	-	-	-
Debt securities			92,859	92,859	-	-	-	-
			735,729	626,205	73,218	-	36,306	-
Financial assets at fair value through profit or loss								
Equity securities	268	12.(d)	-	-	-	-	-	-
Debt securities			887	887	-	-	-	-
			467,092	467,092	-	-	-	-
Reinsurance Receivables								
Loans to life policyholders	281	15	499,817	499,817	-	-	-	-
Premium receivables	286	17	2,703,623	584,475	693,659	377,614	816,222	231,652
Cash and Cash Equivalents	287	18	368,089	368,089	-	-	-	-
	288	20	332,261	332,261	-	-	-	-
			162,984,907	69,554,561	37,351,678	21,604,760	32,367,983	2,105,925

Liabilities

Other Financial Liabilities

Reinsurance Payables	296	23	-	-	-	-	-	-
Lease Liabilities	297	24	686,493	686,493	-	-	-	-
Trade and Other Payables	250	8	202,410	73,059	126,600	49,578	2,323	-
Interest Bearing Borrowings	298	25	4,688,105	4,688,105	-	-	-	-
Bank Overdraft	296	23.(a)	-	-	-	-	-	-
	288	20	731,161	731,161	-	-	-	-
			6,308,169	6,379,098	126,600	49,578	2,323	-

Company

Asset and Liabilities

As at December 2023			No More Than 12 Months		More than 12 Months			
			Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
	Page	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	263	12.(a)	111,170,229	38,542,959	35,124,487	14,624,420	21,112,168	1,766,195
Loans and Receivables	264	12.(b)	69,589,711	17,462,516	32,365,164	13,669,891	6,092,138	-
Available-for-sale financial assets								
	266	12.(c)						

As at December 2023			No More Than 12 Months		More than 12 Months			
			Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
	Page	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Equity securities			119,758	119,758	-	-	-	-
Debt securities			4,090,551	3,886,593	126,431	-	77,527	-
Financial assets at fair value through profit or loss	268	12.(d)						
Equity securities			1,045	1,045	-	-	-	-
Debt securities			4,329,682	4,329,682	-	-	-	-
Reinsurance Receivables	281	15	683,424	343,634	339,790	-	-	-
Income Tax Recoverable	281	15.(a)	-	-	-	-	-	-
Loans to life policyholders	286	17	2,930,981	461,694	856,177	413,618	941,371	258,121
Premium receivables	287	18	405,029	405,029	-	-	-	-
Cash and Cash Equivalents	288	20	677,077	677,077	-	-	-	-
			193,997,487	66,229,987	68,812,049	28,707,929	28,223,204	2,024,316
Liabilities								
Other Financial Liabilities								
Reinsurance Payables	297	24	1,148,390	1,148,390	-	-	-	-
Lease Liabilities	250	8	181,867	67,316	81,950	23,530	9,071	-
Trade and Other Payables	298	25	5,334,337	5,334,337	-	-	-	-
Interest Bearing Borrowings	296	23.(a)	4,053,574	4,053,574	-	-	-	-
Bank Overdraft	288	20	913,434	913,434	-	-	-	-
			11,631,603	11,517,052	81,950	23,530	9,071	-

Asset and Liabilities

As at December 2022			No More Than 12 Months		More than 12 Months			
			Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
	Page	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	263	12.(a)	91,730,251	29,756,812	23,686,396	11,098,800	25,313,970	1,874,273
Loans and Receivables	264	12.(b)	64,965,241	35,737,006	12,898,405	10,128,346	6,201,485	-
Available-for-sale financial assets								
Equity securities	266	12.(c)	92,859	92,859	-	-	-	-
Debt securities			529,084	419,559	73,218	-	36,306	-
Financial assets at fair value through profit or loss	268	12.(d)						
Equity securities			887	887	-	-	-	-
Debt securities			467,092	467,092	-	-	-	-
Reinsurance Receivables	281	15	499,817	499,817	-	-	-	-
Loans to life policyholders	286	17	2,703,623	584,475	693,659	377,614	816,222	231,652

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As at December 2022	Page	Notes	No More Than 12 Months		More than 12 Months			
			Total	Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Premium receivables	287	18	368,089	368,089	-	-	-	-
Cash and Cash Equivalents	288	20	405,331	405,331	-	-	-	-
			161,762,273	68,331,926	37,351,678	21,604,760	32,367,983	2,105,925
Liabilities								
Other Financial Liabilities								
Reinsurance Payables	297	24	686,493	686,493	-	-	-	-
Lease Liabilities	251	8.(C)	207,338	92,989	121,211	38,011	12,729	-
Trade and Other Payables	298	25	4,436,632	4,436,632	-	-	-	-
Bank Overdraft	288	20	725,523	725,523	-	-	-	-
			6,055,986	5,941,637	121,211	38,011	12,729	-

42. PROVISIONS, COMMITMENTS AND CONTINGENCIES

ACCOUNTING POLICY

Provisions are recognised when the Group/Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset when the reimbursement is virtually certain. The expense relating to provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. All known provisions have been accounted for in preparing the Financial Statements.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured. Contingent liabilities are not recognised in the statement of financial position but disclosed as a note to the financial statements. Contingent assets are disclosed, where inflow of economic benefit is probable.

42.(a) Legal proceedings and regulations

There are no any contingencies due to legal proceeding and regulations.

42.(b).(1) Capital Commitments

Capital Commitments relating to the property, plant and equipment's have been disclosed separately in Note 7 (c).

42.(b).(2) Financial Commitments

The Company has entered in to a short term loan agreement with Hatton National Bank PLC worth of Rs. 4,050,000 (Face Value) in month of December 2023.

42.(c). Assessments from Department of Inland Revenue

Tax Assessments on Income Tax

The Company received Income Tax Assessments from the Department of Inland Revenue for the Years of Assessment (Y/A) 2015/16, 2016/17, 2017/18, 2018/19 and 2019/20, which are in contrary to the Inland Revenue Act.

Assessment relating to 2019/20 is being heard at the office of the Commissioner General of Inland Revenue (CGIR) currently. Determinations of the CGIR for the assessments relating to the Y/A 2015/16, 2016/17, 2017/18 and 2018/19 were given against the Company. The Company duly appealed to the Tax Appeals Commission (TAC) against the decisions of the CGIR. For the Y/A 2015/16, TAC has decided to allow the appeal and dismiss the determination made by CGIR based on the time bar provision. Rest of the appeals are still being heard at the TAC.

All of these Assessments have been issued mainly under Section 92 of the Inland Revenue Act, No. 10 of 2006 and this is a concern of the life insurance industry as a whole. Further, assessment relating Y/A 2019/20 and part of the assessment relating to Y/A 2018/19 have been issued under section 67 of the Inland Revenue Act, No. 24 of 2017 which came to effect from 01/04/2018.

The Company is of the view that the probability of materializing any of the assessments against the Company is very remote due to the fact that the Company has complied with the requirements of the Inland Revenue Act No. 10 of 2006 and Act No. 24 of 2017. Accordingly, no additional provision has been recognized in respect of these Assessments in the Financial Statements.

Tax Assessments on VAT

There is no any on going assessments relating to VAT at the end of year 2023.

Tax assessment on VAT and NBT on financial services

The Company has received assessments for Y/A 2016 and 2017 on both VAT and NBT on Financial Services (FS). Further, the Company has received another assessment for year Y/A 2018 on VAT on FS. All of those assessments were issued under the Value Added Tax Act, No 14 of 2002 by the Inland Revenue Department.

Upon receipt of the assessments, The Company has duly appealed against these Assessments to the Inland Revenue Department in consultation with the Company's Tax Consultant. For the Y/A 2016, CGIR has provided their determination against the Company and the Company has duly appealed to the TAC against the determination received from CGIR. Assessments relating to Y/A 2017 and 2018 are being heard by respective Commissioners at the office of CGIR .

The Company is of the view that, these assessments are out of scope of VAT on FS and NBT on FS as the Company engages in the business of Life Insurance. This stance has been communicated to the CGIR.

The Company is of the view of that the probability of materialization of the above assessments is very remote.

COMPLIANCE WITH IFRIC 23 - UNCERTAINTY OVER INCOME TAX TREATMENTS

The Company reviewed its uncertain income tax positions that could have an impact on the financial statements in order to comply with the provisions stipulated under IFRIC 23 interpretation.

Consequently, the management concluded that the current accounting treatment for uncertain tax positions is in accordance with IFRIC 23.

43. ASSETS PLEDGED

There are no assets offered as security for obligations as at the end of the reporting period.

44. RELATED PARTY DISCLOSURES

ACCOUNTING POLICY

The Group carried out transactions in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standard LKAS 24 – "Related Party Disclosures.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2023, the Group has not recorded an impairment of receivables relating to amounts owed by related parties (2022 – Nil).

According to 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) of the Company have been classified as Key Management Personnel of the Company.

As Ceylinco Insurance PLC (CIPLC) is the ultimate parent of the Group, and the Board of Directors of CIPLC have the authority and responsibility for planning, directing and controlling the activities of the Company, the Directors of CIPLC have also been identified as Key Management Personnel of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Close Family Members (CFM) of the KMP are those family members who may be expected to influence, or be influenced by, that KMPs in their dealing with the entity. They may include:

- (a) The KMP's domestic partner and children;
- (b) Children of the KMP's domestic partner; and
- (c) Dependent of the KMP or the KMP's domestic partner

CFM are related parties to the entity. There were no transactions with CFM during the year.

44. I Amounts recieved from related parties

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Subsidiaries	330	44.I.a	17,055,280	10,466,073
Equity accounted investees	331	44.II.b	694,901,246	202,840,441
Other related companies	331	44.I.c	51,210,845	495,306,379
Key management personnel	331	44.I.d	28,907,397	109,770,957
Total			792,074,768	818,383,850

44.II Amounts paid to related parties

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Subsidiaries	331	44.II.a	(300,000,000)	(75,000,000)
Equity accounted investees	331	44.II.b	(531,536,909)	(3,319,000,000)
Other related companies	331	44.II.C	(995,462,663)	(848,352,248)
Key management personnel	331	44.II.d	(530,762,380)	(636,521,600)
			(2,357,761,952)	(4,878,873,848)

44.I.a Transaction with related parties

Amount recieved from related parties

Subsidiaries

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Ceylinco Health Care Services Ltd.	333	44.IV.a	8,254,846	5,358,052
Serene Resorts Ltd.	333	44.IV.a	8,800,434	5,108,021
			17,055,280	10,466,073

44.I.b Equity accounted investees

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Citizen Development Business Finance PLC	333	44.IV.b	694,901,246	202,840,441
			694,901,246	202,840,441

44.I.c Other related companies

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Ceylinco General Insurance Ltd.	334	44.IV.c	51,210,845	495,306,379
			51,210,845	495,306,379

44.I.d Key management personnel

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Premium received	333	44.III.d	28,907,397	109,770,957
			28,907,397	109,770,957

44.II.a Amounts paid to related parties**Subsidiaries**

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Ceylinco Health Care Services Ltd.	333	44.IV.a	(300,000,000)	-
Serene Resorts Ltd.	333	44.IV.a	-	(75,000,000)
			(300,000,000)	(75,000,000)

44.II.b Equity accounted investees

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Citizen Development Business Finance PLC	333	44.IV.b	(527,057,711)	(2,000,000)
Kings Hospital Colombo Pvt Ltd	333	44.IV.b	(4,479,198)	(3,317,000,000)
			(531,536,909)	(3,319,000,000)

44.II.c Other Related companies

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Ceylinco General Insurance Ltd.	334	44.IV.c	(82,961,750)	(60,851,460)
Ceylinco Insurance PLC	334	44.IV.c	(912,500,913)	(787,500,788)
			(995,462,663)	(848,352,248)

44.II.d Key management personnel

			COMPANY	
			2023	2022
	Page	Note	Rs.	Rs.
Short-term employee benefits	334	44.IV.d	(433,670,322)	(423,452,488)
Maturity payments of Insurance Policies			(18,150,000)	(142,279,750)
Post employment benefits	334	44.IV.d	(73,343,058)	(66,166,028)
Legal Fees paid	332	44.III.d	(5,599,000)	(4,623,334)
			(530,762,380)	(636,521,600)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44.III Transaction with related parties

44.III.a Subsidiaries

	Page	Note	COMPANY	
			2023 Rs.	2022 Rs.
Premium Received/(paid)			465,776	273,517
Rent Received/ (paid)			8,000,000	7,470,000
Investment in Shares			(300,000,000)	(75,000,000)
Reimbursement of Expenses			5,435,770	2,673,548
Solar Electricity Reimbursement			3,072,505	-
Miscellaneous Receipt			81,229	49,008
	333	44.iv.a	(282,944,720)	(64,533,927)

44.III.b Equity accounted investees

	Page	Note	COMPANY	
			2023 Rs.	2022 Rs.
Insurance Premium Received/(paid)			25,989,357	40,645,537
Investment in fixed deposits			(500,000,000)	-
Maturities of fixed deposits			500,000,000	-
Purchase of Shares by the Company			-	(1,834,000,000)
Investment in Debentures			-	(1,483,000,000)
Maturity of Debenture Investment			15,500,000	15,500,000
Claim received / (paid)			(27,057,711)	(2,000,000)
Dividend Received/ (paid)			107,490,480	80,617,860
Rent Received/ (paid)			2,991,957	2,827,044
Interest Received/ (paid)			42,929,452	63,250,000
Medical Fees paid			(4,479,198)	-
	333	44.IV.b	163,364,337	(3,116,159,559)

44.III.c Other related companies

	Page	Note	COMPANY	
			2023 Rs.	2022 Rs.
Premium paid			(78,236,750)	(52,951,460)
Premium Received			38,957,354	38,424,593
Claim received / (paid)			7,528,491	(1,018,214)
Dividend Received/ (paid)			(912,500,913)	(787,500,788)
Sale of Property			-	450,000,000
	334	44.IV.c	(944,251,818)	(353,045,869)

44.III.d Key management personnel

			COMPANY	
			2023 Rs.	2022 Rs.
Premium Received			28,907,397	109,770,957
Maturity of Insurance Policies			(18,150,000)	(142,279,750)
Short-term employee benefits			(433,670,322)	(423,452,488)
Post employment benefits			(73,343,058)	(66,166,028)
Legal Fees paid			(5,599,000)	(4,623,334)
			(501,854,983)	(526,750,643)
Total			(1,565,687,184)	(4,060,489,998)

44.IV Transaction with related parties - Subsidiaries**44.IV.a Ceylinco Health Care Services Ltd.**

	COMPANY	
	2023 Rs.	2022 Rs.
Premium Received/(paid)	186,006	138,251
Investment In Shares	(300,000,000)	-
Rent Received/ (paid)	2,600,000	2,520,000
Reimbursement of Expenses	5,435,770	2,673,548
Miscellaneous Recipet	33,070	26,253
	(291,745,154)	5,358,052
Serene Resorts Ltd.		
Premium Received/(paid)	279,770	135,266
Investment In Shares	-	(75,000,000)
Rent Received/ (paid)	5,400,000	4,950,000
Solar Electricity Reimbursment	3,072,505	-
Miscellaneous Recipet	48,159	22,755
	8,800,434	(69,891,979)
Total	(282,944,720)	(64,533,926)

44.IV.b Transaction with related parties - Associates

	COMPANY	
	2023 Rs.	2022 Rs.
Citizen Development Business Finance PLC		
Insurance Premium Received	25,989,357	40,645,537
Maturity of Debenture Investment	15,500,000	15,500,000
Investment in fixed deposits	(500,000,000)	-
Maturities of fixed deposits	500,000,000	-
Claim paid	(27,057,711)	(2,000,000)
Dividend Received/ (paid)	107,490,480	80,617,860
Rent Received/ (paid)	2,991,957	2,827,044
Interest Received/ (paid)	42,929,452	63,250,000
Total	167,843,535	200,840,441
Kings Hospital Colombo Pvt Ltd		
Investment in Shares	-	(1,834,000,000)
Investment in Debentures	-	(1,483,000,000)
Medical Fees paid	(4,479,198)	-
Total	(4,479,198)	(3,317,000,000)
Total	163,364,337	(3,116,159,559)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44.IV.c Transaction with related parties - Other Related companies

	COMPANY	
	2023	2022
	Rs.	Rs.
Ceylinco General Insurance Ltd.		
Premium paid	(78,236,750)	(52,951,460)
Premium Received	38,957,354	38,424,593
Claim paid	(4,725,000)	(7,900,000)
Claim Received	12,253,491	6,881,786
Sale of Property	-	450,000,000
	(31,750,905)	434,454,919
Ceylinco Insurance PLC		
Dividend paid	(912,500,913)	(787,500,788)
	(912,500,913)	(787,500,788)
Total	(944,251,818)	(353,045,869)

44.IV.d Compensation of Key management personnel

The summary of compensation of key management personnel for the year is, as follows:

	COMPANY	
	2023	2022
	Rs.	Rs.
Short-term employee benefits	(433,670,322)	(423,452,488)
Post employment benefits	(73,343,058)	(66,166,028)
Total	(507,013,380)	(489,618,516)

The amounts disclosed in the above table are the amounts recognised as an expense during the reporting period related to key management personnel.

No loans have been given to the Directors of the Company.

Investment in Associate

No restrictions are placed on the ability of the associate to transfer funds to the parent company in the form of cash dividends or for the repayment of loans when due.

No guarantees or collaterals were provided to the associate.

45 EVENTS AFTER THE REPORTING DATE

Events after the reporting period are those events, favourable and unfavourable, that occur between the Reporting date and the date when the Financial Statements are authorised for issue.

Proposed Dividend

The Board of Directors has proposed a final dividend of Rs.15 (2022 Rs.18.25) per share amounting to a total of Rs.750 Million (2022 - Rs. 912.5million) on 22 February 2024 out of the profit for the year ended 31 December 2023 subject to the approval of shareholder at the Annual General Meeting. As required by the Section 56 of the Companies Act No. 07 of 2007, the Boards of Directors of the Company has confirmed that the Company satisfies the 'Solvency Test'. In accordance with LKAS 10 - "Events after the reporting period", the proposed dividend has not been recognised as a liability in the Financial Statements.

46 EMPLOYEE AND INDUSTRIAL RELATIONS

There were no material issues pertaining to Employees & Industrial relations during the year.

47. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued up to the date of issuance of the Group financial statements but are not effective for the current annual reporting period, are disclosed below. The Ceylinco Life Insurance Limited intends to adopt these new and amended standards and interpretations, if applicable, when they become effective

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts that was issued in 2004. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

Present Status of the SLFRS 17

Refer Financial Performance on pages no. 76 - 93 for the status of the adoption of the standard.

SLFRS 9 Financial Instruments

SLFRS 9 replaces the existing guidance in LKAS 39 Financial Instruments: recognition and Measurement. SLFRS includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from LKAS 39. SLFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

Present Status of the SLFRS 9

The Company meets the eligibility criteria of the temporary exemption from SLFRS 9 and intend to defer the application of SLFRS 9 until annual reporting periods beginning on or after 1 January 2026. The management is currently in the process of implementing initial classification of financial instruments and assessed the impact to financial instruments from the impairment assessments according to Expected Credit Loss (ECL) Model.

Refer Financial Performance on page no. 92 for the status of the adoption of the standard.

SUPPLEMENTARY

Information

Annexes

STATEMENT OF SUPPLEMENTARY FINANCIAL POSITION - POLICYHOLDERS

As at 31 December	2023 Rs:'000	2022 Rs:'000
Assets		
Property, Plant and Equipment	9,526,400	8,995,049
Right-of-use Asset	179,490	195,813
Investment Properties	1,871,900	1,794,750
Investment in Subsidiaries	15,000	15,000
Investment in Associates	42,990	42,990
Financial Instruments		
Held to Maturity Financial Assets	92,250,851	81,283,782
Loans and Receivables	43,926,443	40,206,552
Available-For-Sale Financial Assets	4,207,784	619,417
Financial Assets at Fair Value Through Profit or Loss	4,330,727	467,979
Employee Gratuity Benefit Asset	3,073,014	2,311,086
Employee Pension Benefit Asset	645,804	751,877
Reinsurance Receivables	683,424	499,816
Loans to Life policyholders	2,930,981	2,703,622
Premium Receivables	405,029	368,089
Other Assets	227,277	216,909
Cash and Cash Equivalents	677,031	405,290
Total Assets	164,994,145	140,878,021
Equity and Liabilities		
Liabilities		
Insurance Contract Liabilities - Life	157,537,917	134,885,839
Insurance Contract Liabilities - Unit Linked	228,774	254,911
Insurance Contract Liabilities-Family Takaful	17,496	16,087
Individual Investment Fund - ISF	414,963	392,339
Reinsurance Payables	1,148,390	686,492
Trade and Other Payables	4,369,180	3,721,589
Lease Liabilities	181,867	207,338
Shor Term Loan	213,138	-
Bank Overdraft	882,420	713,426
Total Liabilities	164,994,145	140,878,021
Total Equity and Liabilities	164,994,145	140,878,021

INSURANCE REVENUE ACCOUNT

For the Year Ended 31st December,	Glossary item	2023 Rs.'000	2022 Rs.'000	% Change
Gross Written Premium	22	33,411,394	29,160,164	14.58
Net Written Premium (Net of Premiums ceded to reinsurers)	38	32,771,519	28,687,967	14.23
Investment and Other Income Attributable to Policyholders		22,181,627	15,861,716	39.84
Net Benefits Paid	39	(23,135,049)	(18,969,267)	21.96
Increase in Long Term Insurance Fund		(23,015,741)	(13,375,957)	72.07
Acquisition Cost	'01	(2,267,578)	(2,097,314)	8.12
Operating and Administrative Expenses Attributable to Policyholders		(3,477,559)	(3,965,135)	(12.30)
Interest Expense		(79,877)	(103,079)	(22.51)
Tax expenses		(1,000,122)	(1,210,168)	(17.36)
Surplus from Life Insurance Business	33	1,977,222	4,828,763	(59.1)
Surplus From Life Insurance Business		1,977,222	4,828,763	(59.05)
Investment & Other Income not Attributable to Policyholders		5,809,480	4,209,522	38.01
Operating and Administrative Expenses not Attributable to Policyholders		(347,071)	(335,572)	3.43
Interest Expense		-	(1,303)	(100.00)
Tax expenses		(1,637,798)	(1,069,635)	53.12
Profits From Operations After Interest and Tax Expenses		5,801,833	7,631,777	(23.98)

QUARTERLY ANALYSIS 2022 \ 2023

COMPANY STATEMENT OF INCOME - 2023

(values are to the nearest rupees thousand)

	1st quarter Jan- Mar.23	2nd quarter Apr- Jun.23	3rd quarter Jul- Sep.23	4th quarter Oct- Dec.23	Total Jan- Dec.23
Gross written premiums	6,129,322	10,662,589	8,363,647	8,255,835	33,411,394
Premiums ceded to reinsurers	(117,820)	(123,126)	(208,747)	(190,182)	(639,875)
Net written premiums	6,011,502	10,539,464	8,154,900	8,065,654	32,771,519
Net change in Reserve for unearned premium				-	
Net Earned premium	6,011,502	10,539,464	8,154,900	8,065,654	32,771,519
Investment and Other Income	6,766,012	6,735,141	7,286,163	7,203,791	27,991,108
Net Income	12,777,514	17,274,605	15,441,063	15,269,445	60,762,626
Net benefits and claims	(5,660,663)	(5,661,681)	(5,403,128)	(6,409,578)	(23,135,049)
Gross Change in Contract Liabilities	(3,522,997)	(7,903,010)	(6,858,237)	(4,731,496)	(23,015,741)
Acquisition cost	(511,648)	(598,820)	(598,674)	(558,436)	(2,267,578)
Other operating and administrative expenses	(937,628)	(899,988)	(1,051,014)	(935,999)	(3,824,629)
Finance cost	(19,816)	(20,002)	(34,886)	(5,173)	(79,877)
Total benefits, claims and other expenses	(10,652,753)	(15,083,501)	(13,945,938)	(12,640,682)	(52,322,874)
Profit before tax	2,124,761	2,191,104	1,495,125	2,628,763	8,439,753
Income tax expense	(616,751)	(616,751)	(436,751)	(967,666)	(2,637,920)
Profit for the year	1,508,009	1,574,353	1,058,373	1,661,097	5,801,833

COMPANY STATEMENT OF INCOME - 2022

(values are to the nearest rupees thousand)

	1st quarter Jan- Mar.22	2nd quarter Apr- Jun.22	3rd quarter Jul- Sep.22	4th quarter Oct- Dec.22	Total Jan- Dec.22
Gross written premiums	7,305,995	7,495,992	6,873,531	7,484,646	29,160,164
Premiums ceded to reinsurers	(124,641)	(123,041)	(120,290)	(104,225)	(472,197)
Net written premiums	7,181,354	7,372,952	6,753,241	7,380,421	28,687,967
Net change in Reserve for unearned premium					
Net Earned premium	7,181,354	7,372,952	6,753,241	7,380,421	28,687,967
Investment and Other Income	3,905,801	4,182,126	5,070,237	6,913,074	20,071,237
Net Income	11,087,155	11,555,077	11,823,478	14,293,495	48,759,205
Net benefits and claims	(3,601,466)	(3,945,566)	(4,474,731)	(6,947,503)	(18,969,266)
Gross Change in Contract Liabilities	(4,036,537)	(4,331,915)	(1,376,719)	(3,630,786)	(13,375,957)
Acquisition cost	(608,866)	(492,979)	(468,484)	(526,986)	(2,097,314)
Other operating and administrative expenses	(1,254,310)	(1,094,256)	(1,019,576)	(932,564)	(4,300,705)
Finance cost	(25,522)	(22,974)	(23,170)	(32,715)	(104,382)
Total benefits, claims and other expenses	(9,526,701)	(9,887,689)	(7,362,680)	(12,070,554)	(38,847,624)
Profit before tax	1,560,453	1,667,388	4,460,798	2,222,941	9,911,580
Income tax expense	(324,776)	(324,776)	(324,776)	(1,305,473)	(2,279,803)
Profit for the year	1,235,677	1,342,612	4,136,022	917,468	7,631,778

TEN-YEAR VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION - Total assets are considered as the base figure in the vertical analysis.

Company	2023		2022		2021		2020		2019	
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Assets										
Intangible Assets	260,235	0%	317,695	0%	296,448	0%	362,838	0%	349,626	0%
Property, plant and equipment	12,999,402	6%	12,031,022	6%	10,415,154	6%	9,478,336	6%	9,401,318	6%
Investments	198,100,434	88%	165,906,315	87%	154,455,119	89%	133,707,835	89%	116,918,311	78%
Other assets	13,386,210	6%	13,276,907	7%	8,596,232	5%	7,252,377	5%	6,542,149	4%
Total Assets	224,746,282	100%	191,531,939	100%	173,762,956	100%	150,801,386	100%	133,211,403	88%
Liabilities										
Insurance provision - Life	157,537,917	70%	134,885,839	70%	119,634,780	69%	106,737,377	71%	96,204,089	64%
Unit linked Fund and other funds	661,232	0%	663,337	0%	686,266	0%	657,389	0%	582,925	0%
Equity and Other Liabilities	66,547,133	30%	55,982,764	29%	53,441,910	31%	43,406,620	29%	36,424,389	24%
Total Liabilities	224,746,282	100%	191,531,940	100%	173,762,956	100%	150,801,386	100%	133,211,403	88%
Investor Information										
Return on net assets (%)	10.67		15.45		15.33		18.18		21.19	
Return on Total Assets (%)	2.58		3.98		3.90		4.60		5.01	
Net assets per share Rs.	1,087.47		987.98		883.88		762.90		629.84	
Earnings per share Rs.	116.04		152.64		135.49		138.68		133.43	
Dividend per share Rs.	15.00		18.25		15.75		-		13.40	
Dividend Cover (Times)	6.36		8.36		8.60		-		9.96	
Dividend Payout Ratio (%)	12.93		11.96		11.55		-		10.04	

INCOME STATEMENT - Gross Written premium is considered as the base figure in the vertical analysis.

Company	2023		2022		2021		2020		2019	
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Gross written Premium	33,411,394	100%	29,160,164	100%	25,565,050	100%	22,076,250	100%	18,718,553	100%
Net written premium	32,771,519	98%	28,687,967	98%	25,256,551	99%	21,570,788	98%	18,168,431	97%
Investment income and other income	27,991,108	84%	20,071,237	69%	15,129,139	59%	14,912,201	68%	13,392,554	72%
Net claims and benefit	(23,135,049)	-69%	(18,969,266)	-65%	(12,736,308)	-50%	(12,266,513)	-56%	(10,604,066)	-57%
Acquisition Cost	(2,267,578)	-7%	(2,097,314)	-7%	(2,369,754)	-9%	(2,123,644)	-10%	(1,962,792)	-10%
Increase in Long Term Insurance fund	(23,015,741)	-69%	(13,375,957)	-46%	(11,803,985)	-46%	(9,423,994)	-43%	(7,189,811)	-38%
Change in Contract Liabilities Due to Transfer of One-Off Surplus	-		-		-		-		-	0%
Operating & Administrative expenses	(3,824,629)	-11%	(4,300,707)	-15%	(4,836,630)	-19%	(3,823,330)	-17%	(3,550,209)	-19%
Finance Expenses	(79,877)	-0.2%	(104,382)	0%	(93,640)	0%	(78,995)	0%	(42,170)	0%
Profit Before Tax	8,439,753	25.3%	9,911,578	34%	8,545,373	33%	8,766,513	40%	8,211,938	44%
Taxation	(2,637,920)	-7.9%	(2,279,803)	-8%	(1,770,883)	-7%	(1,832,391)	-8%	(1,540,269)	-8%
Profit After Tax	5,801,833	17.4%	7,631,775	26%	6,774,490	26%	6,934,122	31%	6,671,669	36%

2018		2017		2016		2015		2014	
Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	
37,358	0%	56,950	0%	2,759	0%	645	0%	2,198	0%
7,567,806	6%	7,371,782	7%	7,068,634	7%	5,343,752	7%	4,760,395	7%
103,744,945	88%	92,264,065	87%	84,220,630	87%	67,139,575	84%	57,209,653	80%
6,709,280	6%	6,402,008	6%	5,166,066	5%	7,751,193	10%	9,096,076	13%
118,059,390	100%	106,094,805	100%	96,458,089	100%	80,235,165	100%	71,068,322	100%

88,049,202	75%	81,723,759	77%	77,925,144	81%	68,011,535	85%	60,021,879	84%
519,695	0%	427,146	0%	333,129	0%	268,062	0%	228,872	0%
29,490,493	25%	23,943,900	23%	18,199,816	19%	11,955,567	15%	10,817,572	15%
118,059,390	100%	106,094,805	100%	96,458,089	100%	80,235,165	100%	71,068,322	100%

21.93		45.87		25.85		21.81		-	
4.91		8.67		3.19		2.57		-	
528.51		412.94		238.24		188.93		-	
115.89		199.35		61.58		38.03		-	
11.90		9.00		7.50		6.25		-	
9.74		21.04		8.21		6.08		-	
10.27		4.75		12.18		16.44		-	

2018		2017		2016		2015		2014	
Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	
17,812,774	100%	15,765,484	100%	15,027,600	100%	13,456,828	100%	12,002,524	100%
17,355,265	97%	15,343,267	97%	14,653,771	98%	13,146,773	98%	11,715,219	98%
11,394,234	64%	10,280,547	65%	8,780,689	58%	6,740,775	50%	6,826,012	57%
(9,803,550)	-55%	(6,686,980)	-42%	(6,651,682)	-44%	(5,956,745)	-44%	(4,893,847)	-41%
(1,926,454)	-11%	(1,782,479)	-11%	(1,693,985)	-11%	(1,610,178)	-12%	(1,389,842)	-12%
(6,457,292)	-36%	(7,258,502)	-46%	(8,397,889)	-56%	(7,135,304)	-53%	(7,256,468)	-60%

-		3,456,184	22%	-					
(3,384,487)	-19%	(3,532,496)	-22%	(2,937,262)	-20%	(2,994,099)	-22%	(2,673,594)	-22%
(20,328)	0%	(12,005)	0%	(9,915)	-0.1%	(10,214)	0%	(29,394)	0%
7,157,388	40%	9,807,535	62%	3,743,727	25%	2,181,009	16%	2,298,086	19%
(1,363,100)	-8%	(340,109)	-2%	(667,686)	-4%	(120,963)	-1%	(935,099)	-8%
5,794,288	33%	9,467,426	60%	3,076,041	20%	2,060,046	15%	1,362,987	11%

TEN-YEAR HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

Ceylinco Life has maintained its trust and demonstrated sustainable growth, surpassing annual and strategic targets. Despite challenges like rising inflation and inconsistent government policies, the company's performance has remained steady, reaching historic levels.

STATEMENT OF FINANCIAL POSITION

Company	2023 Rs.000	2023 vs 2022	2022 Rs.000	2022 vs 2021	2021 Rs.000	2021 vs 2020	2020 Rs.000	2020 vs 2019	2019 Rs.000	2019 vs 2018
Assets										
Intangible Assets	260,235	-18%	317,695	7%	296,448	-18%	362,838	4%	349,626	0%
Property, plant and equipment	12,999,402	8%	12,031,022	16%	10,415,154	10%	9,478,336	1%	9,401,318	7%
Investments	198,100,434	19%	165,906,315	7%	154,455,119	16%	133,707,835	14%	116,918,311	88%
Other assets	13,386,210	1%	13,276,907	54%	8,596,232	19%	7,252,377	11%	6,542,149	5%
Total Assets	224,746,282	17%	191,531,940	10%	173,762,956	15%	150,801,386	13%	133,211,403	100%
Liabilities										
Insurance provision - Life	157,537,917	17%	134,885,839	13%	119,634,780	12%	106,737,377	11%	96,204,089	72%
Unit linked Fund and other funds	661,232	0%	663,337	-3%	686,266	4%	657,389	13%	582,925	0%
Equity and Other Liabilities	66,547,133	19%	55,982,764	5%	53,441,910	23%	43,406,620	19%	36,424,389	27%
Total Liabilities	224,746,282	17%	191,531,940	10%	173,762,956	15%	150,801,386	13%	133,211,403	100%

INCOME STATEMENT

Company	2023 Rs.000	2023 vs 2022	2022 Rs.000	2022 vs 2021	2021 Rs.000	2021 vs 2020	2020 Rs.000	2020 vs 2019	2019 Rs.000	2019 vs 2018
Gross written Premium	33,411,394	15%	29,160,164	14%	25,565,050	16%	22,076,250	18%	18,718,553	5%
Net written premium	32,771,519	14%	28,687,967	14%	25,256,551	17%	21,570,788	19%	18,168,431	5%
Investment income and other income	27,991,108	39%	20,071,237	33%	15,129,139	1%	14,912,201	11%	13,392,554	18%
Net claims and benefit	(23,135,049)	22%	(18,969,266)	49%	(12,736,308)	4%	(12,266,513)	16%	(10,604,066)	8%
Acquisition Cost	(2,267,578)	8%	(2,097,314)	-11%	(2,369,754)	12%	(2,123,644)	8%	(1,962,792)	2%
Increase in Long Term Insurance fund	(23,015,741)	72%	(13,375,957)	13%	(11,803,985)	25%	(9,423,994)	31%	(7,189,811)	11%
Change in Contract Liabilities Due to Transfer of One-Off Surplus	-		-		-		-		-	
Operating & Administrative expenses	(3,824,629)	-11%	(4,300,705)	-11%	(4,836,630)	27%	(3,823,330)	8%	(3,550,209)	5%
Finance Expenses	(79,877)	-23%	(104,382)	11%	(93,640)	19%	(78,995)	87%	(42,170)	107%
Profit Before Tax	8,439,753	-15%	9,911,580	16%	8,545,373	-3%	8,766,513	7%	8,211,938	15%
Taxation	(2,637,920)	16%	(2,279,803)	29%	(1,770,883)	-3%	(1,832,391)	19%	(1,540,269)	13%
Profit After Tax	5,801,833	-24%	7,631,777	13%	6,774,490	-2%	6,934,122	4%	6,671,669	15%
Employee Information										
Revenue per employee	Rs.Mn	82.11	64.84	50.80	44.82	37.39				
Net profit per employee	Rs.'000	11,405.07	13,180.29	10,748.90	10,769.67	9,729.78				
Number of employees	Nos.	740	752	795	814	844				

2018 Rs.000	2018 vs 2017	2017 Rs.000	2017 vs 2016	2016 Rs.000	2016 vs 2015	2015 Rs.000	2015 vs 2014	2014 Rs.000	2014 vs 2013
37,358	0%	56,950	0%	2,759	0%	645	0%	2,198	0%
7,567,806	6%	7,371,782	7%	7,068,634	7%	5,343,752	7%	4,760,395	7%
103,744,945	88%	92,264,065	87%	84,220,630	87%	67,139,575	84%	57,209,653	80%
6,709,280	6%	6,402,008	6%	5,166,066	5%	7,751,193	10%	9,096,076	13%
118,059,390	100%	106,094,805	100%	96,458,089	100%	80,235,165	100%	71,068,322	100%

88,049,202	75%	81,723,759	77%	77,925,144	81%	68,011,535	85%	60,021,879	84%
519,695	0%	427,146	0%	333,129	0%	268,062	0.3%	228,872	0%
29,490,493	25%	23,943,900	23%	18,199,816	19%	11,955,567	15%	10,817,572	15%
118,059,390	100%	106,094,805	100%	96,458,089	100%	80,235,165	100%	71,068,322	100%

2018 Rs.000	2018 vs 2017	2017 Rs.000	2017 vs 2016	2016 Rs.000	2016 vs 2015	2015 Rs.000	2015 vs 2014	2014 Rs.000	2014 vs 2013
17,812,774	13%	15,765,484	5%	15,027,600	12%	13,456,828	12%	12,002,524	8%
17,355,265	13%	15,343,267	5%	14,653,771	11%	13,146,773	12%	11,715,219	8%
11,394,234	11%	10,280,547	17%	8,780,689	30%	6,740,775	-1%	6,826,012	2%
(9,803,550)	47%	(6,686,980)	1%	(6,651,682)	12%	(5,956,745)	22%	(4,893,847)	3%
(1,926,454)	8%	(1,782,479)	5%	(1,693,985)	5%	(1,610,178)	16%	(1,389,842)	3%
(6,457,292)	-11%	(7,258,502)	-14%	(8,397,889)	18%	(7,135,304)	-2%	(7,256,468)	-5%

-	-100%	3,456,184	-	-	-	-	-	-	-
(3,384,487)	-4%	(3,532,496)	20%	(2,937,262)	-2%	(2,994,099)	12%	(2,673,594)	6%
(20,328)	69%	(12,005)	21%	(9,915)	-3%	(10,214)	-65%	(29,394)	199%
7,157,388	-27%	9,807,535	162%	3,743,727	72%	2,181,009	-5%	2,298,086	79%
(1,363,100)	301%	(340,109)	-49%	(667,686)	452%	(120,963)	-87%	(935,099)	2239%
5,794,288	-39%	9,467,426	208%	3,076,041	49%	2,060,046	51%	1,362,987	10%

33.31		28.79		25.75		21.22		-	
8,294		11,020		4,114		2,328		-	
863		890		910		937		-	

GRI CONTENT INDEX

Statement of use	Ceylinco Life Insurance Limited has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standards

Gri Standard/ Other Source	Disclosure	Page No	Requirement(s) Omitted	Omission		UN Global Impact Ten Principles
				Reason	Explanation	

General disclosures

GRI 2: General Disclosures 2021	2-1 Organizational details	12,13, and Inner back cover				
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4,5,7				
	2-4 Restatements of information	5				
	2-5 External assurance	170, 206-209, 215-216				
	2-6 Activities, value chain and other business relationships	12-13, 69-74, 120-121				
	2-7 Employees	124-127				
	2-8 Workers who are not employees			Not applicable	Ceylinco Life does not engage with workers who are not employees	
	2-9 Governance structure and composition	16, 140-164				
	2-10 Nomination and selection of the highest governance body	191-192				
	2-11 Chair of the highest governance body	159				
	2-12 Role of the highest governance body in overseeing the management of impacts	21, 22, 40, 74, 95, 156-157				
	2-13 Delegation of responsibility for managing impacts					
	2-14 Role of the highest governance body in sustainability reporting	21				

A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.

Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	142-146, 168, 329			
	2-16 Communication of critical concerns	194			
	2-17 Collective knowledge of the highest governance body	161-162			
	2-18 Evaluation of the performance of the highest governance body	161-162			
	2-19 Remuneration policies	190		Confidentiality constraints	Policy related information is omitted due to sensitivity of the information.
	2-20 Process to determine remuneration	190			
	2-21 Annual total compensation ratio			Confidentiality constraints	Omitted due to sensitivity of the information
	2-22 Statement on sustainable development strategy	22			
	2-23 Policy commitments				
	2-24 Embedding policy commitments	21-27, 156, 165			
	2-25 Processes to remediate negative impacts	129-130			
	2-26 Mechanisms for seeking advice and raising concerns	165			
	2-27 Compliance with laws and regulations	181, 113			
	2-28 Membership associations	122			
	2-29 Approach to stakeholder engagement	50-56			
	2-30 Collective bargaining agreements	129		Confidentiality constraints	The percentage of total employees covered by collective bargaining agreements cannot be disclosed due to confidentiality constraints.
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	57			
	3-2 List of material topics	58			
	3-3 Management of material topics	58 - 62			

GRI CONTENT INDEX

Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	
Economic performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	20			
	201-2 Financial implications and other risks and opportunities due to climate change			Not applicable	Omitted due to non-relevance to the nature of business operations
	201-3 Defined benefit plan obligations and other retirement plans	275 - 280			
	201-4 Financial assistance received from government			Not applicable	No financial assistance was received from the government
Market presence					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	124, 131			
	202-2 Proportion of senior management hired from the local community	124, 127			
Indirect economic impacts					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	135 - 139			
	203-2 Significant indirect economic impacts	20			
Procurement practices					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	120			
Anti-corruption					
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption				
	205-2 Communication and training about anti-corruption policies and procedures	129 - 130			
	205-3 Confirmed incidents of corruption and actions taken				
Anti-competitive behavior					
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	113			

Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles	
			Requirement(s) Omitted	Reason		Explanation
Tax						
GRI 207: Tax 2019	207-1 Approach to tax	307 - 308		Confidentiality constraints	Details of this type of information cannot be disclosed due to confidentiality constraints	
	207-2 Tax governance, control, and risk management					
	207-3 Stakeholder engagement and management of concerns related to tax					
	207-4 Country-by-country reporting					
Materials						
GRI 301: Materials 2016	301-1 Materials used by weight or volume			Information unavailable/incomplete	The company does not track this information	
	301-2 Recycled input materials used			Not applicable	Not applicable since the Company is in the services sector	
	301-3 Reclaimed products and their packaging materials			Not applicable	Not applicable since the Company is in the services sector	
Energy						
GRI 302: Energy 2016	302-1 Energy consumption within the organization	99 - 100			7,8,9	
	302-2 Energy consumption outside of the organization			Not applicable	Not applicable since the Company is in the services sector	
	302-3 Energy intensity			Not applicable	Not applicable as the Company in the services sector	
	302-4 Reduction of energy consumption	99 - 100		Information unavailable/incomplete	The company does not track this information	7,8,9
	302-5 Reductions in energy requirements of products and services			Not applicable	Not applicable as the Company in the services sector	
Water and effluents						
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	99				
	303-2 Management of water discharge-related impacts				7,8,9	
	303-3 Water withdrawal	18				
	303-4 Water discharge			Information unavailable/incomplete	The company does not track this information	9
	303-5 Water consumption					5

GRI CONTENT INDEX

Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	
Biodiversity					
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				
	304-2 Significant impacts of activities, products and services on biodiversity		Not applicable	Not applicable as the Company in the services sector	
	304-3 Habitats protected or restored				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations				
Emissions					
GRI 305: Emissions 2016 GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions				
	305-2 Energy indirect (Scope 2) GHG emissions	18			7,8
	305-3 Other indirect (Scope 3) GHG emissions				
	305-4 GHG emissions intensity		Information unavailable/incomplete	As a service organisation we do not measure emission intensity	
	305-5 Reduction of GHG emissions	33, 105			7,8
	305-6 Emissions of ozone-depleting substances (ODS)				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Information unavailable/incomplete	The company does not track this information	
Waste					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	101			
	306-2 Management of significant waste-related impacts				

Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation
GRI 306: Waste 2020	306-3 Waste generated	101			
	306-4 Waste diverted from disposal				
	306-5 Waste directed to disposal			Information unavailable/incomplete	The company does not track this information
Supplier environmental assessment					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	121		Confidentiality constraints	Figures related to new suppliers screened using environmental criteria and negative environmental impacts in then supply chain cannot be disclosed due to confidentiality constraints.
	308-2 Negative environmental impacts in the supply chain and actions taken	121			7
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	124, 132-133			6
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	128			6
	401-3 Parental leave	133			1
Labor/management relations					
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	134		Confidentiality constraints	Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them cannot be disclosed due to confidentiality constraints.

GRI CONTENT INDEX

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Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	
Occupational health and safety					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	127 - 128			
	403-2 Hazard identification, risk assessment, and incident investigation				
	403-3 Occupational health services				
	403-4 Worker participation, consultation, and communication on occupational health and safety				
	403-5 Worker training on occupational health and safety	127 - 128			
	403-6 Promotion of worker health				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				
	403-8 Workers covered by an occupational health and safety management system		Confidentiality constraints	The company cannot disclose this type of information due to confidentiality constraints	
	403-9 Work-related injuries	18			
	403-10 Work-related ill health	18			
Training and education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	18, 130			
	404-2 Programs for upgrading employee skills and transition assistance programs	128-130			
	404-3 Percentage of employees receiving regular performance and career development reviews	18, 131			

6

6

Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles	
			Requirement(s) Omitted	Reason		Explanation
Diversity and equal opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	124, 159-160				
	405-2 Ratio of basic salary and remuneration of women to men	124				
Non-discrimination						
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	129			2, 6	
Freedom of association and collective bargaining						
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			Information unavailable/ incomplete	The company does not track this information.	
Child labor						
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	56		Confidentiality constraints	Figures related to operations and suppliers at significant risk for incidents of child labor cannot be disclosed due to confidentiality constraints.	5
Forced or compulsory labor						
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	56		Confidentiality constraints	Figures related to operations and suppliers at significant risk for incidents of forced or compulsory labor cannot be disclosed due to confidentiality constraints.	4
Security practices						
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			Not applicable	Not applicable since security services are obtained from third-party service providers	
Rights of indigenous peoples						
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			Not applicable	Not applicable since the Company does not engage with indigenous peoples	

GRI CONTENT INDEX

Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	
Local communities					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	135 - 139			
	413-2 Operations with significant actual and potential negative impacts on local communities			Not applicable	The company has not identified such potential negative impacts
Supplier social assessment					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	121		Confidentiality constraints	The company cannot disclose figures related to suppliers that were screened and negative social impacts in the supply chain due to confidentiality constraints.
	414-2 Negative social impacts in the supply chain and actions taken	121			
Public policy					
GRI 415: Public Policy 2016	415-1 Political contributions			Not applicable	The Company has not made any political contributions.
Customer health and safety					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories			Not applicable	The organization provides insurance related products which do not pose a health hazard to customers.
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	113			

Gri Standard/ Other Source	Disclosure	Page No	Omission		UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	
Marketing and labeling					
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	113		Information unavailable/ incomplete	The company does not track this information
	417-2 Incidents of non- compliance concerning product and service information and labeling	18, 113			
	417-3 Incidents of non- compliance concerning marketing communications				
Customer privacy					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	18			1

GLOSSARY OF KEY TERMS

1. Acquisition Cost

All expenses which vary with and are primarily related to, the acquisition of new insurance contracts and renewal of existing insurance contracts (e.g. commissions).

2. Actuarial Valuation

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

3. Actuary

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

4. Admissible Assets

Assets that are included in determining an insurer's statutory solvency, specified under the rules made by the IRCSL under the regulation of Insurance Industry Act No. 43 of 2000.

5. 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 life time of the policyholder or a fixed period if less. If the payment starts at the outset of the contract, it is an immediate annuity. If it starts at some point in the future, it is a deferred annuity.

6. Beneficiary

The person or financial institution (for e.g. a trust fund) named by the policyholder in the policy as the recipient of the sum assured and other eligible benefits due in the event of the policyholder's death.

7. 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.

8. Sales Agent

A broker Sales agent is an intermediary between a prospective policyholder and a life insurance company.

9. Claims

The amount payable under a contract of life insurance arising from the occurrence of an insured event such as death, disability, injury, hospital or medical claims etc.

10. Claims Incurred

The aggregate of all claims paid during the accounting period together with attributable claims handling expenses.

11. Claims Payable

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

12. Commission

Remuneration to an intermediary for services such as selling and servicing an insurer's products. This is one component of acquisition cost.

13. Corporate Governance

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of entity, the supervision of executive actions and accountability to owners and others.

14. Credit Life Insurance

Term life insurance issued through a lender or lending agency to cover payment of a loan, installment purchase or other obligation, in case of death of the policyholder.

15. Credit Risk

The potential for loss due to the failure of a borrower, endorser, guarantor or counterparty to repay a loan or honour another predetermined financial obligation.

16. Dividend per Share

Total dividend declared for the financial year, divided by the number of ordinary shares entitled to received that dividend.

17. Dividend Cover

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

18. Earnings per Share

Net profits of the Company after tax, divided by the number of ordinary shares in issue.

19. Endowment

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

20. Ex-gratia Payment

A payment made to an insured where there is no liability to pay under the terms of the policy.

21. Financial Risk

The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

22. Gross Written Premium (GWP)

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

23. Global Reporting Initiative (GRI)

A leading organisation in the sustainability field. GRI promotes the use of sustainability reporting as a way for organisations to become more sustainable and contribute to sustainable development allied with the UN Global Compact.

24. Insurance Contract

An insurance contract 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, the insured sum of money or its equivalent in kind, upon the occurrence of a specified event that is contrary to the interest of the insured.

25. Insurance Provision – Long-Term

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

26. Insurance Risk

Uncertainty over the likelihood of an insured event occurring, the quantum of the claim, or, the time when claims payments will fall due.

27. Insurance Revenue Account

A statement which shows a financial summary of the insurance related revenue and expenditure transactions for the accounting period.

28. Interim Payments

Periodic payments to the policyholders on a specific type of policy Investment contract A contract, which contains significant financial risk and may contain insignificant insurance risk, but does not meet the definition of insurance.

29. Lapsed Policy

A policy lapses from the due date of the first unpaid premium, if the premium is not paid within the days of grace.

30. Liability Adequacy Test

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

31. Life Fund

Fund maintained to meet the obligation towards Life Policyholders.

32. Life Insurance Business

Insurance (including reinsurance) business falling within the classes of insurance specified as Long-term Insurance Business under the Regulation of Insurance Industry Act No. 43 of 2000.

33. Life Fund Surplus

The excess of the assets over the liabilities as determined by the actuary and after the distribution of dividends to policyholders.

34. Market Risk

The potential for a negative impact on the statement of financial position and/or income statement resulting from adverse changes in the value of financial instruments as a result of changes in certain market variables. These variables include interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities, as well as credit spreads, credit migration and default.

35. Maturity

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

36. 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.

37. Net Assets per Share

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

38. Net Written Premium

Gross written premium less reinsurance premium ceded payable.

39. Net Claims Incurred

Claims incurred less reinsurance recoveries.

40. Operational Risk

The potential for loss resulting from inadequate or failed internal processes or systems, human interactions or external events, but excludes business risk.

41. Participating Business

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

42. Policy schedule/booklet

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

43. Policy Loan

Under an insurance policy, the amount that can be borrowed 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.

44. Premium

The payment, or one of the periodic payments, a policyholder agrees to make for an insurance policy. Depending on the terms of the policy, the premium may be paid in single payment or a series of regular payments.

45. Reinsurance Commission

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

46. Reinsurance Premium Ceded

The premium payable to the reinsurer.

47. Retention

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

48. Return on Shareholders' Equity

Profits after tax divided by total equity attributable to shareholders' as at the reporting date.

49. Return on Total Assets

Profits after tax divided by total assets attributable to shareholders.

50. Rider

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

51. Risk Based Capital (RBC)

An amount of capital based on an assessment of risks that a company should hold to protect policyholders against adverse developments.

52. Surrender

Termination of an insurance policy by the insured before the expiry of its term.

53. Surrender Value

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

54. Total Available Capital (TAC)

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

55. Underwriter

Member of an insurance company that acts on behalf of his or her employer to negotiate, accept or reject the terms of an insurance contract. They are responsible for ensuring the quality and reliability of risk-transfer solutions. Their job is to develop products that best reflect the characteristics of the risks and clients' needs.

56. 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.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth 10th Annual General Meeting of the shareholders of Ceylinco Life Insurance Limited will be held at the Board Room of Ceylinco Life Insurance Limited, No. 106, Havelock Road, Colombo 05, on Thursday, 28th March 2024 at 2.30 p.m. for the following purposes :

1. To read the Notice convening the Meeting.
2. To receive, consider and adopt the Annual Report of the Board of Directors on the state of affairs of the Company and the Audited Financial Statements for the year ended 31 December 2023 together with the Report of the Auditors thereon.
3. To declare a first and final dividend of Rs.15/- per share for the year ended 31 December 2023, to the shareholders of the Company, as recommended by the Board of Directors, subject to the regulatory requirements of the Insurance Regulatory Commission of Sri Lanka.
4. To re-elect Mr. R Renganathan, who retires at the Annual General Meeting as a Director, in terms of Section 210 of the Companies Act No. 07 of 2007. Special Notice having been given pursuant to Sections 210 and 211 of the Companies Act No. 07 of 2007 of the intention to propose the following resolution as an ordinary resolution:

"Resolved that Mr. R Renganathan who will be 71 years in September 2024 be re-elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. R Renganathan."
5. To re-elect Mr. J Durairatnam who retires by rotation in terms of the Article 18B of the Articles of Association of the Company.
6. To re-elect Mr. W W L R A Fernando who retires by rotation in terms of the Article 18B of the Articles of Association of the Company.
7. To re-elect Mr. O G V J Senanayake who retires by rotation in terms of the Article 18B of the Articles of Association of the Company.
8. To re-appoint Messers. Ernst & Young, Chartered Accountants as recommended by the Board of Directors as the Company's Auditors for the ensuing year and authorize the Directors to determine their remuneration.
9. To authorize the Directors to determine contributions to charities and other donations for the year ending 31st December 2024.

By Order of the Board,
Ceylinco Life Insurance Limited



K. I. Weththasinghe
Company Secretary

5th March 2024

NOTE:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his/ her behalf.
2. A proxy so appointed need not be a member of the Company.
3. A form of proxy accompanies this notice

NOTES

NOTES

FORM OF PROXY

I/We*, (Please indicate full name) bearing NIC No./Company registration No. of being a member/*members of Ceylinco Life Insurance Limited, do hereby appoint Mr./Ms. (Please indicate full name) bearing NIC No. of or failing him/her;

Mr. Rajkumar Renganathan	or failing him
Mr. Elmo Thushara Lalindra Ranasinghe	or failing him
Mr. Peter Devaan Marlon Cooray	or failing him
Mr. Palitha Abeysekera Jayawardena	or failing him
Mr. Sri Ranga Abeynayake	or failing him
Dr. Harsha Cabral PC	or failing him
Mr. Jegatheesan Durairatnam	or failing him
Mr. Warnakula Weerasuriya Lucian Rehan Albert Fernando	or failing him
Mr. Oshada Gayasri Viduranga Joshua Senanayake	or failing him
Mr. Hennayake Mudiyanseleage Hennayake Bandara	or failing him
Mr. Edward Romesh Croos Moraes	or failing him
Mr. Murad Ismail	or failing him
Ms. Roshanie Jayasundera Moraes	or failing her
Prof. Srinath Kumara Chandrasekera	or failing him
Ms. Averil Anne Ludowyke	

as my/*our proxy to represent me/us * and vote as indicated below on my/our* behalf at the Tenth 10th Annual General Meeting of the Company to be held on 28th March 2024 at 2.30 p.m. and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

		FOR	AGAINST
1	To receive, consider and adopt the Annual Report of the Board of Directors on the state of affairs of the Company and the Audited Financial Statements for the year ended 31 December 2023 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2	To declare a first and final dividend of Rs. 15/- per share for the year ended 31 December 2023.	<input type="checkbox"/>	<input type="checkbox"/>
3	To pass the ordinary resolution as set out in the Notice of Meeting under Item No. 4 for the re-election of Mr R Renganathan.	<input type="checkbox"/>	<input type="checkbox"/>
4	To re-elect Mr. J Durairatnam who retires by rotation in terms of Article 18B of the Article of Association of the Company (Refer Item No. 5 of the Notice of Annual General Meeting).	<input type="checkbox"/>	<input type="checkbox"/>
5	To re-elect Mr. W W L R A Fernando who retires by rotation in terms of Article 18B of the Article of Association of the Company (Refer Item No. 6 of the Notice of Annual General Meeting).	<input type="checkbox"/>	<input type="checkbox"/>
6	To re-elect Mr. O G V J Senanayake who retires by rotation in terms of Article 18B of the Article of Association of the Company (Refer Item No. 7 of the Notice of Annual General Meeting).	<input type="checkbox"/>	<input type="checkbox"/>
7	To re-appoint Messrs. Ernst & Young, Chartered Accountants as recommended by the Board of Directors as the Company's Auditors for the ensuing year and authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
8	To authorize the Board of Directors to determine donations for the year ending 31 December 2024.	<input type="checkbox"/>	<input type="checkbox"/>

Executed on this day of March 2024

.....
Signature of Shareholder

NOTE:

Instructions as to completion are given below. Please delete the inappropriate words and mark 'X' in the appropriate cages to indicate your instructions as to voting.

FORM OF PROXY

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INSTRUCTIONS TO COMPLETE THE FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing in the space provided and completing the date.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 106, Havelock Road, Colombo 05, not less than 24 hours before the time appointed for holding the meeting.
4. If the form of proxy is signed by an attorney, the relative 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.

STAKEHOLDER FEEDBACK FORM

Your opinion matters, please share your views with us.

Which stakeholder group you belong to?

Employee	<input type="checkbox"/>	Shareholder	<input type="checkbox"/>	Investor Customer	<input type="checkbox"/>
Analyst	<input type="checkbox"/>	Supplier	<input type="checkbox"/>	Community	<input type="checkbox"/>
NGO	<input type="checkbox"/>	Other	<input type="checkbox"/>		

Does the report address issues of greatest interest to you?

Comprehensively	<input type="checkbox"/>	Partially	<input type="checkbox"/>	Not at all	<input type="checkbox"/>
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Please identify any additional matters that you think should be reported on?

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What was your overall impression of the report in terms of:

	Excellent	Good	Fair	Poor
1. Content and scope	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Design and Layout	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Do you have any additional comment on the report?

.....

.....

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To request information or submit a comment / query to the Company, please provide the following details and return this page to;

The Company Secretary,
Ceylinco Life Insurance Limited,
No. 106, Havelock Road,
Colombo 05,
Sri Lanka

Name :

Permanent Mailing Address :

Contact Numbers

Tel. :

Fax :

E-mail :

Name of the Company (if applicable) :

Designation (if applicable) :

Company address (if applicable) :

CORPORATE INFORMATION

REGISTERED OFFICE

No. 106, Havelock Road, Colombo 05, Sri Lanka

COMPANY REGISTRATION NUMBER

PB 5183

LEGAL FORM

A Public Company with limited liability incorporated on 22 April 2014, Licensed as a Company authorized by the Insurance Regulatory Commission of Sri Lanka (formerly known as Insurance Board of Sri Lanka) to carry on long term life insurance business under the Regulations of Insurance Industry Act No. 43 of 2000 and any amendments thereto.

MAIN PLACE OF BUSINESS :

No. 106, Havelock Road
Colombo 05, Sri Lanka
Telephone : **+94 11 4261000**
Call Centre : **+94 11 2461461 (Hotline)**
Fax : **+94 11 2437613, +94 11 2555959**
Email : **service@ceylife.lk**
Website : **www.ceylincolife.com**

PRINCIPAL ACTIVITIES

Underwriting all classes of life insurance

SUBSIDIARIES

Ceylinco Healthcare Services Limited
Serene Resorts Limited

ASSOCIATE COMPANIES

Citizens Development Business Finance PLC
Kings Hospital Colombo (Private) Limited

AUDITORS

Ernst & Young
Chartered Accountants
Rotunda Towers,
No. 109, Galle Road,
Colombo 3, Sri Lanka

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
National Savings Bank
Nations Trust Bank PLC
National Development Bank PLC

Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Union Bank of Colombo PLC
Standard Chartered Bank (Custodian Bank)
Cargills Bank PLC
Stage Mortgage & Investment Bank
Housing Development Finance Corporation (HDFC Bank)
Regional Development Bank

CONSULTING ACTUARIES

Willis Towers Watson India Private Ltd.,
Unitech Business Park, 2nd floor. Tower- B,
South City – 1, Sector 41 Gurgaon -122002,
India

ACCOUNTING YEAR END

31 December

BOARD OF DIRECTORS

Mr R Renganathan
Executive Chairman

Mr E T L Ranasinghe
Managing Director/CEO

Mr P D M Cooray
Senior Executive Director - Head of Human
Resources and Training

Mr P A Jayawardena
Senior Executive Director/ Chief Financial
Officer

Mr S R Abeynayake
Executive Director/Chief Operating Officer/
Compliance Officer

Dr Harsha Cabral PC
Independent Non-Executive Director/Senior
Independent Director (Appointed w.e.f.
22.04.2023)

Mr J Durairatnam
Independent Non-Executive Director

Mr W W L R A Fernando
Independent Non-Executive Director

Mr O G V J Senanayake
Independent Non-Executive Director

Mr H M Hennayake Bandara

Independent Non-Executive Director
(Appointed w.e.f. 22.04.2023)

Mr E R C Moraes

Independent Non-Executive Director
(Appointed w.e.f. 22.04.2023)

Mr M Ismail

Independent Non-Executive Director
(Appointed w.e.f. 22.04.2023)

Ms R J Moraes

Independent Non-Executive Director
(Appointed w.e.f. 22.04.2023)

Prof S K Chandrasekera

Non-Independent Non-Executive Director
(Appointed w.e.f. 22.04.2023)

Ms A A Ludowyke

Independent Non-Executive Director
(Appointed w.e.f. 01.07.2023)

COMPANY SECRETARY

Mr K I Weththasinghe

COMPLIANCE OFFICER

Mr S R Abeynayake

RE-INSURERS

**Münchener Rückversicherungs-
Gesellschaft**

(Munich RE) – Germany

Swiss Reinsurance Company Ltd

(Swiss Re) – Switzerland

Munich Re Retakaful -

Malaysia (Retakaful branch)

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