

BEYOND INSURANCE

A Promise for Life



CEYLINCO LIFE INSURANCE LIMITED
INTEGRATED ANNUAL REPORT 2024



**CEYLINCO
LIFE**

A Relationship For Life™



BEYOND INSURANCE

A Promise for Life

At the core of our business lies a steadfast promise: to go beyond the traditional boundaries of life insurance, catalyzing positive change and sustainable development.

Through innovative initiatives and strategic partnerships, we have championed causes that resonate with the aspirations of our society. From promoting healthcare accessibility to empowering the youth and nurturing environmental sustainability, our efforts are deeply woven into the fabric of progress.

Our commitment extends beyond financial metrics; it is about creating tangible impacts that uplift lives and pave pathways to prosperity. By investing in education, supporting the aspirations of the youth and advancing technological innovations, we enable individuals and communities to thrive in a rapidly changing world. We believe that true success is measured not just by what we achieve for ourselves, but by the legacy of empowerment and resilience we leave behind for generations.

Join us on this journey to a future where promise meets prosperity, where every life is not just insured against risk, but empowered to flourish.

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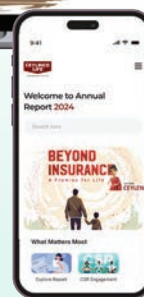
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ABOUT THIS REPORT

THIS IS THE 10TH ANNUAL INTEGRATED REPORT OF CEYLINCO LIFE INSURANCE LIMITED, TITLED 'BEYOND INSURANCE: A PROMISE FOR LIFE'

The report details Ceylinco Life's enduring pledge of value, and an impact that extends beyond the sphere of Life insurance, by positively transforming communities across the island.



Reaching out to our stakeholders through different platforms

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

SCOPE AND BOUNDARY

This integrated report provides a comprehensive account of the business activities of Ceylinco Life Insurance Limited during the financial year from 1st January 2024 to 31st December 2024. While financial aspects have been discussed from the perspective of the Group, non-financial aspects including sustainability reporting have been discussed from the perspective of the Company only. The integrated Annual Report is consistent with the usual annual reporting cycle for financial and sustainability reporting. Primarily addressed to stakeholders, this report showcases how the Company's vision articulates and drives the organisation's strategy, value creation, and stakeholder engagement within the context of an ever-evolving operating environment. In addition to the organisation's qualitative and quantitative results, this report further outlines the Company's outlook, and an assurance of its ability to generate long-term value.

To ensure that this report remains updated and relevant, significant events that occurred beyond this reporting period and up until the Board of Directors' sign-off date on 20th February 2025, have been stated herein. The report of the previous year can be accessed via the Company website on <http://www.ceylincolife.com>.

Integrated Reporting Boundary

Purpose
(page 11)

Operating Context
(pages 77-75)

Risks and Opportunities
(pages 36-38)

Material Matters
(pages 99-105)

Strategy and Business Model
(pages 107-120)

Value Creation and Governance
(pages 122-123)

Financial reporting boundary

Ceylinco Life Insurance Limited

Subsidiaries

Associates

Environmental and social reporting boundary

Shareholders

Employees

Sales Agents and Suppliers

Policyholders

Regulators

Community

Environment

Refer to page 34 for information on the SLFRS S1 and S2 standards.



SIGNIFICANT CHANGES AND RESTATEMENTS

To reflect Ceylinco Life's organisation-wide commitment towards sustainability, the Company has disclosed sustainability and climate-related disclosures, aligned with the SLFRS S1 and S2 Standards.

There were no restatements or non-financial changes regarding the Company's ownership or supply chain during the year. Additionally, no significant restatements were made in non-financial reporting, including sustainability reporting, compared to the previous year.

IMPROVEMENTS TO THE REPORT 2024

CONTENT	<ul style="list-style-type: none">Analyzing the operating environment Using PESTEL and Porter's Five Forces modelInclusion of a SWOT perspective across all strategic pillarsImproving reporting on digitalisation and cybersecurity measuresReassessing organisational risks and opportunities to identify new focus areasImproved reporting on GHG emissions (Scope wise)Reassessment of materiality topics and aligning them with ESG pillarsInclusion of the "from Our Leadership" Q&A session to ensure accountability and responsibilityConnecting SDGs with 169 targetsDefining the timelines of the strategy and disclosing the KPIs
CONNECTIVITY OF INFORMATION	<ul style="list-style-type: none">Enhanced connectivity of the report by interconnecting sections of the report to ensure transparency and accountabilityConnecting to videos of activities through QR codes
GOVERNANCE AND ACCOUNTABILITY	<ul style="list-style-type: none">Integration of SLFRS S1 and S2 StandardsIntroduction of an enhanced ESG Policy, Climate Policy and IT Governance framework
ACCESSIBILITY	<ul style="list-style-type: none">Translation of leadership messages into Sinhala and Tamil languages
DIGITAL ENHANCEMENT	<ul style="list-style-type: none">AI powered Chatbots and Virtual Advisors

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 six capitals, which comprise the organisation's partnerships, people, and resources. These capitals are deployed with the purpose of fulfilling the Company's purpose over time, and support the preservation, erosion, and creation of value 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.

Adoption of the Guiding Principles of the <IR> Framework	
Strategic focus and future orientation	<p>Establishing more focused and measurable strategic objectives, KPIs, and targets across all pillars.</p> <p>Defining time horizons to measure and manage progress more effectively.</p> <p>Including the financial implications of material matters and CRROs to ensure improved accountability and oversight.</p> <p>The strategy and resource allocation section of the report outlines a comprehensive perspective of business activities over the short, medium and long-term.</p> <p>Risks and opportunities are clearly delineated across the three major time horizons.</p>
Connectivity of information	<p>Minimising duplication of information by maintaining connectivity across the report.</p>



ABOUT THIS REPORT

Stakeholder relationships	<p>The relationship manager for each stakeholder is identified.</p> <p>The quality of engagement with each key stakeholder is assessed and disclosed.</p> <p>Key stakeholder concerns and our responses are discussed.</p> <p>Key outcomes generated for each stakeholder are disclosed.</p>
Materiality	<p>Reassessing material topics, resulting in the identification of 05 new material aspects.</p> <p>Reporting material topics in alignment with the strategic pillars.</p>
Conciseness	<p>Utilising page references to minimise the duplication of information.</p> <p>Providing a more high level perspective on the operating context.</p> <p>Relying on graphs and infographics to present information at a glance.</p>
Reliability and completeness	<p>Directors take responsibility for the integrity of the reporting content.</p> <p>Independent assurance is obtained for financial and non-financial information contained in the report.</p> <p>Different reporting frameworks on financial, non-financial and governance reporting are adhered to.</p>
Consistency and comparability	<p>Consistent application of reporting frameworks, business models, and strategic pillars.</p> <p>Providing comparative information with respect to materiality, sector information, and business performance.</p>

MATERIALITY

This integrated report is based on matters that are material to the organisation and its stakeholders, thus illustrating a double materiality perspective. During the year, the Company undertook a reassessment of its material topics, resulting in the identification of 05 new topics that pose a notable impact across its operations and key stakeholder groups in the short, medium, and long-term.

Refer to pages 99-105 for more information on the materiality process and topics.



Transparency

Reasonable steps have been taken to ensure that the report contains all pertinent information to facilitate informed decision-making. All results, whether positive or negative, have been stated accurately and with full transparency.

- Mandatory and voluntary adoption of reporting practices by the Board (page 7)
- Independent assurance (pages 273-274)



Accountability

Accountability is a key imperative, as Ceylinco Life serves as the custodian and manager of policyholder risks which have been transferred to the Company.

- Board responsibility for reported content (page 9)
- Accountability for financial reporting (page 263)



Governance

High standards and best practices in Corporate Governance are maintained across the organisation.

- A focus on ESG governance, IT governance, supported by robust policies and governance structures.
- Chairman's perspective and commitment towards governance
- Senior Independent Director's statement
- Compliance with the Code of Best Practices on Corporate Governance
- Annual Report of the Board of Directors
- Risk management practices



Sustainability

Sustainability is ingrained within the organisation, ensuring the needs of the present are balanced with the Company's ability to deliver value for the foreseeable future.

- Assurance on alignment with GRI Standards (pages 266-277)
- Chairman's perspective on sustainability practices (page 42)
- Sustainability-related policies



FORWARD LOOKING STATEMENTS

This report contains statements on the Company's outlook and future strategy. Ceylinco Life is aware that a variety of risks, uncertainties, and other unknown variables arising from the external environment could cause the actual outcomes to diverge significantly from the goals and expectations outlined in this report.

The Company does not undertake responsibility for publicly updating or disclosing any changes or adjustments to any forward-looking statements owing to potential discrepancies in circumstances or events that may arise after the reporting date.

Reporting Framework	Guiding Principles	Internal Assurance	External Assurance
Financial, Governance & Risk Management	Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	Reporting to Board Audit Committee	Independent Auditor's Report
	Regulation of Insurance Industry Act No 43 of 2000 and amendments including Guidelines, Determinations, Circulations, Rules and Regulations issued by the IRCSL	Internal Audit Internal control mechanisms	(refer to 273-274)
	The Companies Act No. 7 of 2007		Appointed Actuary's Report (refer to page 272)
	IRCSL Direction No. 2 of 2022 - Corporate Governance Framework for Insurers		
	Code of Best Practice on Corporate Governance issued by CA Sri Lanka		
Integrate 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 pages 268-269)
	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 pages 266-267)
	United Nations Sustainable Development Goals	Carbon Footprint Assessment	
	Non Financial Reporting Guideline of CA Sri Lanka		
	SASB Standards - Insurance		
	SLFRS S1 and S2 Standards (voluntary adoption)		

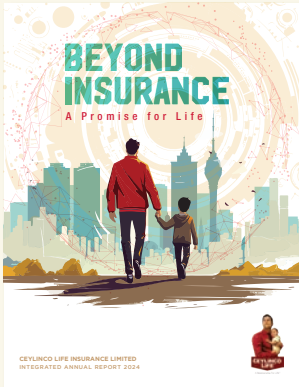


ABOUT THIS REPORT

PRECAUTIONARY PRINCIPLE

The organisation follows the precautionary principle with respect to social and environmental sustainability, and has taken tangible action to reduce any negative impact to the environment and surrounding communities.

The Company has also focused on climate change mitigation as a key focus area, while integrating Climate Risk and Related Opportunities (CRROs) into its risk management processes to drive increased environmental responsibility into its processes.



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

NAVIGATING THIS REPORT 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



SHAREHOLDERS



POLICYHOLDERS



REINSURERS



ACTUARIES



EMPLOYEES



SALES AGENTS



INDUSTRY ASSOCIATIONS



COMMUNITY AND ENVIRONMENT



SUPPLIERS



UN SDGs





BOARD 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 7. 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 20th February 2025.

Signed for and on behalf of the Board by;

R Renganathan

Executive Chairman

E T L Ranasinghe

Managing Director/Chief Executive Officer

20th February 2025

AN EXPANDING UNIVERSE OF ENGAGEMENT - CONNECTING STAKEHOLDERS THROUGH INNOVATION

BEYOND REPORTING - A DYNAMIC EXPERIENCE

In today's dynamic digital landscape, engagement is no longer a one-way conversation - it is an interactive experience that builds trust, deepens relationships, and enhances decision-making. As a leader in life insurance, we recognise that our stakeholders - both existing and potential - seek meaningful, personalised interactions that help them navigate their financial future with confidence.

Our Annual Report Universe creates a holistic, multi-platform ecosystem that brings our financial performance, strategic direction, and commitment to stakeholders into sharper focus. By integrating digital innovation with traditional reporting, we ensure our stakeholders are empowered with insights that drive informed decisions.



A key component of this experience is **our Interactive Need Analysis Tool**, accessible via a **QR link** within the report. This cutting-edge feature enables potential policyholders to assess their life insurance needs through an intuitive, personalized journey, ensuring that their financial security is tailored to their unique circumstances. By transforming engagement into an active, dynamic experience, we strengthen our relationship with every stakeholder, ensuring they feel informed, valued and empowered.

Beyond our Annual Report, our engagement strategy extends across multiple channels, including:



Digital platforms A seamless web and mobile experience offering interactive data visualisations, dynamic content and AI-driven insights.



AI-Powered Chatbots & Virtual Advisors Offering instant responses and guided advisory, ensuring clarity and ease of access to key financial insights.



Annual Report video which highlights our impact across many dimensions, providing a quick overview of our journey.

By embracing a multiplicity of platforms, we are not just reporting on our progress - we are inviting stakeholders to be a part of our journey. This deep level of engagement builds a foundation of trust, ensuring that our policyholders, investors, employees, and partners feel heard, valued, and empowered.

At the core of our strategy is a commitment to innovation, accessibility, and impact. Through digital transformation and interactive

engagement, we are shaping the future of life insurance, making protection and financial security more relevant, intuitive and personalised than ever before.

This is more than an Annual Report-it is an evolving dialogue, an open invitation and a testament to our dedication to those we serve.

Welcome to a universe of enduring connections.



**BEYOND
INSURANCE**

1

BUILDING A SUSTAINABLE FUTURE

Our purpose extends beyond insurance it is about securing lives, fortifying economies and safeguarding the future. Our sustainable investment strategies drive economic stability, while our commitment to environmental and social responsibility empowers communities. We are not just insuring lives, we are shaping a future where security, sustainability and trust define prosperity.

36 YEARS OF TRUST, PROTECTION AND PROMISE

1962

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

1987

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

1991

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

1993

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

2001

Launched Pranam Scholarships for the first time

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

36 YEARS

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

1980

Ceylinco Insurance Company Limited was incorporated

1988

Ceylinco Insurance Co. Limited commenced operations on 14th January 1988 and was 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

1992

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

1998

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

2004

Recognised as the 'No. 1 Service Brand in Sri Lanka' at SLIM Brand Excellence Awards. Achieved market leadership in the country's life insurance industry

2014

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

2016

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

2019

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

2021

Won Gold Award for the 'Service Brand of the Year' at SLIM Brand Excellence Awards
GWP crossed the Rs. 25 Bn mark

2023

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

MILESTONES

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

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

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

2020

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

2022

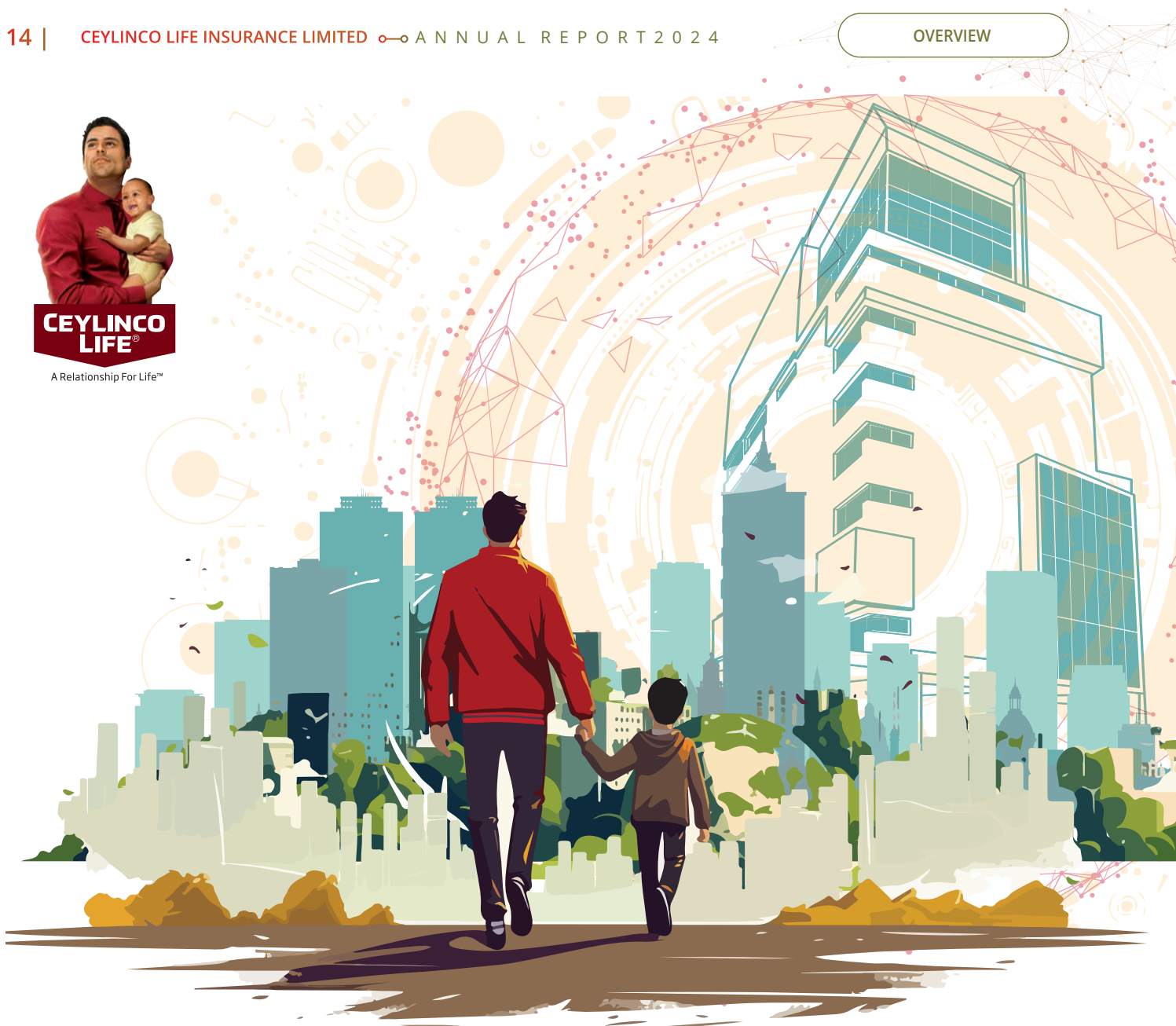
Won the 'Brand of the Year' at SLIM Brand Excellence Awards

2024

Achieved 21 years of undisputed market leadership with Rs. 37 Bn in premium income and with an asset base of over Rs. 250 Bn.

Profit before tax exceeded Rs.10 Bn for the 1st time in history.

Paid a record total of Rs. 25 Bn in customer claims and benefits.



VISION

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



MISSION

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.



OUR VALUES

P

PROFESSIONALISM

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

R

REWARDING

customers, sales force, and staff for their dedication and loyalty.

I

INTEGRITY

in everything we do, individually and collectively.

D

DEDICATION

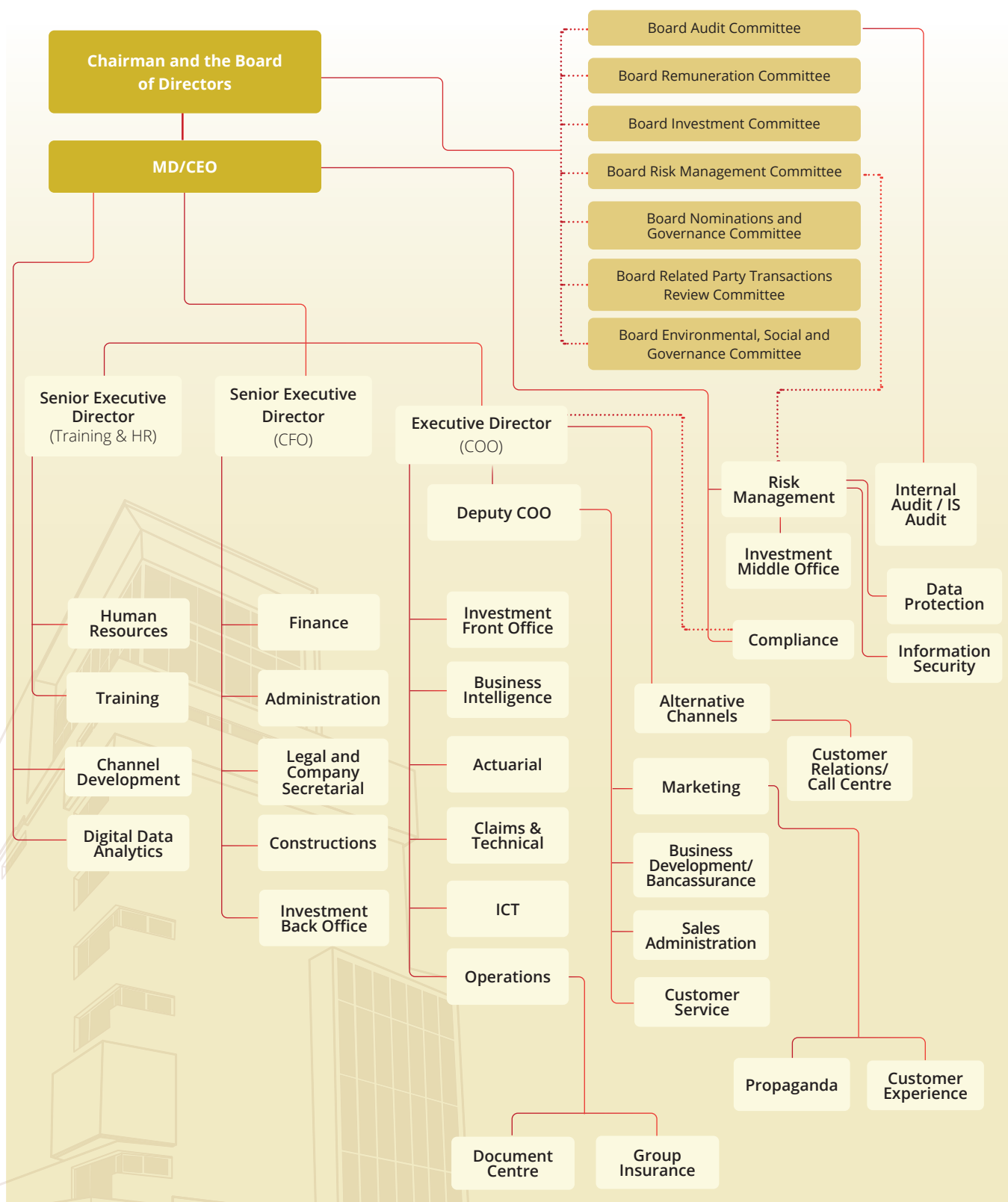
in communicating the importance of Life Insurance and Retirement Planning to every Sri Lankan.

E

EXCELLENCE

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

ORGANISATION STRUCTURE



FINANCIAL HIGHLIGHTS

Year Ended 31 December	Company		
	2024	2023	Change
	Rs.'000	Rs.'000	%

Results for the Year

Gross Written Premium	37,140,416	33,411,394	11.16
Net Claims / Net Benefits	25,048,619	23,135,049	8.27
Increase in Long Term Insurance Fund	23,051,748	23,015,741	0.16
Investments and Other Income	28,408,237	27,991,107	1.49
Shareholder Transfer	3,006,999	1,977,222	52.08
Profit Before Taxation	10,052,081	8,439,753	19.10
Profit After Taxation	7,071,487	5,801,833	21.88

Position at the Year End

Shareholder's Equity	60,745,459	54,373,319	11.72
Long Term Insurance Fund	180,895,714	157,537,917	14.83
Investments	222,508,618	198,100,449	12.32
Total Assets	251,437,154	224,746,298	11.88

Per Ordinary Share

Earnings (Basic) (Rs.)	141.43	116.04	21.88
Final Dividends - Proposed (Rs.)	17.70	15.00	18.00
Final Dividends - Paid (Rs.)	15.00	15.75	(4.77)
Net Asset Per Share (Rs.)	1,214.91	1,087.47	11.72

Ratios

Return on Total Assets %	2.81	2.58	8.95
Return on Equity %	11.64	10.67	9.10
Dividend Cover on Proposed Dividend (Times)	7.99	7.74	3.29
Dividend Payout Ratio on Proposed Dividend %	12.52	12.93	(3.19)

Capital Adequacy

Total Available Capital (TAC) (Rs. Mn)	100,833	90,077	11.94
Risk Based Capital Requirement (RCR) (Rs. Mn)	22,496	26,174	(14.05)
Risk-based Capital Adequacy Ratio (CAR)	448%	344%	30.24
Minimum CAR (%) Required by Regulator	120%	120%	

NON- FINANCIAL HIGHLIGHTS

Environment	GRI Relevance	Unit of Measure	2024	2023
Electricity Consumption	302-1	MWh	1,440	1,479
Fuel Consumption	302-1	Liters	176,040	165,996
Water Withdrawal/Consumption	303-3, 303-5	Liters	24,716	23,704
Direct GHG emissions (Scope 1)	305-1	tCO2e	247.74	320.27
Energy indirect GHG emissions (Scope 2)	305-2	tCO2e	616.22	634.14
Other indirect GHG emissions (Scope 3)	305-3	tCO2e	1,999.18	2,134.22
Total GHG emissions		tCO2e	2,864	3,090
Weight of waste paper recycled through 3rd party contractors		Kg	6,102	11,739
Significant environmental fines		Rs.Mn	Nil	Nil
Social	GRI Relevance	Unit of Measure	2024	2023
Inclusive Protection and Solutions				
Non-compliance with social and economic laws and regulations		Count	Nil	Nil
Non compliance concerning product and service information and labelling:	417-2	Count	Nil	Nil
Incidents of non-compliance concerning marketing communications:	417-3	Count	Nil	Nil
Customer complaints as a percentage of active policies		%	0.07	0.04
Empowering People				
New employees	401-1	Count	92	85
Employee turnover	401-1	Count	103	96
Total employees		Count	729	740
Estimated Value of Defined Benefit Plans	201-3	Rs. Mn	2,667	1,869
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	Count	19.87	18.7
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 labour	409-1	Count	Nil	Nil
Trusted Partnerships				
Number of Pragma Scholarship recipients		Count	152	152
Value of Pragma Scholarships granted		Rs.Mn	22	22
Number of sales agents		Count	2,577	2,939
Female representation in agency force		%	54	55
Number of MDRT qualifiers		Count	313	302
Premium ceded to reinsurers		Rs.Mn	550	640
Number of new policies issued		Count	61,325	79,636
Resilient Communities				
Number of Waidya Hamuwa programs conducted		Count	12	10
Number of classrooms developed		Count	2	2
Governance	GRI Relevance	Unit of Measure	2024	2023
Direct Economic Value Added	201-1	Rs. Bn	65	61
Incidents of violation of corporate code of conduct and ethics		Count	Nil	Nil
Non-compliance with social and economic laws and regulations		Count	Nil	Nil
Non-Executive Directors : Executive Directors		Ratio	10:05	10:05
Female representataion in the Board		%	13.3	13.3
Reported incidents of corruption		Count	Nil	Nil

KEY BOARD DECISIONS

01

February 2024

- Performance appraisal of Managing Director/CEO
- Discussed 3 years Business Plan
- Approval of Audited Financial Statements for the year ending 31/12/2023 and review of Budgets for 2024
- Establishment/review of new/existing Policies.
- Board & Sub-committee evaluations
- Review of Board self-assessments, independence and fit and proper criteria
- AGM related matters- Dividends/re-election etc...

02

April 2024

- Change of Compliance Officer
- Appointment of Data Protection Officer
- Discussion of SLFRS 17 Project
- Discussion of Key IT Projects

03

July 2024

- Discussed the FIU onsite inspection report and reviewed the AML & CTF Policy
- Approved authorised Counterparty and Investment Limits for 2024/2025 period
- Establishment of new policies as envisaged under CSE rules.

04

October 2024

- Establishment of ESG Committee and approval of its TOR
- Data Protection implementation program was reviewed
- Review and approval of Investment related policies.
- Discussed the framework for corporate objectives, annual goals and budgets with the Company's business plan

05

December 2024

- Approval of 2025 Budget
- Notification of resignation of a Non-executive Director and recommendation for the appointment of a Non-Executive Director
- Training session on Anti-Corruption Act No.9 of 2023 for Directors
- Reviewed the status update on SLFRS 17 Implementation.



AWARDS AND ACCOLADES

Ceylinco Life's legacy of excellence is reflected in its unwavering commitment to both exceptional service and outstanding reporting, earning continuous recognition through prestigious awards.



World Finance Awards

- 01 Best Life Insurer in Sri Lanka

SLIM Awards

- 02 Most Popular Life Insurance Company in Sri Lanka - SLIM KANTAR Peoples Awards
- 03 Local Brand of the Year - Silver
- 04 Service Brand of the Year - Bronze

SAFA (South Asian Federation of Accountants) Awards

- 08 Best presented Annual Report -Life Insurance Category - Bronze

ACCA Sri Lanka Sustainability Reporting Awards

- 05 Runner-up- Other Financial Services Category

CMA EXCELLENCE IN INTEGRATED REPORTING AWARDS

- 09 First Runner up - Insurance Category
- 13 TOP Ten Excellent Annual Report



ARC – The MerComm Annual Report Competition

- 10 Design and Graphic – Gold
- 11 Script and Writing - Bronze
- 12 Specialised Annual Report – Bronze

TAGS Awards The Institute of Chartered Accountants of Sri Lanka

- 06 Insurance Sector - Silver Award (Gross Premium above LKR 10BN)
- 07 Special Awards Category Corporate Governance Disclosure - Financial Sector Joint Winner - Bronze
- 14 Digitally Transformative Reporting
- 15 Sustainability Reporting
- 16 Integrated Reporting

Winner of Certificate of Recognition

OUR IMPACT STORY

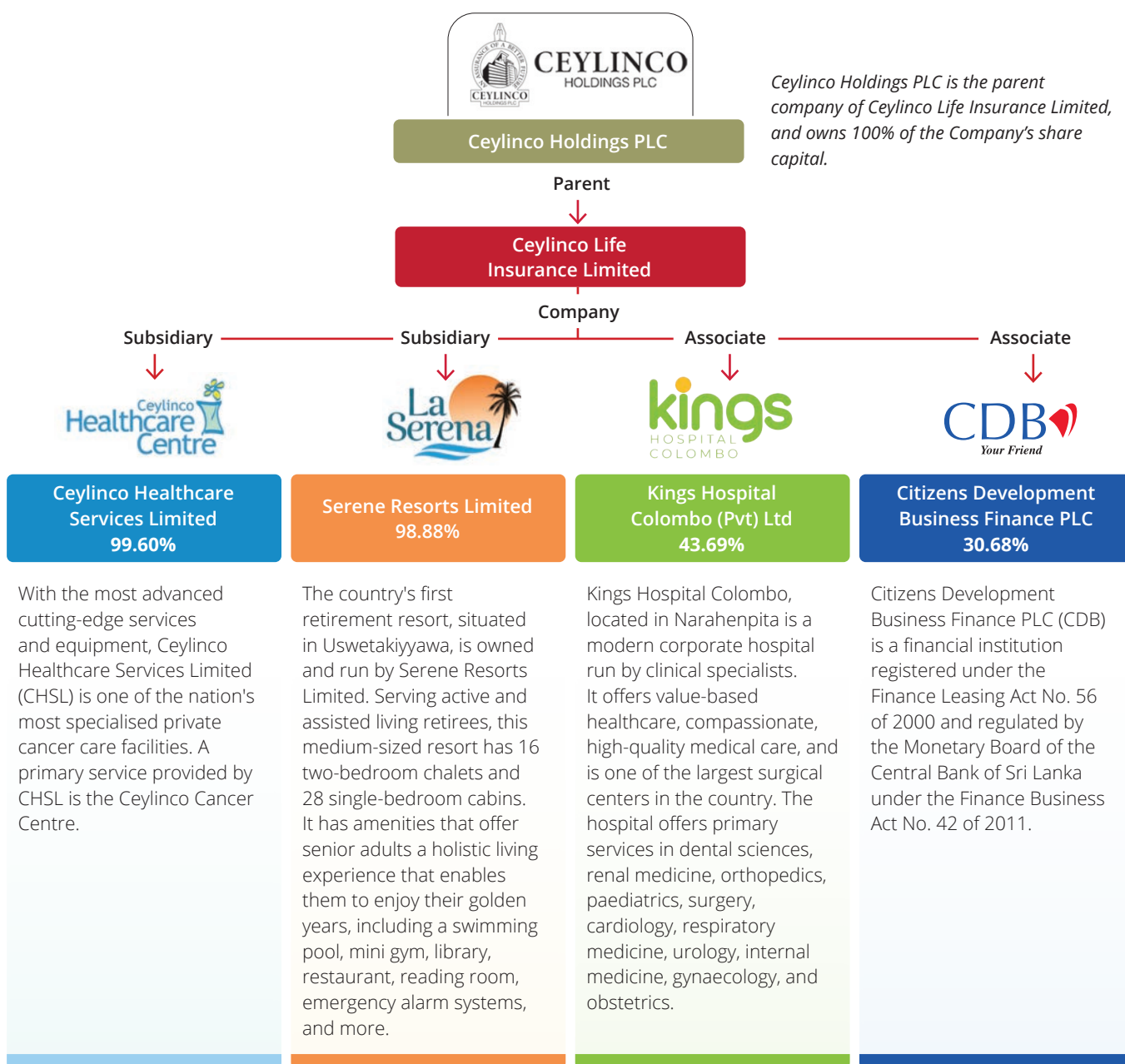
AN IMPACTFUL STRUCTURE

Ceylinco Life Insurance Ltd (CLIL) is a fully-owned subsidiary of Ceylinco Holdings PLC (CHPLC), formerly known as Ceylinco Insurance PLC (CIPLC). Operating as the life insurance division of CIPLC, the organisation began its operations in 1988. In response to Section 53 of the Regulation of the

Insurance Industry (Amendment) Act No. 03 of 2011, which mandates the separation of life and general insurance businesses, Ceylinco Life Insurance Ltd. was established on April 22, 2014, and commenced operations on June 1, 2015.

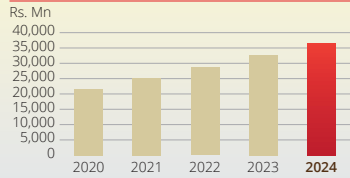
Since then, the Company's structure has continuously grown and evolved to offer a wide range of services that offer

comprehensive protection. In addition to being a leading provider of life insurance, Ceylinco Life's subsidiaries and associate companies offer retirement communities, healthcare solutions, and financial services, with the overarching aim of safeguarding stakeholders, improving their standard of living, and uplifting their future.

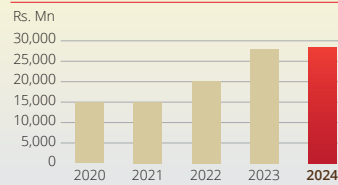


DISTRIBUTING ECONOMIC VALUE

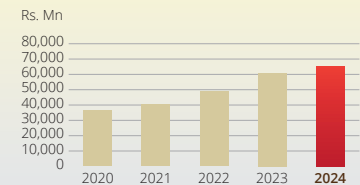
NET EARNED PREMIUM



INVESTMENT & OTHER INCOME



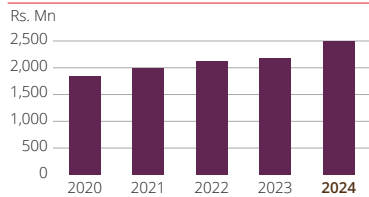
TOTAL VALUE ADDED



$$\text{Rs. 36.59 Bn} + \text{Rs. 28.41 Bn} = \text{Rs. 65.00 Bn}$$

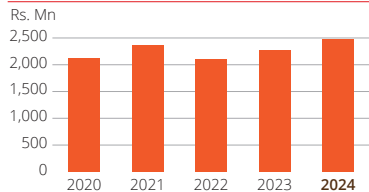
Net Earned Premium + Investment & Other income = Value Added

REMUNERATION TO EMPLOYEES



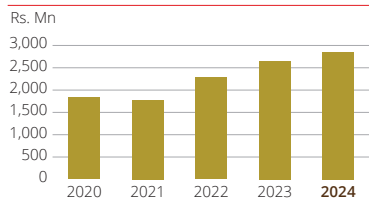
5%

COMMISSION TO INTERMEDIARIES



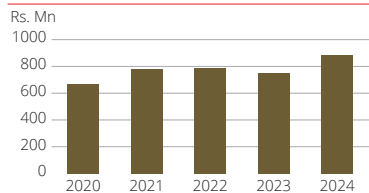
5%

TAXES TO GOVERNMENT



6%

DIVIDEND TO THE SHAREHOLDER

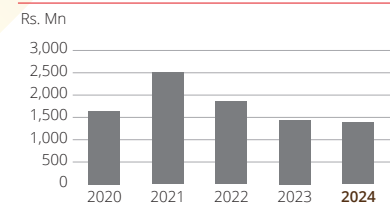


2%



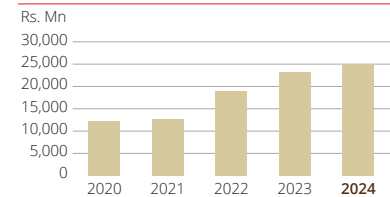
- Net Claims and Benefits to Policyholders
- Increase in the Life Insurance Fund
- Retained as Reserves for Growth
- Taxes to the Government
- Remuneration to Employees
- Commission to Intermediaries
- Dividend to the Shareholder
- Other Expenditures
- Retained as Depreciation & Amortization

OTHER EXPENDITURES



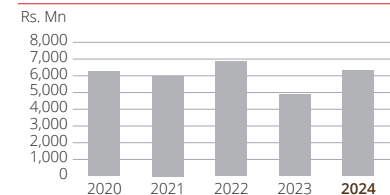
3%

NET CLAIMS AND BENEFITS TO POLICYHOLDERS



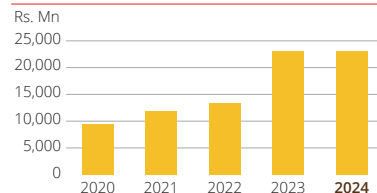
51%

RETAINED AS RESERVES FOR GROWTH



13%

INCREASE IN THE LIFE INSURANCE FUND



47%

RETAINED AS DEPRECIATION & AMORTIZATION

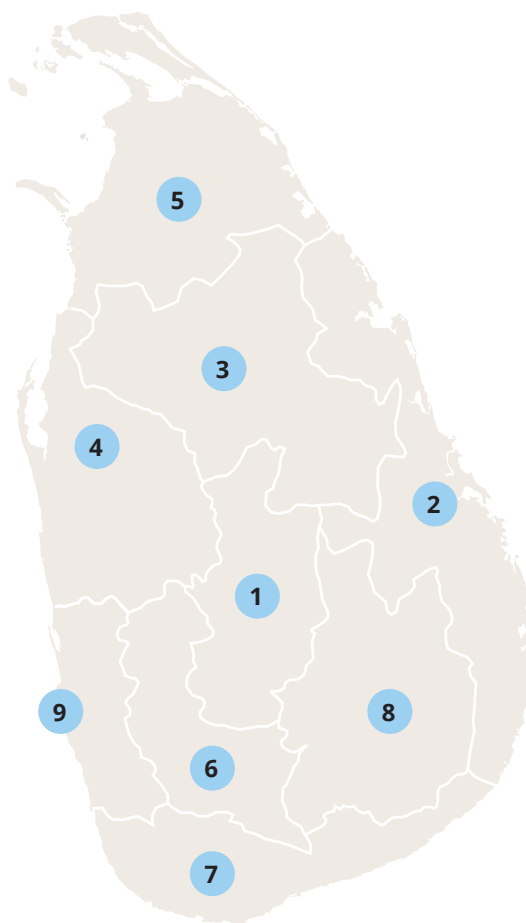









1%

OUR IMPACT STORY

AN INFLUENTIAL PRESENCE

With an influential presence across the nation, our extensive branch network serves as a catalyst for sustainable growth. Our commitment to green buildings and renewable energy is reflected in our expanding solar power generation, reducing our carbon footprint while enhancing energy efficiency. Through initiatives like rainwater harvesting and water recycling, we actively conserve natural resources, reinforcing our dedication to environmental stewardship. Beyond infrastructure, our people remain at the heart of our impact. Our employees drive innovation, while our strong supplier partnerships ensure responsible and ethical business practices. Together, we are shaping a sustainable future for all.



								
	Province	Branches	Green Buildings	Solar Generation (kWh)	Rainwater Harvesting (Ltrs)	Water Recycling (Ltrs)	Employees	Suppliers
1	Central Province	10	2	61,930	77,000	66,000	52	112
2	Eastern Province	9	2	28,740	308,000	-	31	79
3	North Central Province	12	1	69,590	-	-	42	95
4	North Western Province	19	3	78,320	154,000	-	63	135
5	Northern Province	9	2	86,860	462,000	66,000	41	104
6	Sabaragamuwa Province	12	1	32,010	154,000		56	78
7	Southern Province	15	3	109,590	-		53	186
8	Uva Province	7	1	3,600	154,000	594,000	22	71
9	Western Province	34	15	637,020	1,617,000	594,000	369	835
	Total	127	30	1,107,660	2,926,000	1,320,000	729	1,695

Refer the Strategy and Resource Allocation section for more information on how the Company integrates SDGs into its resource and capital allocation considerations (pages 107-120)








DRIVING SUSTAINABLE DEVELOPMENT

The organisation's holistic perspective on doing business ensures that it measures its performance against the UN Sustainable Development Goals. This year, Ceylinco Life has reported its impact in line with the 169 individual SDG targets to provide a clearer definition of its overall contribution to sustainable development.



As a trusted life insurer, we are proud to contribute to 15 of the 17 UN Sustainable Development Goals (SDGs), reinforcing our role in building a more resilient and sustainable future.

Visit the UN SDG website for more information on the 169 specific targets.

SDGs	Contribution	Relevant SDG Target	Progress in 2024	Future Plans	Priority Level	Relevant UNGC 10 Principles	Strategic Pillars
	Improving social security by providing financial protection against eventualities Generating opportunities within communities to improve their livelihoods	1.3, 1.5 1.1, 1.2	Safeguarding 61,325 new lives through insurance solutions Providing employment to 92 employees Partnering with 713 suppliers	Special focus on generation of employment opportunities in rural areas Engaging small-scale suppliers and helping them to grow		1,6,7	 
	Assisting in increasing agricultural productivity, improving food security, and sustainable food production	2.4	Distributing 818 food seed packets among policyholders and the community	Continuation of distribution of food plant seeds		7,8	



Financial Performance



Environmental Sustainability



Social Responsibility



Corporate Governance



Low






















Medium














High

OUR IMPACT STORY

SDGs	Contribution	Relevant SDG Target	Progress in 2024	Future Plans	Priority Level	Relevant UNGC 10 Principles	Strategic Pillars
	<p>Promoting good health and wellness through CSR activities, and offering financial risk protection through medical and insurance covers</p> <p>Promoting mental health and well-being across the workforce</p> <p>Contributing to national health and well-being through a strong presence in the healthcare and elderly care sectors</p>	<p>3.4</p> <p>3.8</p>	<p>Conducting 12 health camps with 2,609 participants</p> <p>Maintaining HDUs at 05 state-sector hospitals across the island</p> <p>Implementing policies and procedures related to work-life balance.</p> <p>Conducting 2 seminars and workshops to create awareness on mental health.</p> <p>Partnering with a dedicated counsellor to address employee mental health concerns.</p> <p>Related entities Kings Hospital, and the Ceylinco Cancer Centre enhanced support towards preventing and treating of non-communicable diseases. Serene Resorts promotes healthy lives and well-being among the elderly.</p>	<p>Creating awareness about the impact of Non-Communicable Diseases (NCD's) and educating communities about NCD's preventive and control measures.</p> <p>Promotion of organic gardening in Company premises</p>		1,6,7	
	<p>Supporting Primary and Secondary education in schools by providing scholarships and developing infrastructure</p>	4.1	<p>Providing 152 Pranama Scholarships</p> <p>Investing in maintaining infrastructure through classroom projects</p>	<p>Maintenance and upkeep of donated classrooms</p> <p>Promotion of education-based Insurance products</p>		1,6,10	
	<p>Promotion of gender balance in the workplace</p> <p>Empowering women through financial services</p>	<p>5.1</p> <p>5.5</p>	<p>Implementing inclusive policies and focusing on fostering a non-discriminatory environment within the workplace.</p> <p>Ceylinco Life Saubhagya is an insurance product dedicated towards uplifting women and supporting their stability and livelihoods.</p>	<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>		1,6	

SDGs	Contribution	Relevant SDG Target	Progress in 2024	Future Plans	Priority Level	Relevant UNGC 10 Principles	Strategic Pillars
	Minimising water wastage while expanding water harvesting and increasing water recycling	6.3, 6.4	1,320,000 litres of water recycled 2,926,000 litres of rainwater harvested 4246000 litre of water saved	Expanding sewerage recycling plants Encouraging staff to follow eco-practices to preserve water		7,8,9	
	Reducing the usage of non-renewable energy across business operations and beyond	7.1, 7.2	Investing Rs. 2.0 Bn in the DFCC Green bond 1,107.64 MW of renewable energy generated Rs. 26 Mn invested in installing solar panels	Adding 03 new buildings to generate 1.1 Gw Further plans to engage in sustainable investments		7,8,9	
	Offering a best-in-class workplace for individuals to promote equitable personal and professional growth	8.5, 8.6	114 employees promoted 100% of employees given bonuses 1:1 salary ratio for men:women	Improving female representation in employee cadre		1,2,3,4,5 6,10	 
	Support national economic growth via the Company's value chain and recruitment of youth	8.2, 8.3	Invested Rs. 92.6 Mn in facilitating 14,482 training hours 55% of new recruits within the ages of 18-25				
	Engaging in safe, responsible labour practices	8.8	713 suppliers onboarded				
	Offering access to insurance services across society	8.10	Zero instances of human rights or HR violations Over 793,132 lives protected across the island				

OUR IMPACT STORY

SDGs	Contribution	Relevant SDG Target	Progress in 2024	Future Plans	Priority Level	Relevant UNGC 10 Principles	Strategic Pillars
	Investing in the largest and most geographically widespread branch network in the life insurance sector, and developing sustainable infrastructure	9.1, 9.4	127 branches 30 green buildings Rs. 26.1 Mn invested in infrastructure development	Expansion of owned branches Special focus on digitally-enabled insurance solutions and operations		7,8,9	  
	Providing equitable opportunities for all regardless of race, gender, religion, or caste	10.2, 10.3, 10.4	43:57 ratio of male:female recruits	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		1,3,6,8,10	
	Reducing consumption of natural resources and engaging in the responsible management of waste	12.2, 12.5, 12.6, 12.7, 12.a	6,102 kg of paper recycled 0.5 Mn kg of a4 converted papers saved 5,824 trees saved 4,246,000 litres of water saved 1,107.64 MW of electricity conserved	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			

SDGs	Contribution	Relevant SDG Target	Progress in 2024	Future Plans	Priority Level	Relevant UNGC 10 Principles	Strategic Pillars
	Installing solar powered units across the branch networks Striving to minimise the carbon footprint by managing emissions and fuel consumption	13.1, 13.2, 13.3	115.4 kW of solar power added to the branch network 7.3% reduction in CO ₂ emissions	Increasing awareness of staff on eco-practices Transforming in to new Green Branches More focus on eco-friendly initiatives in supplier evaluation		7, 8, 9	 
	Safeguarding coastal ecosystems, minimising pollution and reducing the use of plastic	14.1, 14.2	Beach cleanup conducted Implementing policies to reduce the use of polythene and plastic within the organisation	Continuation of beach clean-up programs		7, 8	
	Engaging in habitat restoration and shifting towards paperless operations	15.1, 15.2, 15.a, 15.4	5,000 trees planted 0.5 Mn kg of paper saved	Planting 10,000 trees across 10 acres within the Rajawaka forest reserve in the Balangoda Region		7, 8, 9	
	Promoting ethical, corruption-free, transparent business practices and fostering a culture of compliance	16.3, 16.5, 16.6, 16.7, 16.b	Integrating responsible governance practices through wide-ranging policies and procedures (refer pages 205-240) Maintaining compliance with regulatory bodies (refer page 95)	Increasing awareness of ethics and best practices System improvements to monitor and report on compliance		1, 2, 3, 4, 5, 6, 10	 



Financial Performance



Social Responsibility



Environmental Sustainability



Corporate Governance



Low



Medium



High

ESG INTEGRATION

CEYLINCO LIFE'S ESG JOURNEY

From Giving Back

Contributing to society due to the Company's success via:

Philanthropy

CSR Activities

To Creating Shared Value

Achieving long-term success by contributing to society via:

Integrating Governance and Sustainability

Upholding Fiduciary Duty



ESG COMMITMENT

Ceylinco Life has long been deeply committed towards building a long-term sustainable business, built on the Company's purpose, outlined on page 11 of this report.

This is evidenced by a robust ESG Policy, which is in turn reinforced by stringent governance structures, forward-thinking strategies, and holistic targets which govern all aspects of the entity's operations.

Refer to the Corporate Governance report for ESG Committee Roles and Responsibilities (page 261)

ESG GOVERNANCE

As Ceylinco Life's highest governance level, the Board of Directors is responsible for overseeing the development and adoption of the Company's sustainability strategy and related policies. Accordingly, detailed responsibilities have been assigned to the Board ESG Committee.

The Board ESG Committee comprises all 5 Executive Directors of the Company. Three sub-committees (Environment Sub-Committee, Social Sub-Committee,

Governance Sub-Committee) comprising representatives from each department have been established to oversee the achievement and implementation of ESG aspects across the Company. The sub-committees are responsible for identifying Sustainability-related Risks and Opportunities (SRROs) to the Board across their respective areas. These will in turn be escalated to the Board to drive strategy development and their necessary action.

Refer to Our Strategy Towards Identifying Climate-Related Risks and Opportunities (CRROs) (pages 36-38)

Refer to Board Oversight Role and the Management's Role of ESG governance (page 216)

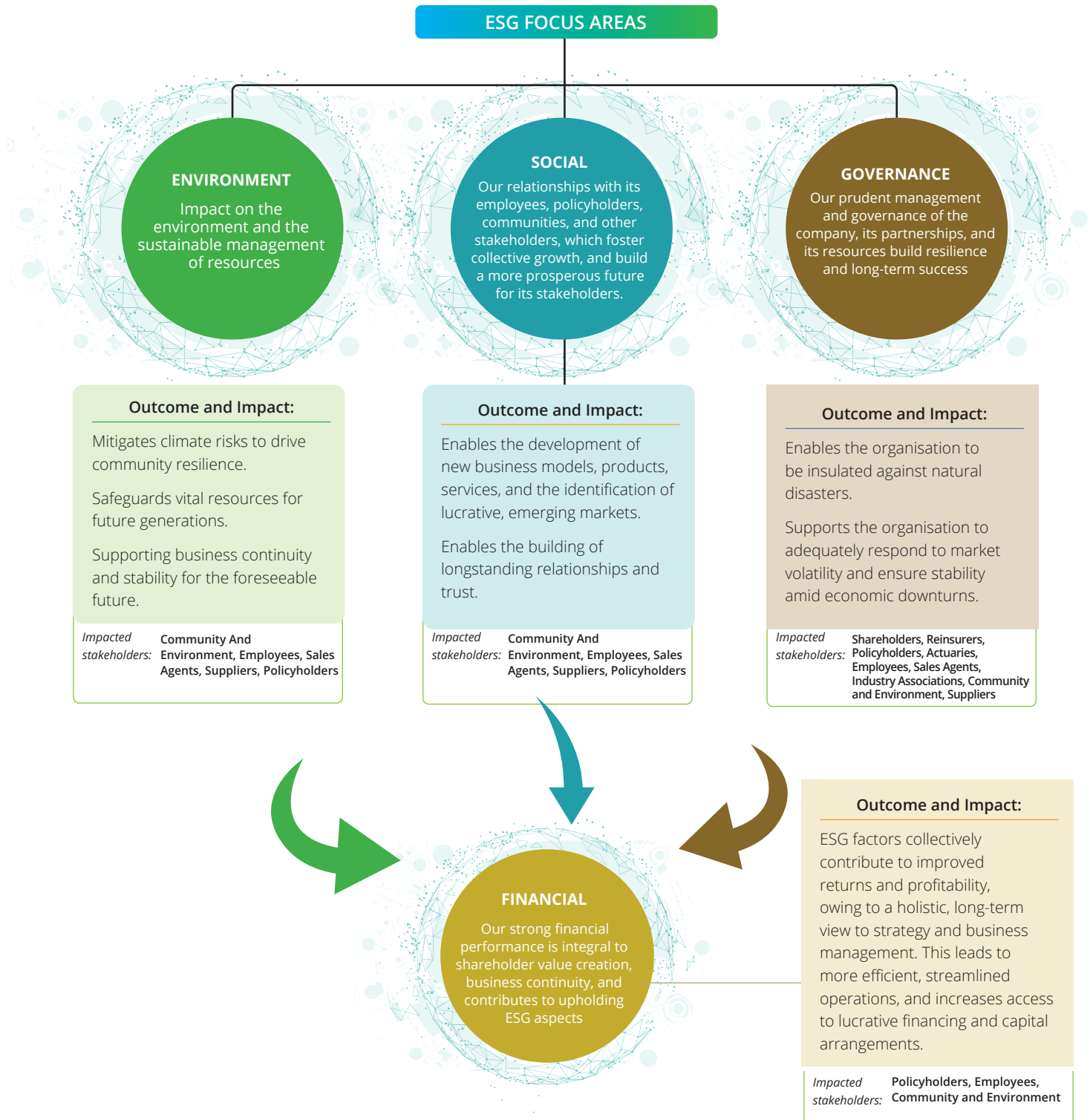


THE ESG FRAMEWORK

Ceylinco Life's ESG Framework is used across the board to assess and evaluate the sustainability and ethical practices of the Company and its investments. It is driven by an overarching ESG vision and mission, and encompasses the following core focus areas which are strongly linked with the organisation's financial stability, while enabling stakeholder value as outlined below:

Refer to Strategy and Resource Allocation for the strategic objectives under each pillar (pages 107-120)

Refer to Our Impact Story for Ceylinco Life's sustainable impact beyond the value chain (pages 22-25)



ESG INTEGRATION

ESG ROADMAP FOR CEYLINCO LIFE (2024-2028 AND BEYOND)

2024:

Strengthening ESG Governance & Compliance

- Conduct an ESG performance review and identify gaps.
- Timelines for the ESG based strategic pillars were defined.
- The ESG based strategic pillars were revisited and the goals, objective and the KPIs were reset based on the gap analysis.
- The ESG materiality topics were reassessed and identified.
- Align reporting with S1 & S2 (Voluntarily), reporting on GRI standards, and other compliance requirements.
- Re-designing the Board ESG committee and define the roles and responsibilities.
- Empower ESG sub-committee for accountability by re-defining the roles and responsibilities.
- External Assurance on Sustainability Reporting.

2026:

Expanding Impact & Innovation

- Offer sustainable insurance products (e.g., eco-friendly policy incentives).
- Strengthen partnerships with institutions e.g. NGOs for social impact initiatives.
- Integrate climate risk assessment in underwriting.

2025:

Embedding ESG into Core Insurance Operations

- Offer sustainable insurance products (e.g., eco-friendly policy incentives).
- Strengthen partnerships with institutions (e.g. NGOs for social impact initiatives).
- Integrate climate risk assessment in underwriting.

2027:

Future-Ready ESG Transformation

- Integrate mental health and well-being into life insurance coverage.

2028 and Beyond

Future-Ready ESG Transformation

- Leverage AI and big data for ESG risk modelling.
- Investing in EVs for the company vehicle.

NAVIGATING THE PATH TO SUSTAINABILITY: VOLUNTARY ADOPTION OF SLFRS S1 AND SLFRS S2

As sustainability reporting becomes a critical aspect of corporate transparency, Ceylinco Life has taken a proactive step by early adopting the Sri Lanka Sustainability Disclosure Standards – SLFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and SLFRS S2

(Climate-Related Disclosures). While these standards officially come into effect on January 1, 2025, the Company has embraced them ahead of schedule, reinforcing the Company's commitment to sustainability, accountability, and long-term value creation.

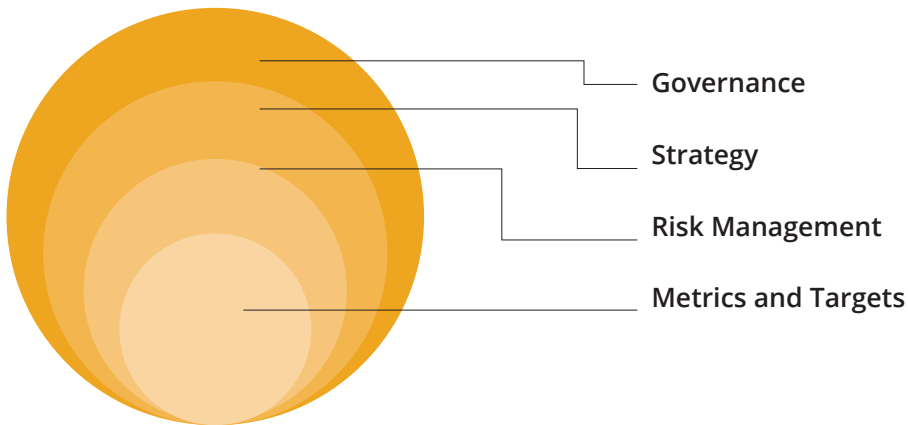
These standards are designed to meet investor information needs, with investors defined as both current and potential stakeholders, including

creditors. In SLFRS terminology, these individuals are considered the primary users of general-purpose financial reports.

SLFRS S1 & SLFRS S2 VS. OTHER SUSTAINABILITY FRAMEWORKS

Criteria	SLFRS S1 & SLFRS S2	Other Sustainability Frameworks
Focus	Financial impact of sustainability-related risks and opportunities	Broader sustainability goals for global prosperity
Key Objective	Assess effect of sustainability on cash flows, funding and capital costs.	Promote responsible business practices and long-term environmental and social well-being
Regulatory Alignment	Aligned with ISSB's IFRS S1 & S2 for financial reporting integration	Includes frameworks like GRI, SASB, and SDGs
Scope	Emphasizes financial materiality (impact of sustainability on financial performance)	Covers both financial and non-financial materiality (impact of business on society and environment)
Primary Users	Existing and potential investors, lenders, and other creditors.	Governments, NGOs, regulators, and broader stakeholders
Reporting Areas	Governance, strategy, risk management, metrics & targets	Economic, environmental, and social impacts
Application in Sri Lanka	Tailored to Sri Lankan financial reporting requirements	Used for voluntary or industry-specific disclosures

Core elements of SLFRS S1 and SLFRS S2



Governance	Investors need insight into the company's governance structures, policies, and processes for managing sustainability-related risks and opportunities.	Pages 30, 216
Strategy	Companies must disclose their strategies for addressing sustainability-related risks and opportunities.	Pages 36-38
Risk Management	Investors must understand how a company identifies, evaluates, prioritises, and monitors sustainability-related risks and opportunities to assess overall risk exposure.	Pages 76-89
Metrics and Targets	Companies should report on their sustainability performance, including progress toward regulatory or self-imposed targets.	Pages 163, 165

ESG INTEGRATION

Core content of SLFRS S1 and SLFRS S2

Content	Reference from the Annual Report	Reference from the SLFRS S1 and SLFRS S2	Note
Identifying sustainability-related risks and opportunities. Climate Related Risks and Opportunities <ul style="list-style-type: none"> Climate-related physical risks. Climate-related transition risks. Climate-related opportunities. 	pages 36-38	SLFRS S1 (Sec 43-44) SLFRS S2 (Sec 3-4)	Insurance Industry-based Guidance to identify sustainability related disclosure topics and metrics CRROs identified based on SLFRS S2
Determining material information (including metrics)	Materiality Assessment pages 99-106	SLFRS S1 (Sec 17-19)	An entity shall disclose material information about the sustainability and climate related risks and opportunities that could reasonably be expected to affect the entity's prospects
Disclosure locations and reporting timelines	pages 33,30,216, 36,37,38,87,88,163,165	SLFRS S1 (Sec 60-69)	SLFRS S1 and S2 disclosures are produced as a part of general purpose financial statements.
Comparative reporting requirements	Not reported. Transition relief applied	Transition relief applied -SLFRS S1 Appendix E: Sec (E6) Transition relief applied -SLFRS S2 Appendix C: Sec (C3)1 applied - SLFRS S2 (C3)	An entity is required to disclose comparative information for all amounts reported in the current period, based on the preceding period. If it helps users better understand the sustainability-related financial disclosures, the entity must also provide comparative information for narrative and descriptive sustainability-related financial data.
Compliance statements	pages 261 Statement of Directors Responsibility for Environment,Social and Governance	SLFRS S1 (Sec 72-73)	An entity whose sustainability related financial disclosures comply with all the requirements of SLFRS Sustainability Disclosure Standards shall make an explicit and unreserved statement of compliance. Third-party assurance for SLFR S1 and S2 will be obtained from 2025.
Addressing judgements, uncertainties and errors	Climate Policy pages 36-37	SLFRS S1 (Sec 74-86)	In preparing the climate related disclosures under SLFRS S2, the Company has used judgement in assessing CRROs that are material to the Company. Uncertainties were identified when calculating GHG emissions related to stand by generators, employee commuting and freight road transport sources. No errors were observed

Core content of SLFRS S1 and SLFRS S2

Content	Reference from the Annual Report	Reference from the SLFRS S1 and SLFRS S2	Note
Transition reliefs		<p>Transition relief applied - SLFRS S1 (E1-E6)</p> <p>Transition relief applied - SLFRS S2 (C3-C5)</p>	<p>Climate-first reporting - SLFRS S1 permits an entity to disclose information on only climate related risks and opportunities (in accordance with SLFRS S2) in the first annual reporting period in which that entity applies SLFRS S1.</p> <p>Comparative reporting – See above (Comparative reporting requirements)</p> <p>GHG emissions - In the first annual reporting period of applying this standard, entities are granted two reliefs:</p> <p>- Alternative GHG Measurement</p> <p>If an entity previously used a different method instead of the Greenhouse Gas Protocol (2004) to measure emissions, it could continue using that method.</p> <p>- Scope 3 Emissions Exemption</p> <p>Entities are not required to disclose Scope 3 emissions, including financed emissions for financial institutions (e.g., insurers, banks, asset managers).</p> <p>Anticipated financial impact of identified CRROs – entities are permitted to defer [SLFRS S2 Paragraph 15(b)] the disclosure of qualitative information regarding anticipated risks and opportunities for a period of two years following the mandatory application of the standard.</p> <p>Resilience assessment and climate related scenario analysis – relief period of two years is granted to apply the requirements [SLFRS S2 Paragraph (22)] from the date of mandatory application to fully comply with climate resilience disclosure requirement.</p>
Sources of guidance		<p>SLFRS S1 (Sec 54-59)</p> <p>pages 419-421</p>	<p>Ceylinco Life has referred to the following sources of guidance in identifying SRROs/CRROs and preparing relevant disclosures:</p> <p>- SLFRS Sustainability Reporting Standards (SLFRS S1 and SLFRS S2)</p> <p>- SASB Standard - Insurance Industry</p>
Reporting Entity		<p>SLFRS S1 (Sec 20) -B38</p> <p>SLFRS S1- E1</p>	<p>Being a subsidiary of Ceylinco Holdings PLC, a top 100 listed entity, the Company is required to adopt SLFRS S1 and SLFRS S2 from January 1, 2025, onwards. (Mandatory application)</p> <p>SLFRS S1 and SLFRS S2 covers the SRROs relevant to Ceylinco Life Insurance limited only.</p>

ESG INTEGRATION

Our strategy towards Identifying climate-related risks and opportunities is critical as a company, particularly in the life insurance industry, as it helps to mitigate potential adverse impacts and capitalize on emerging trends.

CLIMATE RELATED RISKS AND OPPORTUNITIES

Time scale: short term (1-2 years); medium term (3-5 years); and long term (5+ years).

CRRO	Description	Time Horizon of the risk reasonably be expected to occur	Impact to the business model/Value Chain	Effects on strategy and decision making	Current Financial Impact	Anticipated Financial Impacts (Short, Medium ,Long term)
Physical Risks: Acute Risk -Event driven Risk						
Extreme weather events (Floods and landslides)	Increased claims due to extreme weather events affecting health and mortality rates. Physical damage to infrastructure leading to operational disruptions and higher costs.	Short to Medium term	Increased claims and Operational Costs Infrastructure Damage Service Disruptions and customer dissatisfaction	Adjust the policy pricing to incorporate the cost of extreme weather events New products to cover acute risk element Moving to cloud data centres Business continuity plan, disaster preparedness plans	Total claims due to floods and other extreme weather conditions – Operational cost of damage- Floods on 27.11.2024 - total negative impact on collection <i>Batticaloa Branch</i> Rs. 3.3 Mn <i>Akuressa Branch</i> Rs. 0.3 Mn	Medium
Physical Risks: Chronic Risk – Long Term likelihood of something happening						
Spread of contagious diseases	Respiratory conditions, heat-related diseases becoming more prevalent. Spread of infectious diseases caused by viruses, bacteria, fungi, or parasites.	Short to long term	Increase claims and operations cost through more claims/ reinsurance cost Disruption to the business operations due to mobility limitations between office premises/ Close-down of branch operations Workforce absenteeism Increase in staff welfare cost	Adjust the pricing to incorporate the chronic risk New products to cover above risk elements Business continuity plan, disaster preparedness plans Use technology for predictive modelling & early risk identification	No significant financial impact currently observed, but potential future costs are expected in [short/medium/ long term].	Medium to Long

CLIMATE RELATED RISKS AND OPPORTUNITIES

Time scale: short term (1-2 years); medium term (3-5 years); and long term (5+ years).

CRRO	Description	Time Horizon of the risk reasonably be expected to occur	Impact to the business model/Value Chain	Effects on strategy and decision making	Current Financial Impact	Anticipated Financial Impacts (Short, Medium, Long term)
Rising sea levels	Coastal erosion and ecosystem shifts causing land displacement and additional claims.	Long	Coastal erosion that impact to depreciation of lands	Invest in predictive modelling for long-term climate risk. Support government and private sector efforts in climate adaptation strategies. Assess exposure of land linked investments to climate risks.	No significant financial impact currently observed, but potential future costs expected in [short/medium/long term].	Long
Rise in Temperature	Global Warming due to Greenhouse gas effect caused by the GHG such as carbon dioxide, methane, and nitrous oxide in the atmosphere	Short to Long	Health issues in sales staff who visits customers on field Reduces human productivity Lead to employees/ policy holders' death	Adjust underwriting & pricing models for climate-related health impacts. Promote digital channels to reduce dependency on field visits. Increase investment in ESG-friendly assets (green bonds, renewable energy). Expand climate-resilient insurance offerings.	No significant financial impact currently observed, but potential future costs expected in [short/medium/long term].	Medium to long term

CRRO	Description	Time Horizon of the risk reasonably be expected to occur	Impact to the business model/ Value Chain	Effects on strategy and decision making	Current Financial Impact	Anticipated financial Impacts (Short, Medium, Long term)
Transition Risks						
Policy and Legal Risk	Non- availability of carbon pricing policies in Sri Lanka including carbon taxation, carbon credit programs and Cap-and-Trading system on total GHG emissions	Medium to long term	Discourage investment options that engaged in low carbon solutions	Complying with the government plan of becoming net zero in 2050.	Currently no impact, but future regulatory changes may introduce compliance costs	Medium to long term

ESG INTEGRATION

CRRO	Description	Time Horizon of the risk reasonably be expected to occur	Impact to the business model/ Value Chain	Effects on strategy and decision making	Current Financial Impact	Anticipated financial Impacts (Short, Medium, Long term)
Market Risk	The impact on market share reflects a company's ability to attract and retain customers by introducing environmentally friendly products	Medium to long term	Loss of market share due to non-adaptability with the consumer preferences towards environmentally friendly products	Introduction of new products that featured with environmental aspects like green initiatives.	No significant financial impact currently observed, but potential future costs expected in [short/medium/long term].	Medium To Long Term
Reputational Risks	Reputational damage if stakeholders perceive the company as insufficiently addressing climate change, affecting customer retention and brand trust.	Medium to long term	Impact on the Market share due to non-adaptability with the Consumer preferences towards environmentally friendly products. Loss of the brand Value Loss of Investor Confidence	Introduction of new products that featured with environmental aspects like green initiatives. Increase in customer awareness	No significant financial impact currently observed, but potential future costs expected in [short/medium/long term].	Medium To Long Term
Opportunities						
Development of Climate-Resilient Insurance Products	Create new insurance products tailored to climate risks, such as health coverage for climate-related illnesses or policies supporting climate-resilient homes and sustainable lifestyles	Medium to Long	Increased demand for climate-related coverage; potential underwriting challenges due to evolving risk profiles.	Shift towards sustainable underwriting and product innovation; requires investment in risk modelling and product development.	No financial impact at present, but expected to enhance profitability as market adoption increases	Moderate to High (growth in premiums and market share, potential increased claims exposure)
Sustainable Investment Strategies	Invest in green projects, renewable energy, and low-carbon infrastructure to benefit from the growing green economy and enhance the insurer's reputation for sustainability.	Short to Long	Diversification of investment portfolio, alignment with ESG goals, and compliance with sustainable finance regulations.	Strategic shift towards ESG-compliant investment portfolio; may require reallocation of capital and risk assessment of green investments.	Green Bond - 12% interest rate per annum Refer Environmental Sustainability dashboard on page 152 for more details	High (potential for higher long-term returns, regulatory benefits, and reputational gains).
Brand Differentiation and Reputation Building	Position the insurer as a leader in sustainability and attract eco-conscious consumers, strengthening relationships with policyholders, investors, and regulators.	Short to Long	Increased customer trust and loyalty, competitive advantage in a growing sustainability-conscious market.	Adoption of sustainability-focused marketing, partnerships, and enhanced stakeholder engagement.	No Financial impacts assessed at the present.	High (enhanced customer acquisition and retention, stronger investor confidence).

Ceylinco Life defines time horizons as follows: short (1-2 years); medium (3-5 years); and long (5+ years).

**BEYOND
INSURANCE**

LEADING WITH TRUST

Integrity drives everything we do. Our governance framework ensures ethical decision-making, financial strength, and stakeholder confidence, reinforcing trust for generations to come.

LEADERSHIP





LEADING BEYOND | SECURING FUTURE

Dear Stakeholders,

It is my privilege to present this message to you, as we reflect on yet another year of progress and resilience at Ceylinco Life Insurance Limited (CLI). The year 2024 presented both opportunities and challenges, testing our ability to navigate an evolving economic and business landscape. Through strategic focus, adaptability, and a steadfast commitment to our stakeholders, we continued to strengthen our position and drive sustainable growth. I am pleased

to present to you the 10th Integrated Annual Report of the Company, along with the consolidated financial statements for the financial year ended 31 December 2024, a testament to our unwavering dedication to value creation and long-term success.

BUSINESS CLIMATE - GLOBAL AND LOCAL PERSPECTIVES

In 2024, the global economy exhibited modest growth, reflecting stabilisation after previous years of volatility. The International Monetary Fund (IMF)

projected a global growth rate of 3.2% for 2024, aligning with earlier forecasts. This stabilisation, however, remained below the pre-pandemic average of 3.7% observed between 2000 and 2019. Inflationary pressures persisted globally, complicating monetary policy normalisation efforts. Global debt reached \$318 trillion by end 2024, with the global debt-to-GDP ratio reaching 328%. This surge heightened concerns about fiscal sustainability and the potential for bond market volatility. Geopolitical tensions and potential trade

CHAIRMAN'S MESSAGE



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policy changes continued to pose risks to the global economic outlook. Business leaders expressed concerns about these uncertainties, which could impact investment decisions and supply chain dynamics in the coming years.

The year was a historic one for Sri Lanka. Two major elections were held, Presidential and Parliamentary, the election results marking a departure from traditional politics, resonating with a populace seeking transparency and economic reforms. The decisive mandate enabled the new administration to implement its reform agenda effectively, further solidifying political stability in the country.

Sri Lanka's economy showcased notable resilience and recovery, with key indicators reflecting a positive turnaround. Real GDP saw steady growth during the first three quarters, driven by a revival in the industrial sector and a strong rebound in tourism-related services, marking a significant recovery from the economic downturn of 2022. Inflationary pressures eased considerably over the year, with headline inflation dipping into negative territory at -1.7% year-on-year, a sharp contrast to the high inflationary trends of previous years. The disinflationary path continued through 2024.

In response to the more stable inflation environment, the Central Bank of Sri Lanka (CBSL) implemented a unified policy interest rate of 8%, aimed at encouraging private sector credit expansion and further supporting economic growth. The Sri Lankan Rupee remained relatively stable against major currencies, supported by an increase in Foreign Exchange reserves. This was largely driven by higher inflows from tourism earnings, worker remittances, and continued financial assistance from the IMF.

Meanwhile, drawing strength from the rebounding economic activities, Sri Lanka's insurance sector also demonstrated resilience. According to

the Insurance Regulatory Commission of Sri Lanka (IRCSL), pre-tax profitability and Gross Written Premium (GWP) increased by 6.22% and 20.39% respectively over 2023. A comprehensive review by the IRCSL covering the period from 2019 to the third quarter of 2024 highlighted the industry's stability amidst economic downturns, including the COVID-19 pandemic and the 2022 financial crisis. The sector maintained its commitment to protecting policyholders and ensuring business continuity during these challenging times.

STEADY PROGRESS IN DELIVERING VALUE

Gross Written Premiums (GWP) for the year witnessed a commendable year-on-year (YoY) growth of 11.16%, reaching Rs. 37.1 Bn, reflecting the trust and confidence placed in us by our policyholders. The continued YoY growth in GWP reaffirms the sustainability of our business model, competitive edge and ability to capture market opportunities effectively.

Further underscoring our financial strength, our Risk-Based Capital Adequacy Ratio was recorded at 448%, significantly surpassing the regulatory minimum requirement of 120%. This achievement highlights the Company's strong capital position and financial resilience in a dynamic environment.

Pre-tax profitability stood at Rs. 10.05 Bn, an impressive increase of 19.10% compared to 2023. Our proactive revenue optimisation strategies, cost rationalisation efforts, and prudent investment decisions ensured that we continued to generate solid returns for our shareholders, maintaining the Company's financial stability and long-term sustainability. Accordingly, we posted a 11.64% Return On Equity and Rs. 141.43 in Earning Per Share from 10.67% and Rs. 116.04 in 2023 respectively. The Company proposed a final dividend of Rs. 17.70 per share for the financial year 2024, subject to shareholder approval at the AGM. A

WE ARE PROUD TO HAVE BEEN THE ANCHOR INVESTOR IN SRI LANKA'S FIRST-EVER LISTED GREEN BOND, ISSUED BY DFCC BANK PLC, WITH AN INVESTMENT OF RS. 2.0 BILLION.

comprehensive analysis of our financial performance, including key drivers and strategic responses, is provided in the Chief Executive Officer's Review on pages 44 to 48.

We firmly believe that our employees are the driving force behind our success. In 2024, we reinforced our commitment to nurturing our workforce by investing Rs.3 billion in employee expenses, ensuring competitive remuneration and benefits. Our focus on continuous learning remained steadfast, with training and competency-based capacity-building initiatives designed to equip our employees with the skills needed to execute our strategic plans effectively. Beyond professional growth, we extended our care to employees' and their families, offering various benefits, counseling services, fostering a holistic support system. Through these initiatives, we continue to create a work environment that encourages personal and professional growth, aligning our people's aspirations with the Company's long-term vision.

CHAIRMAN'S MESSAGE

Our strategy is deeply rooted in customer-centricity, driving us to implement several initiatives that enhance service excellence. One key issue we identified was the growing number of abandoned policies, where customers lost touch with us after many years. Additionally, there were multiple instances where policyholders lacked valid bank accounts, often due to migration or other life changes, resulting in significant unclaimed benefits. In our commitment to ensuring that policyholders receive what is rightfully theirs, we launched an AI-powered customer tracking and intelligence initiative - a collaboration between our Customer Service and Business Intelligence units. This enables us to reconnect with policyholders, ensuring they can access the benefits they are entitled to.

Our customer satisfaction scores improved in 2024, reflecting the excellence of our service levels. As part of our ongoing efforts to enhance the customer experience, we have a well-defined blueprint that maps the customer journey, ensuring seamless interactions at every touchpoint. Our team is equipped with service excellence training and digital capabilities, allowing us to continuously refine convenience based on customer feedback.

Our commitment to community empowerment remained steadfast throughout the year. We conducted 12 health camps under the Ceylinco Life Waidya hamuwa, extending essential medical support to 2,609 individuals, reinforcing our dedication to enhancing public well-being. In addition, we continued our long-standing support for the National healthcare sector by maintaining five High Dependency Units, ensuring critical care facilities for those in need. Our contributions also included vital donations, such as oxygen distribution systems, further strengthening the country's healthcare infrastructure and enabling better patient outcomes.

SUPPORTING SRI LANKA'S SUSTAINABILITY JOURNEY

We are proud to have been the anchor investor in Sri Lanka's first-ever listed green bond, issued by DFCC Bank PLC, with an investment of Rs. 2.0 billion. We hope this initiative inspires more issuers and investors to take bold steps in financing environmental and social advancements. The private sector plays a crucial role in bridging the funding gap for Sri Lanka's transition to a greener economy, and we remain committed to driving this momentum forward.

Details of Ceylinco Life's numerous other initiatives advancing environmental stewardship are found in the Chief Executive Officer's Message and Environmental Sustainability Pillar in pages 153 to 166 respectively.

TRUST, TRANSPARENCY, AND GOOD GOVERNANCE

Consistent with its longstanding commitment to strong governance, the Board of Directors of CLI diligently fulfilled its responsibilities throughout the financial year 2024, adhering fully to CLI's Articles of Association and applicable regulatory frameworks. Furthermore, in terms of the IRCSL Direction No. 02 of 2022, the Board adopted Section 9 of the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange, reinforcing our commitment to best practices. As a result, CLI devised and implemented 15 policies, 11 of which were established during the year, while the remaining 4 established in previous years were reviewed in line with the latest regulations, enhancing Board oversight and providing clear guidance on these performance aspects. This proactive approach has strengthened our governance framework, enhancing transparency, accountability, and our ability to safeguard shareholder interests while ensuring prudent stewardship of their investments. Dr. Harsha Cabral PC acts as the Senior Independent Director supporting the Chairman in maintaining an effective governance framework.

The Board provided oversight of the Strategic Management Team's activities, ensuring accountability and alignment with the Company's strategic objectives. Meeting five times during the year, the Board focused on key areas, including the impact of the evolving external environment on Company performance, strategy, risk management, compliance, governance, data protection, anti-bribery, anti-money laundering and stakeholder interests. The Board's diverse expertise across multiple disciplines, viz., accounting, finance, strategic management, risk management, investment and banking, IT, marketing, HR, medicine, law, engineering, and architecture - enhanced its effectiveness in working collaboratively with management. Additionally, the Board invested considerable effort in succession planning for both the Strategic Management Team and its own leadership.

The Board Sub-Committees played a vital role in supporting the Board's oversight responsibilities, effectively delivering on their respective mandates. Covering eight core governance areas, the Sub-Committees were further strengthened with the establishment of dedicated ESG Sub-Committees during the year. This addition affirms our commitment to advancing ESG performance while ensuring full compliance with emerging regulatory requirements in the country.

Furthermore, enabling us to develop and deliver the most effective insurance solutions, the Board and the Management benefitted from the guidance of an independent advisor with extensive expertise in the insurance industry. This expert perspective enhances our strategic decision-making, ensuring that our solutions remain innovative, customer-centric, and aligned with evolving industry standards and best practices.

IT AND DATA GOVERNANCE

The IT department underwent a structural reorganisation, introducing several new designations to enhance agility and responsiveness to emerging technological opportunities. As part of our digital transformation, we initiated several key IT projects, including the sourcing of a new Life Insurance System, which, once implemented, will significantly enhance our performance capabilities.

In the area of data governance, we conducted a comprehensive gap analysis of our data and IT policies with the expertise of an external consultant. This assessment led to the launch of several enhancement initiatives, including the appointment of a Data Protection Officer, who reports to the Chief Risk Officer. This strengthens CLI's risk management and governance framework, ensuring robust data security and compliance.

APPRECIATIONS

As we reflect on a year of resilience and progress, I, along with the Board of Directors, extend my sincere appreciation to our Managing Director/CEO, Mr. Thushara Ranasinghe, and the Strategic Management Team for their unwavering leadership and commitment in steering CLI through an evolving landscape. I also express my gratitude to our employees and the sales force across the country, whose dedication and hard work continue to drive our mission of delivering protection and financial security to our policyholders.

Our heartfelt appreciation goes out to our valued policyholders, whose trust and confidence inspire us to continuously raise the bar in service excellence. We are equally grateful to our parent company, Ceylinco Holdings PLC, and our subsidiaries, whose collective strength enhances the versatility, growth and acceptance of the Ceylinco Life brand in Sri Lanka.

Furthermore, I extend my sincere thanks to the Insurance Regulatory Commission of Sri Lanka, our reinsurers, advisors, consulting firms, and all other stakeholders for their invaluable contributions to our journey.

A special note of gratitude is also due to Mr. H M Hennayake Bandara who resigned from the Board with effect from 31st December 2024. We deeply appreciate his dedicated service as a Director and the valuable insights he brought to the Company during his tenure. We wish him the very best with his future endeavours.

BUILDING ON MOMENTUM FOR A PROMISING FUTURE

Sri Lanka's economic prospects for 2025 appear positive, with the Asian Development Bank forecasting a GDP expansion of 2.8% and inflation remaining under control at 5.5%. The effective execution of the \$2.9 billion IMF assistance programme has played a crucial role in stabilising the economy, with the recent approval of the 3rd review unlocking an additional \$334 million in funding. Meanwhile, the tourism industry - a key driver of Foreign Exchange continues to rebound, reinforcing economic momentum and supporting broader growth in the years ahead. A key pledge of the incumbent political administration has been the eradication of corruption - an outcome we eagerly anticipate, as eliminating corruption has the potential to resolve many of the country's longstanding challenges.

As the economy gradually strengthens, citizens have renewed their confidence in shaping their futures, making bold decisions that pave the way for prosperity. As they take these steps forward, we remain committed to supporting them by helping derisk their lives and empowering them to build a more secure and promising future.

With a solid foundation in place, we are well-positioned to build on our momentum. Backed by a robust strategy, a highly skilled team, enhanced process capabilities, and continuous innovation, we are confident in our ability to strengthen our legacy of empowerment and resilience for generations to come.



R. Renganathan
Executive Chairman

20 February 2025
Colombo



BEYOND INSURANCE| BEYOND EXPECTATIONS

I am pleased to share that Ceylinco Life Insurance Limited (CLI) has once again demonstrated its resilience and excellence over the past year. We proudly retained our market leadership for an incredible 21 consecutive years and achieved a remarkable pre-tax profit of Rs. 10.05 Bn. Despite the evolving landscape, we tackled challenges head-on, seized opportunities, and delivered outstanding results across our operations. Our strategic focus, innovative approach, and unwavering commitment to our policyholders, with

sustainability at the core of our values, have been the driving forces behind our success.

EXCELLENCE IN ACTION: A YEAR OF ACHIEVEMENTS

CLI delivered a year of excellent performance, driven by both revenue enhancements and diligent cost disciplines. Total income at the Company level reached Rs. 65.5 Bn for the twelve months ended 31 December 2024, marking a 7% increase over the prior year (YoY). Gross Written Premiums

CHIEF EXECUTIVE OFFICER'S REVIEW



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grew impressively to Rs. 37.1 Bn, an 11.16% rise despite prevailing economic conditions.

Investment income, a key component of net income, remained almost static during 2024, netting Rs. 27.8 Bn. The downward revision of market rates in response to the Central Bank of Sri Lanka's policy rate reductions led to reduced income on our variable investment portfolio. However, the popularity of our short-term to medium-term endowment products, which gained

traction in the prior year, continued to drive premiums.

Costs remained under control, with operating and administrative expenses increasing by only 12.04% amidst high commodity and energy prices. CLI continued to reap benefits from its technological investments in process automation and the conscious shift to sustainability practices, which had a positive impact on total costs.

The dynamism and strength of CLI's balance sheet continued, with total assets growing to Rs. 251.4 Bn, an 11.9% YoY increase. Insurance contract liabilities (Life Fund) grew to Rs. 180.9 Bn, reflecting an impressive 14.8% growth YoY. Total equity rose to Rs. 60.8 Bn, an 11.7% increase, predominantly benefiting from the rise in retained earnings.

Refer to the Financial Performance section on pages 127 to 151 for a full account of our financial performance.

DRIVING SUSTAINABLE IMPACT

We are unwavering in our commitment to advancing Environmental, Social, and Governance (ESG) principles, integrating sustainability into the core of our business strategy. Inspired by the United Nations Global Compact – Ten Principles, we embrace ethical business practices, respect for human rights, environmental stewardship, and strong governance. Furthermore, we actively contribute to the United Nations Sustainable Development Goals (SDGs), driving meaningful impact through responsible investments, social empowerment initiatives, and climate-conscious operations.

ENVIRONMENTAL RESPONSIBILITY IN ACTION

At CLI, managing our environmental footprint is a top priority, guided by four Focus Areas: Sustainable Business Expansion and Development, Resource Conservation and Waste Management, Ecosystem Conservation and Restoration, and Stakeholder Engagement and

Awareness. We have made significant strides in these areas, reinforcing our commitment to a greener future.

In line with our Sustainable Business Expansion and Development initiatives, we integrated green building practices into our operational network. A total of 2 branches were designed and upgraded to eco friendly buildings, enhancing energy efficiency and reducing environmental impact. Strengthening our renewable energy investments, we installed our second-largest solar power system at the La Serena premises, generating 80 kW of clean energy. Additionally, a 10 kW solar system was commissioned at the Matugama branch, and the solar power system at the Nugegoda branch was successfully connected to the grid, transforming it into a fully sustainable green facility.

In terms of Resource Conservation and Waste Management, CLI remains dedicated to responsible resource management, leveraging technology to enhance efficiency and sustainability. Our digital transformation has significantly reduced paper usage, supporting our shift towards paperless operations while embedding environmental responsibility across stakeholder groups. We've adopted the 6R of resource management to optimize the use of vital resources such as energy, water, and paper. By year-end, 10 branches actively engaged in water recycling, while 19 branches implemented rainwater harvesting initiatives. These efforts conserved natural resources and resulted in cost savings of Rs. 639,900 through water-saving measures. Through these initiatives, we continue to drive sustainability while minimizing our environmental footprint.

For the 5th consecutive year, we quantified our Greenhouse Gas (GHG) emissions in accordance with ISO 14064-1 standards, ensuring accuracy and accountability in our sustainability efforts. Our GHG inventory for 2024, verified by Sri Lanka Climate Fund

WE PROUDLY RETAINED OUR MARKET LEADERSHIP FOR AN INCREDIBLE 21 CONSECUTIVE YEARS AND ACHIEVED A PRE-TAX PROFIT OF RS. 10.05 BN.

stood at 2,864 tCO₂e, marking a 7.3% reduction compared to 2023. This achievement reflects our commitment to environmental responsibility while keeping us well within our targeted 5% annual reduction in emissions.

Under Ecosystem Conservation and Restoration, we remained steadfast in our commitment to preserving Sri Lanka's natural heritage through two flagship initiatives. Our Reforestation of the Rajawaka Forest Reserve project, in partnership with the Rainforest Protectors of Sri Lanka, saw the planting of 10,000 trees with an investment of Rs. 5.7 Mn. These trees will be carefully nurtured over five years, ensuring long-term environmental impact. Simultaneously, our beach cleanup initiatives, conducted in collaboration with the Clean Ocean Force, focused on the responsible collection and disposal of harmful pollutants and waste along key coastal areas. Through these efforts, a total of 600 Kgs of waste was successfully

CHIEF EXECUTIVE OFFICER'S REVIEW

removed from Sri Lanka's coastal ecosystems, contributing to a cleaner and healthier marine environment.

Under Stakeholder Engagement and Awareness, we actively fostered environmental stewardship among our employees and the broader community. Our Green Club, with a dedicated membership of 22, played a pivotal role in driving sustainability-focused initiatives, with 281 employees directly participating in various environmental projects. Extending our commitment beyond the workplace, we engaged local communities through a Seed Donation Programme, distributing vegetable seeds at the 4 Waidya Hamuwa health camps conducted across the country. This initiative directly contributes to climate resilience and promotes healthier ecosystems in the face of habitat degradation while enhancing food security at the grassroots level.

DRIVING POSITIVE SOCIAL IMPACT

Our policyholders are the most effective conduit through which we channel societal empowerment. In 2024, we disbursed Rs. 25.2 billion in gross benefits and claims which represents 30% of the total benefits and claims paid by the entire life insurance industry, honouring our promise of protection and financial security when it mattered most. The total number of claims paid contributed to the No.1 UN SDG goal of poverty alleviation. Recognizing the need for greater accessibility and convenience, we expanded our service channels by introducing virtual advisory platforms, enabling seamless interactions and informed decision-making. These alternative touchpoints have enhanced customer engagement, driving greater traction in policy take-ups while ensuring that our policyholders receive expert guidance with ease.

We gave back to our policyholders through the Ceylinco Pranama scholarship scheme, disbursing Rs. 22.2

Mn to 152 young children who excelled in academics. This initiative, conducted for the 23rd consecutive year, brought the cumulative number of scholarship recipients to 3,498. Ceylinco Family Savari, our flagship initiative to reward policyholders, was held for the 18th consecutive year, offering 1,060 winners (265 families) the opportunity to enjoy exciting excursions both in Sri Lanka and abroad.

Building resilient communities remained a key priority under our commitment to driving positive social impact, with a strong focus on Educational Infrastructure Development and Supporting the Nation's Healthcare Sector. Recognizing the urgent need for improved learning environments in underprivileged schools across remote areas, we invested in classroom projects to provide essential infrastructure and facilities. In 2024, we successfully completed classroom constructions in Galle and Batticaloa districts, benefiting 649 students. This initiative, supported by an investment of Rs. 3.34 Mn, was further strengthened by the dedicated volunteerism of twenty-two employees, ensuring the long-term sustainability of these educational spaces.

Recognizing the rising costs of healthcare and the economic challenges that continue to strain the national healthcare sector, particularly impacting rural communities in need of critical care, we remained steadfast in our commitment to supporting the nation's healthcare sector. In response, we conducted health camps aimed at screening individuals for Non-Communicable Diseases (NCDs), providing medications to manage these conditions, and offering medical guidance on prevention through healthy lifestyle choices. Additionally, we built, donated, and maintained fully equipped High Dependency Units (HDUs) while deploying essential medical equipment and support across public sector hospitals, ensuring improved access to quality care for those most in need.

The impact of our efforts was evident, with 12 health camps conducted, benefiting 2,609 participants, and an investment of Rs. 3.3 million towards enhancing community healthcare and well-being. We also maintain the HDUs set up in previous years at key government hospitals across the country. As of today, five HDUs are operational in leading government hospitals with high patient footfall, significantly enhancing critical care capacity.

GOVERNANCE EXCELLENCE FOR LONG-TERM VALUE

We strengthened our ESG governance by establishing a dedicated Board Sub-Committee to oversee and drive our sustainability initiatives. Operating under a clear Terms of Reference, the Sub-Committee comprises members with deep expertise in sustainability-related matters. Supporting its mandate, the Green Club Management Committee plays a key role in advancing the Company's ESG agenda. This structured governance framework has facilitated the streamlining of sustainability and climate-related data collection, risk and opportunity mapping, and enhanced sustainability reporting in alignment with SLFRS S1 and SLFRS S2, as well as other global best-practice frameworks.

In compliance with the new Personal Data Protection Act coming into effect in late 2025, we have appointed a Data Protection Officer (DPO) and engaged a renowned consulting firm to conduct a gap analysis to identify areas for improvement, ensuring a smooth transition to compliance ensuring Ceylinco Life is well poised to safeguard our customer data.

To further strengthen our compliance capabilities, we have recruited new personnel to our compliance department and streamlined their duties. Additionally, we have established a new "Customer Experience Department," which will be monitoring the entire customer life cycle. We hope these measures will

bring valuable customer insights to the forefront, shaping our future strategies.

In line with regulatory requirements for the adoption of SLFRS 17, we have invested in new actuarial software, trained our actuarial and finance teams, and are ready to implement a parallel run in 2025.

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

At CLI, our employees are the driving force behind our success, playing a pivotal role in creating and delivering value across our diverse stakeholder groups. Their unique skills, knowledge, and unwavering commitment enable us to achieve our long-term goals while embedding sustainability and social responsibility at the heart of our operations. As we move forward, we remain deeply invested in fostering a work environment that is inclusive, empowering, and rewarding for all.

Recognizing the importance of diversity and equity, we continued our efforts to empower women within our workforce, ensuring that opportunities for professional growth are accessible to all. During the year, 57% of new recruits were female, reinforcing our commitment to gender balance. Additionally, we take great pride in the career advancement opportunities provided to our employees, with 114 promotions awarded this year, of which 18% were within our female workforce.

Employee well-being remains a cornerstone of our people strategy, with a strong emphasis on holistic health. CLI promotes a balanced work-life culture while leveraging its group synergy with Kings Hospital to offer exceptional healthcare benefits to employees. Our commitment to fostering a supportive and engaging workplace also led to the introduction of a new platform, 'Log Your Concern,' which allows employees to voice their views, enabling proactive resolution of workplace matters and reinforcing a culture of transparency.

We continued to invest in the growth and development of our people, ensuring they are equipped with the skills necessary to thrive in a rapidly evolving business environment. Our training and development initiatives saw an investment of Rs. 92.5 Mn, resulting in an average of 19.87 learning hours per employee, an improvement of 1.15 hours from 2023. This sustained focus on professional development ensures that our employees are empowered with the knowledge and capabilities to drive innovation and enhance service excellence through evolving external dynamics.

PIONEERING PROGRESS THROUGH INNOVATION

Throughout the year, we intensified our focus on fostering a culture of innovation among our employees, embedding it as a core value within the organization. Our vision for innovation extends beyond identifying process improvements, it's about implementing and sustaining them to create a lasting impact. These innovations span diverse areas, from process enhancements to deploying cutting-edge technologies such as Robotic Process Automation (RPA), workflow solutions, and Artificial Intelligence (AI). Notably, two key AI-driven innovations that are being researched include an advanced fraud detection system and a knowledge management platform designed to streamline access to policies, procedures, guidelines, and directives, enhancing efficiency and governance across the organization.

We introduced a breakthrough product called "Ceylinco Life Medical Saver," which is a unique product available in the market where customers can manage their medical expenses even after the age of 70. Staying true to our mission, this product caters to the demographic changes in Sri Lanka, with the population over the retirement age significantly increasing.

WE DISBURSED RS. 25.2 BILLION IN GROSS BENEFITS AND CLAIMS WHICH REPRESENTS 30% OF THE TOTAL BENEFITS AND CLAIMS PAID BY THE ENTIRE LIFE INSURANCE INDUSTRY, HONOURING OUR PROMISE OF PROTECTION AND FINANCIAL SECURITY WHEN IT MATTERED MOST.

Ever mindful of the growing Sri Lankan workforce, where the majority may not enjoy government pension schemes, we have developed an option for our customers to either take their maturity benefits as a lump sum or opt for a monthly payment option similar to an annuity. This ensures that our customers have a steady stream of income spread over a longer period, leading to a stable life.

Continuously striving for improvement in our processes, we have invested in a new document management system for

CHIEF EXECUTIVE OFFICER'S REVIEW

storing customer documents and related correspondence more efficiently, making storage and retrieval more convenient.

A LEGACY OF SUCCESS: CELEBRATING OUR ACHIEVEMENTS

CLI received numerous prestigious accolades throughout the year. Notable highlights include being named the Best Life Insurer in Sri Lanka by the World Finance Awards UK, securing the top position in the Insurance category of LMD's Most Respected Entities in Sri Lanka ranking for 2024, and leading the magazine's Movers and Shakers list after an impressive rise of 35 places, from 52nd in 2023 to 17th in 2024. Our Annual Report 2023 also earned 12 awards, covering all key national and international recognition for excellence in corporate reporting.

We take immense pride in these achievements, which serve as both a testament to our commitment to excellence and an inspiration to raise the bar even higher. These wins are dedicated to our valued stakeholders, whose unwavering support continues to drive our success.

APPRECIATION

As we reflect on the past year, I extend my deepest gratitude to our valued policyholders for their trust and loyalty. Your confidence in us continues to drive our commitment to delivering protection, stability, and peace of mind. To our employees and sales force, your dedication and resilience are the backbone of our success. Your hard work and passion have enabled us to navigate challenges, seize opportunities, and uphold our promise of excellence.

To our Chairman, Mr R Rengnathan and Board of Directors, thank you for your unwavering guidance and strategic insight. Your leadership has been instrumental in steering the Company towards sustainable growth and innovation. I also extend my appreciation to our regulators, partners, and stakeholders for their continued support.

Your collaboration and confidence in us strengthen our ability to create long-term value and contribute to the industry's progress.

As we move forward, we remain steadfast in our mission to protect and empower lives. With the strength of our people, the trust of our customers, and the vision of our leadership, I am confident that we will continue to build a future of resilience and growth, where we deliver on our promise for life, beyond insurance.

WAY FORWARD

At CLI, our sales force is our pride, passionately advocating the power of life insurance in empowering people to achieve more. They are well-trained professionals who uphold integrity and have been a cornerstone of our success. However, recruiting and retaining sales talent of this calibre remains a challenge. Recognizing this, we are committed to making significant investments in the near to medium term to diversify our distribution channels, enhance productivity, and drive our strategic goals.

With economic and political stability taking hold, we also anticipate greater policy consistency and regulatory clarity from the government and regulators. Such stability will not only benefit CLI but also support the broader insurance industry, business community, and individuals alike, fostering optimism for all. The future is filled with opportunities, and I am confident that together, we will continue to achieve remarkable success. Let us move forward with courage, innovation, and a shared commitment to securing the futures of generations to come..



Thushara Ranasinghe
Chief Executive Officer

20 February 2025
Colombo

EXECUTIVE DIRECTORS' ESG OUTCOMES

R. Renganathan
Executive Chairman



Areas of oversight

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

- Re-composition of the Board and the Board Sub-committees in compliance with regulatory requirements
- Regular conduct of Board meetings in an effective manner
- Ensured key stakeholder concerns were discussed at Board meetings.
- Strengthened shareholder confidence, reinforcing Ceylinco Life's market leadership in life insurance.
- Provided strategic leadership, ensuring Ceylinco Life's long-term stability and ESG-driven growth.

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
- Environmental sustainability mandate

- Completed the 3-year business plan
- Leading the digitalisation and technological drive
- Leading community engagement activities (classroom development, Waidya Hamuwa, HDUs etc.) – pages 197 to 200
- Zero regulatory sanctions or fines
- Maintained IT systems uptime at world-class levels and sound cyber security
- Received multiple prestigious awards – pages 20-21
- Integrate green building practices into operational network.

P. D. M. Cooray
Senior Executive Director/
Head of HR & Training



Areas of oversight

- Human resources
- Training and development

- 22.22% female employee representation in workforce achieved which is 1.55% higher than last year.
- Training hours per employees 19.87
- Increase in salaries and benefits paid by 9% from last year to Rs. 2.85 Bn
- No. of promotions - 114
- 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

- 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

- Accelerated sales agent recruitment by 2,577
- Increased training hours per sales agent to 21.20 hours
- 313 agents qualified for MDRT status.
- Reviewed the efficiency of underwriting, business operations and claims processing

Ceylinco has committed to achieving net-zero greenhouse gas emissions by reducing our Carbon Footprint (CFP) by 5% annually as part of our long-term strategy to achieve net-zero greenhouse gas (GHG) emissions across our entire business. The GHG emission is calculated, monitored and reported on an annual basis. However, these targets are not tied to executive compensation.

BOARD OF DIRECTORS



R RENGANATHAN

Executive Chairman



E T L RANASINGHE

Managing Director/
Chief Executive Officer



P D M COORAY

Senior Executive Director/
Head of Human Resources and Training



P A JAYAWARDENA

Senior Executive Director/
Chief Financial Officer



S R ABEYNAYAKE

Executive Director/
Chief Operating Officer



DR HARSHA CABRAL PC

Senior Independent Director

**J DURAIRATNAM**

Independent
Non-Executive Director

**W W L R A FERNANDO**

Independent
Non-Executive Director

**O G V J SENANAYAKE**

Independent
Non-Executive Director

**E R C MORAES**

Independent
Non-Executive Director

**M ISMAIL**

Independent
Non-Executive Director

**R J MORAES**

Independent
Non-Executive Director

BOARD OF DIRECTORS



PROF. S K CHANDRASEKERA

Non-Independent
Non-Executive Director



A A LUDOWYKE

Independent
Non-Executive Director



H M HENNAYAKE BANDARA

Independent
Non-Executive Director



R RENGANATHAN

Executive Chairman

Date of Appointment to the Board

22nd April 2014

Area 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 21 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 16,000 patients, thereby earning and saving foreign exchange for the country. It was the first to introduce the linear accelerator among hospitals in Sri Lanka.

Mr. Renganathan is the Deputy Chairman of Ceylinco Holdings 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



(Chairman)



(Chairman)



E T L RANASINGHE

Managing Director/Chief Executive Officer

Date of Appointment to the Board

22nd April 2014

Area of Expertise



Strategic
planning



Marketing
and Sales



Life
Insurance

Skills and Experience

Mr. Ranasinghe joined Ceylinco Limited in 1986 as a Product Manager. Over his extensive career of 45 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), University of Sri Jayewardenepura.

He is also a Director of Ceylinco Holdings PLC, Ceylinco Healthcare Services Ltd, Serene Resorts Ltd and Kings Hospital Colombo (Pvt) Ltd.

Membership in Board Sub-committees



P D M COORAY

Senior Executive Director/Head of Human Resources and Training

Date of Appointment to the Board

22nd April 2014

Area of Expertise



Human
Resource
Management



Training
and General
Management



Marketing of Life
Insurance and Pensions

Skills and Experience

Mr. Cooray possesses extensive experience spanning 37 years in the life insurance sector. As a pioneer member of Ceylinco Insurance PLC, he joined the Company in 1987 as the Assistant Manager-Training where he played a pivotal role in forming the sales team of Life Division. He has served the Board of Ceylinco Insurance PLC since 2001 as an Executive Director overseeing the human resources and training functions.

Mr. Cooray is a Fellow 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, he 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 Holdings PLC and Serene Resorts Limited.

Membership in Board Sub-committees



BOARD OF DIRECTORS

**P A JAYAWARDENA***Senior Executive Director/Chief Financial Officer***Date of Appointment to the Board**

22nd April 2014

Area of ExpertiseAccounting
and
Finance**Skills and Experience**

Mr. Jayawardena joined the Life Division of Ceylinco Insurance PLC in 1990 as Chief Accountant (Branches) and counts over 36 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 Holdings PLC, Ceylinco Healthcare Services Limited, Serene Resorts Limited and Kings Hospital Colombo (Pvt) Ltd.

Membership in Board Sub-committees

BIC

BESGC

**S R ABEYNAYAKE***Executive Director/Chief Operating Officer***Date of Appointment to the Board**

22nd April 2014

Area of ExpertiseAccounting
and
FinanceBusiness
Administration**Skills and Experience**

Mr. Abeynayake counts over 25 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 Jayewardenepura. He is also a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Institute of Certified Management Accountants of Sri Lanka. He joined the Life Division of 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 Holdings 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

BESGC

**DR HARSHA CABRAL PC***Senior Independent Director***Date of Appointment to the Board**

22nd April 2023

Area of Expertise

Legal

Skills and Experience

Dr. Cabral is a Non-Executive Independent Director at Ceylinco Life Insurance Ltd. He is a President's Counsel in Sri Lanka with thirty-eight (38) 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 nineteen (19) 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 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 prevailing Companies Act No. 7 of 2007.

Membership in Board Sub-committees

BNGC (Chairman)



J DURAIRATNAM

Independent Non-Executive Director

Date of Appointment to the Board

18th November 2018

Area 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 37 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

Area 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 deliverables with innovation and best practices that resulted in an unblemished record of accident-free flight operations.

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

Area of Expertise



Strategic
Management



Digital
Transformation
and IT
Governance

Skills and Experience

Mr Senanayake is at present the Group Chief Operating Officer – Digital Transformation, Brandix. He was the former Chairman Information Communication Technology Agency of Sri Lanka (ICTA) and Director General of the Telecommunications Regulatory Commission of Sri Lanka as well as a past board member of Sri Lanka Computer Emergency Readiness Team (SLCERT). He holds an 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.

He 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 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)

BOARD OF DIRECTORS

**E R C MORAES***Independent Non-Executive Director***Date of Appointment to the Board**

22nd April 2023

Area of Expertise

Marketing

Skills and Experience

Mr Moraes held the position of Director, Finlays Colombo Limited from 1991 to 2015 after which he served as a Senior Advisor to Finlays Colombo Limited until December 2024. He possesses substantial skills and experience in international marketing of branded tea products from Sri Lanka and holds a Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom. He has followed the Senior Management Programme at INSEAD, France as well as the Accounting for Non-Professional Accountants at INSEAD

in Singapore. He is a visiting lecturer at the National Institute of Plantation Management and a Consultant to the Tea Exporters Association of Sri Lanka.

Membership in Board Sub-committees**BRC** (Chairman)**M ISMAIL***Independent Non-Executive Director***Date of Appointment to the Board**

22nd April 2023

Area of Expertise

Chartered Architect

Skills and Experience

Mr 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 he formed MICD Associates and subsequently formed ATS Consultants (Pvt) Ltd which was later renamed as MICD Associates (Pvt) Ltd. These are considered to be two of the foremost Architectural practices in Sri Lanka that have also worked on projects in India, Maldives, Middle East, Malaysia and Australia.

School of Architecture and Sri Lanka Institute of Information Technology.

He was on the Board of the Arthur C. Clarke Institute of Modern Technologies from June 2018 to January 2019 and was a Board Member of the Management of the Science Foundation Sri Lanka from April 2015 to November 2015.

He was appointed to the Board of the Urban Development Authority in October 2024 and as a member of the National Sports Council from 2025 to 2028.

He has been a member of the Royal Institute of British Architects (RIBA) since March 2023 and a member of the American Institute of Architects since October 2024.

Membership in Board Sub-committees**BRC****R J MORAES***Independent Non-Executive Director***Date of Appointment to the Board**

22nd April 2023

Area of Expertise

Strategy and Marketing

Skills and Experience

Ms Moraes 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. After retirement from JKH, she headed Link Natural Products (Pvt) Ltd as its CEO till September 2024.

She holds an MBA from the Post Graduate Institute of Management of the University of Sri Jayewardenepura and is a Fellow Member of both CIM and CIMA (UK).

Membership in Board Sub-committees**BRMC** **BRC** **BAC**

She has extensive experience in travel, tourism, airline representation, loyalty/rewards programmes, quick service restaurants, retail, malls, property development and manufacturing.



PROF. S K CHANDRASEKERA

Non-Independent Non-Executive Director

Date of Appointment to the Board

22nd April 2023

Area of Expertise



Medicine

Skills and experience

Prof. Chandrasekera is a Professor in Surgery and Consultant Urologist, Department of Surgery, Faculty of Medical Science, University of Sri Jayewardenepura, 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. He is the President of the Sri Lanka Association of Urological Surgeons and Chairman Specialty Board in Urological Surgery at the PGIM.

Membership in Board Sub-committees

RPTRC



Ms A A LUDOWYKE

Independent Non-Executive Director

Date of Appointment to the Board

1st July 2023

Area of Expertise



Accounting and Finance



Auditing

Skills and Experience

Ms Ludowyke counts over 26 years of experience at M/s Ernst & Young and has served as a Partner from 2011 to 2022. She 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, insurance and finance companies, and companies engaged in retail, manufacturing, telecommunications, construction, real estate, shipping and logistics, Insurance, leisure, plantations and development. She also counts 13 years of senior level experience in finance and accounting in the manufacturing sector, and in a relief and development organization.

She has been a resource person for public seminars and workshops of CA Sri Lanka, Sri Lanka Institute of Directors, CIMA,

Transparency International Sri Lanka, the Ministry of Public Enterprise Development, ACAMS regional conference of the Indian subcontinent, National Chamber of Commerce, University of Kelaniya, ACCA, AAT, CMA, and Institute of Internal Auditors.

She is a Fellow of the Institute of Chartered Accountants of Sri Lanka and of the Chartered Institute of Management Accountants, UK.

Ms Ludowyke is also an Independent Non Executive Director of Seylan Bank PLC, Bogola Graphite PLC and Tokyo Cement Company (Lanka) PLC.

Membership in Board Sub-committees

BAC

(Chairperson),

RPTRC

BNGC



Mr H M HENNAYAKE BANDARA

Independent Non-Executive Director (resigned w.e.f 31st December 2024)

Date of Appointment to the Board

22nd April 2023

Area 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 and Director of NSB Fund Management Co. Ltd. He is a Past President of Association of Professional Bankers-Sri Lanka. 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 is 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.

Membership in Board Sub-committees

BAC

BIC

BRMC

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

BESGC

Board Environmental Social and Governance Committee

STRATEGIC MANAGEMENT



E R S G HEMACHANDRA

Deputy Chief Operating Officer



P A J JAYAWARDENA

General Manager - Channel Development



R M U K RATNAYAKE

General Manager/ Chief Digital Officer



A H R UDAYASIRI

General Manager - Channel Development



J P ABHAYARATNE

General Manager - Operations



W A W C WIJESINGHE

General Manager - Channel Development



H G A SIRISENA

Consultant - Technical (General Manager Grade)



P P D V HEMAKUMARA

Chief Risk Officer (Deputy General Manager)

CORPORATE MANAGEMENT

**T VIJAYANANTH**

Senior Deputy General Manager - Business Development

**D S THILAKARATHNE**

Senior 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

**P A C D WIJAYASEKARA**

Deputy General Manager - Internal Audit

**T D DE SILVA**

Senior Assistant General Manager - Projects

**H A SURAWEERA**

Senior Assistant General Manager - Agency Administration

**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 / Head of Investments - Front Office

**L G H A S KUMARA**

Senior Assistant General Manager - Technical

CORPORATE MANAGEMENT

**P U C PATHINAGODA**

Senior Assistant General Manager -
Information Systems Audit

**M H Y A SILVA**

Senior Assistant General Manager - Business
Development

**K I WETHTHASINGHE**

Senior Assistant General Manager - Legal

**P P S KALYANIWANSA**

Senior Assistant General Manager - Business
Development

**G A H CHANDANA**

Assistant General Manager - Financial
Operations

**R M S WIJEYASEKERA**

Assistant General Manager - Systems

**V M G KARIYAWASAM**

Assistant General Manager - Database
Administration

**W S DABARERA**

Assistant General Manager - Financial
Reporting & Branch Finance

**D H CANAGASABEY**

Assistant General Manager - Marketing /
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

**R P GUNASEKERA**

Assistant General Manager - Actuarial Services

**N H WERAGALA**

Assistant General Manager - Human Resources

**D M M PUSSELLA**

Consultant - Business Intelligence (Assistant General Manager Grade)

**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

**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

CORPORATE MANAGEMENT

**S P K SENADEERA**

Deputy Chief Engineer (Senior Manager Grade)

**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**

Data Protection Officer (Senior Manager Grade)

**S A T M WIJESINGHE**

Senior Manager - IT Projects

**S E S M FERNANDO**

Senior Manager - Administration

**T D M P CHRISTOPHER PULLE**

Senior Manager - Training

**S D ARULANANDAM**

Senior Manager - Customer Relations

**N LUXSHUMYRAJ**

Senior Manager - Customer Experience

MANAGERS

**M A C P WIJERATNE**

Manager - IT Projects

**I B L WIJESINGHE**

Manager - Business Development

**D S HETTIARACHCHI**

Manager - Business Development

**S DHARSHAN**

Manager - Business Development

**H H U S C FERNANDO**

Zonal Manager

**L V S R R DE MEL**

Manager - Administration

**R P L DAMMIKA**

Manager - Business Development

**S P KARUNARATNE**

Manager - Operations

**A D S CHANDIMA**

Manager - Operations

**D C S B PREMARATHNA**

Manager - Legal

**E B J I KUMARA**

Zonal Manager

**S T R N DE SILVA**

Manager - Customer Service

MANAGERS



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



P RAJAKUMAR
Manager - Operations



S SUJEEVAN
Manager - Training



S NARANGODA
Application Consultant - Information
Systems (Manager Grade)



W K S PERERA
Manager - Actuarial Services

**M L D P DIAS**

Compliance Officer (Manager Grade)

**M A S N PETER**

Zonal Manager

**S VENUKARAN**

Zonal Manager

**H L D FERNANDO**

Head of Virtual Channels (Manager Grade)

**S GAUTHAM**

Manager - Alternative Business Channels



AN INSIGHTFUL STRATEGY

**BEYOND
INSURANCE**

STABILITY WITH PURPOSE

Our strategic vision prioritises responsible growth, protecting stakeholders while advancing social and environmental impact. We balance business success with social and environmental responsibility. Through sustainable finance and inclusive policies, we create long-term value that benefits communities and economies alike.









OPERATING CONTEXT



Ceylinco Life assesses industry dynamics and a wide range of socio-economic factors in order to develop a relevant and robust strategy that caters to present and emerging needs. Additionally, the organisation considers the economic outlook in order to derive a future of long-term success and stability.

OPERATING ENVIRONMENT

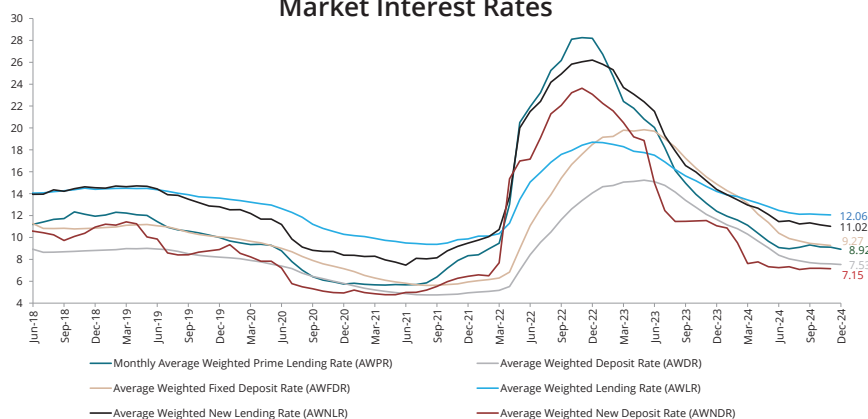
To analyze the operating environment we use the PESTEL framework, which looks at the Political, Economic, Social, Technological, Environmental, and Legal factors influencing the company. This analysis can give us a clear picture of the external forces shaping Ceylinco's operations and strategy.

Factor	Opportunities	Threats	Strategic Response	Operational Implications	ESG Link
Political 	<ul style="list-style-type: none"> Government policies supporting life insurance sector growth. Laws supporting health insurance or public health policies. 	<ul style="list-style-type: none"> Political instability affecting investor confidence. Unfavourable governance policies that could potentially have an adverse impact on the business. 	<ul style="list-style-type: none"> Engage policymakers to promote insurance awareness. A focus on expanding market reach and tapping into underserved markets. Ensuring business stability through diverse investments and prudent risk management. 	<ul style="list-style-type: none"> Increased compliance costs and reporting requirements. Need for policy adjustments and regulatory alignment 	 Enhance corporate governance, compliance, and transparency.
Risks:   		Material Topics: 		Impacted Stakeholders: Regulators, Community and Environment	

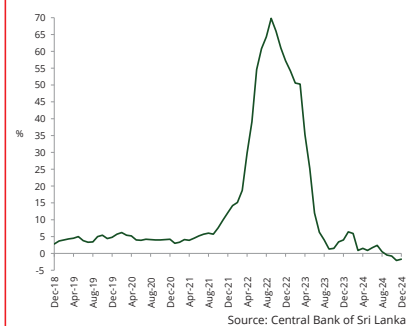
OPERATING CONTEXT

Factor	Opportunities	Threats	Strategic Response	Operational Implications	ESG Link
Economic 	<ul style="list-style-type: none"> Rising middle-class income creating insurance demand. Growth in digital financial services and microinsurance. 	<ul style="list-style-type: none"> Conditions of economic instability and impact to the policyholder disposable income. Interest rate and exchange rate volatility impacting investment income and reinsurance payments respectively. 	<ul style="list-style-type: none"> Offer flexible premium payment options. Diversify investment portfolios for financial stability. Offering a wide range of insurance products to cater to people from all walks of life Focusing on developing micro-insurance products. Diversifying business investments and focusing on resource and cost-efficiencies. 	<ul style="list-style-type: none"> A negative impact on the general public's ability to afford life insurance products and services. Strengthen digital channels to reduce distribution costs and improve operational cost efficiencies. 	 <p>Promote financial inclusion with affordable solutions.</p>
Risks: R1 R3		Material Topics: M1 M4		Impacted Stakeholders: Shareholders, Reinsurers, Actuaries, Policyholders, Sales Agents, Suppliers, Community and Environment	

Market Interest Rates





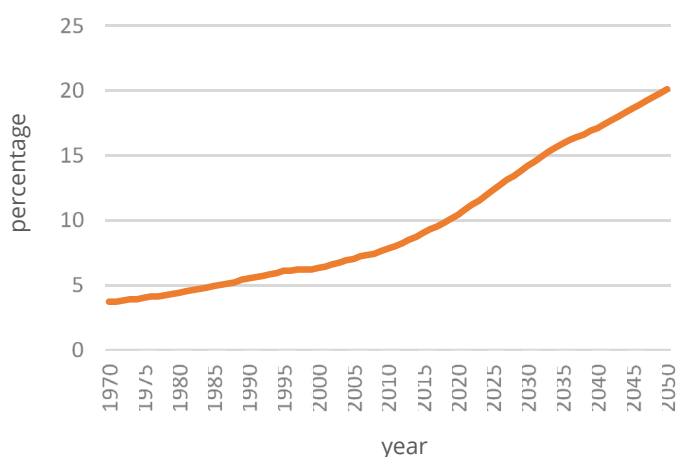
CCPI based Yo-Y Headline Inflation



US Dollar

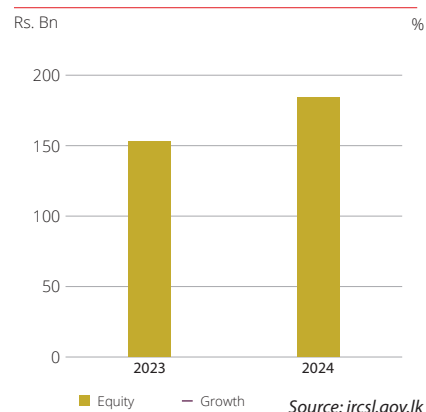


Factor	Opportunities	Threats	Strategic Response	Operational Implications	ESG Link
Social 	<ul style="list-style-type: none"> Aging population driving demand for retirement and health policies. Increased financial awareness post-pandemic. Urbanisation and evolving family structures influencing demand. 	<ul style="list-style-type: none"> Low levels of insurance penetration, amounting to approximately 1.5% of GDP. Shift in customer preference towards digital and ESG-conscious products. 	<ul style="list-style-type: none"> The introduction of new products and services to cater to emerging/underserved markets. Focusing on digitalisation to offer increased levels of convenience and accessibility. Introducing products and services aligned with retirement and healthcare. Organising health camps to serve communities with low access to healthcare. 	<ul style="list-style-type: none"> Need for targeted marketing and education initiatives. Increased demand for innovative and socially responsible insurance solutions 	 <p>Enhance financial literacy and promote responsible insurance.</p>
Risks: R1 R5		Material Topics: M2 M3 M8 M10 M11		Impacted Stakeholders: Policyholders, Employees, Community and Environment, Sales Agents, Suppliers	



Source: <http://www.unescap.org/stat/data/statdb/DataExplorer.aspx>

GWP -Q4 LIFE INSURANCE SECTOR



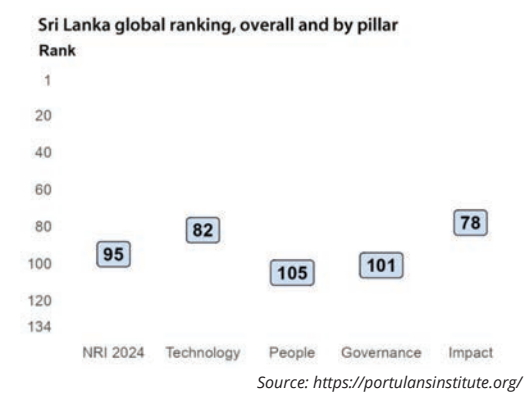
Source: ircsl.gov.lk

OPERATING CONTEXT

Factor	Opportunities	Threats	Strategic Response	Operational Implications	ESG Link
<div>Technological</div> <div>T</div>	<ul style="list-style-type: none">AI-driven risk assessment and personalised underwriting.Digital transformation through mobile apps and self-service portals.	<ul style="list-style-type: none">Cybersecurity threats and data privacy concerns.High costs of adopting advanced technology.	<ul style="list-style-type: none">Introducing AI-underwriting and chatbots to strengthen customer service excellence.Upskill employees to adapt to new technology-driven processes and data privacy compliance process.Relying on wide-ranging digital platforms and capabilities to drive seamless operations.Engaging with policyholders to increase digital literacy and support their transition into using paperless processes.Strengthening data protection protocols and mechanisms to ensure compliance and drive customer protection processes.	<ul style="list-style-type: none">Relying on advancements in technology to increase market reach and accessibility, while achieving streamlined processes.A need for stronger oversight and security over customer data.Increased investment in IT infrastructure and AI development.A need for ongoing cybersecurity measures and regulatory compliance	<div></div> <div>Ensure ethical AI use and strong cybersecurity policies.</div>
Risks: R1 R5		Material Topics: M2 M3 M8 M10 M11		Impacted Stakeholders: Policyholders, Employees, Community and Environment ,Sales Agents, Suppliers	

Global NRI position of Sri Lanka

Sri Lanka ranks 95th out of the 133 economies included in the NRI 2024










Sri Lanka GII Ranking (2020-2024)

The table shows the rankings of Sri Lanka over the past four years. Data availability and changes to the GII model framework influence year-on-year comparisons of the GII rankings. The statistical confidence interval for the ranking of Sri Lanka in the GII 2024 is between ranks 85 and 92.

Year	GI Position	Innovation Inputs	Innovation Outputs
2020	101st	107th	83rd
2021	95th	103rd	85th
2022	85th	102nd	68th
2023	90th	103rd	79th
2024	89th	100th	82nd

Source: Global Innovation Index 2024

Factor	Opportunities	Threats	Strategic Response	Operational Implications	ESG Link
Environmental 	<ul style="list-style-type: none"> • Demand for green insurance and climate-linked policies. • ESG integration in investment and insurance and climate-underwriting decisions 	<ul style="list-style-type: none"> • Increased natural disaster risks affecting claims exposure. • Regulatory pressure on ESG disclosures and sustainability reporting. 	<ul style="list-style-type: none"> • Develop climate-linked insurance and green investment portfolios. • Integrate ESG factors into underwriting and product innovation. • Actions taken to reinforce business resilience through incorporating ESG considerations into risk management. • Strengthening climate resilience and introducing a climate policy to drive future strategy. • Pursuing investments based on ESG considerations such as Green Bonds • Investing in green buildings and undertaking initiatives to minimise organisational impact on the environment. • Expanding the nation's renewable energy capacity. 	<ul style="list-style-type: none"> • An impact on business continuity and bottom-line performance. • The opportunity to strengthen the organisation's position as a responsible corporate. • Compliance with sustainability reporting S1 / S2, GRI, etc 	 Commit to sustainable underwriting and green finance.
Risks:  		Material Topics:   		Impacted Stakeholders: Policyholders, Employees, Community and Environment ,Sales Agents, Suppliers	

OPERATING CONTEXT

Factor	Opportunities	Threats	Strategic Response	Operational Implications	ESG Link
Legal 	<ul style="list-style-type: none"> Consumer protection laws fostering trust in insurance. Regulatory support for product innovation. Strong regulatory framework (IRC SL) ensuring industry stability. 	<ul style="list-style-type: none"> Stricter data protection laws affecting digital operations, risk-based capital regulations, anti-money laundering (AML) and Know Your Customer (KYC) regulations. Increased compliance costs due to evolving regulations. 	<ul style="list-style-type: none"> Align operations with IRC SL guidelines and global best practices. Strengthen legal compliance frameworks and ethical governance. Regulatory changes (SLFRS 17, capital adequacy requirements). 	<ul style="list-style-type: none"> Need for enhanced data privacy policies and security measures. Higher compliance costs and legal due diligence requirements. 	 Foster ethical business practices and regulatory compliance.
Risks: R2 R5 R10		Material Topics: M2 M3 M8 M10 M11		Impacted Stakeholders: Policyholders, Employees, Community and Environment, Regulators	

Industry Analysis

The life insurance industry in Sri Lanka operates in a competitive and regulated environment, influenced by various market forces.

PORTER'S FIVE FORCES ANALYSIS



IMPACT

LOW



MODERATE



HIGH

**THREAT OF NEW ENTRANTS**

- A minimum capital requirement of Rs. 500 Mn
- Heavily regulated by the Insurance Regulatory Commission of Sri Lanka (IRCSL), which imposes capital requirements (Minimum CAR 120%) and solvency regulations, making entry difficult.
- Need to maintain high levels of brand trust and credibility
- Potential disruption from Insurtech startups
- Need for expert resources such as actuaries, reinsurers, chartered insurers etc.
- Licensing requirements from regulators

IMPACT

**BARGAINING POWER OF SUPPLIERS**

- High dependence on reinsurers (e.g., Swiss Re, Munich Re)
- Actuaries, underwriters, and investment professionals are crucial, and a shortage of skilled professionals can increase supplier power.
- Insurers increasingly rely on third-party tech firms for digital transformation, making them dependent on specific vendors for AI, analytics, and cloud-based solutions.

IMPACT

**BARGAINING POWER OF BUYERS**

- High switching costs (e.g. surrender penalties, low initial fund values, single premium option etc.)
- Customers often engage in policy comparison and demand improved price points
- Digital platforms leading to an increase in transparency and customer influence

IMPACT

**THREAT OF SUBSTITUTES**

- Many private and state insurance companies can offer similar health insurance policies with comparable coverage.

IMPACT

**INDUSTRY RIVALRY**

- The presence of many competitors amid a large untapped market
- Price wars and aggressive marketing strategies
- Differentiation through digital transformation, customer service, and product innovation
- Market consolidation through mergers and acquisitions
- Barriers to the industry owing to are contractual obligations to policyholders

IMPACT



OPERATING CONTEXT

HEAR FROM OUR LEADERSHIP



How is Ceylinco Life's product portfolio designed to cater to evolving needs and market dynamics?



Ceylinco Life's products are designed to cater to a wide range of customer preferences and their evolving needs. The Company continues to develop new products and features to align with emerging needs. The organisation also aligns its portfolio with niche markets to ensure a competitive edge is maintained.

During the year, amid uncertainties in the market and the rising cost of healthcare, the focus was primarily on short-term policies and health-linked life insurance policies such as Medical Saver. The Company also provides solutions for those seeking long-term financial security and stability, with children's insurance and education plans (Degree Saver/ Sipsetha), while retirement and pension plans (Pension saver/CRA) cater to the needs of an aging population.



MR. S. R. ABEYNAYAKE,

Executive Director/Chief Operating Officer

As an organisation focused on inclusion and diversity, Ceylinco Life offers insurance solutions for largely untapped or emerging markets. For instance, micro insurance policies such as Pradeepa offer affordable, simplified insurance policies tailored to rural and underserved segments to provide basic financial protection. Similarly, with the aim of empowering women, the organisation offers Saubhagya, a women's insurance plan designed with benefits for maternity care, women-specific health risks, and child education planning.



What were the key challenges faced during the year?



The impact of Sri Lanka's economic crisis, inflation, and currency fluctuations continued to affect policyholder affordability and investment returns. Taxation and compliance requirements, in addition to the adoption of new standards such as SLFRS 17 SLFRS 09 impacts to the industry, underscored by stringent regulatory scrutiny regarding product pricing and policyholder protection, and Risk-Based Capital (RBC) requirements. Additionally, global inflation and risk factors have led to higher reinsurance costs for local insurers.

At present, life insurance penetration remains below regional averages amounting to approximately 0.6% of GDP, requiring increased awareness and accessibility. In response, Ceylinco Life conducts annual campaigns during life insurance week, and commenced outreach programmes to educate future generations on the importance of life insurance.



How did the organization ensure that market leadership was retained amid these challenges?



The organisation relied on a range of strategies encompassing digital transformation, enhancing the customer experience, and brand building and marketing. These collective strategies ensured that customers remained at the heart of Ceylinco Life's decision-making, while driving superior value to policyholders.

A

Ceylinco Life engaged in sales channel expansion via a hybrid distribution model that is built on digital and physical channels, strengthened by the launch of new distribution methods such as digital sales teams.

A longstanding reputation for trust is a vital component of strategy, and the Company therefore engaged in wide-ranging CSR programmes that contribute to social causes, such as health, education, and environmental protection, to foster goodwill and

strengthen brand reputation. As in the past, the Company also maintained a robust financial position, which serves to instill trust and confidence among customers.

Q

What are the key life insurance themes for the year 2025?

A

With a growing focus on the Gen-Z population, there are increased opportunities to build brand visibility,

and strengthen brand popularity. Furthermore, with the migration of skilled workers, it is integral for insurance companies to focus on talent development and engagement.

In order to keep the pace with the changing landscape, and maintain customer loyalty, the highest standards of operational excellence, customer-centricity and digital transformation will be key growth enablers in the year ahead.

ECONOMIC OUTLOOK FOR 2025 AND BEYOND

The outlook of Sri Lanka and its life insurance industry is shaped by several macroeconomic and sector-specific factors, outlined below:

Sri Lanka's Economic Outlook

ECONOMIC REVIVAL

Following the impacts of the economic crisis in 2022, Sri Lanka is currently in a recovery phase, underpinned by targeted efforts to stabilise the economy and implement vital reforms. The country is focusing on fiscal consolidation, debt restructuring, and attracting foreign investment.

MARKET STABILISATION

If the monetary policy holds its current trajectory and remains effective, inflation is expected to stabilise, while interest rates could exhibit a decline. The resulting climate could potentially benefit financial services, which encompasses the insurance industry.

GEOPOLITICAL AND GLOBAL ECONOMIC IMPACT

Sri Lanka's economic future will likely be influenced by global economic conditions, including the performance of its key trading partners and global commodity prices. Trade and tourism, particularly with China, India, and the Middle East, will remain critical to the economy's recovery.

CURRENCY STABILITY AND FOREIGN EXCHANGE RESERVES

The stabilisation of the Sri Lankan rupee and the growth of foreign exchange reserves will play a significant role in Sri Lanka's ability to attract investment and support the local financial system.

Outlook for the Life Insurance Industry

The Sri Lankan life insurance sector is growing steadily, with a projected market volume of \$0.58 billion by 2029 (CAGR 1.8%).

Source: <https://www.statista.com/outlook/fmo/insurances/life-insurance/sri-lanka>

ENTERPRISE RISK MANAGEMENT

GOVERNANCE OF RISK MANAGEMENT

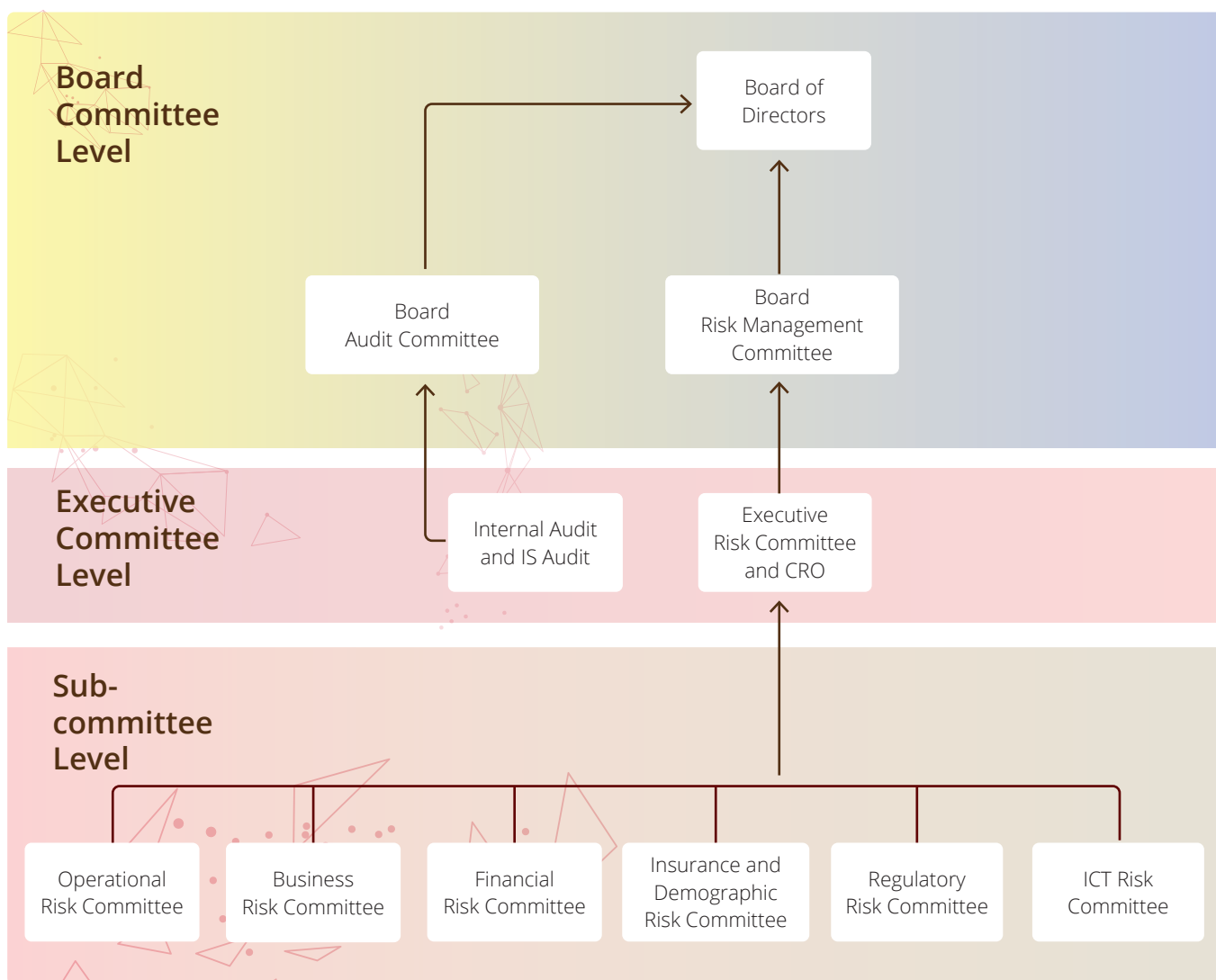
At Ceylinco Life, the Board of Directors retains overall accountability for the governance of risk and is committed to effective risk management in pursuit of our strategic objectives. It is the responsibility of the Board, in conjunction with the Board Risk Management Committee, to review the Company's portfolio of risks and assess them against the risk appetite (refer to Pages 259-260 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, organizational-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.

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.

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.

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 to the Board or the Board Risk Management Committee
- Identification and assessment of risks and monitoring risks against the risk appetite
- Recommending appropriate actions to mitigate risks within tolerance levels

Third Line of Defence

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.

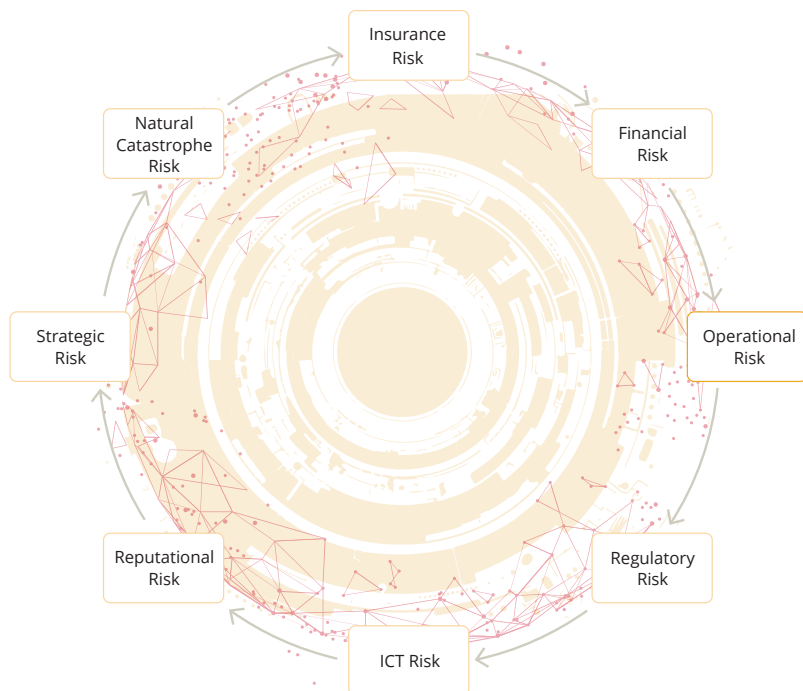
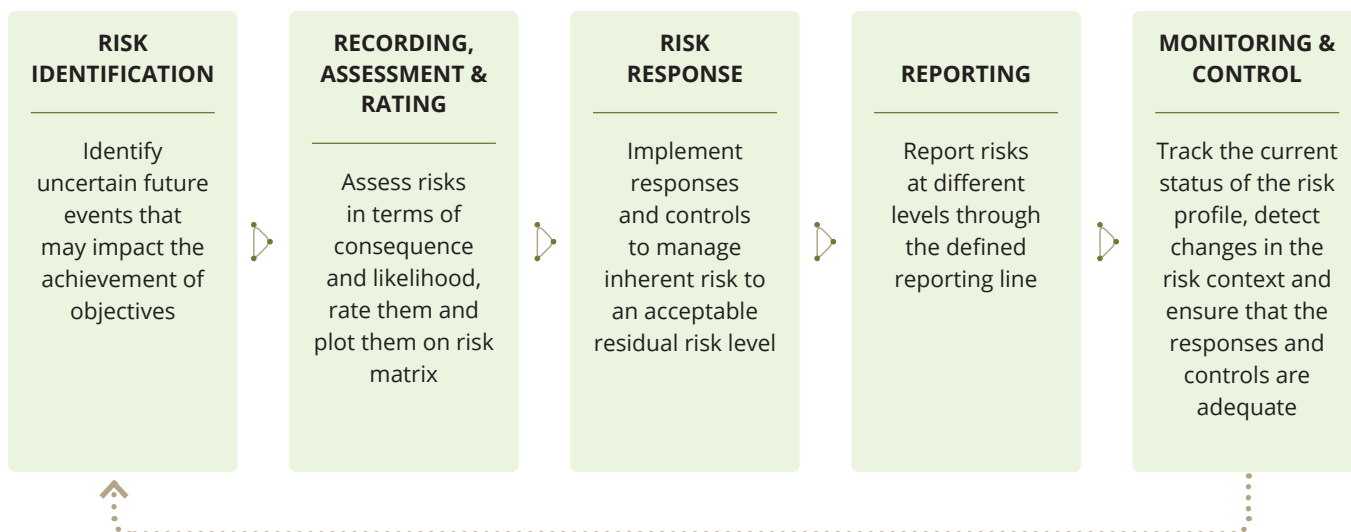
Risk Register

The Company uses an electronic risk register. Risks 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.



External Risks

Political changes, geopolitical risks, macro-economic risks, technological risks and environmental implications such as climate change

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 2024

Likelihood and Impact (residual): ● **High** ● **Moderate** ● **Low** Ranking: ▲ Increased ▼ Reduced ◆ Unchanged

R1 INSURANCE RISK 1.1. Underwriting Risk

Capitals Impacted:

Financial / Social & Relationship /
Intellectual

Likelihood: ●

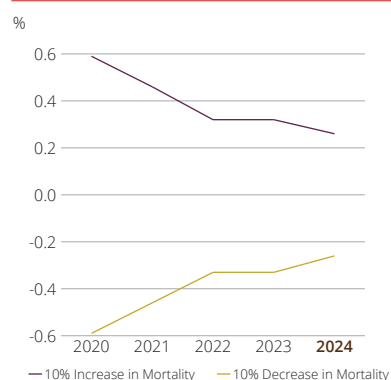
Impact: ●

Ranking: ◆

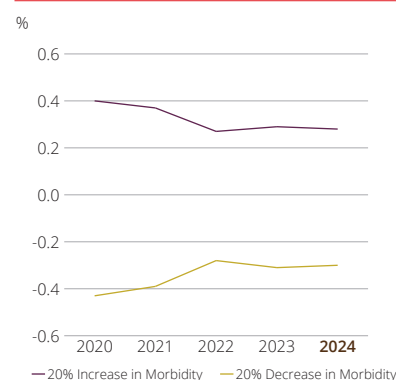
Definition	Not selecting lives for insurance business at an adequate premium according to mortality and morbidity assumptions
Relevance and Impact	Affects underwriting results and financial performance
Risk Mitigation	<ul style="list-style-type: none"> • Verify prospective policyholders' details through tele-underwriting team at Head Office • Centralized 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



ENTERPRISE RISK MANAGEMENT

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	<ul style="list-style-type: none">• Claims are recorded once intimated and monitored regularly by the senior management• Check authenticity of claim supporting documents• Automated claim computations• Claims approvals are centralized and medical and legal consultation is obtained prior to claim approval• Claim audits and dentification of claim patterns through statistics															
<div><div><div>DISABILITY CLAIM RATIO</div><table><tr><th>Category</th><th>2023 (%)</th><th>2024 (%)</th></tr><tr><td>Partial & Permanant Disability</td><td>4.0</td><td>3.8</td></tr><tr><td>Total & Permanant Disability</td><td>1.2</td><td>3.2</td></tr></table></div><div><div>HOSPITALISATION CLAIM RATIO</div><table><tr><th>Year</th><th>Hospitalisation Claim Ratio (%)</th></tr><tr><td>2023</td><td>8.78</td></tr><tr><td>2024</td><td>8.42</td></tr></table></div></div>		Category	2023 (%)	2024 (%)	Partial & Permanant Disability	4.0	3.8	Total & Permanant Disability	1.2	3.2	Year	Hospitalisation Claim Ratio (%)	2023	8.78	2024	8.42
Category	2023 (%)	2024 (%)														
Partial & Permanant Disability	4.0	3.8														
Total & Permanant Disability	1.2	3.2														
Year	Hospitalisation Claim Ratio (%)															
2023	8.78															
2024	8.42															

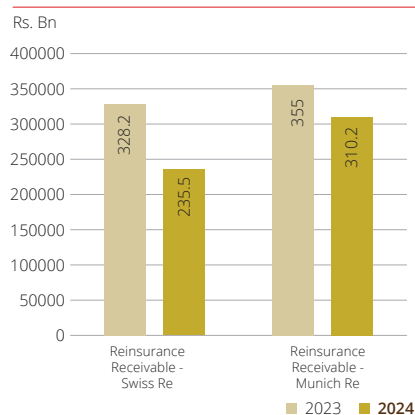
1.3. Reinsurance risk

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	<ul style="list-style-type: none"> • 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 IRC SL in selecting reinsurers • Periodic monitoring of the credit ratings of re-insurers • Having a catastrophic re-insurance treaty in place

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



ENTERPRISE RISK MANAGEMENT

R2 REGULATORY RISK
2.1. Compliance risk

Capitals Impacted:
Financial / Human / Intellectual

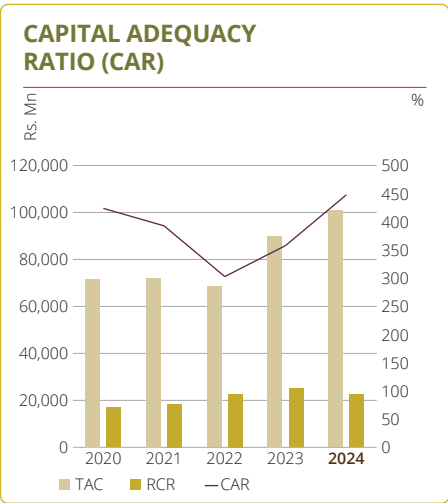
Likelihood: ●
Impact: ●
Change: ◆

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	<ul style="list-style-type: none">Establish a strong tone at the top through appropriate policies and procedures to enhance the control environment.Compliance Officer supervises departments on compliance matters and is responsible to the Board on overall complianceIdentify changes in the regulatory landscape through the Regulatory Risk Committee and respond to the changesInternal audits on status of compliance with applicable laws and regulationsRegular consultation with in-house legal officersProvide training to relevant staff on compliance requirements and any regulatory changes
Key Risk Indicator(s)	Number 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 very healthy levels.



R3 FINANCIAL RISK**3.1. Investment Concentration Risk****Capitals Impacted:**

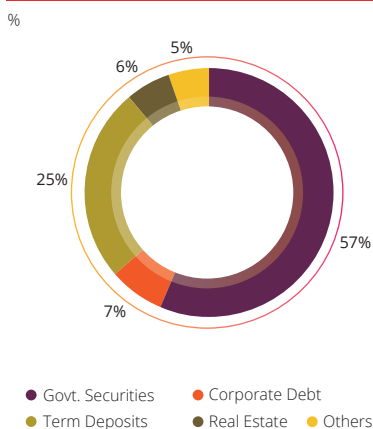
Financial / Human / Intellectual

Likelihood: ●

Impact: ●

Change: ▲

Definition	Concentration of investments in one or more asset classes, issuers, currencies or markets leads to investment concentration risk.
Relevance and Impact	Affects diversification of investments and incurs financial loss
Risk Mitigation	<ul style="list-style-type: none"> • 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**

ENTERPRISE RISK MANAGEMENT

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 impacts the interest rate.
Relevance and Impact	Affects capital adequacy, interest income and underlying value of the assets and liabilities
Risk Mitigation	<ul style="list-style-type: none"> • 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 to revisit, change or fine-tune the strategy as required • Continuously monitoring the sensitivity of assets and liabilities to changes in interest rates using metrics such as duration and convexity • Align the portfolio duration to optimize 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 macroeconomic developments
Key Risk Indicator(s)	<ul style="list-style-type: none"> • Disclosures on this risk can be found in Note 41(e) to the Financial Statements on page 383

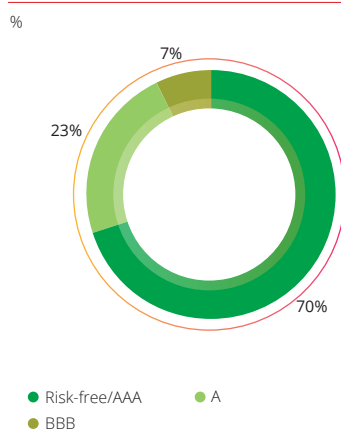
3.3. Liquidity Risk

Definition	Liquidity risk is 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	<ul style="list-style-type: none"> • 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 386

3.4. Credit Risk

Definition	Credit risk is the risk that a borrower or counterparty 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	<ul style="list-style-type: none"> • Collection of maturity and interim cash flow proceeds on time • Use of only approved counterparties 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 counterparties • Maintain high credit quality within the investment portfolio through internal exposure limits based on issuers' credit quality
Key Risk Indicator(s)	Disclosures on this risk can be found in Note 41(b) to the Financial Statements on page 378

CREDIT PROFILE OF INVESTMENT PORTFOLIO



ENTERPRISE RISK MANAGEMENT

R4 OPERATIONAL RISK

4.1. ICT Risk

Capitals Impacted:

Financial / Social and Relationship/
Intellectual

Likelihood: ●

Impact: ●

Change: ▼

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	<ul style="list-style-type: none"> Adherence to the Board-approved Information Security Policy Continuous scanning of IT control environment and strengthen security measures Internal and perimeter firewalls for protecting internal infrastructure and databases Automatic containment of infected hosts by CrowdStrike Antivirus Access controls on external devices Regular health checks on the servers Regular training to all staff 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)	<ul style="list-style-type: none"> Actual incidents of ICT security policy violations Actual DR drills conducted

R5 REPUTATIONAL RISK

Capitals Impacted:

Financial / Social & Relationship /
Intellectual

Likelihood: ●

Impact: ●

change: ◆

Definition	This risk arises due to negative publicity regarding Company's business practices which could lead to a loss of confidence amongst stakeholders and affect the business operations.
Relevance and Impact	Affects corporate image
Risk Mitigation	<ul style="list-style-type: none"> 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

R6 STRATEGIC RISK

Capitals Impacted:

Financial / Social & Relationship /
Intellectual

Likelihood: ●

Impact: ●

change: ▼

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	<ul style="list-style-type: none"> Continuous scanning of the external environment to identify viable opportunities Review of strategies at the monthly Strategic Planning Meetings
Key Risk Indicator(s)	<ul style="list-style-type: none"> Loss of competitiveness in the market Loss of market share

R7 NATURAL CATASTROPHE RISK**Capitals Impacted:**

Financial / Social & Relationship / Intellectual

Likelihood: ●

Impact: ●

change: ◆

Definition	This risk reflects the adverse impacts on business operations due to severe 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 address identified business contingencies Periodic training of recovery teams Periodic testing of the BCP through drills
Key Risk Indicator(s)	<ul style="list-style-type: none"> Drill performance versus targets Actual system recovery times

R8 CLIMATE RISK**Capitals Impacted:**

Financial / Human/ Social & Relationship / Natural

Likelihood: ●

Impact: ●

change: ◆

Definition	Climate risk refers to the financial and operational disruptions caused by climate change, including physical risks from extreme weather.
Relevance and Impact	Affects operations, causes damage to properties or assets, could lead to loss of human lives and incurs financial losses
Risk Mitigation	<ul style="list-style-type: none"> Consideration of climate impacts when selecting new branch locations Planning for alternative recovery locations
Key Risk Indicator(s)	<ul style="list-style-type: none"> Loss of business hours from branch closure due to adverse weather Injuries to employees, sales agents and customers

Please refer to pages 36-37 for more information on climate-related risks and opportunities.

R9 DATA SECURITY RISK**Capitals Impacted:**

Financial / Intellectual / Social & Relationship

Likelihood: ●

Impact: ●

change: ◆

Definition	This risk refers to deficiencies in protecting the Company's data throughout the data lifecycle, which might expose the data to corruption, unauthorized access and use, sabotage and theft. The most common data security risks include employee mistakes, internal dangers, ransomware and social engineering attacks
Relevance and Impact	Affects operations, causes damage to data and information assets, could lead to financial losses, lawsuits and reputational damage
Risk Mitigation	<ul style="list-style-type: none"> Establishment and maintenance of firewalls Periodical vulnerability assessments through IT security consultants Masking of confidential and personal data Data leakage prevention software Oversight by a Data Protection Officer Engagement of an external consultant to implement a data protection programme under the Personal Data Protection Act No. 9 of 2022

ENTERPRISE RISK MANAGEMENT

R10 Tax Legislation Risk

Capitals Impacted:

Financial / Social & Relationship

Likelihood: ●

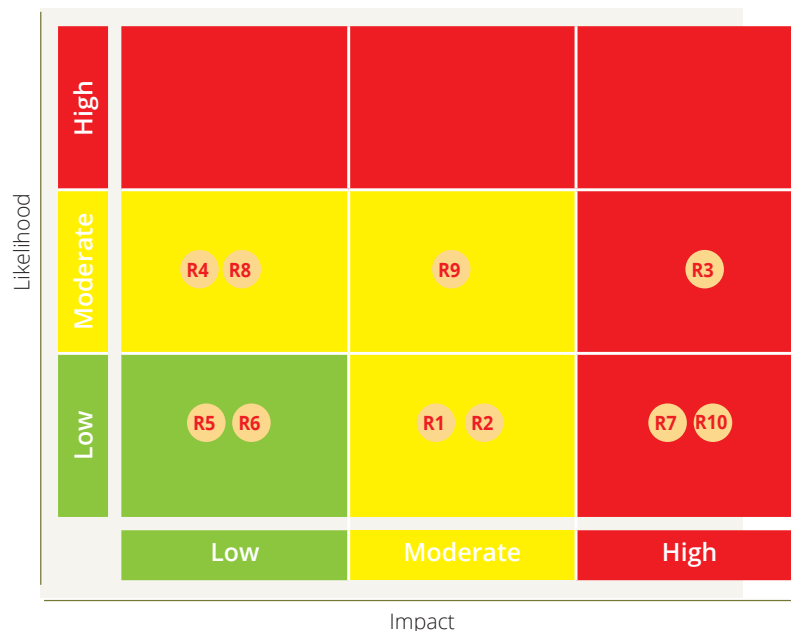
Impact: ●

change: ◆

Definition	This risk refers to the negative financial effects on the Company's profits and policyholders' surplus and bonuses declared due to changes in tax regulations.
Relevance and Impact	Affects profits after tax, policyholder surplus and bonuses declared to policyholders
Risk Mitigation	<ul style="list-style-type: none"> Obtaining the services of a tax consultant Taking legal action against unlawful income tax assessments
Key Risk Indicator (s)	<ul style="list-style-type: none"> Income tax expense recorded in financial statements Tax assessments issued by the IRD (refer to Note 42 (c) to the Financial Statements on page 391)

MAPPING OUR RISKS

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



IDENTIFICATION OF ESG RISKS AND OPPORTUNITIES

Ceylinco Life is aware that social, environmental, and governance aspects can lead to risks as well as bring new opportunities for the business. Owing to this, Ceylinco Life undertakes the regular identification and evaluation ESG risks and opportunities in order to gain greater precision in defining the organisation's strategy, objectives and actions that are to be implemented. This mechanism also ensures that such risks and opportunities can be reported to the Board of Directors for their consideration and integration into the Corporate Risk Map, in line with the provisions of the

Risk Management Policy.

CEYLINCO LIFE'S APPROACH TO ESG RISK MANAGEMENT

- ESG Risk Identification will be linked to the Sub-committee level as this is the usual point at which risks are identified.
- Each sub-committee will consider ESG risks in its proceedings.
- If any new ESG risk is identified, it is assessed and recorded in CAMMS with the Chief Risk Officer's approval.
- Controls and actions will be assigned to respective Heads of Department.

- Monitoring will also take place at the sub-committee meetings.
- Critical ESG risks will be reported to the BRMC and BOD.

During the year under review, with the rising impact of climate change and its associated risks, the Company focused solely on

climate-related disclosures, with the aim of incorporating other environmental, social, and governance risks in the year ahead.

Defining ESG Risks

ESG risks are any environmental, social, or governance issues that could affect a Company. At Ceylinco Life, the Company's risks align with its key ESG strategic pillars.

Why are ESG Risks Important?

Sustainability initiatives at corporations appear to drive better financial performance due to mediating factors such as improved risk management and more innovation. Therefore Ceylinco Life has linked financial performance into the ESG risk management framework.

RISK MANAGEMENT HIGHLIGHTS 2024

1. Regular Testing of Disaster Recovery Plans

We conducted tests on our disaster recovery plans on 8 September 2024. 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. Migration of SAP to the Cloud

One of the core applications of the Company, SAP, which is used for accounting, reporting and financial asset management, was migrated to the cloud in March 2024. This is expected to bring down maintenance costs and improve flexibility and scalability, while offering enhanced security and compliance.

3. Personal Data Protection Program

With the support of an external consultant, the Company commenced a special project in July 2024 to make sure it complies with the requirements of the Personal Data Protection Act No. 9 of 2022. The project kicked off with a few awareness sessions for identified departments and a gap analysis has been completed. As the key outcome of the project, a data protection management programme, will be established.

4. ESG Risk Discussions

In 2024, we started identifying ESG risks at the Sub-Committee level. At each monthly meeting of the six Sub-Committees, members can raise any ESG risks that they have identified to the attention of the Committee. Identified risks, based on criticality, are escalated to the Executive Risk Committee and the Board Risk Management Committee.

5. Signing Escrow Agreement 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. This also involves testing by the Company's IT team to ensure that changes in the coding are properly updated with the escrow agents.

LOOKING AHEAD

The recent developments in the external business environment have prompted the Company to relook 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 programme 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.

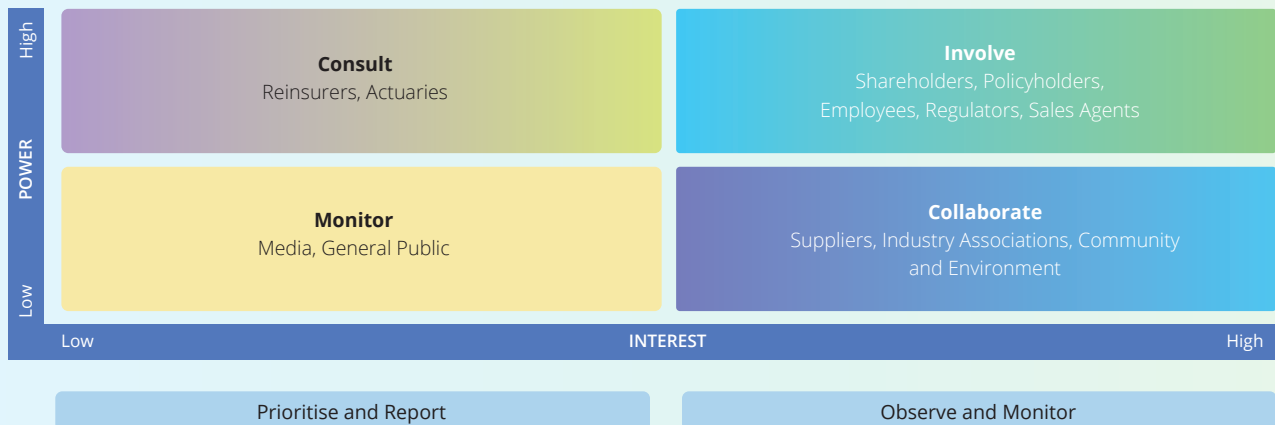
STAKEHOLDER ENGAGEMENT

Ceylinco Life defines its stakeholders as a person, group, or entity that holds either interest in the organisation, or influences its activities. The Company relies on a comprehensive five-step process to engage with its diverse stakeholders, with the aim of ensuring its business strategy aligns with their changing needs, concerns, and expectations. Ceylinco Life's approach to stakeholder communication and management ensures that the organisation fosters mutually beneficial relationships, built on transparency and accountability.



STAKEHOLDER PRIORITISATION

While ensuring continuous engagement across all stakeholder groups, Ceylinco Life primarily prioritises the stakeholders with high degrees of either power and influence, while those with low levels of power and influence are monitored regularly. The Company prioritises and reports on its engagement as follows:



QUALITY OF ENGAGEMENT

	No existing relationship
	Relationship is established, quality not substantially improved
	Relationship is established and adding value with room for improvement
	Good quality, mutually beneficial relationships with some room for improvement
	Strong relationship with mutual benefits

CAPITALS



Financial Capital



Social and Relationship Capital



Intellectual Capital



Manufactured Capital



Human Capital



Natural Capital

RISKS

R1 Insurance	R6 Strategic
R2 Regulatory	R7 Natural Catastrophe
R3 Financial	R8 Climate Risk
R4 Operational	R9 Data Security
R5 Reputational	R10 Tax Legislation

ENGAGEMENT FREQUENCY

A Annual	O Ongoing
BA Biannual	AR As required
Q Quarterly	

LEVEL OF ENGAGEMENT

--	--	--

Shareholders

Significance

Ceylinco Holdings PLC is the sole shareholder of the Company, providing equity necessary for the Company's operations.

Scope: Internal

Number: **1**

Quality of Engagement



Relationship Manager

Board of Directors

Impacted Capitals



Engagement Channels and Frequency

AGMs - A	EGMs - AR
Annual Report - A	Interim Statements - Q
Corporate Website - O	

Impacted SDGs



Strategic Pillars

Corporate Governance (pages 205-240)

Financial Performance (pages 127-151)

Key Risks **R2 R3 R6 R10**

Areas of Interest

Sustainable financial returns and growth

Attractive dividends

Sound balance sheet

A strong reputation

Transparent disclosures

Key Concerns in 2024

Business resilience

Strategic Response

Retaining Market Leadership (pages 130-131)
Maintaining Consistent Returns (pages 131-132)
Prudent, Farsighted Investments (pages 139 -142)

Good governance and accountability

Corporate Governance (pages 205-240)
Strong, Internal Controls (pages 148-151)
Enterprise Risk Management (pages 76-89)

Resource stewardship

Sustainable Business Expansion and Development (pages 156-157)
Resource Management and Waste Conservation (pages 158-160)

Outcome

Dividend proposed -
Rs. 885 Mn - 2024

Dividend paid -
Rs. 750 Mn - 2023
(2023 - Rs. 912 Mn)

ROE - 11.64%

ROA - 2.81%

EBITDA - Rs. 10.6 Bn

Outlook: Refer to Chief Executive Officer's Review on pages 44-48

STAKEHOLDER ENGAGEMENT

Reinsurers

Significance Long-term partnerships that provide financial protection and support		Scope: External Number: 2
Quality of Engagement 	Relationship Manager Head of Technical	Impacted Capitals
Engagement Channels and Frequency Formal treaties Virtual meetings Electronic material On-site visits and meetings		Impacted SDGs
Key Risks		Strategic Pillars Corporate Governance (pages 205-240) Financial Performance (pages 127-151)
Areas of Interest Timely payments Accurate data and disclosures Financial stability and resilience		
Key Concerns in 2024	Strategic Response	Outcome
Timely payments	Maintaining Consistent Returns (pages 131-132) Empowering Suppliers and Business Partners (pages 201-203)	Premium ceded - Rs.550 Mn (2023 - Rs. 640 Mn)
Transparency and accountability	Corporate Governance (pages 205-240) Strong Internal Controls (pages 148-151)	Claims recovery - Rs. 250 Mn (2023 - Rs. 290 Mn)
Stability and business continuity	Prudent, Farsighted Investments (pages 139-142) Enterprise Risk Management (pages 76-89)	
Outlook: Ceylinco Life will remain committed to maintaining a long-standing healthy relationship with our reinsurers in the future.		

Actuaries











Significance Professional consultancy services that calculate insurance risks and premiums to facilitate accurate, farsighted decision making and profitable results		Scope: External Number: 2
Quality of Engagement 	Relationship Manager Head of Actuarial	Impacted Capitals
Engagement Channels and Frequency Legal agreements Teleconferences Virtual meetings Other electronic media		Impacted SDGs
Key Risks		Strategic Pillars Corporate Governance (pages 205-240) Financial Performance (pages 127-151)
Areas of Interest Timely payments Financial stability and resilience Accurate data and disclosures		

Actuaries

Key Concerns in 2024	Strategic Response	Outcome
Timely payments	Maintaining Consistent Returns (pages 127-151) Empowering Suppliers and Business Partners (pages 201-203)	Total payments made to actuaries
Transparency and accountability	Corporate Governance (pages 205-240) Strong Internal Controls (pages 148-151)	- Rs. 35.1 Mn

Outlook: Ceylinco Life will remain committed to maintaining a long-standing healthy relationship with our actuaries in the future.

Policyholders

Significance Customers who serve as key revenue providers for Ceylinco Life		Scope: External Number: 600,000+
Quality of Engagement 	Relationship Manager Head of Marketing, Customer Relations, Customer Services, Technical, Customer Experience and Sales Agents.	Impacted Capitals 
Engagement Channels and Frequency Branch network and sales agents  Inquiries and complaints  Social media, events and programmes  Newsletters, emails and other communications  Corporate website  Feedback and surveys 		Impacted SDGs 
Key Risks 		Strategic Pillars Social Responsibility (pages 168-203) Environmental Sustainability (pages 155-166) Financial Performance (pages 127-151) Corporate Governance (pages 205-240)

Areas of Interest

Obtaining best-in-class life insurance solutions	A focus on health and well-being
Cost-effective solutions	Accessible and convenient solutions
Timely payment of claims	Financial stability and resilience
Ethical business operations	Privacy and security

Key Concerns in 2024	Strategic Response	Outcome
Security and stability	Safeguarding Policyholders and their Needs (pages 171-177) IT Governance (pages 219-220) Enterprise Risk Management (pages 76-89)	No. of new policies issued 61,325 Net claims paid - Rs.25 Bn (2023 - Rs. 23.1 Bn)
Accessibility, adaptability and convenience	Safeguarding Policyholders and their Needs (pages 156-157)	
Cost-effective, efficient solutions	Sustainable Business Expansion and Development (pages 156-157) Resource Management and Waste Conservation (pages 158-160)	

Outlook: Refer to Strategy and Resource Allocation on pages 107-120

STAKEHOLDER ENGAGEMENT

Sales Agents

Significance

A diverse team that promotes products and maintains close relationships with policyholders to retain market leadership

Scope: External

Number: 2,577

Quality of Engagement



Relationship Manager

Head of Agency
Administration and Head of HR

Impacted Capitals



Engagement Channels and Frequency

Meetings and discussions AR

Events and programmes O

Training and development programmes O

Newsletters emails and other media AR

Grievance handling processes AR

Impacted SDGs



Strategic Pillars

Social Responsibility (Pages 168-203)

Environmental Sustainability (Pages 153-166)

Financial Performance (pages 127-1510)

Corporate Governance (pages 205-240)

Key Risks 1 3 4 5 6

Areas of Interest

Progression and growth

Flexibility and convenience

Healthy commissions

Guidance and knowledge

Key Concerns in 2024

Strategic Response

Outcome

Flexibility and convenience

Growing Partnerships with Agents
(pages 178-182)

Guidance, support and progress

Growing Partnerships with Agents
(pages 178-182)

Ethics and integrity

Safeguarding Policyholders and their Needs (pages 171-177)
Growing Partnerships with Agents (pages 178-182)

Total commissions paid -
Rs. 2.4 Bn
(2023 - Rs. 2.2 Bn)
Total cost on training and development - **Rs. 73.9 Mn**
(2023 - Rs. 55.8 Mn)

Outlook: Develop a clear and comprehensive sales strategy that aligns with the overall goals of the organisation

Employees

Significance

Permanent cadre that drive and enable Company-wide operations

Scope: External

Number: 729

Quality of Engagement



Relationship Manager

Head of Human Resource
and Head of Operations

Impacted Capitals



Engagement Channels and Frequency

Meetings and discussion AR

Events and programmes O

Training and development programmes O

Newsletters emails and other media AR

Grievance handling processes AR

Impacted SDGs



Strategic Pillars

Social Responsibility (pages 168-203)

Environmental Sustainability (pages 153-166)

Financial Performance (pages 127-151)

Corporate Governance (pages 205-240)

Key Risks 2 3 4 6 7

Employees

Areas of Interest

Fair, equitable remuneration

Equal opportunities

Work-life balance

Supportive policies

Empowerment and engagement

Open communication

Career development

Job security

Health and safety

Key Concerns in 2024	Strategic Response	Outcome
Security and stability	Nurturing an Empowered, Progressive People (pages 183-196) Maintaining Consistent Returns (pages 131-132)	Remuneration paid – Rs. 2.9 Bn (2023 - Rs. 3.1 Bn)
Progress and welfare	Nurturing an Empowered, Progressive People (pages 183-196)	Training hours per employee - 19.87 hours (18.7 hours in 2023)
Knowledge, sustainability and agility	Nurturing an Empowered, Progressive People (pages 183-196) Sustainable Business Expansion and Development (pages 156-157) Resource Management and Waste Conservation (pages 158-160) Climate Action and Ecosystem Conservation (pages 162-165)	
Ethics and integrity	Strong Internal Controls (pages 148-151) Corporate Governance (pages 205-240) Nurturing an Empowered, Progressive People (pages 183-196)	

Outlook: Refer to Strategy and Resource Allocation on pages 107-120

Regulators

Significance

Compliance with legal and regulatory requirements maintains business continuity and builds public trust

Scope: External

Number: **3**

Quality of Engagement



Relationship Manager

Principal Officer, Compliance Officer and Board of Directors

Impacted Capitals



Engagement Channels and Frequency

Meetings and discussion **AR**Events and programmes **O**Training and development programmes **O**Newsletters emails and other media **AR**Grievance handling processes **AR**

Key Risks 2 3 4 5 6 7

Impacted SDGs



Strategic Pillars

Social Responsibility (pages 168-203)

Corporate Governance (pages 205-240)

Financial Performance (pages 127-151)

Environmental Sustainability (pages 153-166)

Areas of Interest

Timely submission of returns

Timely payment of taxes

Ethical business practices

STAKEHOLDER ENGAGEMENT

Regulators

Key Concerns in 2024	Strategic Response	Outcome
Compliance and ethical practices	Corporate Governance (pages 205-240) Strong, Internal Controls (pages 148-151) Enterprise Risk Management (pages 76-89) Safeguarding Policyholders and their Needs (pages 171-177) Growing Partnerships with Agents (pages 178-182)	Direct taxes paid Rs. 2.8 Bn (2023 – Rs. 2.6 Bn) Levies, fees and charges paid – Rs. 172 Mn (2023 – Rs. 187 Mn)

Outlook: 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.

Suppliers

Significance Mutually beneficial partnerships that support business operations		Scope: External Number: 1,695
Quality of Engagement 	Relationship Manager Head of Administration and other department heads	Impacted Capitals 
Engagement Channels and Frequency Meetings and discussion AR Events and programmes O Training and development programmes O Newsletters emails and other media AR Grievance handling processes AR		Impacted SDGs 
Key Risks 2 3 4 5 6		Strategic Pillars Social Responsibility (pages 168-203) Financial Performance (pages 127-151) Environmental Sustainability (pages 153-166)

Areas of Interest

Timely payments	Balancing cost-effectiveness with quality
Long-term, mutually beneficial partnerships	Fostering sustainable growth

Key Concerns in 2024	Strategic Response	Outcome
Strong, ethical partnerships	Empowering Suppliers and Business Partners (pages 201-203)	No. of new suppliers - 713 No. of supplier evaluations on ESG criteria – 111
Prudent resource management	Sustainable Business Expansion and Development (pages 156-157)	Payments to suppliers - Rs. 2.2 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.

Industry Associations

Significance

Industry groups and thought leaders that promote long-term sustainable industry growth, stability and best practices through collaboration

Scope: **External**

Number: **4**

Quality of Engagement



Relationship Manager

MD/CEO and other department heads

Impacted Capitals



Engagement Channels and Frequency

Meetings and discussions AR
Events and programmes O

Impacted SDGs



Strategic Pillars

Social Responsibility (Pages 168-203)

Financial Performance (Pages 127-151)

Corporate Governance (pages 205-240)

Key Risks **2 3 4 5 6**

Areas of Interest

Collective growth and collaboration Industry growth and stability

Key Concerns in 2024

Compliance and ethical practices

Business resilience

Strategic Response

Corporate Governance (pages 205-240)
Strong, Internal Controls (pages 148-151)

Retaining Market Leadership (pages 130-131)
Maintaining Consistent Returns (pages 131-132)
Prudent, Farsighted Investments (pages 139-142)

Outcome

Representation in industry forums and events

Outlook: We will continue to maintain strong and collaborative relationships with our industry associations in future.

STAKEHOLDER ENGAGEMENT

Community and Environment

Significance

Engagement with the surrounding communities and the environment derive positive, purposeful growth, and sustainable operations.

Scope: **External**

Number: **4,258+ beneficiaries**

Quality of Engagement



Relationship Manager

CFO and Head of Marketing

Impacted Capitals



Engagement Channels and Frequency

Meetings and discussions - Quarterly
Grievance Handling Processes - AR

Workshops and camps - Bi annual
Newsletters and Other Media - AR

Impacted SDGs



Strategic Pillars

Social Responsibility (pages 168-203)

Environmental Sustainability (pages 153-166)

Corporate Governance (pages 207+240)

Key Risks **R2 R3 R4 R5 R6**

Areas of Interest

Collective growth and collaboration Industry growth and stability

Key Concerns in 2024

Health and well-being

Minimal impact

Strategic Response

Building Resilient Communities (pages 197-200)
Safeguarding Policyholders and their Needs (pages 171-177)

Building Resilient Communities (pages 197-200)
Climate Action and Ecosystem Conservation (pages 162-165)
Sustainable Business Expansion and Development (pages 156-157)

Outcome

2 green buildings opened at a cost of

Rs. 15.6 Mn

Cost of CSR projects –
Rs. 7 Mn

Decrease in carbon footprint – **7.3%**

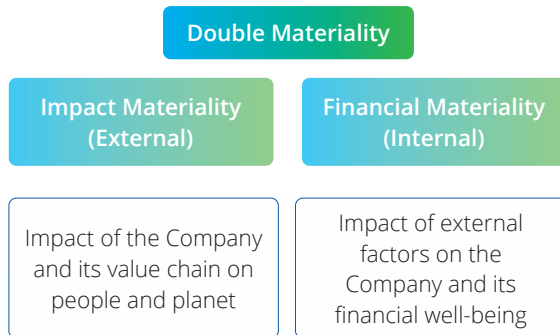
Outlook: Refer to Strategy and Resource Allocation on page 107-120

MATERIALITY ASSESSMENT

Our materiality assessment takes into account the factors that significantly affect our ability to generate value over time. These topics may evolve over time and are therefore regularly assessed to ensure they remain pertinent and in line with stakeholder needs and changes in the macroeconomic landscape.

BASIS OF MATERIALITY

We follow a "double materiality" approach in determining the basis for assessing the impacts of each topic on our stakeholders and our stability as an organisation.



The Company recognises a topic as material if it:

Poses a significant impact to business performance

- Influences financial stability, profitability, or operational efficiency.
- Affects strategic decision-making and long-term sustainability.

Holds importance to key stakeholder groups

- Is important to policyholders, investors, regulators, employees, or the wider community.
- Aligns with customer expectations, market trends, and regulatory requirements

Aligns with the Company's strategic objectives

- Supports Ceylinco Life's long-term vision, purpose, and the retention of market leadership.
- Contributes towards promoting innovation, customer trust, and competitive advantage.

Corresponds with emerging risks and opportunities

- Addresses evolving industry challenges such as SLFRS 17 compliance, climate risk, and digital transformation.
- Captures growth opportunities like financial inclusion, product innovation, and ESG-driven investments.

Influences reputation and regulatory compliance

- Affects corporate governance, ethical business conduct, and brand perception.
- Impacts compliance with key laws and regulations

Is measurable and reportable

- Is trackable through key performance indicators (KPIs) or qualitative assessments.
- Can be communicated transparently in financial reports, ESG disclosures, and stakeholder engagements.

Has a notable frequency or potential of occurrence

- Matters with a low or moderate impact and a high likelihood of occurrence

MATERIALITY ASSESSMENT PROCESS



CHANGES TO MATERIALITY

15

MATERIAL TOPICS

04

MAIN THEMES ALIGNED WITH BUSINESS STRATEGY

05

NEW TOPICS INTRODUCED IN 2024

MATERIALITY ASSESSMENT

MATERIAL TOPICS












The annual materiality assessment enables the Company to identify and understand emerging risks and opportunities, strengthening its ability to create and sustain long-term value.

Through this process, we continuously update and prioritise material issues based on the significance to the business, its stakeholders, and society.

In 2024, the Company identified 15 key material topics under its strategic pillars (encompassing ESG factors and financial performance). These topics held the most significant impact on the Company, stakeholders, and the broader industry. Notably, five of these topics were introduced this year, reflecting the Company's agility in responding to evolving concerns raised by both internal and external stakeholders.

Material Topics for Ceylinco Life

Material Topic	Reason for Materiality	Impact Materiality	Financial Materiality	Degree of Significance	Change from 2023	Operational Implications	
M1 Financial Stability- Asset Liability Management & Profitability	Ensures long-term policyholder security and investor confidence.	●	●	●	—	Business Resilience, Shareholder Value	
M2 Market Leadership & Competitive Position	Strengthening brand reputation and market share in Sri Lanka's life insurance sector.	●	●	●	—	Growth, Customer Retention	
M3 Product Innovation & Diversification	Developing flexible insurance solutions (e.g., health, retirement, and microinsurance).	●	●	●	▲	Customer-Centricity, Business Growth	
M4 Risk Management & Reinsurance (Risks other than CRROs and SRROs)	Protecting financial stability through effective underwriting and risk mitigation.	●	●	●	—	Operational Resilience, Compliance	
M5 Climate Risk & Insurance Protection	Climate change affects mortality and policy risks, requiring adaptive insurance products.	●	●	●	N	Risk Management, Product Innovation	

Degree of Impact		Change in Materiality		Material Themes	
	High		Increased		Financial Performance
	Moderate		Unchanged		Social Responsibility
	Low		Decreased		Environmental Sustainability
			New Topic		Corporate Governance

	Key Financial Implications	Strategic Implication	Impacted capital	SDG	GRI Topics	Stakeholder implication
	Total Assets and their quality Life Fund Growth Investment Income Solvency and Liquidity Return on investment (ROI) Capital adequacy	Financial Performance pages 127-151	Financial Capital	SDG 8, SDG 9	GRI 201	Refer to pages 90-98 Shareholders, Policyholders, Regulators, Actuaries
	Market share and GWP Acquisition expenses Advertising and branding costs pricing strategies, Long-term sustainability	Financial Performance pages 127-151 Social Responsibility pages 168-203	Financial, Social Relationship Capital	SDG 8, SDG 12	GRI 201	Refer to pages 90-98 Shareholders, Industry Associations, Competitors
	Market Share and GWP – New business growth Product development cost Advertising PBT/PAT	Financial Performance pages 127-151 Social Responsibility pages 168-203	Intellectual, Social & Relationship Capital	SDG 3 SDG 9	GRI 417	Refer to pages 90-98 Policyholders, Reinsurers, Sales Agents, Regulators
	Risk transfer costs, Reinsurance pricing, Capital buffer impact	Corporate Governance pages 205-240 Financial Performance pages 127-151 Social Responsibility pages 168-203	Financial, Social & Relationship Capital	SDG 13, SDG 16	GRI 205 GRI 418 GRI 206 GRI 417	Refer to pages 90-98 Reinsurers, Regulators, Actuaries
	Increased underwriting cost Climate-related claims	Corporate Governance pages 205-240 Environmental Sustainability pages 153-166	Natural, Manufactured, Social & Relationship, Financial Capital	SDG 11 SDG 13	GRI 201 GRI 302 GRI 303 GRI 305 GRI 306	Refer to pages 90-98 Community & Environment, Regulators, Reinsurers

MATERIALITY ASSESSMENT

Material Topic	Reason for Materiality	Impact Materiality	Financial Materiality	Degree of Significance	Change from 2023	Operational Implications	
M6 Sustainable & Responsible Investing	ESG-aligned investments help insurers manage long-term risks and enhance value for stakeholders.	●	●	●	N	Governance, Financial Stability	
M7 Disclosure of Sustainability Related Accounting Standards	Improving readers' understanding on climate related disclosures	●	●	●	N		
M8 Customer Trust & Experience - Best-in-class solutions and service excellence	Enhancing customer service, claim processes, and policyholder engagement.	●	●	●	▲	Customer Retention, Reputation	
M9 Sales and Employee staff acquisition	Maintaining a highly skilled workforce ensures business stability and continuity.	●	●	●	▲		
M10 Employee Development & Well-being	Investing in workforce training, diversity, and workplace safety to ensure a strong corporate culture.	●	●	●	▲	Human Capital, ESG Leadership	
M11 Empowering Communities & Enhancing Well-being	Providing financial protection through life insurance and social environment programs that are essential for society and environment	●	●	●	—	Customer Trust & Retention Brand Value & Market Positioning Stronger Relationships with Stakeholders Operational Efficiency & Cost Savings Risk Management & Resilience	

	Key Financial Implications	Strategic Implication	Impacted capital	SDG	GRI Topics	Stakeholder implication
	Sustainable asset portfolio growth and their returns	Financial Performance pages 121-151 Environmental Sustainability pages 153-166	Financial, Natural Capital	SDG 7 SDG 12 SDG 13	GRI 203 GRI 308 GRI 408 GRI 409 GRI 414	Refer to pages 90-98 Shareholders, Regulators, Community & Environment
	Compliance costs Investor confidence Financial Reporting Adjustments	Corporate Governance pages 205-240 Financial Performance pages 121-151 Environmental Sustainability pages 153-166	Social & Relationship, Financial Capital	SDG 12 SDG 13	GRI 201	Refer to pages 90-98 Shareholders, Regulators, Industry Associations
	GWP – New and renewal premium growth Claims settlement cost PBT/PAT	Financial Performance pages 127-151 Social Responsibility pages 168-203	Social & Relationship, Intellectual Capital	SDG 1 SDG 3, SDG 9, SDG 10	GRI 417 GRI 418	Refer to pages 90-98 Policyholders, Sales Agents, Employees
	GWP-New Business Talent acquisition costs Commission cost	Financial Performance pages 121-151 Social Responsibility pages 168-203	Human, Social & Relationship Capital	SDG1 SDG 8, SDG 5	GRI 401 GRI 404 GRI 405	Refer to pages 90-98 Employees, Sales Agents, Industry Associations
	Talent acquisition costs Training and development cost Salaries and perks	Financial Performance pages 121-151 Social Responsibility pages 168-203	Human Capital	SDG 1 SDG 3, SDG 4	GRI 202 GRI 402 GRI 403 GRI 404 GRI 405 GRI 406	Refer pages 90-98 Employees, Sales Agents
	Financial stability, market growth, risk management, long-term profitability	Social Responsibility pages 168-203	Social and Relationship Capital	SDG1 SDG3 SDG4 SDG 5	GRI 203 GRI 413	Refer to pages 90-98 Community

MATERIALITY ASSESSMENT

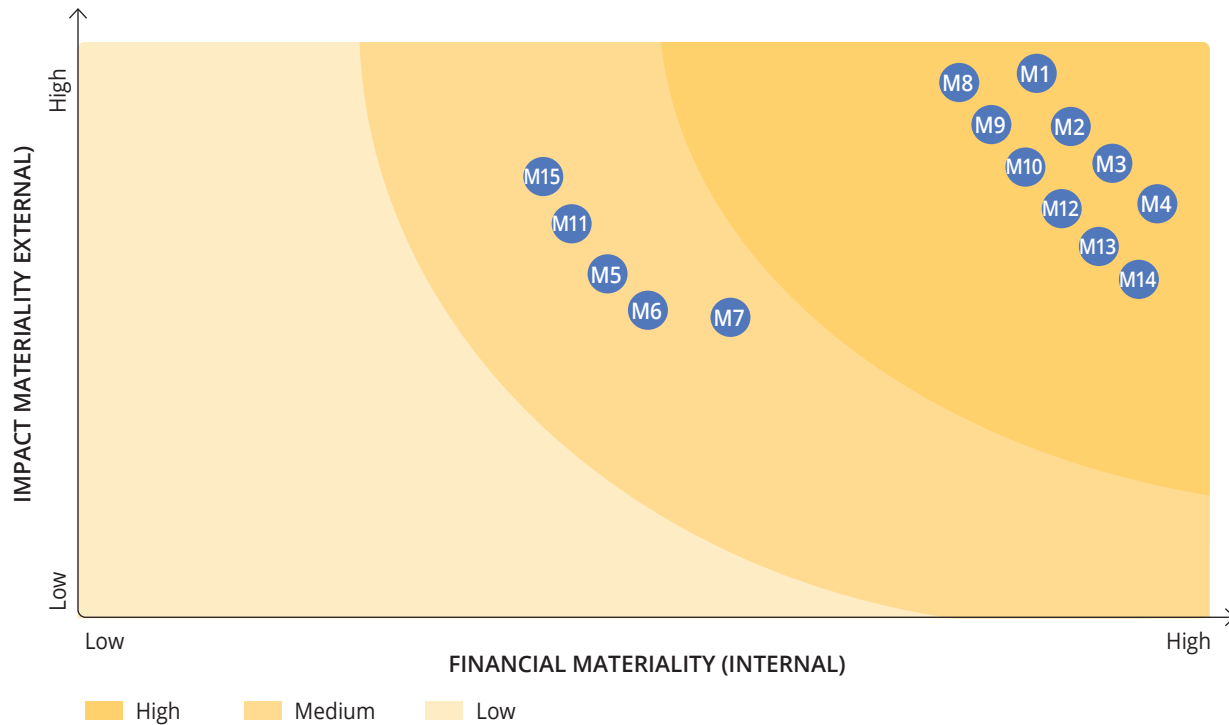
Material Topic	Reason for Materiality	Impact Materiality	Financial Materiality	Degree of Significance	Change from 2023	Operational Implications	
M12 SLFRS 17/SLFRS 09 Implementation	Ensuring adherence to evolving financial reporting and solvency regulations.	●	●	●	N	Financial Stability, Transparency	
M13 Ethical Business Conduct & Governance and Regulatory Framework	Strengthening corporate governance, risk management, and transparency to build trust.	●	●	●	—	Reputation, Stakeholder Confidence	
M14 Cybersecurity & Data Privacy	Safeguarding customer data and complying with privacy regulations.	●	●	●	N	Trust, Compliance	
M15 Digitalisation of Business Operations	Using AI and big data for risk assessment, fraud detection, and operational efficiency.	●	●	●	—	Competitive Advantage, Risk Reduction	

	Key Financial Implications	Strategic Implication	Impacted capital	SDG	GRI Topics	Stakeholder implication
	Implementation costs Change in impairment provisions Increased Volatility due to new Assets (SLFRS 9) and liabilities (SLFRS 17) measuring methods	Corporate Governance pages 205-240 Financial Performance pages 127-151	Financial, Intellectual Capital	SDG 12		Refer to pages 90-98 Regulators, Shareholders, Actuaries
	Legal compliance costs, regulatory penalties	Corporate Governance pages 205-240 Financial Performance pages 121-151 Environmental Sustainability pages 153-166 Social Responsibility pages 168-203	Financial, Social & Relationship Capital	SDG 8	GRI 205 GRI 206 GRI 406 GRI 405 GRI 418	Refer to pages 90-98 Regulators, Shareholders, Industry Associations
	Data breach costs, regulatory fines, cybersecurity investment	Corporate Governance pages 205-240 Social Responsibility pages 168-203	Intellectual, Social & Relationship Capital	SDG 9,	GRI 418	Refer pages 90-98 Policyholders, Regulators, Suppliers
	Operational efficiency gains, IT infrastructure costs, automation savings	Corporate Governance pages 205-240 Financial Performance pages 121-157 Environmental Sustainability pages 153-166 Social Responsibility pages 168-203	Intellectual, Manufactured Capital	SDG 8 SDG 9		Refer pages 90-98 Employees, Sales Agents, Policyholders

MATERIALITY ASSESSMENT

MATERIALITY MATRIX

The below materiality matrix represents the diverse risks and opportunities pertinent to Ceylinco Life, and maps their degree of impact on both stakeholders and the organisation.



- M1** Financial Stability- Asset Liability Management & Profitability
- M2** Market Leadership & Competitive Position
- M3** Product Innovation & Diversification
- M4** Risk Management & Reinsurance (Risks other than CRROs and SRROs)
- M5** Climate Risk & Insurance Protection
- M6** Sustainable & Responsible Investing
- M7** Disclosure of Sustainability Related Accounting Standards
- M8** Customer Trust & Experience – Best-in-class Solutions and Service Excellence
- M9** Sales and Employee Staff Acquisition and Retention
- M10** Employee Development & Well-being
- M11** Empowering Communities & Enhancing Well-being
- M12** SLFRS 17/SLFRS 09 Implementation
- M13** Ethical Business Conduct & Governance and Regulatory Framework
- M14** Cybersecurity & Data Privacy
- M15** Digitalisation of Business Operations

STRATEGY AND RESOURCE ALLOCATION

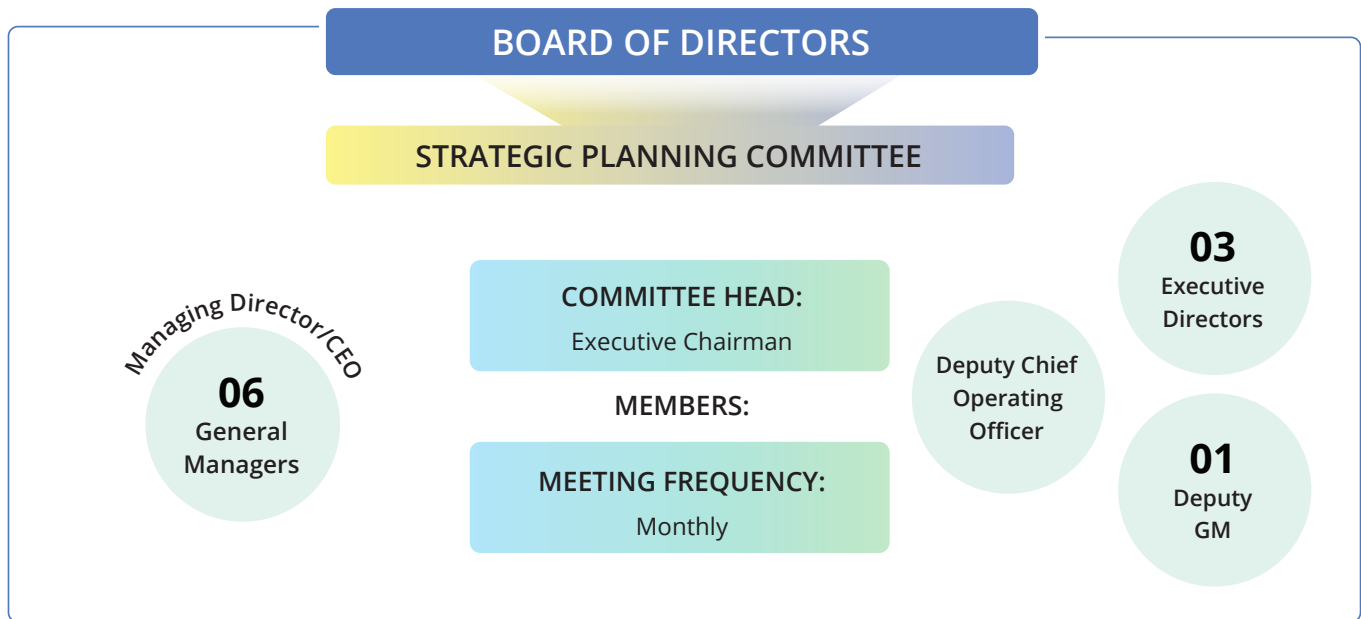
STRATEGY DEVELOPMENT

STRATEGIC DIRECTION AND GOVERNANCE

The Strategic Planning Committee meets every month, and is responsible for establishing the organisation's overarching strategic direction. Under the direction of the Executive Chairman,

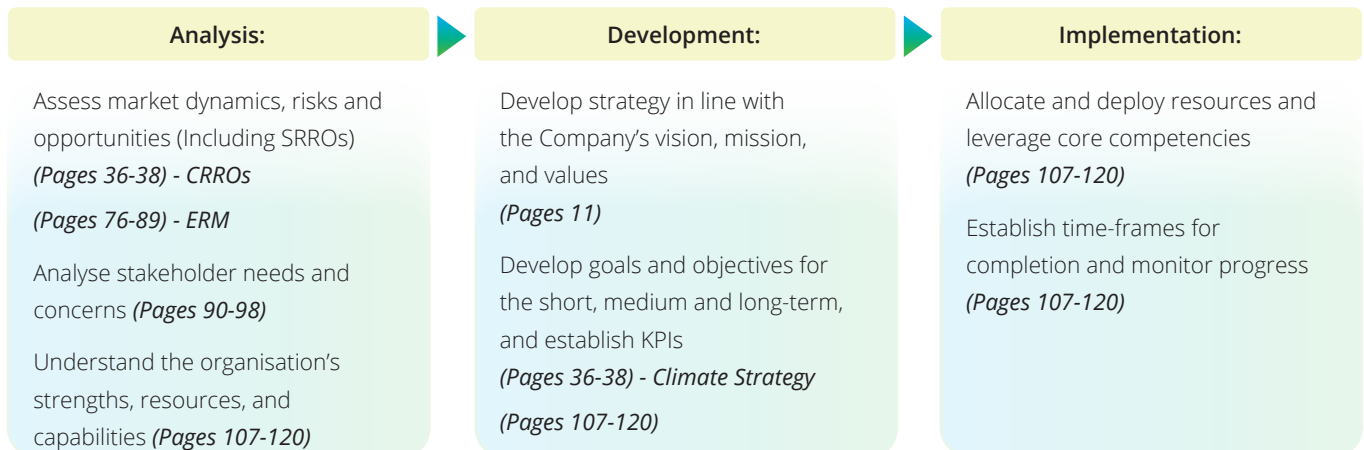
the Committee consists of a group of Executive Directors, including the MD/CEO, Deputy Chief Operating Officer General Managers and a Deputy General Manager. The Committee reports to the Board of Directors who set the tone for the organisation's strategy, and ensure it aligns with the Company's long-term purpose and vision.

The Strategic Planning Committee and Board of Directors comprise members from the ESG Steering Committee and the ESG Sub-Committee respectively, thereby ensuring that ESG considerations are integrated into the organisation's strategy.



STRATEGY DEVELOPMENT PROCESS

Ceylinco Life's strategy is not developed in a vacuum; it relies on a continuous assessment of prevailing dynamics, stakeholder needs, and emerging trends. The strategy development process is outlined below:



STRATEGY AND RESOURCE ALLOCATION

STRATEGIC FOCUS AREAS

Ceylinco Life's sustainability strategy is based on the following four-pillar approach endorsed by the Board of Directors. The underlying strategic focus areas are developed based on the organisation's primary activities, operating context, stakeholder needs, and its material topics.

Financial Performance (pages 127-151)

- Retaining Market Leadership
- Maintaining Consistent Returns
- Prudent, Farsighted Investments
- Strong Internal Controls



Environmental Sustainability (pages 153-166)

- Sustainable Business Expansion and Development
- Resource Conservation and Waste Management
- Climate Action and Ecosystem Conservation
- Stakeholder Engagement and Awareness



Social Responsibility (pages 168-203)

- Safeguarding Policyholders and their Needs
- Growing Partnerships with Agents and Suppliers
- Nurturing Empowered, Progressive People
- Building Resilient Communities



Corporate Governance (pages 205-240)

- Stewardship-Board Composition and Leadership
- Accountability -Ethical Practices & Risk Management
- Transparency -Integrated reporting/ Disclosures
- Sustainability-ESG being the core of Governance



AN INTERRELATED STRATEGY

Ceylinco Life's strategy is interconnected, with each pillar contributing towards the advancement of the other strategic pillars, as outlined below.

Pillar	Financial Performance	Environmental Sustainability	Social Responsibility	Corporate Governance
Financial Performance		<p>Enabling cost efficiencies and optimisation through responsible resource management.</p> <p>Ensuring business continuity and stability through sustainable growth and responsible sourcing practices.</p>	<p>Strengthening consistent organisational performance and business resilience by building stakeholder loyalty and trust.</p>	<p>Strengthening business stability and continuity through prudent, responsible governance of resources and assets.</p> <p>Farsighted decision-making and strategic thinking that drives sustainable returns.</p>
Environmental Sustainability	<p>Investing in cutting-edge technology and process improvements to drive resource efficiencies.</p> <p>Investing in renewable energy, green bonds, and green buildings.</p>		<p>Fostering environmental responsibility across key stakeholder groups through a focus on responsible business practices and building a sustainable business model.</p>	<p>A culture of environmental responsibility that begins at Board level and cascades down to every level of the organisation.</p>

Pillar	Financial Performance	Environmental Sustainability	Social Responsibility	Corporate Governance
Social Responsibility	Investing in developing inclusive solutions that support the stability and security of individuals from all walks of life.	Creating more resilient communities by strengthening the nation's renewable energy capacity, driving resource responsibility, and nurturing healthier ecosystems.		Strengthening ethical, equitable stakeholder relations founded on principles of transparency and accountability.
Corporate Governance	Ensuring the ethical and responsible use of funds to drive sustainable returns.	Aligning with globally recognised standards, and ensuring compliance with environmental regulations. Integrating environmental considerations into governance structures and Board oversight.	Maintaining high levels of customer security and privacy. Combating incidents of corruption and fraudulent activities, including money laundering and financial terrorism.	



STRATEGY AND RESOURCE ALLOCATION

STRATEGIC PLAN AND IMPLEMENTATION

Pursuant to the development of its ESG Policy and the corresponding long-term strategy previously outlined within this report (refer to ESG Integration from pages 30-49), Ceylinco Life has developed activities, metrics and targets to leverage on opportunities, and effectively measure and manage its progress. The organisation's strategic objectives are endorsed by the Board of Directors, and strongly linked to ESG considerations, thereby setting Ceylinco Life on a continuous path of improvement and sustainable growth.

Strategy: Environmental Sustainability

Associated Material Topics:



SDGs Impacted:



Objectives	Associated KPIs	Allocated Resources	Progress in 2024
Sustainable business expansion and development	Construction/conversion of 2 green buildings per year.	Rs. 180 Mn for constructing 02 pre-cast buildings at Ambalantota (AT) and Nittambuwa (NW). Project to be completed by Nov 2025.	Finalised contractors and started the Nittambuwa project in Nov 2024. Completed all preliminary work of the AT project which is projected to start in Jan 2025. Spent Rs. 1.3 Mn and completed 2% for Ambalantota. Spent Rs. 14.3 Mn and completed 15% for Nittambuwa
	10% growth of the environment protection fund per annum.	Environment protection fund commenced in 2024 with an investment of Rs. 4.3 Mn.	Rs. 4.3 Mn from the Environmental Fund and Rs. 300,000/= incurred for sustainability activities
Become a zero-carbon entity with the aid of reforestation	Complete the reforestation project by planting 10,000 trees in the Rajawaka forest reserve	Rs.5.6 Mn invested 38 employees participated, with 4 dedicated employees involved throughout the project phases	Rs. 2.6 Mn invested, 2,500 trees planted
Responsible resource management through adopting the 6R waste management concept	Reduce: <ul style="list-style-type: none"> electricity consumption by 5% per annum water consumption by 5% per annum fuel consumption by 7.5% per annum paper consumption by 10% per annum 	Rs. 2 Mn invested in constructing new systems Investing Rs. 26 Mn on installing solar panels	Reduced electricity consumption by 3%. Increased water consumption by 4% owing to insufficiency of recycled water and rainwater to maintain gardens during dry seasons. Fuel consumption increased by 6%. Paper consumption decreased by 12% year-on-year.
Raising overall awareness among all stakeholders on the importance of conserving the eco-system	Achieve GHG savings of 5% per annum.	Members of the Green Club were allocated to lead the awareness process.	GHG Emissions reduced by 7.3%
	Increase litres of rainwater harvested by 4% per annum.	The number of visits to company-owned buildings increased during the year, allowing for the successful identification and rectification of issues in the rain-water harvesting systems.	2,926,000 litres of rain water harvested
	Two beach cleanup programme per annum involving branch staff and customers.	192 employees participating across all programmes	03 awareness sessions conducted on the environment 2 beach cleanup programmes conducted
Combat climate change, promote climate resilience and mitigate climate related risks.	Conduct a minimum of 2 environment awareness sessions per annum.		700+ employees covered in creating awareness about the 6R concept.
Adherence to the ISSB standards and enhance climate risk disclosures and transparency	Regularly assess and disclose the financial impact of climate change on the Company's life insurance liabilities and investment portfolio (if material).	Allocated funds for GHG quantification and verification process of Rs. 1 Mn 2,900 employees involved in carbon footprint assessment	Introduction of SLFRS S2 Standards into the annual integrated report. Annual calculation and disclosure of carbon footprint in line with ISSB standards.

Capitals Impacted:		
		
Investment for 2024: Rs. 192 Mn		
Projected Investment for 2025: Rs. 200 Mn - Rs. 220 Mn		
Short-Term (1-2 years)	Mid-Term (3-5 years)	Long-Term (5+ years)
All solar projects to be registered to obtain carbon credits for offsetting. Conversion into R-410 air conditioners.	Encourage more sustainable purchases. Replace generators with battery back-up systems.	Proposals through e-submissions to reduce paper in insurance proposals by 100%. Replace generators with battery back-up systems.
Growth of the environment protection fund to Rs. 10 Mn	Rs. 20 Mn disbursements out of the environment protection fund	Rs. 20 Mn disbursements out of the environment protection fund
Completing 10,000 trees in the forest reserve	Maintaining 10,000 planted trees in the Rajawaka forest reserve.	Carbon credit settlement for the carbon emissions generated by the Company.
Conduct awareness sessions on the 6R concept among internal stakeholders. Adopt ethical means of disposing of waste. Maintain KPI levels at or above expectations.	Adopt ethical means of disposing of waste. Maintain KPI levels at or above expectations.	Conversion into a plastic and polythene-free workplace. Adopt ethical means of disposing waste. Maintain KPI levels at or above expectations.
Incentivise employee participation. Engage with policyholders on climate awareness.	Collaborate with local environmental organisations. Engage with policyholders on climate awareness.	Collaborate with global and local stakeholders. Engage with policyholders on climate awareness.
Diversify investment portfolios into climate-resilient infrastructure, sustainable agriculture, and green bonds.	Diversify investment portfolios into climate-resilient infrastructure, sustainable agriculture, and green bonds.	Collaborate with global and local stakeholders. Conduct scenario planning for extreme weather events.
Implementation of S1 and S2 standards.	Implementation of S1 and S2 standards with the other series of ISSB standards.	Implementation of S1 and S2 standards with the other series of ISSB standards.

STRATEGY AND RESOURCE ALLOCATION

STRATEGIC PLAN AND IMPLEMENTATION

Strategy: Social Responsibility 				
Associated Material Topics: <div><div>M3</div><div>M8</div><div>M9</div><div>M10</div><div>M11</div><div>M15</div></div>		SDGs Impacted: <div><div>6</div><div>7</div><div>12</div><div>13</div></div>		
Objectives	Associated KPIs	Allocated Resources	Progress in 2024	
Human Resources Strategy				
A conducive work environment	Maintaining an attrition ratio below the industry average	Rs. 3 Bn allocated towards remuneration and rewards Rs. 0.5 Mn invested in employee engagement	14.2% attrition rate owing to high levels of migration 5 employee engagement events conducted	
Holistic health and well-being	Average utilisation of sick leave to be maintained below 75% against the entitlement	Rs. 0.5 Mn invested in conducting health programmes 582 individuals involved in the ensuring the health and safety measures	Two mental health awareness programmes covering all employees Establishing a free counselling channel One eye clinic conducted One first-aid and fire training programme conducted	
Nurturing growth and development	Maintaining a minimum of 15 training hours per person	Rs. 92.5 Mn invested in training and development	659 of employees undergoing training 19.87 training hours per person	
An inclusive workplace	Increase female workforce - more than 50 % of the recruitments to be female Increase female empowerment - Promotions for more than 15 % of the cadre	Rs. 1 Mn invested in recruitment activities	57% Female recruitment 18% of the female was promoted	
Policyholder Strategy				
Create multiple contact points and obtain feedback	Ensure all customer touchpoints are easily accessible. Maintain a high response rate for surveys and feedback collection.	Rs. 4.5 Mn invested	Phase one of the customer App improvements completed. Streamlined a mechanism to leverage the feedback received and incorporating into action plans. Improvements in the WhatsApp platform.	
Understand the customer journey and make constant improvement	Maintain healthy CX scores. Improve the claim settlement experience of the customers.	Appointment of Customer Experience Officer (senior manager grade)	Achieved a 71.62% customer satisfaction score in 2024. Improved the claims process with a “Door-step service”, significantly reducing processing time and eliminating dissatisfaction. Implemented a special mechanism to enhance efforts in distributing unclaimed customer benefit payments.	
Digitalising the customer related process	Identify gaps and inefficiencies in the onboarding, servicing, and offboarding processes, and digitalize these areas to enhance overall policy management and improve customer experience.	IT Project Managers IT Teams and Developers Customer Support Teams	Improved the online capabilities to underwrite and service overseas customer policies. Improved the policy issuance by using data analytics and customer risk profiling. Converting the customer traditional in-branch interactions into online modes and obtaining photographs and video calls as proof of service.	

	Capitals Impacted: 	Investment for 2024: Rs. 3.1 Bn Projected Investment for 2025: Rs. 3.1 Bn - Rs. 3.2 Bn	
Short-Term (1-2 years)	Mid-Term (3-5 years)	Long-Term (5+ years)	
Continuing to be certified as a Great Place to Work.	Continuing to be certified as a Great Place to Work.	Continuing to be certified as a Great Place to Work. Become the most sought-after employer	
Promote employee well-being. Conducting a minimum of one health camp and wellness program for internal employees.	Promote employee well-being. Conducting a minimum of one health camp and wellness program for internal employees	Nurturing a healthier workforce.	
Implementation of a robust succession planning process for the Assistant Manager grade and above.	Improving business communication and IT literacy of the workforce. Minimum of 15 hours of relevant training per employee.	Fill 75% - 90% of Assistant Manager vacancies through existing talent.	
Integrating GenZ into the workforce and targeting youth segments.	Integrating GenZ into the workforce and targeting youth segments. Alignment of existing HR policies to improve diversity, inclusion and pluralism.	Alignment of existing HR policies to improve diversity, inclusion and pluralism.	
Maintain an acceptable response rate. Train staff in creating meaningful interactions and feedback in service-related interactions. Improve the contactability of the customer base by constantly updating the contact details and continuous interaction.	Implement a mechanism to analyse the feedback to identify trends and recurring issues to improve the service.	Create a fully integrated omnichannel experience where customers can easily transition between various contact points. Leverage data analytics for predictive insights and improve satisfaction levels.	
Further enhance the claim settlement process by streamlining internal operations. Enhance policy service by reassessing service level benchmarks and making improvements in areas where performance can be optimized. Expand the dedicated policy retention teams.	Introduce a system to ensure continuous customer engagement throughout the entire policy journey, fostering ongoing communication and support.	Develop and implement a customer engagement strategy leveraging predictive analytics and insights to take a proactive approach in meeting customer needs.	
Convert customers to automated or recurrent premium payment methods. Introduce online premium payment methods such as the customer app and the customer portal.	Enhance online interaction channels such as WhatsApp, chatbots, and the customer app to ensure they deliver a user experience that is as effective and personalized as human interactions.	Develop a seamless digital experience that integrates every aspect of the business - from customer engagement and policy management to claims processing and customer support - ensuring a smooth and efficient journey for all users.	

STRATEGY AND RESOURCE ALLOCATION

STRATEGIC PLAN AND IMPLEMENTATION

Objectives	Associated KPIs	Allocated Resources	Progress in 2024	
Sales Force Strategy				
Generate more employment opportunities for Sales Officers including CROs and Virtual Financial Advisors	Increase manpower by 5% per annum.	Rs.2 Mn Invested in recruitment activities	861 sales officers joined the Company during the year	
Digitalisation of the sales force	Annual increase in digital device usage among the sales force.	Investment in sales staff training- Rs. 73.9 Mn	180 tabs digital devices distributed among the sales force	
Annual increase in productivity and income	Ensure the sales force meets the minimum income benchmarks set by the Company.		Introduced minimum income levels for Life Insurance Advisors, Agency Supervisors, and Agency Heads, with KPIs allocated. Overall, 43% of the total sales force has achieved the over 50% of KPI target.	
Promote diversity and inclusivity among the sales force	Create equal employment opportunities and merit-based promotions.		54% of the sales force is female.	
Aligning the agency force with the Company's Code of Ethics	Ensuring the sales force does not violate the Company's Code of Conduct or industry regulations		46 sales officers have been assigned negative points within the entire sales force.	
Community Strategy				
Reach out to rural Sri Lankans to create awareness on NCDs.	Conduct 10-12 health camps each year	Allocated Rs. 3.26 Mn	Completed 12 programmes and reached 2,609 beneficiaries.	
Support state hospitals with critical infrastructure requirements.	Maintain the HDUs and initiate new projects as the need arises	Allocated Rs.500,000/= for HDUs maintained by the Company.	Replacement of 3 equipment.	
Build classrooms for rural schools and support them to improve the quality of education.	Reach 100 classrooms	Allocated Rs. 3.5 Mn	Completed 2 classroom projects with another 3 classroom projects in the pipeline. Completed 89 school projects so far.	

Short-Term (1-2 years)	Mid-Term (3-5 years)	Long-Term (5+ years)
Increase the Agency Force by 2.5% per annum.	Increase Agency Force 5% per annum.	Become the most sought-after employer among the agents in the insurance industry.
Reach 75% of ownership of digital devices.	Reach 85% of ownership of digital devices.	Reach 95% of ownership of digital devices.
Implement performance-based reward schemes.	Investing in technology to enhance sales efficiency and productivity.	Promote sustainable growth to boost productivity and income through market expansion and opportunities to enter new markets for increased revenue.
Create equal employment opportunities and merit-based promotions.	Create equal employment opportunities 50:50 and merit-based promotions.	Create equal employment opportunities and merit-based promotions.
Establish a reporting mechanism.	Establish an ethical performance review tied to evaluations and promotions.	Foster a strong ethical culture within the sales force.
Reach out to 2,000 beneficiaries	Reach 200,000 beneficiaries	Support communities to prevent and control NCDs.
Support a regional hospital to improve its infrastructure. Maintain the existing HDUs.	Extend the piped oxygen distribution projects to other needed regional hospitals.	Support the state sector to enhance the health sector's ability to deliver seamless services and ensure high-quality patient care.
Complete 90 Classrooms	Complete 100 classrooms	Ensure the continuous maintenance of the classrooms.

STRATEGY AND RESOURCE ALLOCATION

STRATEGIC PLAN AND IMPLEMENTATION

Strategy: Corporate Governance



Associated Material Topics:



SDGs Impacted:



Objectives

Associated KPIs

Allocated Resources

Gender Equality

Recruitments
Board & KMP's Balance
Involvement in Projects/Key Committees

Human Related Resources

Internal & External Assurance Teams
HR Team
Compliance Team

Decent Work and Economic Growth

Remuneration policy review,
External Independent Survey on working conditions,
Salary revisions,
Training & Development (CPD's) linked to performance reviews/evaluations,
Succession planning from Board level downwards.
Above average employment benefits, which are constantly reviewed against other peers
Health & Safety committee reviews.

Legal Advisors

Technology Related Resources

(Compliance Management Software, Data Security Tools, Audit Management Software, Other Operation & MIS Systems, Online Learning Management Systems, Certifications and Continues Professional Development, Workshops and Seminars, Document and Knowledge Management systems)

Other Governance Resources/ Procedures

Governance and Risk Management Framework (ERM)

Reduced Inequalities

KPI's / Systematic Performance evaluations with Board and Sub-committee oversight exercised at necessary intervals.
Effective succession planning at each level of organisation.
Customers surveys, grievance handling procedure.


Internal Communication and Awareness Programs (Internal Communication Channels, Compliance Hotlines and Reporting Mechanisms)

Building Strong Institutions – By Operating with high ethical standards, promote transparency and accountability within operations, combating corruption, respecting human rights, and actively contributing to building just and inclusive societies through business practices and community engagement

Board reporting and evaluation of CSR Initiatives
AML/CFT, Privacy & Data Protection, Anti-Corruption/Bribery policy reviews, training and compliance reporting
Embedding Risk Management practices and systems into strategy
Risk & Compliance being part of Training and KPI's of the organisation.
Whistleblower policy and reporting thereon.





Culture and Organisational Change Resources (Leadership Support, Change Management)

Maintaining compliance with the latest governance standards and regulations

		Capitals Impacted: 	Investment for 2024: Rs. 8 Mn Projected Investment for 2025: Rs. 2 Mn - Rs. 2.5 Mn	
	Progress in 2024	Short-Term (1-2 years)	Mid-Term (3-5 years)	Long-Term (5+ years)
	Recruitments are done on merit, gender balance and diversity matters were discussed at Board level. Periodic Board evaluations are performed.	Complying with: The Data Protection Act The Code of Best Practices 2023	Establishment of: Anti-corruption and bribery policy IT security policies and procedures	Ensuring compliance with ISO 27701-2022
	Recommendation of annual salary increments Discussed the survey results of Great Place to Work' and the proposed actions. Reviewed the Remuneration Policy of the Company in line with the latest developments in the market. Established a Policy on Remuneration for Non-Executive Directors. Reviewed the Terms of Reference [TOR] of the Committee Risk management review on Health & Safety.	Establishment of: Board ESG Committee and sustainability policy. IT governance framework	Adopting latest applicable LKAS and SLFRS accounting standards. Ensuring compliance with ISO 27701-2022	
	Bi-Annual performance reviews, succession planning reviews.			
	Review of all governance policies including AML/Anti-corruption/ Privacy & Data Protection etc Compliance with CSE Listing Rules 9 and its implementation of 10 policies (pages 236-240) Appointed a DPO with effect from 15 th April 2024.			

STRATEGY AND RESOURCE ALLOCATION

STRATEGIC PLAN AND IMPLEMENTATION

Strategy: Financial Performance 						
Associated Material Topics: 		SDGs Impacted: 		Capitals Impacted: 		Investment for 2024: Rs. 25 Mn Projected Investment for 2025: Rs. 25 Mn- Rs. 35 Mn
Objectives	Associated KPIs	Allocated Resources	Progress in 2024	Short-Term (1-2 years)	Mid-Term (3-5 years)	Long-Term (5+ years)
Continuous growth in GWP	15%	Operating cashflows - Rs. 16.3 Bn	11.16%	15%	20%	Increase penetration in the core life insurance segment to stimulate premium growth and maintain market leadership.
Continuous growth in ROE	12%		9.10%	12%	15%	Balancing the product mix to achieve higher CSM under SLFRS 17
Growth in Life Fund	13%		14.83%	13%	15%	Ensure the life fund remains adequately capitalized to meet both short-term and long-term payouts for policyholders. Achieve sustainable growth in the life fund, allowing the Company to maintain profitability and continue providing insurance at competitive rates.
Growth in Total Assets	15%		11.88%	15%	10%	To increase investments in fixed assets that will improve the financial strength of the Company.
Sustainable Investment options			Invested Rs. 2 Bn as the anchor investor to the first listed Green Bond issued by DFCC Bank.	Investments in green bonds		Direct investments into projects and businesses that support environmental conservation, renewable energy, and climate change mitigation.
Maintain Capital Adequacy Ratio (CAR) above 200%	200%		448%	200%	200%	200% or above
Adopting the latest insurance related standards and other			60% of implementation is completed	Transition into SLFRS 17 and SLFRS 9 Implementation of S1 and S2		Enhance the credibility of financial reports by adhering to recognized accounting standards, improving trust among investors and other stakeholders.
Turnover /profit per employee	15%		21.88%	15%	20%	Accelerate employee benefits proportionally and ensure long term employee retention, attraction and job security.

CAPITAL TRADE-OFFS AND STRATEGIC OUTCOMES

As much as the Company desires to create and preserve value, there could be instances where value could be eroded in our business processes. When making decisions on how to manage business activities, Ceylinco Life considers trade-offs between capitals as shown in the diagram below. The Company always strives to maximise positive outputs and outcomes and limit negative ones.

Strategic Pillar	Financial Capital	Social and Relationship Capital	Manufactured Capital	Human Capital	Intellectual Capital	Natural Capital
Environmental Sustainability	- Investing in sustainable initiatives + Reduced operating costs	+ Fostering a more resilient and sustainable society	+ Enabling expansion through greener and more sustainable infrastructure	+ Nurturing an environmentally responsible workforce equipped for the future	+ Developing organisational capabilities and knowledge while establishing a unique value proposition as a responsible insurer.	+ Improving resource management and driving conservation initiatives that preserve and enhance the surrounding environment
Social Responsibility	- Investing in training, remuneration and rewards - Investing in new product development, research and analytics - Investing in technology and process development + Increasing revenue and profitability	+ Building stakeholder satisfaction and confidence + Nurturing long-term partnerships + Increasing market penetration and reach + Improving employment opportunities	+ Creating safe, hazard-free working environments	+ Building employee motivation + Supporting employee development and progress	+ Nurturing unique organisational knowledge, processes and capabilities	+ Building an eco-conscious community

STRATEGY AND RESOURCE ALLOCATION

Strategic Pillar	Financial Capital	Social and Relationship Capital	Manufactured Capital	Human Capital	Intellectual Capital	Natural Capital
Corporate Governance	<div><div>-</div><div>Contributing towards taxes</div></div> <div><div>-</div><div>Investing in ensuring compliance with the latest standards</div></div>	<div><div>+</div><div>Building trust and corporate reputation</div></div>	<div><div>+</div><div>Mitigating adverse impacts on surroundings</div></div>	<div><div>+</div><div>Maintaining employee welfare, professionalism and integrity</div></div>	<div><div>+</div><div>Developing unmatched leadership capabilities and diverse insights</div></div>	<div><div>+</div><div>Safeguarding the natural environment and vital resources for the future</div></div>
Financial Performance	<div><div>-</div><div>Investing in asset development and sustainable investments</div></div> <div><div>+</div><div>Building financial strength and resilience</div></div>	<div><div>+</div><div>Building stakeholder confidence</div></div>	<div><div>+</div><div>Enabling branch expansion and infrastructure development</div></div>	<div><div>+</div><div>Supporting employee stability, security and welfare</div></div>	<div><div>+</div><div>Contributing towards brand value and knowledge enhancement</div></div>	<div><div>+</div><div>Improving resource allocation towards environmental initiatives</div></div>

An illustration of two people wearing VR headsets, interacting with a digital environment. The person in the foreground is wearing a white VR headset and a grey jacket, reaching out with a red-gloved hand. The person in the background is wearing a colorful jacket and a blue VR headset, also reaching out. They are surrounded by a complex network of green lines and dots, suggesting a digital or virtual space. The background features a stylized cityscape and a large, glowing orange circle.

THE CREATION OF VALUE

**BEYOND
INSURANCE**

SECURING LIVES, SUSTAINING FUTURES

Our mission extends beyond protection. We invest in people, planet, and progress—ensuring that our legacy is one of resilience, inclusivity, and sustainability. From pioneering green initiatives to empowering communities, we ensure that our impact extends far beyond business.

VALUE CREATION MODEL

Inputs

(Refer Resource Allocation pg 107-120)

Key Drivers:

Vision, Mission and Values (pg 14-15)

Organisational Strengths (pg 22-29)



FINANCIAL
CAPITAL

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

Shareholders' Equity
Rs. 60.7 Bn
Total Assets
Rs. 251.4 Bn



SOCIAL AND
RELATIONSHIP
CAPITAL

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

Investment in community
Rs. 7 Mn
Number of Suppliers
1,695
No of Sales Agents
2,577



INTELLECTUAL
CAPITAL

Non-tangible assets including the Ceylinco brand and its equity, product trademarks, unique processes and knowledge.

Investment in technology
CAPEX - Rs. 377 Mn



MANUFACTURED
CAPITAL

Tangible assets including buildings, equipment and physical IT infrastructure

Property, Plant and Equipment
Rs. 13.7 Bn
Number of branches
127
Number of customer touchpoints
12



HUMAN
CAPITAL

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

Investment in training
Rs. 92 Mn
Number of employees
729
Contribution to medical Fund
Rs. 18.2 Mn



NATURAL
CAPITAL

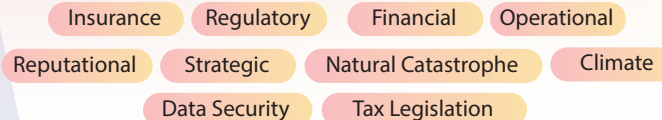
Renewable and non-renewable environmental resources impacted by our utilised through business activities.

Investment in green buildings
Rs. 26 Mn
Investment in green initiatives
Rs. 5.7 Mn
Water consumption
176,040 Liters
Electricity consumption
1,440 Mwh

OUR STRATEGY IS SHAPED BY:

Risks and Opportunities

(Refer Enterprise Risk Management pages 76-89)



15 Material Topics

(Refer Materiality Assessment pages 99-106)

Financial Stability- Asset Liability Management & Profitability	Climate Risk & Insurance Protection	Customer Trust & Experience – Best-in-class Solutions and Service Excellence	SLFRS 17/SLFRS 09 Implementation
Market Leadership & Competitive Position	Sustainable & Responsible Investing	Sales and Employee Staff Acquisition and Retention	Ethical Business Conduct & Governance and Regulatory Framework
Product Innovation & Diversification	Disclosure of Sustainability Related Accounting Standards	Employee Development & Well-being	Cybersecurity & Data Privacy
Risk Management & Reinsurance (Risks other than CRROs and SRROs)		Empowering Communities & Enhancing Well-being	Digitalisation of Business Operations

Resulting in 04 Strategic Pillars

(Refer Strategy Development and Resource Allocation pages 107-120)



Outcomes

(Refer Strategic Performance pg 107-120)

Impact on Stakeholders and Society

(Stakeholder Engagement pg 90-98)

Operating Context (pg 67-75)

Stakeholder Expectations (pg 90-98)

BUSINESS ACTIVITIES

Support Activities

Agency administration and training

Core Activities

Product development, sales and marketing

Underwriting, policy servicing, claims processing and customer service

Reinsurance

Investment and finance

Capital management

Human resource management

Unmatched Products and Services

Life plans

Retirement plans

Endowment plans

Group Life Plans

Decreasing term assurance plans

Micro-insurance plans



FINANCIAL CAPITAL

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

Return on Equity **11.64%**Return on Assets **2.81%**Dividends per share
Rs. 17.70Taxes Paid **Rs.1.8 Bn**

SOCIAL AND RELATIONSHIP CAPITAL

Mutual value is created, with stakeholders receiving security, well-being and progress, while building organisational growth, reputation and trust.

Claims Settled

Rs. 25 BnNumber of policyholders **6**Average Training Hours per Agent **21.20**

Payments to Suppliers

Rs. 2.2 BnLives Impacted through CSR
4,250+

INTELLECTUAL CAPITAL

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

Innovative technologies

AI-Powered Chatbots & Virtual AdvisorsProcess improvements
05

MANUFACTURED CAPITAL

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

Number of new branches **02**Eco-Friendly Branches **02**

Capital Appreciation on :

Land and Buildings - **Rs.548 Mn**Investment Properties -
Rs.90.6 Mn

HUMAN CAPITAL

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

Rewards and Remuneration

Rs. 2.3 BnNumber of Promotions **114**Female Recruits **52**Workplace-Related Injuries
Nil

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

Carbon footprint reduction

7.3%

Solar energy generated

1,108 Mwh

Paper Recycled

6,102 kg

Electricity saved

39 MWh

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

Driving Innovation and Knowledge Development

Supporting capacity and knowledge development, while enabling efficiency and productivity.



Key Stakeholders:

Policyholders, Sales Agents, Employees

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



Key Stakeholders: Employees

Protecting Resources and Ecosystems

Promoting responsible consumption while safeguarding vital resources for the future.



Key Stakeholders: Environment, Community, Employees



KEY VALUE INDICATORS

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

Key Value Indicator	Measure	2020	2021	2022	2023	2024	Change
No. of employees	Count	814	795	752	740	729	-1%
New employees	Count	42	54	46	85	92	8%
Promotions	Count	99	139	159	176	114	-35%
Female representation in workforce	%	18.8	19.5	19.7	21	22	6%
Training per employee	Hours	6.5	14.7	19.1	18.7	19.9	6%
Salaries, bonus & incentives	Rs. Bn	1.7	1.8	1.9	2.0	2.3	15%
EPF contribution	Rs. Mn	110	115	123	131	142	9%
ETF contribution	Rs. Mn	29	28	31	33	36	8%
Gratuity liability*	Rs. Bn	1.4	1.2	0.9	1.4	1.7	19%
Pension liability*	Rs. Mn	774	838	249	423	993	135%
Employee turnover	Count	71	80	89	96	103	7%
Employee turnover ratio	%	9	10	12	13	14	9%

SAFEGUARDING POLICYHOLDERS AND THEIR NEEDS

Key Value Indicator		Measure	2020	2021	2022	2023	2024	Change
Individual Life	Policies in force	Count	865,562	870,519	851,121	824,753	793,132	-4%
	New policies	Count	108,866	115,868	96,163	79,636	61,325	-23%
Decreasing Term Assurance (DTA)	Policies in force	Count	126,601	167,792	195,015	180,252	168,225	-7%
	New policies	Count	31,690	41,191	57,279	5,168	8344	61%
Group Term	Policies in force	Count	338	362	332	369	362	-2%
	New policies	Count	119	109	138	65	61	-6%
Maturity claims paid		Rs. Bn	8.6	8.2	12.5	16.6	19.5	17%
Death claims paid		Rs. Mn	725	1,364	1,211	1,197	1,179	-2%
Total claims and benefits paid		Rs. Bn	12.5	13.0	19.2	23.4	25.2	8%
Customer complaints acknowledged within one day		Count	100%	100%	100%	100%	100%	0%
Customer complaints against active policy count		%	0.13	0.11	0.05	0.04	0.07	75%
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	

GROWING PARTNERSHIPS WITH SALES AGENTS

Key Value Indicator	Measure	2020	2021	2022	2023	2024	Change
No. of sales agents	Count	4,084	3,583	2,868	2,939	2,577	-12%
New sales agents	Count	2,095	1,755	1,001	1,438	861	-40%
Number of MDRT qualifiers	Count	135	161	161	302	313	4%
Female representation in agency force	%	49	51	51	55	54	-2%
Commissions paid	Rs. Bn	2.1	2.4	2.1	2.2	2.5	14%

BUILDING RESILIENT COMMUNITIES

Key Value Indicator	Measure	2020	2021	2022	2023	2024	Change
Classroom development projects							
No. of classrooms	Count	2	-	2	2	2	0%
No. of beneficiaries	Count	449	-	120	173	649	73%
Waidya Hamuwa health camps							
No. of health camps	Count	-	-	7	10	12	20%
No. of beneficiaries	Count	-	-	1,360	2,301	2,609	13%
High Dependency Units (HDU)							
No. of HDUs maintained	Count	5	5	5	5	5	0%
No. of lives treated in the HDUs'		-	-	-	1,973	1,000+	-49%
Taxes paid*	Rs. Mn	1,787	1,566	3,112	2,016	1,799	-11%
Payments to suppliers	Rs. Mn	2,017	1,874	3,154	2,439	2,271	-7%

ENVIRONMENTAL SUSTAINABILITY

Key Value Indicator	Measure	2020	2021	2022	2023	2024	Change
Electricity consumption	Mwh	2,050	1,986	1,465	1,479	1,440	-3%
Fuel consumption	Litres	266,450	289,473	176,645	165,996	176,040	6%
Water consumption	Units	26,292	26,244	22,540	23,704	24,716	4%
Paper recycled	Kg	5,678	21,297	44,388	11,739	6,102	-48%
Water recycled	Litres	1,003,200	844,800	1,056,000	1,171,500	1,320,000	13%
E-waste recycled	Kg	990	745	705	330	2,850	764%
Solar generation	Mwh	445	629	790	1,001	1,108	11%
Investments in solar energy	Rs. Mn	15.6	13.6	28.1	131.1	26.0	-80%
GHG emissions	tCO2e	3,677	4,105	3,407	3,090	2,863	-7%
Environmental fines	Rs. Mn	Nil	Nil	Nil	Nil	Nil	

RETAINING MARKET LEADERSHIP

Key Value Indicator	Measure	2020	2021	2022	2023	2024	Change
Market share	%	21.4	20.5	21.4	21.9	20.3	2%
Brand value	Rs. Bn	3.6	3.5	3.8	3.5	3.5	-8%
Top-of-the mind recall	%	42	48	49	44	42	-10%
Premium income from online plans	Rs. Mn	17.4	34.4	25.4	588	796	35%
Digital proposal submission - Individual Life	%	3.4	52.3	96.2	81.6	87.2	7%

FINANCIAL PERFORMANCE	GROSS WRITTEN PREMIUM 2024 RS. 37 Bn 2023 Rs.33 Bn ▲ 12% Increase 	INVESTMENT AND OTHER INCOME 2024 Rs.28.4 Bn 2023 Rs. 28 Bn 
INSURANCE a PROVISION - LONG-TERM 2024 Rs. 181 Bn 2023 Rs.157.5 Bn	NET CLAIMS AND BENEFITS 2024 Rs. 25 Bn 2023 Rs. 23 Bn ▲ 9% Increase	PROFIT BEFORE TAX 2024 Rs.10 Bn 2023 Rs. 8.4 Bn ▲ 9% Increase 
TOTAL EQUITY 2024 Rs. 61 Bn 2023 Rs. 54.4 Bn ▲ 12% Increase 	INVESTMENTS IN FINANCIAL INSTRUMENTS 2024 Rs. 214 Bn 2023 Rs. 189.3 Bn ▲ 13% Increase 	
GROSS CHANGE IN CONTRACT LIABILITIES 2024 Rs. 23 Bn 2023 Rs. 23 Bn	PROFIT AFTER TAX 2024 Rs. 7 Bn 2023 Rs.5.8 Bn ▲ 17% Increase	TOTAL ASSETS 2024 Rs. 251.4 Bn 2023 Rs.224.7 Bn ▲ 12% Increase



FINANCIAL PERFORMANCE

At Ceylinco Life, maintaining strong financial results, steady returns, and robust controls are key to enhancing shareholder value and ensuring long-term organisational success. Our financial performance and stability lie at the heart of achieving exceptional levels of stakeholder loyalty and trust reinforced by our unique value proposition, far-reaching presence, and leadership in the market.

UNDERSTANDING CLI'S APPROACH TO FINANCIAL PERFORMANCE

Governance:

Governing Policies:	Financial Reporting & Compliance Policy, Investment Policy, Risk Management Policy , Dividend Policy , ESG Policy, Asset-Liability Management (ALM) Policy
Responsibility:	Board of Directors

KEY CHALLENGES:

The decline in discretionary spending and a low interest rate environment posed negative impacts to financial performance across businesses, further underscored by growing operational expenses due to the inflationary environment that prevailed during the year. The implementation of new regulations and standards remained a key focus area during the year, requiring significant revisions to internal processes and systems.

FINANCIAL PERFORMANCE

STRATEGIC INSIGHTS: A SWOT PERSPECTIVE

STRENGTHS

- Market leadership in the life insurance business Continuously 21 years, demonstrating strong brand trust.
- Strong financial performance, consistently reporting high premium income, profitability, and stable solvency margins.
- A robust investment portfolio comprising diversified investments in government securities, real estate, and other stable assets.
- A customer-centric approach, with a focus on policyholder benefits, claims settlement efficiency, and innovative

S

WEAKNESSES

- The conservative investment strategy may sometimes lead to lower investment yields, but at reduced risk.
- Maintaining an extensive branch network and underwriting risk management processes contributes to higher operational expenses.
- The Company's product portfolio still relies heavily on traditional life insurance policies, necessitating greater innovation in AI-driven and green insurance solutions.

W

OPPORTUNITIES

- Sri Lanka's life insurance penetration remains low, providing room for expansion.
- Implementing AI-driven need analysis tools, chatbots, and digital underwriting can improve efficiency.
- Expanding ESG-integrated insurance solutions and aligning with UN Global Compact principles.
- Increasing demand for retirement planning and health insurance presents new market opportunities.

O

THREATS

- Macroeconomic instability, including currency depreciation and inflation, may impact customers' ability to afford life insurance policies, affecting premium income.
- Regulatory and tax risks may increase costs.
- The growing frequency of climate-related disasters could lead to higher insurance claims, affecting profitability and reinsurance costs.

T

Risks

R1, R3, R4, R6, R10

Key Stakeholders

Shareholders, Reinsurers, Actuaries, Policyholders, Sales Agents, Employees, Regulators, Suppliers

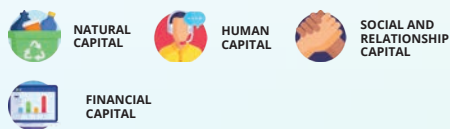
Material Topics



SDGs



Relevant Capitals



UNGC



FOCUS AREAS FOR 2024



Retaining Market Leadership



Maintaining Consistent Returns



Prudent, Farsighted Investments



Strong Internal Controls

Future Outlook: Refer page 118

HEAR FROM OUR LEADERSHIP:

**P. A. JAYAWARDENA**

Senior Executive Director/ Chief Financial Officer



What were the major challenges faced during the year, and how did the Company respond to these dynamics?



We were largely exposed to interest rate risks during the year. Proactive steps were taken to negotiate with banks and sign forward contracts, while the Company engaged in internal projections, forecasting and regular reviews to anticipate and mitigate any potential negative outcomes. Additionally, we relied on partnerships with research agencies and external consultants to obtain the necessary expertise and guidance to navigate the challenging macroeconomic climate.

In response to risks associated with the credit impairment of financial institutions, under the supervision of the operations investment committee, the Company ensured all investments were aligned with the minimum investment grade, and ensured compliance with the internal investment guidelines was maintained. Tax planning was undertaken with the assistance of a tax consultant and professional institutions.



Owing to the high inflationary environment, we engaged in cost rationalisation initiatives and budget planning and monitoring, while relying on digitalisation and integration of sustainable practices to drive resource efficiency.



How did the organisation perform against these dynamics?



The past year was a period of resilience and strategic growth for the Company. Despite economic volatility and evolving regulatory landscapes, we maintained our market leadership, strengthened our investment portfolio, and enhanced our financial position. Our disciplined financial management, robust risk mitigation strategies, and commitment to sustainable growth have positioned us for long-term success.



What is the organisation's strategy with respect to fund management?



We manage funds through a disciplined investment strategy that balances stability,

liquidity, and profitability while ensuring policyholder obligations are met. Yield on invested assets was reported at 13% during the year.

The Company's strategy with respect to fund management is outlined below:



How has Ceylinco Life demonstrated a commitment to sustainable investments?



As part of our commitment to sustainable finance and climate resilience, we strategically invested in green bonds dedicated to solar energy projects. This investment aligns with our long-term ESG objectives, ensuring financial growth while contributing to a low-carbon future.

Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance projects with clear environmental benefits. Ceylinco Life invested Rs. 2 Bn in Sri Lanka's first Green Bond issued by DFCC bank (the first ever Green Bond issuance in Sri Lanka) which is to be listed in the Colombo Stock Exchange that benefits the nation's solar sector. The Company served as an anchor investor in this bond, in an emphatic demonstration of the Company's commitment to sustainability.

FINANCIAL PERFORMANCE

The Company's strategy with respect to fund management is outlined below:

Asset Liability Management	Matching assets to liabilities, minimising interest rate and reinvestment risks	Refer to the ALM Framework on page 376
Diversified Investments	Allocate funds across fixed income (bonds), equities, real estate, and short-term liquid assets to optimise returns and manage risk	Refer to Financial Instruments note on page 319-334
Risk & Liquidity Management	Maintaining liquidity buffers, and conducting stress testing to ensure financial strength. Long-term liabilities (e.g., annuities, whole life policies) are matched with long-term investments to prevent reinvestment risks.	Refer to Risks and Opportunities on page 76-89
Regulatory Compliance	Adhering to solvency, RBC, and SLFRS 4 requirements, ensuring transparency and policyholder protection.	Refer to ratios outlined on page 376
Balanced Maturity Profile	Ensuring insurers meet obligations without having to liquidate assets at unfavourable prices.	Refer to Maturity Profile on pages 387-390



Retaining Market Leadership

Our dedication to building resilience and enhancing value for policyholders has been key to maintaining market leadership. By overcoming challenges and constantly improving, we build trust and loyalty with customers, securing our position as a market leader for long-term success.

	Industry	Ceylinco Life	Our Contribution %
GWP (Rs. Bn)	184.00	37.14	20.2%
GWP Growth Rate (yoy%)	20%	11%	
Benefits Paid (Rs. Bn)	84.00	25.30	30.1%
Benefits Paid Growth (yoy%)	10%	8%	
Investment Income (Rs. Bn)	101.00	27.74	27.5%
Investment Income Growth (yoy%)	5%	1%	
Profits Before Tax (Rs. Bn)	33.00	10.05	30.5%
Profits Growth Rate (yoy%)	8%	19%	
Total Assets (Rs. Bn)	924.00	251.44	27.2%
Total Assets Growth Rate (yoy%)	13%	11.9%	
Capital Adequacy Ratio (%)	338%	448%	

"Ceylinco Life maintained its market leadership in the life insurance industry for the 21st consecutive year, thereby contributing towards improved returns"

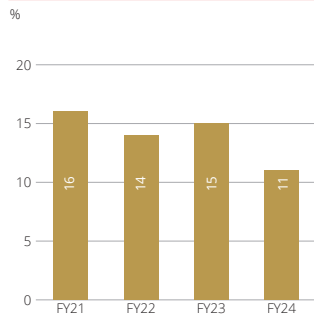


Maintaining Consistent Returns

RATIO ANALYSIS

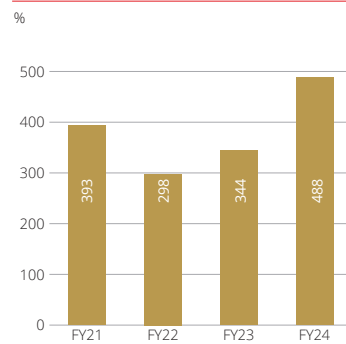
Revenue Ratios

GWP GROWTH



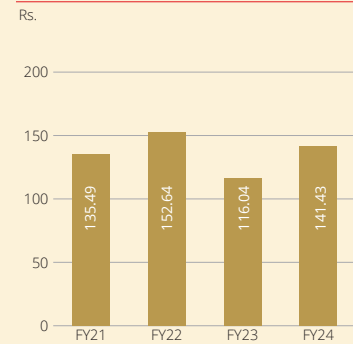
Solvency Ratios

RISK-BASED CAPITAL ADEQUACY RATIO (CAR)

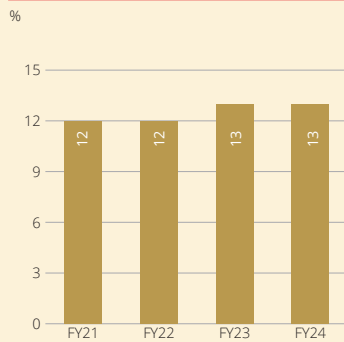


Investor Ratios

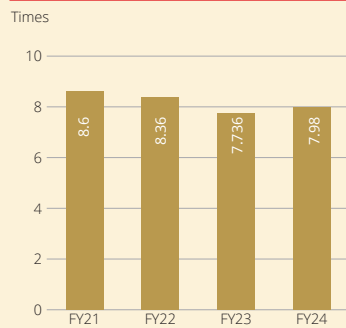
EPS (NET PROFIT/ WEIGHTED AVERAGE SHARES OUTSTANDING)



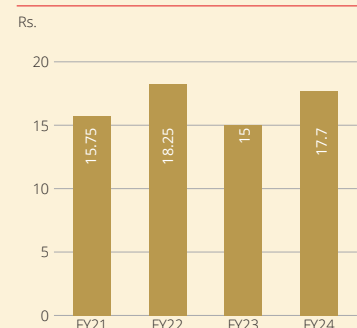
DIVIDEND PAYOUT RATIO (DPS/EPS)



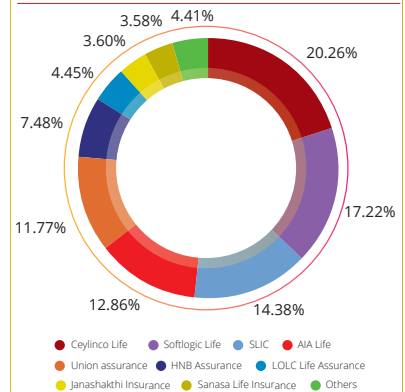
DIVIDEND COVER RATIO (NET PROFIT/TOTAL DIVIDEND DISTRIBUTED TO SHAREHOLDERS)



DPS (PROPOSED) (ANNUALISED DIVIDEND/ WEIGHTED AVERAGE SHARES OUTSTANDING)



MARKET SHARE DATA (BASED ON GWP)

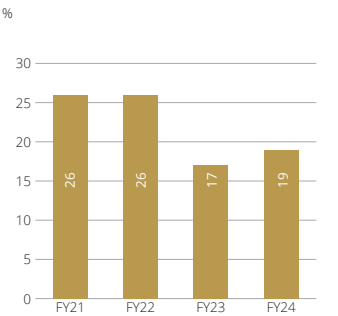


Source : IRCSL

FINANCIAL PERFORMANCE

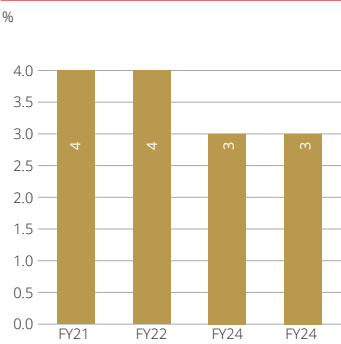
Profitability Ratios

NET PROFIT MARGIN

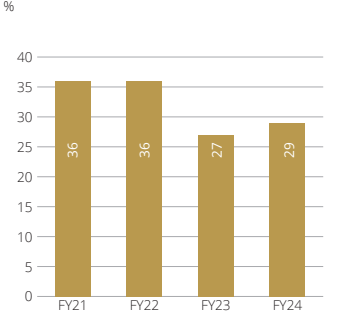


RETURN ON ASSETS

(NET PROFIT/TOTAL ASSETS)

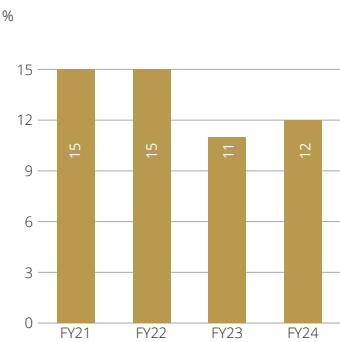


EBITDA MARGIN



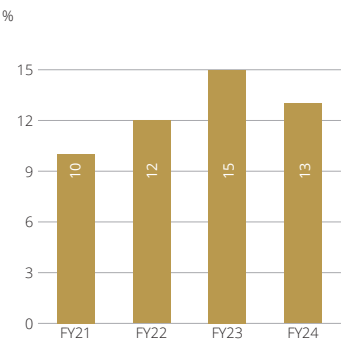
RETURN ON EQUITY

(NET PROFIT/TOTAL EQUITY)



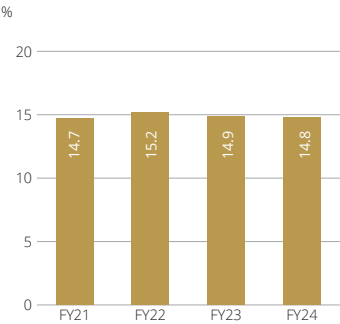
YIELD ON INVESTED ASSETS

(TOTAL INVESTMENT INCOME/ INVESTED ASSETS)

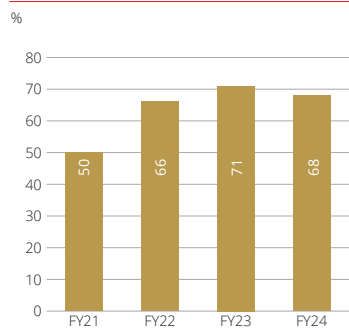
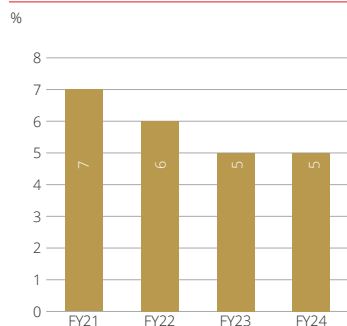
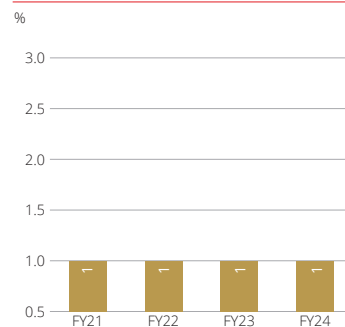
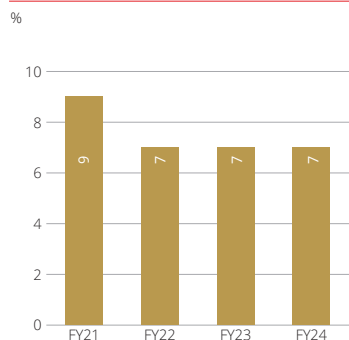
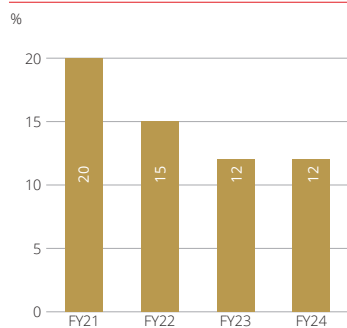
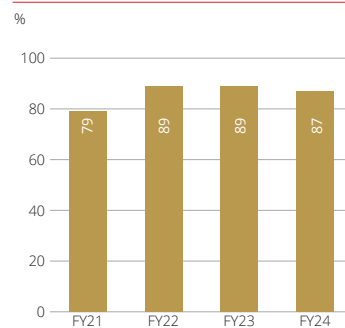
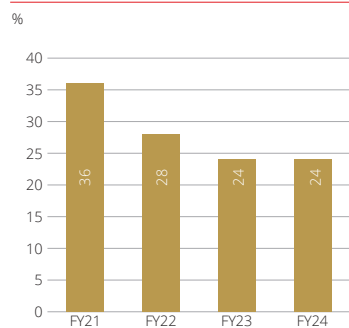
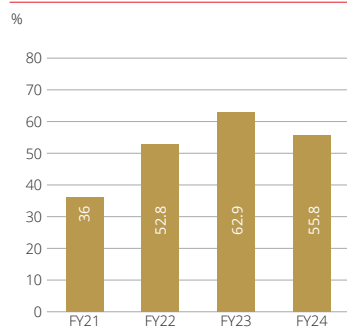


Efficiency Ratio

ASSET TURNOVER RATIO



Insurance-specific Ratios

CLAIMS AND BENEFIT RATIO
(CLAIMS AND OTHER BENEFITS
PAID/NET PREMIUM INCOME)**CLAIMS AND BENEFIT RATIO**
(WITHOUT MATURITIES, ADVANCE
PAYMENTS AND SURRENDERS)**REINSURANCE RATIO**
(% OF THE RISK TRANSFERRED
TO REINSURERS)**ACQUISITION RATIO**
(ACQUISITION COST /NET PREMIUM INCOME)**EXPENSE RATIO**
(OTHER OPERATING AND ADMINISTRATIVE
EXPENSES + FINANCE EXPENSE/NET PREMIUM INCOME)**COMBINE RATIO**
(CLAIMS AND BENEFIT RATIO+EXPENSE RATIO+
ACQUISITION RATIO)**COMBINE RATIO**
(WITHOUT MATURITIES, ADVANCE PAYMENTS
AND SURRENDERS)**INVESTMENTS IN
GOVERNMENT SECURITIES**

FINANCIAL PERFORMANCE

POLICYHOLDERS' FUND

The following table represents the summary of transactions resulted in changing the policyholders' fund as at the year ended 31st December 2024.

Policyholders' Fund	2024	2023	Change
	Rs.Mn	Rs.Mn	%
Gross Written Premium	37,140	33,411	11%
Premium ceded to reinsurers	(550)	(640)	-14%
Net Written Premium (Net of Premiums ceded to reinsurers)	36,590	32,772	12%
Investment and Other Income Attributable to Policyholders	22,246	22,182	0%
Net Benefits Paid	(25,049)	(23,135)	8%
Increase in Long Term Insurance Fund	(23,052)	(23,016)	0%
Acquisition Cost	(2,478)	(2,268)	9%
Operating and Administrative Expenses Attributable to Policyholders	(3,912)	(3,478)	12%
Interest Expense	(83)	(80)	4%
Tax expenses	(1,256)	(1,000)	26%
Surplus from Life Insurance Business	3,007	1,977	52%

INCOME STATEMENT

The following table represents the performance of material line items of the income statement between the year under review and the preceding year. This includes financial performance with respect to gross written premium, investments and other income generated, and costs incurred, along with profits generated during year. The table also outlines future prospects of the organisation and the potential to deliver returns.

For the year ended 31st December	2024 Rs. Mn	2023 Rs. Mn	Change	2025 Outlook (Budget)
Gross written premium	37,140	33,411	11%	15 % growth
Premium ceded to reinsurers	(550)	(640)	-14%	9 % growth
Investment Income and other income	28,408	27,991	1%	-5% growth
Net benefits and claims paid	(48,100)	(46,151)	4%	30% growth
Acquisition cost	(2,478)	(2,268)	9%	24% growth
Expenses	(4,368)	(3,905)	12%	4% growth
Profit before tax	10,052	8,440	19.1%	4% growth
Income Tax Expense	(2,981)	(2,638)	13%	3% growth
Profit for the period	7,071	5,802	22%	4% growth

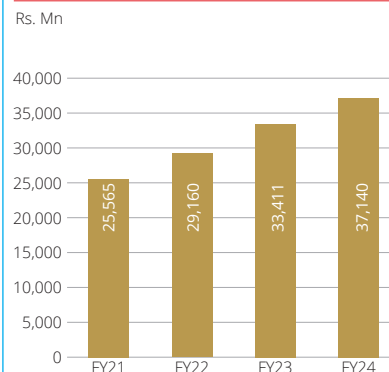
GROSS WRITTEN PREMIUM

Gross Written Premium serves as the primary source of income of the Company, and is derived before deducting reinsurance and ceding commission. During the year the Company achieved a 11% increase against the previous year to reach Rs. 37,140 Mn, compared to Rs. 33,411 Mn recorded in 2023. The main contributor to this growth is renewal premium income.

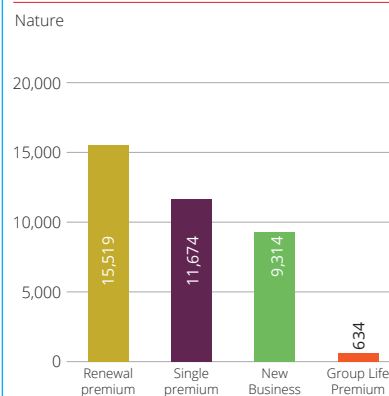
GWP NATURE-WISE

Composition	2024 (Rs. Mn)	2023 (Rs Mn)	Composition	Change	Key Value Drivers
Renewal premium	15,519	13,653	42%	14%	<ul style="list-style-type: none"> Strengthening customer service Recovery from economic crisis Renewal-based incentives for agents and employees Encouraging standing order payments Implementing policy validation systems across all banks to minimise unidentified policy premiums Multiple payment channels
Single premium	11,674	11,828	31%	-1%	<ul style="list-style-type: none"> Growth in limited-term endowment products with a life cover with attractive Returns.
New Business Refer Note 01	9,314	5,903	25%	58%	<ul style="list-style-type: none"> Educational campaigns on policy benefits Enhanced customer satisfaction Brand loyalty Expansion of agency force and productivity Incentivising the sales force
Group Life Premium	634	2,027	2%	-69%	
Total	37,140	33,411	100%	11%	

GWP



GWP NATURE WISE - 2024



FINANCIAL PERFORMANCE

Note 01

Description	2024	2023	YOY Change
Annualized new business premium - Rs. Mn	12,064.4	12,523.7	-4%
No of new policies issued during the period	61,325	79,636	-23%
Average premium per policy - Rs.	196,729	157,249	25%

GWP CHANNEL-WISE

Ceylinco Life primarily operates via three channels, namely Agency (individual sales agents), Alternative Channels (Bancassurance, brokers and corporates) and Internet and Online, which includes social media. 99.37% of total premium is collected through the agency channels which reflects a 11.27% growth compared to 2023.

GWP by channel	2024	2023	Change
	Rs. Mn	Rs. Mn	
Agency	36,907	33,168	11.27%
Alternative	151	157	-3.77%
Internet and other	82	86	-4.12%
Total	37,140	33,411	11.16%

PREMIUM CEDED TO REINSURERS

The Company diversified and partnered with two leading reinsurance companies namely, Swiss Re and Munich Re. The premium ceded declined by 14% YoY to reach Rs. 550 Mn. Their respective ratings are listed below.

INVESTMENTS AND OTHER INCOME

Investment income for the year remained stable, despite a sharp decline in market interest rates during the year, evidencing the prowess of our conservative investment strategy. Notably, our investment income reached an all-time high, surpassing LKR 28,408 Mn, outstripping the previous year's high of LKR 27,991 Mn, showcasing the fruits of our resilient investment strategy

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

in navigating challenging economic conditions.

Key Points

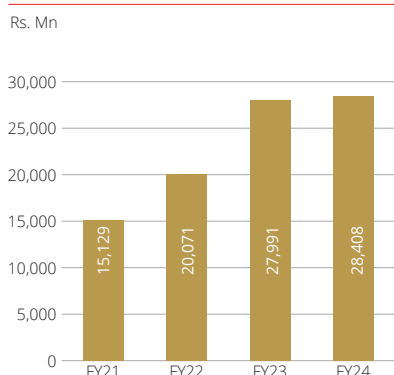
- Despite a sharp decline in market interest rates during the year, investment income grew by 1.5%

year-on-year, reaching an all-time high of LKR 28,408 Mn.

- The growth surpasses the previous year's high of LKR 27,991 Mn, driven by robust returns from the fund's diversified portfolio.

	2024 (Rs. Mn)	2023 (Rs. Mn)	Growth
Investment income	27,744	27,480	1%
Other Income	665	512	30%
Total	28,408	27,991	1.5%

INVESTMENT AND OTHER INCOME



GROSS CHANGE IN CONTRACT LIABILITIES

During 2024, the Company transferred a significant amount of Rs. 23,052 Mn to the Long Term Insurance Fund following a transfer of Rs. 3,007 Mn to the Shareholder's Fund (2023: Rs. 1,977 Mn). This reflects an increase of 52% from the preceding year. This transfer was made possible by the GWP growth and the stable investment income. These were sufficient to absorb the escalation in acquisition costs customer benefits paid.

EXPENSES

Expenses are categorised into two segments, namely, other operating and administration expenses and finance costs.

ACQUISITION COST

Acquisition cost increased from the previous year by 9.3% to reach Rs. 2,478 Mn (2023: Rs. 2,268 Mn), corresponding to the 11% GWP increase that took place during the year. Acquisition costs mainly comprises the commission expenses paid to sales agents during the year.

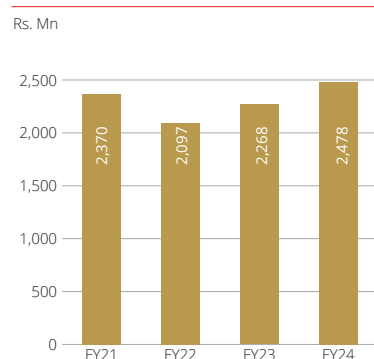
NET BENEFITS AND CLAIMS PAID

The increase in net claims was driven by policy maturities during the period. The Company is a well-established matured Company, resulting in high policy maturities. Policy surrenders dropped due to several reasons such as favourable economic conditions,

improved customer retention strategies, higher policyholder awareness and education, product design and flexibility. The Company's incurred claims ratio stood at 68%, well within the industry benchmark of 50%-100%. This is a further indication of the Company's smooth and efficient management of the claim settlement process.

For the Year Ended 31st December	2024	2023	Change
	Rs.Mn	Rs.Mn	
Policy Maturities	19,531	16,567	18%
Surrenders	2,629	3,807	-31%
Claims - death, disability and hospitalisation	1,818	1,743	4%
Interim payments on Anticipated Endowment plans	1,288	1,283	0%
Annuities	33	27	23%
Gross claims and benefits	25,299	23,426	8%
Reinsurance recoveries	(250)	(291)	-14%
Net benefits and claims	25,049	23,135	8%

ACQUISITION COST



	2024 (Rs. Mn)	2023 (Rs. Mn)	Change %
Other operating and administration expenses			
Administration expenses	1,948	2,032	-4%
Selling expenses	1,139	917	24%
Employee benefit expenses	1,198	876	37%
Total	4,285	3,825	12%
Finance Costs	83	80	4%

FINANCIAL PERFORMANCE

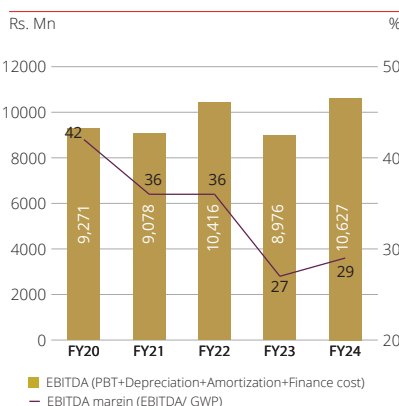
The total operating and administration expenses increased by 12% during the year mainly due to the increase in employee benefit expenses, which reached Rs. 1,198 Mn during the period. Rs. 129.3 Mn was allocated as a contribution distributed to employees in recognition of their years of dedicated service. Salary expenses increased by 9% YoY, while the medical fund contribution increased by 3% YoY. Investing in employee benefits fosters a motivated, engaged, and loyal workforce, driving long-term success and organisational growth. The Company's contributions to the pension and gratuity funds were reversed by Rs. 1.7 Bn resulting from the fair values of the planned assets being higher than the plan liabilities.

Selling expenses increased by 24% during the year mainly due to the increase in rewards given to the sales staff and the increase in expenses on advertising and business promotion.

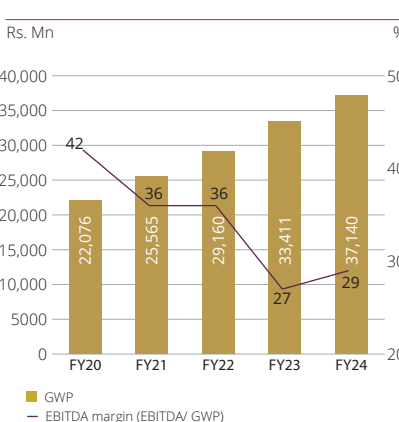
During the year, the Company was able to reduce administrative expenses by 4%. By implementing sustainable practices and investing in advanced software solutions to streamline administrative processes, Ceylinco Life was able to reduce costs, and enhance long-term efficiency and environmental responsibility.

The Company was able to save Rs. 149 Mn from software, maintenance, building, maintenance, vehicle and other maintenance expenses during the year, while the stationery cost reduced by 10% from Rs. 50.7 Mn in 2023 to Rs. 45.6 Mn in 2024. The Company achieved 18% saving on electricity YoY in absolute terms, amounting to Rs. 13 Mn due to its investment in solar panel systems. The professional and consultancy fees spent by the Company increased to 5% YoY from the previous year's due to the SAP upgrade and other professional fees incurred for implementing SLFRS 17/ SLFRS 09.

EBITDA VS EBITDA MARGIN



GWP VS EBITDA MARGIN



EBITDA represents the cash profit generated by the Company's operations. During the year, the Company's EBITDA improved to Rs. 10,627 Mn from Rs. 8,976 Mn whereas the EBITDA margin improved to 29% in 2024 from 27% recorded in 2023. During the year, an increase in EBITDA and EBITDA margin was recorded as a result of the growth in GWP, increase in the surplus transfer to shareholders. Additionally, the increase in net claims and benefits paid and other expenses exerted a downward pressure on EBITDA during the period.

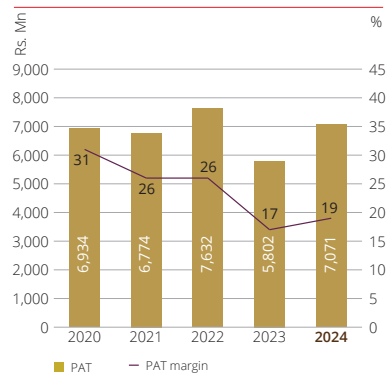
PROFIT BEFORE TAX (PBT) AND PROFIT AFTER TAX (PAT)

Profit Before Tax (PBT) increased by 19% year-on-year to Rs. 10,052 Mn, in comparison to Rs. 8,440 Mn recorded in 2023. Earnings Per Share (EPS) increased by 22% YoY to reach Rs. 141.43 per share compared to the earnings of Rs. 116.04 per share in 2023. The number of ordinary shares remained unchanged while EPS growth was driven by the rise in net profits during the period.

PBT AND PBT MARGIN



PAT AND PAT MARGIN



INCOME TAX

Income tax expense increased during the period by 13% to Rs. 2,980.5 Mn from Rs. 2,637.9 Mn in 2023. With the increase in the surplus transfer during the year, associated income tax expense also increased.

TOTAL COMPREHENSIVE INCOME

Total comprehensive income grew by 40% during year to Rs. 7,501 Mn (2023 - Rs. 5,076 Mn). This was mainly due to the higher profit after tax and other comprehensive income recorded during the year.



Prudent, Farsighted Investments

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 are discussed in detail below.

As at 31st December	2024 Rs. Mn	2023 Rs Mn	Change
Total Assets	251,437	224,746	12%
Property, Plant and Equipment and Intangible Assets	13,914	13,080	6%
Investment Property	4,755	4,647	2%
Investment In Subsidiaries	1,511	1,511	0%
Investments in Associates	2,642	2,642	0%
Financial investments	213,601	189,301	13%
Employee Gratuity/ Pension Benefit Asset	9,186	8,107	13%
Loans to Life Policyholders	3,008	2,931	3%
Other Assets	680	582	17%
Total Equity	60,745	54,373	12%
Total Liabilities	190,692	170,373	12%
Insurance Contract Liabilities - Life	180,896	157,538	15%
Other Liabilities	9,796	12,835	-24%
Total Equity and Liabilities	251,437	224,746	12%

TOTAL ASSETS

The Company's assets and investments are fundamental to long-term continuity, and serve to enhance organisational strength and stability in an increasingly volatile environment.

Our total asset base amounted to Rs. 251,437 Mn as at the year ended 31st December 2024, indicating an increase of 12% from Rs. 224,746 Mn in 2023. This increase could be mainly attributed to the growth in investments in financial assets, increase in the net book value of property, plant and equipment, intangible assets and investment properties, increase in loans to policyholders and increase in the Employee Gratuity/Pension Benefit Assets. Investments in subsidiaries and associates remained unchanged as no new share acquisitions took place during the year.

FINANCIAL PERFORMANCE

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	2024 Rs. Mn	2023 Rs. Mn	Change
Property, Plant and Equipment	13,721	12,820	7%
Intangible Assets	193	260	-26%
Total	13,914	13,080	6%

Property, plant and equipment (PPE) increased by 5% year-on-year. 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 more than 90% of the value of property, plant and equipment (2023 - <90%). During the year, the new PPE additions accounted for Rs. 614 Mn. The year also saw the company recognise a gain of Rs 573 Mn on revaluation of land and buildings held under property, plant and equipment (2023 - Rs 836 Mn).

Intangible assets comprise of computer software of the Company. The decline in the carrying amount is due to the amortisation and write-off of such assets. During the year, the Company invested in the installation of new computer software valued at Rs. 84 Mn.

INVESTMENT PROPERTIES

The carrying value of investment properties has increased by 2% during the year. The Company added Rs. 17 Mn of new assets to the network and recognised a fair valuation gain of Rs. 91 Mn during the year.

INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The investments in subsidiaries and associates remained unchanged from the last year.

FINANCIAL INVESTMENTS

In compliance with the Sri Lanka Accounting Standards (SLFRS/LKAS) the Company categorises financial instruments as follows:

Held To Maturity (HTM)	Loans & Receivables (L&R)	Available for Sale (AFS)	Fair Value through Profit or Loss (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	Debentures - Quoted	
	Debentures - Quoted		
	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.

	2024 Rs. Mn	2023 Rs. Mn	Growth	Composition
HTM	119,151	111,170	7%	56%
L&R	93,648	69,590	35%	44%
AFS	799	4,210	-81%	0%
FVTPL	2	4,331	-100%	0%
Total	213,601	189,301	12.8%	100.0%

Ceylinco Life's investments in financial instruments are aligned with both regulatory requirements and internal investment guidelines. The Company's strategy focuses on generating steady returns from a very higher quality portfolio of assets, ensuring long-term stability and growth. As of 31st December 2024, Government Securities accounted for 56% of Ceylinco Life's total investments in financial instruments, compared to 63% in 2023. This drop was primarily due to the organisation's preemptive strategy of reallocating Government Securities into fixed deposits issued by Licensed Commercial Banks with strong credit quality.

HELD-TO-MATURITY FINANCIAL INSTRUMENTS

Ceylinco Life maintains 56% of its financial instruments in Held-to-Maturity (HTM) assets. As a prudent life insurer, the Company aligns its long-term investments with long-term insurance liabilities. Accordingly, 62% of the organisation's HTM financial assets are allocated to government-backed Treasury Bonds, while the remainder is invested in Treasury Bills and quoted corporate debentures.

The Company primarily invests in corporate debentures from issuers with credit ratings ranging from AAA to A-, ensuring a balance between risk and return. This strategy aims to generate stable, predictable returns through low-risk investments while adhering to stringent regulatory and internal investment guidelines.

LOANS AND RECEIVABLES

Ceylinco Life holds 44% of its financial instruments in this category. Within the L&R portfolio, 71% consists of term deposits, primarily placed with licensed commercial banks, while the remainder is held with licensed finance companies.

Additionally, 20% of the total portfolio is invested in convertible and non-convertible debentures.

As a key milestone in sustainable investing, Ceylinco Life served as the

anchor investor in Sri Lanka's first-ever green bond, investing Rs. 2 billion in DFCC Bank's issuance. This bond was launched to raise funds for projects that combat climate change and promote environmental sustainability.

Investing in Green Bonds for Solar Energy Projects

The DFCC Green Bond, which raised Rs. 2.5 Bn is Sri Lanka's first capital market debt instrument dedicated to renewable energy. Its primary focus is to fund solar energy projects in support of Sri Lanka's goal of achieving 70% electricity generation from renewable energy by 2030.

Indirect Contribution to a Sustainable Investment Strategy as a Green Bond Investor

Investing in green bonds, particularly those financing solar energy projects, plays a crucial role in promoting sustainable investment strategies. As an investor, Ceylinco Life contributes indirectly in several key ways, as outlined below.

Capital Mobilization for Climate Action

- Providing long-term funding for renewable energy projects, helping transition away from fossil fuels.
- Accelerating the deployment of solar power infrastructure, reducing carbon emissions and promoting energy sustainability.

Strengthening ESG & Responsible Investment Practices

- Aligning the investment portfolio with ESG principles, ensuring that capital supports projects with measurable environmental benefits.

Supporting Financial Market Transformation

- Signals demand for sustainable finance, encouraging more issuers to enter the green bond market.
- Helps develop climate-focused financial instruments, making sustainable investment more mainstream.

Risk Mitigation & Long-Term Financial Stability

- Green bonds are often issued by strong institutions and backed by rigorous environmental standards, reducing credit and regulatory risks.
- As the world moves toward carbon neutrality, investing in sustainable projects lowers exposure to stranded assets in high-emission industries.

Promoting Renewable Energy & Energy Security

- Supports the expansion of decentralised solar energy systems, reducing dependence on fossil fuels and increasing energy resilience.
- This is especially critical in regions vulnerable to energy supply disruptions due to climate change.

FINANCIAL PERFORMANCE

Encouraging Transparency & Impact Reporting

- Green bonds require issuers to disclose how proceeds are used, ensuring accountability and measurable impact reporting.
- Contributes to strengthening governance and best practices in sustainable finance.

By investing in green bonds, the Company indirectly drives climate-positive finance, enhance market confidence in sustainable investments, and reduce long-term environmental and financial risks. This supports Ceylinco Life's commitment to a resilient, low-carbon, and responsible investment strategy.

Indirect contribution towards SDGs:

Eligible Projects / Criteria	Intended Environmental Benefit	Contributions to UN SDGs
Ground and rooftop mounted Solar PV electricity generation projects conforming to the requirements of the Sri Lanka Green Finance Taxonomy (May 2022) including mounting structures, transmission infrastructure, grid connections and other supporting infrastructure including inverters, transformers, energy storage systems and control systems.	Climate Change Mitigation through avoidance of Greenhouse Gas emissions	7 AFFORDABLE AND CLEAN ENERGY

Source: Green Bond Framework August 2024 (DFCC Bank PLC)

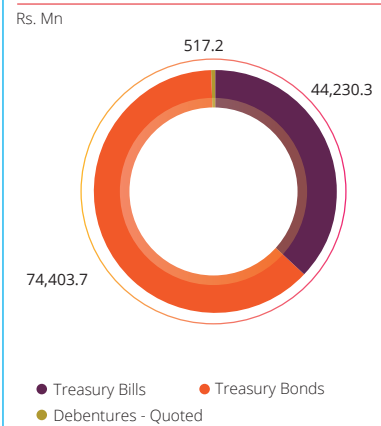
AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS

Available for sale (AFS) financial assets are financial assets designated as available for sale and are not classified in any of the other categories. 36 % of the AFS financial assets are held in Treasury Bills and 31% in Treasury Bonds and the remainder is invested in quoted and unquoted share investments.

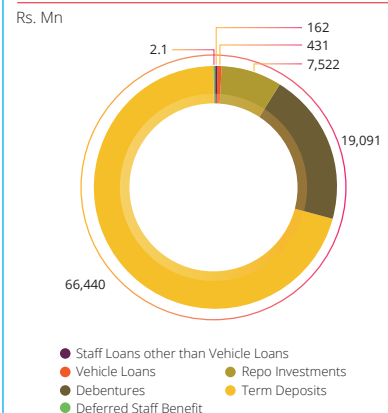
FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) FINANCIAL ASSETS

FVTPL assets are actively managed to capitalise on short-term market opportunities. As of December 31, 2024, the Company's Treasury Bill investments matured, and the proceeds were reinvested in other financial instruments. By year-end, the remaining funds were allocated to quoted equity investments.

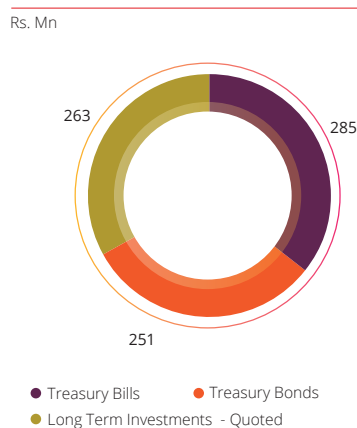
HTM



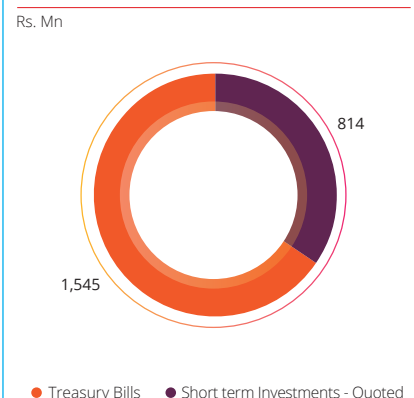
L&R



AFS



FVTPL



EMPLOYEE GRATUITY AND PENSION BENEFIT ASSET

The employee gratuity and pension benefit asset grew 13% year-on-year and stood at Rs. 9,186 Mn. This increase is due to fair values of the plan assets being higher than the plan liabilities.

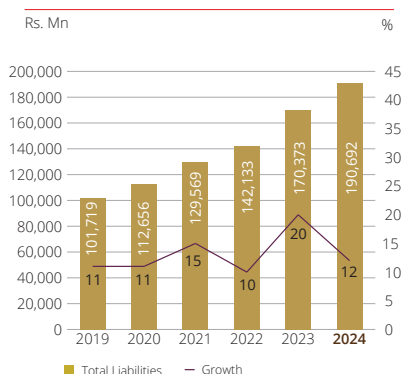
LOANS TO LIFE POLICYHOLDERS

Policyholder loans are granted up to 90% of the surrender value of a Life Insurance Policy at an interest rate equivalent to market rate. As at 31st December 2024, the loans granted increased by 3% from the previous year. The Company offered competitive interest rate to policyholders during the year and the rates are revised on a quarterly basis to maintain adequate adjustment to accommodate movements in market rates.

TOTAL LIABILITIES

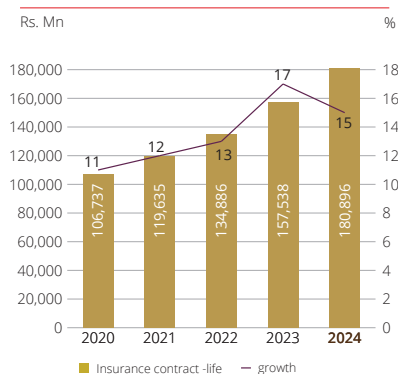
Total liabilities of the company increased by 12% year-on-year to reach the Rs. 190,692 Mn compared to Rs. 170,373 Mn in 2023. This increase was mainly due to the increase in Insurance Contract Liabilities - Life to Rs. 180,896 Mn from Rs. 157,538 Mn in 2023. Insurance Contract Liabilities - Life account for 95% of the total liability balance as at 31st December 2024.

TOTAL LIABILITIES



Insurance Contract Liabilities - Life (or simply the Life Fund) is maintained by Ceylinco Life for its long-term insurance business, in compliance with the Regulation of Insurance Industry Act, No. 43 of 2000, as amended. The size of the Life Fund serves as a key indicator of a life insurer's financial strength and stability. A larger Life Fund reflects greater financial resilience, stability, and the insurer's ability to meet long-term policyholder obligations.

INSURANCE CONTRACT LIABILITY - LIFE



Please refer to pages 144-145 of the Operational Investment Committee Report for more details on the Long-term Insurance Fund

The actuarial valuation of the Life Fund as at 31st December 2024 was carried out by the Independent Consulting Actuary, Willis Towers Watson, whose report is given on page 272.

OTHER INSURANCE FUNDS

The Company has discontinued the business lines relating to the other insurance funds listed in the table below. These funds are maintained only for the benefit of existing policyholders.

Description	2024 Rs. Mn	2023 Rs. Mn	Change
Insurance Contract Liabilities - Unit Linked	200,674	228,774	-12%
Family Takaful Contract Liability	19,441	17,496	11%
Individual Investment Fund - ISF	427,762	414,963	3%
Total	647,876	661,232	-2%

FINANCIAL PERFORMANCE

OPERATIONAL INVESTMENT COMMITTEE REPORT

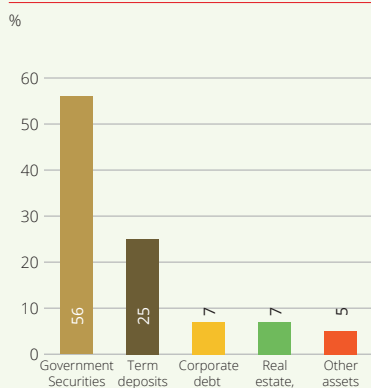
Quality of Investments

Asset Allocation of Long-Term Insurance Fund

The investment strategy for the Fund has remained consistent with previous years, maintaining a dynamic asset allocation that reflects our prudent and conservative approach to enhancing returns while mitigating risks. The asset allocation as of end year was as follows,

- 56% of the Fund's assets are invested in Government Securities, emphasizing a conservative, zero-risk investment approach.
- 25% is invested in term deposits, providing further stability and security, while enhancing returns.
- 7% is directed towards corporate debt issued by large licensed commercial banks, which are conservative yet deliver attractive returns.
- 7% is invested in real estate, providing long-term capital appreciation and defense against inflation
- 5% is invested in other assets, mostly loans to policyholders (1.64%), repurchase agreements (3.54%) and as well as a minor exposure to equity (0.16%).

ASSET ALLOCATION



DIVIDENDS AND DIVIDEND POLICY

Despite economic uncertainties, Ceylinco Life remained committed to a stable dividend policy. In 2024, the Company paid Rs. 750 Mn in dividends, compared to Rs. 912.5 Mn in 2023, achieving

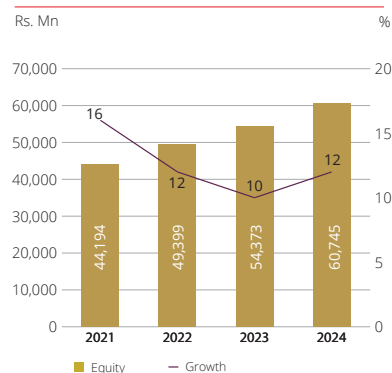
a dividend payout ratio of 12.52%. While ensuring a sustainable dividend distribution, the Company continues to allocate adequate funds for future business expansion. The Board of Directors has proposed a final dividend of Rs 17.70 per share for the financial year 2024.

TOTAL EQUITY

Shareholders' equity increased and indicated a 12% growth from the previous year (2023: 10%). The stated capital of the Company remained unchanged at Rs. 500 Mn. The retained earnings increased to Rs. 48,742 Mn at the end of 2024 from Rs. 42,420 Mn in 2023. This was following the distribution of Rs. 750 Mn as a dividend (2023: 912.5 Mn). The revaluation reserve increased to Rs. 723.7 Mn in 2024 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 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 Life Insurance Limited from Ceylinco Insurance PLC on 1st June 2015 as an effect of the regulatory segregation of the life insurance business from Ceylinco Insurance PLC.

TOTAL EQUITY



Quality of Investments

Credit Risk Profile of Long-Term Insurance Ltd

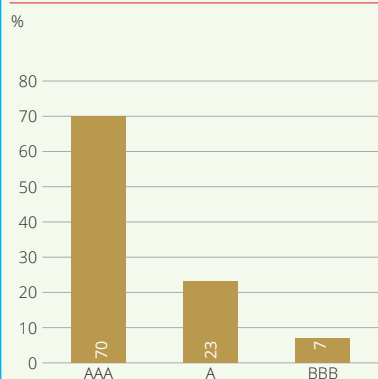
Credit Risk Profile of Long-Term Insurance Ltd

In terms of credit quality, 70% of total investments in the Fund are invested in AAA rated securities, i.e. highest credit quality. Another 23% of the investments are rated A, while the balance 7% is rated BBB. Further emphasizing our commitment to deliver investment returns that are secure, steady and stable, all investments are made with top-notch issuers and counterparties who are strictly screened by the Operational Investment Committee for their creditworthiness, capital adequacy, regulatory oversight, management acumen and track record.

Key Points –

- 56% of assets in Government Securities, 25% in term deposits, and 7% in corporate debt issued by large licensed Commercial Banks.
- 70% of assets are invested in AAA rated securities, emphasizing safety and high-credit quality.
- All investments are rigorously screened by the Operational Investment Committee for creditworthiness, regulatory compliance, and management acumen and track record.

CREDIT PROFILE



Refer to page 136 of this report for information on Investment and Other Income



FINANCIAL PERFORMANCE

OPERATIONS INVESTMENT COMMITTEE REPORT

Investment Outlook For 2025

Looking ahead to 2025, Sri Lanka is expected to experience a strong economic recovery, with key indicators pointing towards a normalization of economic activities across all the sectors. Following a challenging period, the nation is likely to see a period of deflation in the first two quarters of the year, which is anticipated to drive a further yet gradual decline in interest rates reflecting the accommodative monetary policy stance. This lower interest rate environment will play a crucial role in stimulating both consumer and business activities.

In addition, Sri Lanka's foreign reserves are projected to show a strong recovery, further strengthening the financial position and hopefully, an upgrade in the sovereign rating. Coupled with a focused effort on reducing the fiscal deficit, these positive developments are expected to create a stable foundation that will encourage growth and investment across various sectors.

In this context, the Committee acknowledges the potential viability of alternative investments, particularly non-fixed income instruments, given the economic recovery and expansion.

The Committee recognizes that investment strategies must evolve to address emerging challenges and the dynamic nature of market conditions. As such, the Committee remains committed to closely monitoring developments in the economy, financial markets, and monetary and fiscal policies. This proactive approach ensures that investment strategies are continually optimized to align with evolving circumstances, enabling us to navigate and adapt effectively in 2025 and beyond.

Key Points –

- Economic recovery is expected in 2025 with sector normalization.
- Deflation anticipated in the first half, leading to lower interest rates.
- Recovery of foreign reserves to strengthen financial position and sovereign rating.
- Committee acknowledges the potential of alternative investments, particularly non-fixed income instruments, due to economic recovery and expansion.
- Committee remains committed to be vigilant and proactive to optimize investment strategies

CASH FLOW ANALYSIS

	2024 Rs. Mn	2023 Rs.Mn	Change
Cash flows from operating activities	16,235	18,522	-12.4%
Cash flows from investing activities	-11,597	-21,580	-46%
Cash flows from financing activities	-4,804	3,141	-253%
(Decrease)/Increase in Cash and Cash Equivalents	-166	84	-298%

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 declined by Rs. 166 Mn mainly due to the drop in operating income caused by the reduced investment income and increase in customer benefit payments. The bank overdraft facility as at 31st December 2024 amounted to Rs. 1,351 Mn, compared to the Rs. 913 Mn as at 31st December 2023.

OPERATING CASH FLOWS

Cash inflows from operating activities dropped by 12% YoY to reach Rs. 16,235 Mn for during 2024 compared to Rs 18,522 Mn recorded in the previous year, primarily due to the decrease in interest and dividend income received. The drop was mainly attributable to a series of monetary policy adjustments by the Central Bank of Sri Lanka (CBSL). The customer benefits paid increased by 7% YoY to reach Rs. 25 Bn and the Company incurred increased operating expenses in the current year, resulting in a 27% YoY increase in operating expenses paid, to reach Rs. 5.3 Bn in 2024.

INVESTING CASH FLOWS

Cash outflows from investment activities decreased by 46.3% YoY to reach Rs. 11,597 Mn from Rs. 21,580 Mn recorded in 2023 due to a range of factors. During the year, the acquisition of financial instruments decreased by 7% YoY. While the proceeds from the sale of PPE items increased to Rs. 31 Mn from Rs. 28 Mn in the last year. The Company spent more on acquiring PPE and intangible assets during the year with the aim of expansion and growth and achieving operational efficiencies. The proceeds from the financial investments reduced by 5% YoY.

FINANCING CASH FLOWS

Cash outflows from financing activities amounted to Rs. 4,804 Mn, compared to the cash inflows of Rs. 3,141 Mn in 2023. The reason for the net outflow in 2024 was the settlement of the short-term

borrowing carried forward from 2023. The dividend paid amounted to Rs. 750 Mn in 2024, compared to the Rs. 913 Mn paid in 2023.

The management of cashflow is vital to operations, as it supports the

maintenance of an adequate liquidity level to carry out business operations smoothly amidst the uncertain economic challenges. Some of the key initiatives implemented with the aim of closely monitoring cash flows are listed below:

Management of Cashflows at Ceylinco Life

Key Cash Inflows

Premiums

Regular payments from policyholders.

Investment Income

Returns from investments in Government Securities, corporate debentures, equities, investment properties etc.

Reinsurance Recoveries

Share of claims recovered from reinsurers.

Cash Flow Strategies

Asset-Liability Management (ALM)

Matching investments with expected liabilities.

Liquidity Management

Keeping cash reserves for short-term needs.

Investment Strategy

Working closely with the finance and investment teams to ensure funds are directed into profitable investments that generate higher returns for the company.

Cultivating and maintaining strong relationships with financial institutions to secure credit lines.

Reinsurance

Reducing risk through reinsurance contracts.

Expense Control

Reducing operational costs by adopting eco-friendly practices and using new technologies across the organization.

Managing spending to match expected cash flow, aiming to keep costs within or below the planned budget.

Paying suppliers on time to maintain good relationships and secure special discounts.

Debtor Management

Consistently following up with debtors to ensure the timely settlement of outstanding balances.

Challenges

Low Interest Rates

Reducing investment income.

High Claims

Unexpected events (e.g., pandemics).

Regulatory Changes

New capital requirements.

Policy Lapses & Surrenders

Increased cash outflows.

Key Cash Outflows

Claims & Benefit Payments

Payouts for maturities, death claims, surrenders and other claims

Operating Expenses

Administrative expenses, salaries and sales commissions

Reinsurance Premiums

Payments to reinsurers for risk-sharing.

Financial investments

Buying financial assets for returns.

Dividends

Dividend payment to the shareholder

FINANCIAL PERFORMANCE



Strong Internal Controls

Ceylinco Life maintains strong financial controls through internal audits, branch audits, and detailed reporting. They regularly update processes to improve efficiency and compliance, with automation helping to reduce errors and increase accuracy.

SLFRS 17 SUMMARY DISCLOSURE

1. Implementation of SLFRS 17

Sri Lanka Reporting Standard (SLFRS) 17 – Insurance Contracts will be effective from 01 January 2026, replacing SLFRS 4. The new standard introduces a consistent framework for measuring and recognising insurance contract liabilities, ensuring greater transparency and comparability across the industry.

Ceylinco Life has launched an implementation project to adopt SLFRS 17, aligning its financial reporting with global best practices. The standard affects revenue recognition, profit emergence, and liability measurement, enhancing the clarity of financial results for investors, regulators, and policyholders.

2. Measurement Approach Applied

Ceylinco Life will apply the General Measurement Model (GMM) for its long-term insurance contracts with the adoption of SLFRS 17 from 01st January 2026. The model consists of the following components:

Fulfillment Cash Flows (FCF):

Present value of expected future cash inflows and outflows, including claims, expenses, and policyholder benefits, adjusted for risk and discounting.

Contractual Service Margin (CSM):

Represents unearned profit, which is systematically recognised over the contract term as services are provided.

Risk Adjustment:

Reflects compensation for non-financial risk, ensuring a fair representation of insurance obligations.

3. Financial Impact of SLFRS 17 Adoption

The adoption of SLFRS 17 will lead to significant changes in financial statement presentation and key performance indicators as outlined below:

Insurance Revenue:

Recognised over time, reflecting services provided, rather than being based on premiums received.

Profitability Measurement

Profits are recognised gradually through the release of the CSM rather than upfront premium income recognition.

Liability Valuation:

More granular measurement of insurance contract liabilities enhances the accuracy of financial reporting.

4. Transition Adjustments & Comparative Information

In accordance with SLFRS 17 transition requirements, Ceylinco Life will apply a retrospective approach wherever possible.

The impact of the transition will be detailed in the financial statements, including reconciliations of equity, insurance liabilities, and retained earnings.

Restatement of prior-year financial statements to align with SLFRS 17 principles.

Adjustments to opening balances to reflect changes in liability measurement and profit recognition.

Enhanced disclosures to explain the financial impact of the transition.

5. Key Disclosures in Financial Statements

To ensure transparency, Ceylinco Life will provide the following SLFRS 17 disclosures in its financial statements from 01st January 2026.

Reconciliation of Insurance Contract Liabilities –

Movements in policyholder liabilities under SLFRS 17.

Contractual Service Margin (CSM) Movements –

Profit emergence over time.

Risk Adjustment for Non-Financial Risk –

Methodology and assumptions used.

Discount Rates & Assumptions –

Sensitivity analysis of key actuarial and financial assumptions.

Presentation of Insurance Revenue & Expenses –

New income statement format reflecting service-based revenue recognition.

6. Strategic Benefits & Business Implications

The adoption of SLFRS 17 will strengthen Ceylinco Life's financial reporting framework as follows:

Market Leadership

Aligning with international standards enhances credibility.

STRATEGIC BENEFITS AND IMPLICATIONS

Improved Decision-Making

More accurate liability valuation supports better risk assessment.

Enhanced Stakeholder Confidence

Investors, regulators, and policyholders gain a clearer view of financial stability.

Sustainable Growth

Transparent profit emergence aids long-term financial planning.

7. Progress of Implementation

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

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

PARTNERS: Transition work has commenced with KPMG Sri Lanka and Willis Towers Watson (WTW).

IT SYSTEMS: The Company has already invested in the leading enterprise-wide actuarial modeling system Prophet to assist in the implementation process.

Phase 01: (Already completed) ▼	Discussing the directly attributable expenses in relation to the direct insurance contracts consisting of: insurance acquisition cash flows; and non-acquisition, directly attributable expenses; Version one of the discussion papers circulated by KPMG Sri Lanka were issued in November 2023, and further improvements were made thereafter.
Phase 02: (June 2024) ▼	Development of position papers prepared by Ceylinco Life and review by Willis Towers Watson (WTW)
Phase 03: (August 2024) ▼	System development by Ceylinco Life, reflecting agreed methodology
Phase 04: (September 2024) ▼	System testing by Willis Towers Watson (WTW)
Phase 05: (October 2024) ▼	Dry Run
Phase 05: (December 2024) ▼	Development of the opening balance sheet and financial statements
Phase 06: (2025)	Parallel run of the systems until the adoption of SLFRS 17 on or after January 1, 2026

FINANCIAL PERFORMANCE

SLFRS 9 SUMMARY DISCLOSURE

1. Adoption of SLFRS 9 – Financial Instruments

Ceylinco Life will adopt SLFRS 9 – Financial Instruments, from 1 January 2026, alongside with SLFRS 17 – Insurance Contracts. The transition from LKAS 39 to SLFRS 9 introduces a principle-based approach to financial asset classification, measurement, and impairment, ensuring stronger risk management and alignment with SLFRS 17.

2. Key Changes Under SLFRS 9

(i) Classification and Measurement of Financial Assets

SLFRS 9 categorises financial assets based on business model objectives and cash flow characteristics to better reflect their economic purpose. Ceylinco Life will classify its assets as follows:

This classification reduces accounting mismatches, ensuring that asset measurement aligns with liability valuation under SLFRS 17.

Amortized Cost (AC):	Applied to debt instruments held primarily for contractual cash flow collection. These assets contribute to long-term financial stability.
Fair Value Through Other Comprehensive Income (FVOCI):	Used for debt securities that serve both investment and liquidity management purposes.
Fair Value Through Profit or Loss (FVTPL):	Applied to equity instruments and market-driven financial assets, aligning with dynamic investment strategies.

(ii) Expected Credit Loss (ECL) Model – A Forward-Looking Approach

SLFRS 9 replaces the existing incurred loss model with a three-stage expected credit loss (ECL) model, which promotes early recognition of credit risk:

This model enhances financial risk monitoring, ensuring timely provisioning and improved capital adequacy planning.

3. Interaction Between SLFRS 9 and SLFRS 17

The simultaneous adoption of SLFRS 9 and SLFRS 17 ensures a more holistic financial reporting framework. This integrated approach enhances transparency and comparability in financial reporting.

Improved
Asset-Liability
Matching:

SLFRS 9's classification of investments will be aligned with SLFRS 17's liability measurement, reducing volatility in financial results.

Consistent
Profit
Recognition:

Investment gains and losses will be separated from insurance contract profitability, improving financial statement clarity.

Harmonised
Risk
Management:

The ECL model will complement SLFRS 17's risk adjustment, strengthening financial risk assessment.

4. Impact on Investment Portfolios

The adoption of SLFRS 9 will lead to a reassessment of investment strategies, as follows:

- **Debt Securities:** The company is in the process of evaluating the debt securities for the reclassification.
- **Equity Investments:** All equity instruments will be measured at fair value, either through profit or loss (FVTPL) or other comprehensive income (FVOCI).
- **Impairment Provisions:** The transition to expected credit loss (ECL) provisioning will increase allowances, particularly for long-duration fixed-income assets.

These changes will provide a clearer risk profile for Ceylinco Life's investment portfolio, ensuring sustainable financial stability.

5. Impact on Capital Adequacy and Regulatory Compliance

IMPACT OF SLFRS 9 ON CAPITAL ADEQUACY

- **Higher Credit Loss Provisions:** The ECL model will result in earlier recognition of potential losses, impacting regulatory capital ratios in the short term.
- **Stronger Risk-Based Capital Planning:** More precise impairment recognition will strengthen capital adequacy assessments.
- **Alignment with Regulatory Requirements:** The company will ensure compliance with local and international financial reporting standards.

6. Strategic Benefits of SLFRS 9 Implementation

By adopting SLFRS 9, Ceylinco Life will reinforce its commitment to sound financial governance, ensuring a robust investment strategy that supports long-term growth.



The Role of Technology in Enabling Financial Performance

Automation & Cloud Adoption

Automating routine tasks (e.g., claims processing, premium billing, Transforming to Workflow Management System) implementing policy validations with banks and using cloud-based financial systems (SAP) improve scalability, security, and cost efficiency. During the year, the Company partnered with an accredited service provider/ consultant, and conducted a phased implementation of the SAP upgrade to minimise business disruption.

Data Analytics

Advanced analytics enable the creation of finance dashboards and facilitate the analysis of monthly financial statements for accurate, data-based decision-making.

ESG Integration

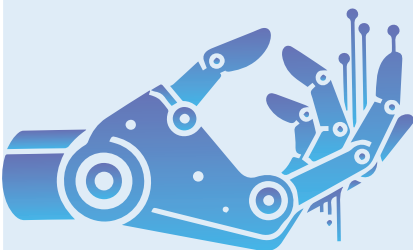
The budget allocation for 2025 is linked to ESG criteria to identify actual performance in comparison to budgeted performance.

Digital Payments & Customer Engagement

Online platforms, mobile apps, and AI chatbots improve policyholder experience and streamline transactions. The integration of Robotic Process Automation (RPA) processes for Group Premiums and payments empowers employees, and enables increased levels of productivity and efficiency.

Regulatory Compliance & Risk Management

Automated reporting ensures adherence to financial regulations, tax management, and audit transparency.







ENVIRONMENTAL SUSTAINABILITY

In view of climate change and the scarcity of resources, as well as their current and potential impact on surrounding communities, this pillar represents our commitment towards environmental sustainability that transcends beyond business. As an organisation built on a mission of driving sustainable, responsible and profitable growth, we consistently strive towards minimising our carbon footprint and optimising resources, while contributing towards the restoration of vital ecosystems in Sri Lanka.

OUR APPROACH TO ENVIRONMENTAL SUSTAINABILITY

Governance:

Governing Policies:	ESG Policy
Responsibility:	Board ESG Committee

KEY CHALLENGES:

Escalating costs and the shortage of resources and materials continued to impact operations and minimise the potential for expansion. The impacts of climate change continue to manifest at an alarming rate, with increasing global temperatures, record-high greenhouse gas levels, and extreme weather events potentially impacting businesses and communities across the island.

ENVIRONMENTAL SUSTAINABILITY

STRENGTHS

- A growing green building network and investments in renewable energy.
- A strong brand reputation for sustainable initiatives, and an ongoing integration of climate risk mitigation to build organisational resilience.
- Adoption of green office initiatives and digitisation to drive the optimised use of resources.
- First life insurer to pioneer investment in a Green Bond, taking on an anchor role in sustainable financing.
- Achieving cost savings through effective energy optimisation strategies.

OPPORTUNITIES

- Potential for climate risk-based insurance products, and the introduction of policies that promote sustainability amongst stakeholders.
- Government and regulatory support for green financing initiatives.
- Expanding sustainable investment portfolios to attract ESG-conscious investors.
- Enhanced brand image and Company reputation.
- Improvement in stakeholder confidence.

WEAKNESSES

- Non-availability of green insurance products.
- Dependence on third-party suppliers with varying sustainability standards.
- Challenges gathering data for calculating the carbon footprint.

THREATS

- Competitive pressure from companies with stronger environmental commitments.
- Potential carbon tax implications in the future
- An increased exposure to climate-related risks (e.g., natural disasters affecting mortality) and affecting insurance claims and underwriting.
- Non-availability of carbon pricing policies in Sri Lanka for carbon credit programs and Cap-and-Trading system on total GHG emissions.
- Increased frequency of natural disasters impacting actuarial models and pricing.
- Risk of greenwashing accusations if insurers fail to meet sustainability claims.

Risks

R1, R2, R3, R4, R7, R8

Key

Stakeholders

Policyholders, Employees, Sales Agents, Suppliers, Community & Environment

Material Topics

M5 M6 M7 M15

SDGs



Relevant Capitals



UNGC



FOCUS AREAS FOR 2024



Sustainable Business Expansion and Development



Resource Conservation and Waste Management



Climate Action and Ecosystem Conservation



Stakeholder Engagement and Awareness

Future Outlook: Refer pages 110-111

HEAR FROM OUR LEADERSHIP:

**E. T. L. RANASINGHE**

Managing Director/Chief Executive Officer

Q

As a service-oriented organisation, Ceylinco Life's impact on the environment is minimal. Why does the Company consider environmental sustainability to be a strategic pillar?

A

The outcomes of environmental sustainability and responsible practices have profound implications for our stakeholders. At Ceylinco Life, we prioritize stakeholder needs and adhere to the highest standards of excellence, ensuring we uphold globally recognized principles and maintain our reputation as a responsible corporate entity. Our ability to navigate the evolving regulatory landscape and meet market expectations strengthens stakeholder confidence.

Climate change and related insurance risks are growing concerns in Sri Lanka, particularly regarding natural disasters and extreme weather events. As an insurance company with a long-term growth perspective, our purpose is to protect ourselves and our stakeholders from potential risks. We engage in various climate change mitigation strategies to safeguard our future.

Q

What are the key challenges the Company has faced in terms of integrating environmental sustainability into business activities?

A

While Sri Lanka has several environmental regulations, the insurance sector lacks clear guidelines for integrating ESG (Environmental, Social, Governance) factors into risk assessments and operations. Additionally, high implementation costs and limited financial resources pose challenges for businesses.

Promoting environmentally friendly policies and initiating renewable energy projects, water recycling, wastewater management, and sustainable investments face obstacles due to the market's lack of knowledge and capabilities. At Ceylinco Life, we have overcome these challenges through our relentless commitment.

Although the transition to renewable energy and other sustainable investments helps mitigate climate change impacts,

more momentum is needed to bridge the gap in terms of necessary expertise, affordability, and sourcing of required materials and resources. We understand the issues and implications of climate change pose challenges to our operations and believe strengthening disaster preparedness and risk management functions is crucial for building organizational resilience and successfully meeting these challenges.

Q

Q: How will climate change shape industry dynamics in the near future? What steps has the organisation taken to address these impacts?

A

The rise of natural disasters and supply chain disruptions is driving a shift towards sustainable and low-carbon economies. This will require stricter regulations, increased reporting requirements, and evolving consumer preferences. The financial and investment sectors are expected to undergo significant transformation due to digitalization and workforce development. Ceylinco Life is addressing these impacts by integrating sustainable practices, investing in green technologies, and fostering environmental responsibility to navigate climate change challenges.

ENVIRONMENTAL SUSTAINABILITY



Moving forward, what are the primary goals of the organisation in relation to environmental sustainability?



Ceylinco Life is dedicated to integrating sustainable practices across all aspects of our operations, with the ambitious long-term goal of achieving Net-Zero Carbon Emissions. We are committed to consistently reducing our greenhouse gas (GHG) emissions by 5% year-on-year. Our comprehensive strategy encompasses every facet of our business and is detailed extensively throughout this report. For more information, please refer to pages 153-166 of this report.



In the wake of claims of 'greenwashing', companies are increasingly being placed under the microscope with respect to their environmental disclosures. What is the Company's stance on this matter?



The Company takes a strong stance against greenwashing by prioritizing transparency, authenticity, and verifiable environmental data in its disclosures. We are committed to long-term sustainability goals, supported by third-party audits and measurable outcomes, ensuring all claims are based on clear, actionable metrics. Regular engagement with stakeholders allows us to gather feedback and adopt practices in line with evolving global standards. By aligning with recognized frameworks and embedding sustainability across our operations, we foster a culture of continuous improvement and accountability, building trust with customers, investors, and regulators.



Sustainable Business Expansion and Development

Ceylinco Life believes that its growth should not come at the expense of the environment. Therefore, the organisation focuses on using sustainable and environmentally responsible infrastructure to support the expansion of its physical presence.

Eco-Friendly Practices and Circular Economies



- Using bricks made of clay and cement instead of conventional burnt clay bricks to eliminate harmful emissions generated during the conventional brick-burning process.
- Utilising the waste-product of crushed limestone and quarry dust as back-filling materials, as an alternative to soil.
- Engaging in wood-free construction, while eliminating the use of granite and suspended ceilings. When wood is used the Company resorts to eco-friendly pest control mechanisms.
- Reusing old material from previous renovations.



Regulatory Compliance

- Compliance with all environmental laws and regulations. Certifications from the Central Environmental Authority (CEA) are duly obtained.
- Building plan approval from local authorities and obtain COC

Clean, Renewable Energy



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

Space and Resource Efficiency



- Minimising / eliminating the use of granite, floor tiles, suspended ceilings, tempered glass and large windows where possible.
- More than 85% of the building floor area is designated for use as office space.

Energy-Efficient Processes, Systems, and Design

- Using natural light and lighter interiors to minimise the need for artificial lighting.
- Using energy-efficient lighting and equipment.
- Operating on the lowest possible electricity consumption supply for commercial buildings.
- Eliminating air conditioning in corridors and lobby areas.
- Relying on pre-cast building components to minimise the wastage of materials at the site.

Minimal Environmental Impact

- Designing buildings in line with the earth's topography and landscape to reduce soil usage and 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.

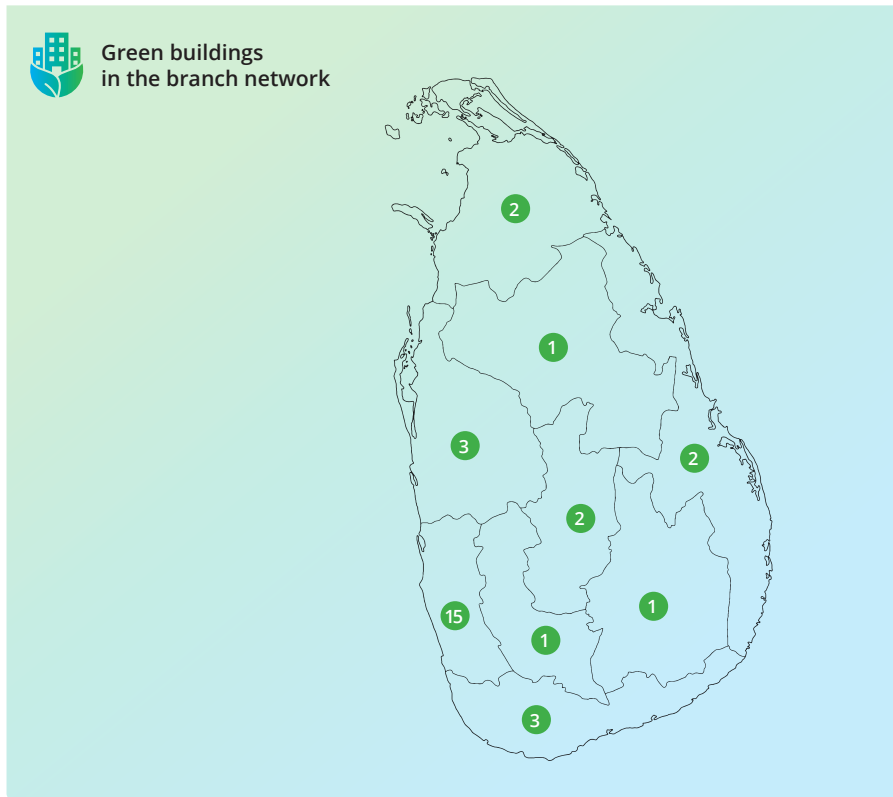
PROGRESS IN 2024:

The construction of the Nittambuwa Green Building has commenced and is expected to reach completion by the end of 2025.

All ground preparations were completed for the construction of another Green building in Ambalanthota, which will expect to commence on January 14, 2025

The Company invested in its second-largest solar system at the Investment Building in the Park Street Building (Ceylinco Healthcare Centre), with a capacity of 80 kW. Additionally, a 10 kW solar system was installed in Matugama, while the 15 kW solar powered system in the Nugegoda building was connected to the grid, thereby transforming it into a green building.

We investigated one of the high electricity-consuming branches, Kotahena, and made modifications in the customer area to optimize the use of the air conditioning system. As a result, we achieved a reduction of approximately 3,000 units per month, which is about a 33% decrease in energy consumption.



Scan the QR code to view the stone laying ceremony of the Ambalanthota and Nittambuwa branches



ENVIRONMENTAL SUSTAINABILITY

30

Green buildings

72%

of buildings are fully powered by solar energy

Rs. 52.1 Mn

Saved through Solar Generation

02

New Green building projects initiated

1,108 MWh

Solar Generation

420 tCo₂ e

Emissions avoided through Solar

4,770

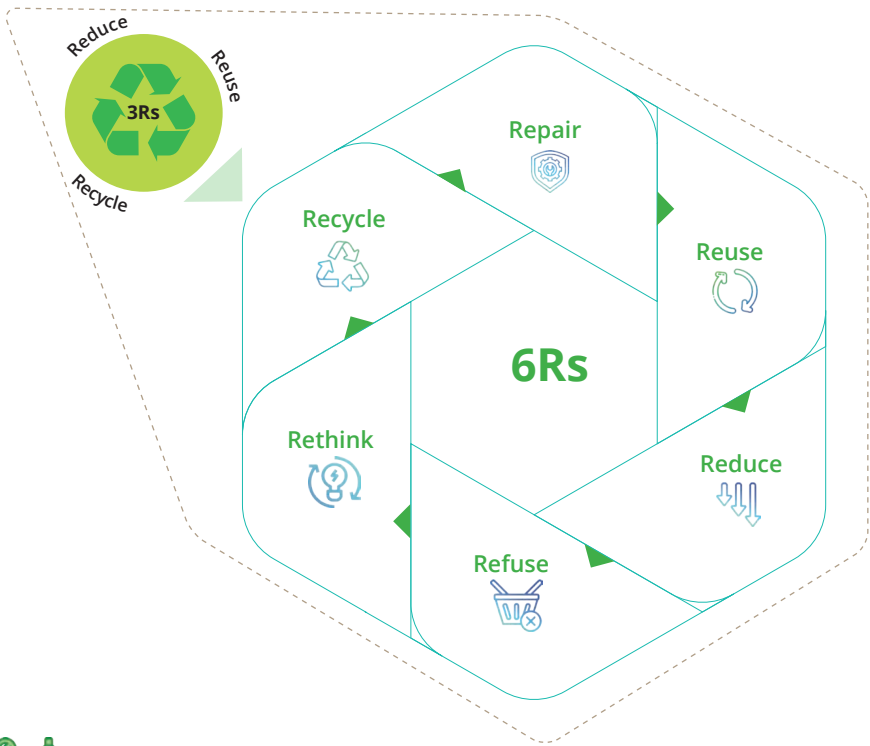
Trees saved through Solar

Refer to Our Impact Story for an island-wide perspective of our sustainable initiatives (pages 22-29)



Resource Conservation and Waste Management

The Company employs the 6Rs of resource management across its operations, to ensure that the following vital resources are preserved, managed, and optimised:




Rethink

Encouraging key stakeholder groups to rethink their consumption patterns by raising awareness on resource responsibility.

This initiative has resulted in customers choosing digital processes over manual processes, and employees developing innovative ideas to maximise existing resources and engage in responsible disposal of waste. Reevaluating business practices to ensure alignment with sustainability goals.

1. "Think twice before you print" in e-mail signature
2. Replacing temporary receipts with SMS

The Innovation Hub empowers employees to contribute ideas for circular economy solutions, fostering sustainability and efficiency. Successfully implemented the Walking Customer eReceipt and SMS Receipt initiative, enhancing customer convenience and streamlining operational efficiency.



12,134 app downloads

Rs. 796 Mn premium mobile pay media figures collected from apps

33% of Customer Benefit Payments made via Fund Transfer

Refuse	Eliminating plastic use by replacing plastic bottles with reusable glass alternatives.		
Reduce	Paper waste is monitored daily to ensure wastage is minimised. Accomplished through the initiative of implementing walking customer e-receipts and SMS receipts.		30,065 walking customer e-receipts
	Digitisation of processes ensures paper usage is eliminated across the business. This also minimises travel requirements, thereby reducing fuel emissions.		0.5 Mn A4 converted papers saved
	Installing sensor lights in common areas to enhance energy efficiency.		
	Employing technology to minimise energy waste: Electrical capacitors and energy-efficient fittings have been utilised to minimise the electricity consumption minimised across branches. Integrating battery backups to power generators using solar energy in the event of a power outage.		1,108 MWh of energy saved
	The reduction of energy consumption from the grid is achieved through the installation of solar panel systems.		3% reduction in electricity consumption
	Employing technology to optimise water consumption: Sensor controlled fittings aid in reducing consumption across branches. Automation of rainwater harvesting mechanisms to reduce fresh water usage. Sewage water is recycled and used for toilet flushing and gardening purposes.		2,900,000 Rainwater Harvested
Reuse	Merging branches and encouraging customers to adopt digital processes for enhanced efficiency, convenience, and a seamless service experience.		01 branch rationalised
	Encouraging employees to reduce commuting through digitisation and carpooling		4.7% GHG decreased under employee commuting
	Scrapped solar panels from the head office were used to power battery backup systems in existing buildings. Reusing materials for building repairs, such as carpets, glass, etc.		24 solar panels recycled
Repair	Damaged furniture and equipment are repaired to ensure their lifetime is extended.		Rs. 6 Mn saved
Recycle	All e-waste and paper waste is disposed with the support of accredited third-party recyclers. Plastic, polythene, and rubber collected during beach cleanups.		8,952 Kg of waste recycled
	The organisation recognises water as a scarce resource, and therefore engages in rainwater harvesting and waste-water treatment to facilitate recycling.		1,320,000 litres of water recycled

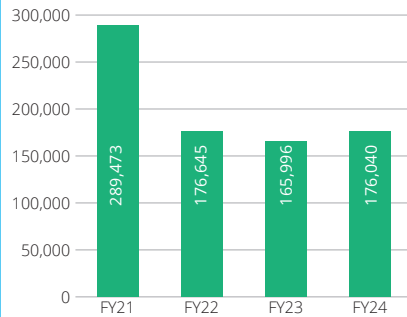
ENVIRONMENTAL SUSTAINABILITY

RESOURCE MANAGEMENT AT A GLANCE

Energy Consumption

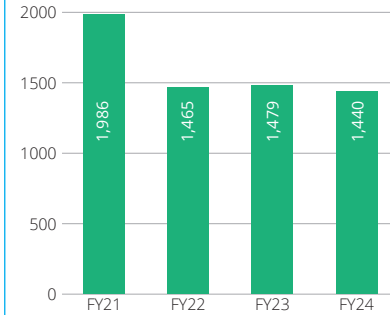
FUEL CONSUMPTION

Litres



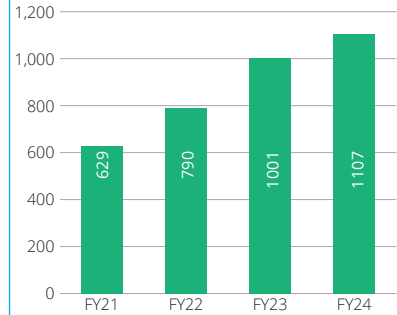
ELECTRICITY CONSUMPTION

Mwh



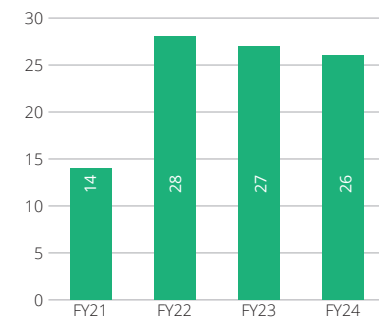
SOLAR GENERATION

kwh



SOLAR INVESTMENT

Rs. Mn



Rs. 26 Mn

Solar investment

1108 MWh

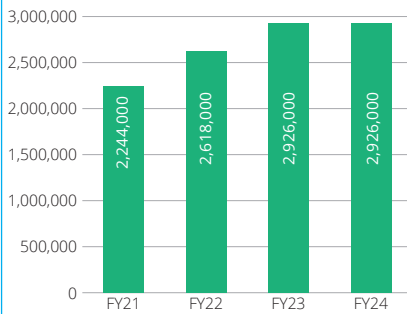
Solar power generated

Water Consumption



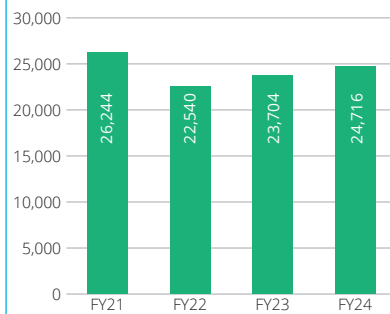
RAINWATER HARVESTED

Litres



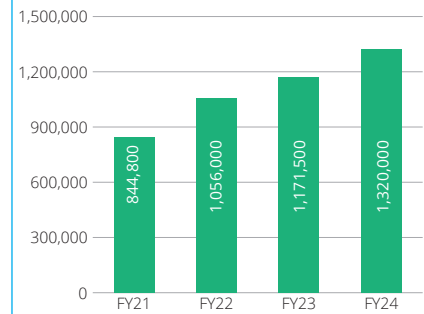
WATER CONSUMPTION/ WITHDRAWAL

Litres



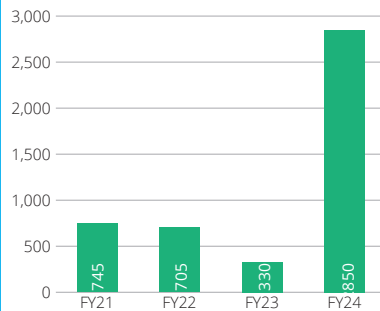
WATER RECYCLED

Litres



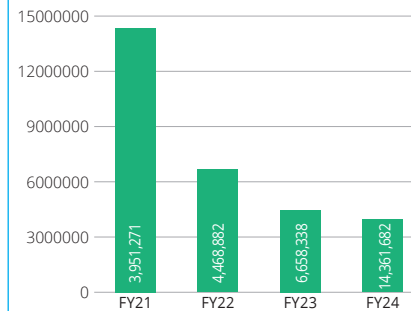
E-WASTE

Kg



PAPER CONSUMPTION

A4 Converted



During the year, the Company conducted an e-waste campaign, with 65 employees. 2,850 Kg of e-waste was collected and disposed with the support of an accredited third-party recycler.



16 No of branches including Own Buildings Nelliady, Jaffna, Wennappuwa, Mount Lavinia, Minuwangoda and Matugama branches utilise well water. 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.

All forms of waste, constituting e-waste, food waste, and paper waste are disposed of via local authorities and authorised third-party recyclers.

ENVIRONMENTAL SUSTAINABILITY



Climate Action and Ecosystem Conservation

The reforestation project in Rajawaka, Balangoda, spans 10 acres and involves planting 10,000 trees. This initiative is designed to combat the adverse effects of climate change by enhancing carbon sequestration, restoring biodiversity,

REFORESTATION OF THE RAJAWAKA FOREST RESERVE

Project Partner: Rainforest Protectors of Sri Lanka

Objective: The restoration of the Rajawaka Forest Reserve area in Balangoda, which is surrounded by mountains, grass, shrubland, and catchment blocks and lies on the edge of the wet and intermediate zones. Over the years, man-made fires have damaged the natural environment, resulting in its degradation.

3 years
project
duration

10 Acres
to be restored

5,000 trees
planted to date

Rs. 5.7 Mn
total investment



Anticipated Environmental Outcomes:

- Improving and enhancing the catchments thereby enabling water security.
- Decreasing the frequency of fires and increasing fire resistance.
- Increasing biodiversity by planting 50 species of native trees that are endemic to the area including major canopy species.
- Improving soil fertility and encouraging microorganism activity.
- Restoring the habitat for pollinator colonies like bees and hornets.
- Producing long-term carbon benefits.
- Providing essential education on the importance of conservation in the surrounding community.
- Improve overall forest cover in the area

BEACH CLEAN-UP PROGRAMMES

Project Partner: Clean Ocean Force

Objective: Collection and responsible disposal of harmful pollutants and trash across segments of Sri Lanka's coast.

Locations: Beach area in Mattakkuliya and Akkarai

2
Programmes
conducted

152
Employees
participated

41
Other participants

600 kg
of waste collected

Anticipated Environmental Outcomes:

- Generating greater awareness of the harmful impacts of pollution on coastal and marine eco systems
- Helping the protection of protect marine life and marine ecosystems by preventing waste from entering the ocean
- Increasing attractiveness to tourists by removing litter and debris
- Actively participate as a responsible corporate citizen to minimize the excessive and careless use of plastic on Earth.



Akkarai beach Atchuvvely



Mattakkuliya Beach



CLIMATE CHANGE MITIGATION

Ceylinco Life believes climate risks are material to its operations, and therefore has employed the following strategies to mitigate the impact of climate change. Climate change is a medium to long-term risk, with a complex quantification of impacts on our activities. Ceylinco Life's strategy is not only to adapt, but also to take advantage of its expertise to provide solutions.

Carbon 5% Down Challenge

"We are committed to reducing our Carbon Footprint (CFP) by 5% annually as part of our long-term strategy to achieve net-zero greenhouse gas (GHG) emissions across our entire business by 2050."

Double materiality related to Climate Related Risks and Opportunities

Financial Materiality

Focuses on how climate risks impact the Company's financial position and enterprise value and expected to influence decisions of the primary users of the financial report

Reporting Framework: SLFRS S1 & S2

Financial Materiality: Information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general-purpose financial reports.

Inside-Out

Outside-In

Environment and Social Materiality

Focuses on how the Company's actions impact the environment, society, and climate

Reporting framework: GRI

Environment and Social Materiality: Even though SLFRS S1/S2 prioritize financial materiality, inside-out risks can become financially material due to regulations, market shifts, investment risks, and legal exposure. Addressing both perspectives strengthens long-term sustainability and financial resilience.

ENVIRONMENTAL SUSTAINABILITY

Pioneering Climate Action through Innovation and Responsibility

Sustainable Investment Practices

- Engage in green investments by allocating funds to renewable energy projects, sustainable infrastructure, and climate-resilient initiatives.
- Discourage investment exposure to carbon-intensive industries such as coal and oil.

What Ceylinco Life Did:

Investing Rs. 2 Bn in the DFCC Green bonds

Climate-Responsible Underwriting

What will Ceylinco Life Do:

- Develop underwriting guidelines that prioritise and consider climate related risk factors into consideration.
- Refer to the ESG Roadmap for 2024-2028 (Page 32) for initiatives in this regard

Operational Sustainability

What Ceylinco Life Did:

- Achieve a carbon reduction of 5% y-o-y.
- Renewable energy for office facilities. Installation of solar panels in all the green buildings.
- Promote responsible electronic waste disposal through an annual e-waste campaign.
- Assessing the financial impact of floods in 2024 and developing an action plan to mitigate business losses.
- Refer to pages 36-37 for more details

Engagement and Advocacy

- Actively collaborating with industry peers, employees, and ESG experts to promote climate policies and resilience initiatives.
- Advocate for stronger regulatory frameworks to support the transition to a sustainable economy.

What Ceylinco Life Did:

- Stakeholder engagement activities by the Green Club
- Participation at the EY annual ESG Sustainability event and bringing down the expertise from EY Malaysia to educate the ESG committee on new sustainability related accounting standards
- Partnered with the Department of Forest Conservation for a 10-acre reforestation project in Rajawaka, Balangoda, planting 10,000 trees.

Climate Resilience and Adaptation

What Ceylinco Life Did:

- Partner with communities and organisations to support climate adaptation projects, and offer financial solutions to help mitigate the effects of natural disasters and promote recovery.

Customer Awareness and Education

What Ceylinco Life Did:

- Launch awareness campaigns to educate policyholders on the impacts of climate change.

Transparency and Reporting

- Launching a fund to support reforestation in flood-prone areas, reducing disaster risks for local communities.
- Publish climate-related disclosures in alignment with Sustainability related accounting standards (S1,S2) and GRI framework
- Establish measurable KPIs to track performance against climate commitments

Governance and Accountability

- Assign accountability for climate strategy to the ESG Committee (Sub Board Committee).
- Establish a dedicated Climate Task Force – ESG subcommittee members and the green club to oversee implementation and progress.
- Engage employees across all levels through training and initiatives to embed climate awareness into Company culture.

What Ceylinco Life Did:

- Addressing the importance of environment sustainability and preservation at the employee onboarding process.

GHG EMISSIONS

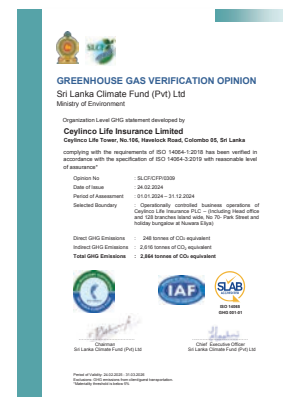
Ceylinco Life conducted a comprehensive assessment of its GHG emissions in accordance with the ISO 14064-1:2018 standard. All GHG emissions were reported as tonnes of CO₂ equivalent (tCO₂e).

Assessment Period: 1st January 2024 – 31st December 2024

Assessment Boundary: GHG emissions have been calculated using the ISO 14064-1:2018 standard.

Total emissions 2024 vs 2023

SCOPE	2024 (tCO ₂ e)	2023 (tCO ₂ e)	YOY %
Scope 01	247.74	320.27	-22.6
Scope 02	616.22	634.14	-2.8
Scope 03	1,999.18	2,134.22	-6.3%
Total	2,863.14	3,088.63	-7.3%



Scope 01 - Direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity

Source	2024 (tCO ₂ e)	2023 (tCO ₂ e)	YoY Change
Business travel (Company Owned Vehicles)	142.58	133.58	6.7%
Diesel Generators	3.25	10.80	-69.9%
Employee Commuting, paid by the Company	69.54	89.55	-22.35%
Refrigerant Leakage	31.49	85.50	-63.17%
Fire Extinguishers	0.36	0.47	-23.4%
LP Gas	0.52	0.37	-40.5%
Total	247.74	320.27	-22.6%

Scope 02 - Indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity

Source	2024 (tCO ₂ e)	2023 (tCO ₂ e)	YoY Change
Electricity	616.22	634.14	-2.8%

Scope 03 - Indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions⁴

Source	2024 (tCO ₂ e)	2023 (tCO ₂ e)	YoY Change
Employee Commuting, not paid by the Company	1,916.69	2,007.19	-4.5%
Transmission and Distribution Loss	63.19	61.10	3.4%
Waste Disposal	8.17	53.49	-84.7%
Municipal Water	3.70	3.60	2.7%
Business Air Travels	6.35	7.45	-14.8%
Freight road transport	1.08	1.39	-22.3%
Total	1,999.18	2,134.22	-6.3%

⁴ SLFRS S2 transition provisions applied for financial emission C4(b) "an entity is not required to disclose its Scope 3 greenhouse gas emissions (see paragraph 29(a)) which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions"

ENVIRONMENTAL SUSTAINABILITY



Stakeholder Engagement and Awareness

Ceylinco Life firmly believes that collaboration drives results, and therefore engages with a wide range of stakeholder groups to ensure broad-based participation and awareness on environmental sustainability.

EMPLOYEES

Environmental Integration

Beginning from the Board, all staff members are involved in leading, planning, executing and supporting environmental initiatives in the workplace and at home. The Green Club spearheads initiatives at ground level, and comprises cross-sectional representation of key business units. All new recruits are onboarded with an orientation video outlining the organisation's environmental commitment. Industry experts providing training to ensure integration of new sustainability related accounting standards.

22

Green Club Members

281

Employees participating in various environmental initiatives

Building Management and Supervision

Building supervisors are held responsible for making sure that all owned facilities are in compliance with applicable rules and regulations.

Across all branches, employees from each department are assigned to monitor electricity consumption in compliance with predetermined standards.

32

Building Supervisors

175

Employees to monitor electricity usage

POLICYHOLDERS

Paperless Operations

The Company's continued focus on digitalisation has significantly minimised the usage of paper, thereby encouraging customers to engage in environmentally responsible practices.

3,728

Policyholders onboarded digitally

12134

Active users of the customer App

Refer to page 159 for more details



Seed Donation Programme

SUPPLIERS

Green Building Construction

The Company collaborates with suppliers to source eco-friendly materials, develop efficient designs, and adopt responsible practices for green building projects, promoting environmental sustainability and strengthening supply chain resilience.

COMMUNITY

Please Refer to page 114 for the future outlook with respect to building resilient communities.

Vegetable seed donation programmes were carried out in selected Waidya Hamuwa health programmes Held at various locations across the country. In addition to supporting climate change, this initiative enables the creation of healthier ecosystems amid habitat degradation, while enabling higher levels of food security.

Locations: Aralaganvila, Dehiattakandiya, Neluwa, Deniyaya

04

Seed donation programmes

818

Seed packets distributed

SOCIAL RESPONSIBILITY

TOTAL PRANAMA SCHOLARSHIP BENEFICIARIE

2024

152

2023

152

Rs. 7 Mn
COST OF
CSR PROJECTS

FAMILY SAVARI REWARD BENEFICIARIES FOR

2024

1,060

2023

1,245



SALARIES, BONUS & INCENTIVES

2024

Rs. 3 Bn

2023

Rs. 2 Bn



EMPLOYEE RETENTION RATE

2024 **64%**2023 **87%**

PROMOTIONS

2024

114

2023

176



TRAINING HOURS PER EMPLOYEE

2024

19.87 hours

2023

18.72 hours



FEMALE REPRESENTATION IN SALES FORCE

2024

54%

2023

54.6%



Apps download

2024

12,134

MDRT QUALIFIERS

2024

313

2023

302

TRAINING HOURS PER SALES AGENTS

2024

21.20

2023

8.09

TOTAL NUMBER OF POLICIES INFORCE

961,719





SOCIAL RESPONSIBILITY

Our relationships with key stakeholders remain the foundation of our success, and an integral aspect of our social mandate to operate. Island-wide presence and impact position us to nurture deep, longstanding bonds across society. Founded on the principle of safeguarding Sri Lankans throughout the island, we continuously work to address the health, well-being, and safety of countless Sri Lankans, while continuously anticipating and meeting their needs.

OUR APPROACH TO SOCIAL RESPONSIBILITY

Governance:

Governing Policies:	Human Resource Policies, Data Protection Policies, Whistleblower Policy
Responsibility:	Board ESG Committee

KEY CHALLENGES:

An evolving socio-economic landscape and high inflation levels have led to a slow-down in policy adoption and increased lapses in existing policies. Low levels of digital and financial literacy continue to impact penetration. The increased levels of migration leads to 'brain drain', thereby impacting the availability of skills and capabilities within the sector. Digitalisation has led to cybersecurity breaches and data privacy concerns across business operations.

STRATEGIC INSIGHTS: A SWOT PERSPECTIVE

STRENGTHS

- Life insurers contribute to financial inclusion, providing security for underserved populations. Micro-insurance initiatives support low-income groups to adequately manage risks.
- An organisation with a reputation for trust and stability.
- Investment in CSR activities spanning education, healthcare, disaster relief.
- Efficient claims processing and personalised support enhance the policyholder experience.
- Well-trained and competent sales agents and employees.

OPPORTUNITIES

- Expansion of micro-insurance to improve financial security among rural populations.
- Use of telemedicine and wellness programs to enhance policyholder engagement.
- Digital transformation increasing financial literacy and inclusion.
- Offering ESG-compliant insurance policies.
- Expand recruitment channels and partnering with universities and other institutions to recruit skilled staff.

WEAKNESSES

- Dependence on traditional distribution channels (sales agents and physical branches) limiting accessibility.
- Improvements needed with respect to employee engagement and workplace satisfaction.
- Delay in hiring sales staff due to a lack of applicants.

THREATS

- Aging population leading to a shift in insurance product demand.
- Privacy concerns with insurers collecting personal and health data.
- Potential regulatory changes to enforce social impact reporting.
- Inflation and financial downturns that may impact policyholders' ability to maintain premium payments.

Risks

R1, R2, R3, R4, R5, R9

Key

Stakeholders

Reinsurers, Actuaries, Policyholders, Suppliers, Industry Associations, Community & Environment

Material Topics



SDGs



Relevant Capitals



UNGC



FOCUS AREAS FOR 2024



Safeguarding
Policyholders and their
Needs



Growing Partnerships
with Agents and
Suppliers



Nurturing Empowered,
Progressive People



Building Resilient
Communities

Future Outlook: Refer pages 112-115

SOCIAL RESPONSIBILITY

HEAR FROM OUR LEADERSHIP:



R. Renganathan

Executive Chairman

Q

How has the organisation integrated AI to enhance its capabilities during the year?

A

A Key development was the use of AI to predict lapsed policies, which served the vital purpose of managing our portfolio and mitigating risks. By utilising advanced predictive analytics, our AI model currently forecasts future lapsation with an accuracy of 80%, marking significantly higher levels than traditional statistical methods. This in turn enables the organisation to operate more proactively with targeted interventions to retain the customer base and also optimises resource allocation within our retention teams.

A cutting-edge AI module was also introduced with the aim of identifying fraudulent claims. By automatically detecting potential tampering or fraudulent activity, the module significantly enhances the speed and accuracy of our fraud detection efforts. This not only protects our financial assets but also safeguards the integrity of the claims process for all policyholders. Reducing the incidence of fraud decreases unnecessary payouts and

Q

How has digital transformation enabled the organisation to maintain customer-centricity across its operations?

A

We are transforming our customer experience by offering a seamless digital experience through omnichannel platforms. The mobile app, available on Android and iOS, allows customers to manage policies, view payment histories, and access services directly from their smartphones. The online customer portal has been upgraded with a user-friendly interface, enabling policyholders to access detailed information, initiate claims, and communicate with customer service.

To further enhance efficiency, Electronic Know Your Customer (eKYC) technology has been implemented to streamline the onboarding process. Digital proposal systems, remote signature capabilities, and online payment facilities contribute to environmentally friendly practices, reducing the reliance on paper.

associated costs, ultimately benefiting our policyholders through more competitive premiums. We will continue to leverage on these technologies to revolutionise how we approach our operations and secure a competitive advantage in the market.

As part of the company's commitment to sustainability, the Walked-in customer e-receipt initiative replaces traditional paper receipts with electronic versions, supporting eco-friendly practices. Furthermore, the Sales Web platform has been introduced to enhance the efficiency of the sales force. This platform streamlines sales processes and supports a paperless approach to sales management, reinforcing Ceylinco Life's dedication to digital transformation and sustainability.

Q

How has digital transformation enabled operational efficiency and higher levels of security?

A

We implemented a new Document Management System (DMS) to improve efficiency and security in document handling processes. The system includes robust data encryption, secure access controls, and information masking capabilities to protect sensitive customer information. It is fully integrated with other Ceylinco Life systems, ensuring seamless information flow across departments. The DMS also offers centralized storage for efficient retrieval and compliance with local and international data protection regulations. Future enhancements will focus on incorporating artificial intelligence and machine learning technologies to automate document classification and extraction processes.

SOCIAL RESPONSIBILITY

SAFEGUARDING POLICYHOLDERS AND THEIR NEEDS



CEYLINCO LIFE RELIED ON FIVE KEY FOCUS AREAS IN ORDER TO SAFEGUARD POLICYHOLDER NEEDS DURING THE YEAR UNDER REVIEW. THESE IN TURN ENSURED GREATER RESILIENCE AND STRENGTHENED OUR ABILITY TO DELIVER AND ENHANCE POLICYHOLDER VALUE.

03

Platforms for feedback collection

517

Complaints addressed

71.62

Customer Satisfaction Score

37,757

Total service and inquiries addressed in 2024

4,393

Total survey responses received in 2024

0.74%

Complaints-to-claims ratio

83.71%

Customer retention rate

"Perfect Companion for Your Journey Towards Goals"



Scan the QR code to discover how we help you reach your dreams.



SOCIAL RESPONSIBILITY

INTEGRATING CUSTOMER-CENTRIC DECISION-MAKING

- Prioritising customer feedback and impact in decision-making processes across departments.
- Relying on data analytics and dashboards to streamline decision-making in line with customer dynamics and emerging trends. The Company is currently implementing processes to gather and leverage feedback obtained from CRM systems.
- Capturing customer feedback and ratings across diverse touch-points to determine customer satisfaction levels, identify areas of concern, and take necessary action.
- A documented, IRCSL regulated system facilitates the management of complaints received through various channels including website, social media, branches, and in-person. Customers receive a ticket reference number to track progress, and can contact senior management, and ombudsman, and the IRCSL in relation to any concerns.

ENABLING INCLUSION AND BUILDING COMMUNITY AWARENESS

- Promoting inclusivity by focusing on diverse segments in marketing, and offering products tailored to specific demographics such as women and older individuals.
- Focusing on strengthening micro-insurance product offerings to cater to underserved communities.
- A dedicated activation unit is assigned to conduct outreach activities to indirectly promote life insurance and its benefits, while creating strong brand awareness.
- Regular campaigns were conducted in line with significant days of the year to create awareness on the importance of life insurance among the community

DESCRIPTION OF APPROACH TO INFORMING CUSTOMERS ABOUT PRODUCTS

The company has provided comprehensive training to its sales officers, covering product knowledge, basic underwriting, and policy conditions. In addition, they have access to a wide range of materials and calculation tools designed to raise awareness and educate customers about the details of the products. After a policy proposal is submitted, a telephone underwriting call is made from the head office to verify the customer's details and reiterate the policy features and benefits. Upon delivery of the policy, a 21-day cooling-off period is offered. During this time, the contact center initiates an onboarding call to review the policy benefits and payment methods with the customer.



Campaign conducted for Life Insurance Week



Outreach programmes are conducted across schools and communities, covering the topic of exam preparation.



Joint programmes have been commenced with universities to conduct leadership development initiatives, and engage in resource sharing.

17

Year 5 exam preparation
programmes conducted for school Children

4,250

Participants in exam
preparation programmes



STRENGTHENING COMMUNICATION AND ENGAGEMENT

- Lapse notices and loan statements are sent as PDFs through SMS thereby ensuring the customer is apprised of policy developments at all times.
- Customer communication has shifted from emails and letters to WhatsApp, with a focus on e-versions of statements and documents. The Company invested in expanding its WhatsApp capabilities and rate of responsiveness through increased staff and capacity expansion.
- Addressing the challenge of customer contactability by updating customer details, and focusing on the long-term development of the app to improve engagement and position it as a central hub of communication.
- Improving communication between the Company, customers, and call centres by strengthening processes.
- Regular meetings with stakeholders take place to ensure action is taken to improve the customer experience.

15

Customer education
programmes

13,000

Followers on LinkedIn

12,134

Customer app
downloads

3,117

Followers on Instagram

**147,000**

Visitors to the website

433

Inquiries via Ceylena

176,000

Followers on Facebook

1,441

Followers on TIKTOK



CHAT WITH
CEYLENA



Visit us on,



SOCIAL RESPONSIBILITY

IMPROVING CUSTOMER RETENTION AND LOYALTY

- Aligning KPIs to reflect renewal of premiums and monthly tracking of clients, thereby encouraging a focus on long-term customer value and customer retention respectively.
- Continuing reward schemes even amid challenging times, to help maintain customer loyalty and value.
- A Policy Conservation Unit project was commenced with the purpose of strengthening existing policy retention, particularly amid employee migration.
- A dedicated Customer Retention Officer (CRO) role and a customer retention unit have been established to follow-up on lapsed policies and offer support to policyholders.

196

Townstorming and megastorming programmes conducted

More than

Rs.54.3 Mn

Disbursed in rewards and benefits

Family Savari

A pioneering loyalty programme to recognise and reward loyal customers, offering overseas tours, theme park excursions, and a wide range of rewards. One of the largest reward systems offered by any life insurer in Sri Lanka.

265

Policyholders

1,060

Beneficiaries

Rs. 28 Mn

worth of rewards

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.

152

Recipients

Rs. 22 Mn

worth of scholarships

Cancer Fund

A cancer fund is maintained for the benefit of policyholders.

19

Policyholders

This benefit provides financial assistance to policyholders diagnosed with cancer.

Rs. 4.3 Mn

Funds disbursed

Policyholders of Ceylinco Life are eligible for discounts of up to 50% on radiation treatments, through its subsidiary Ceylinco Healthcare Services Limited.



Pranama Scholarships



Family Savari



ADAPTING TO EMERGING NEEDS

- Exploring new market opportunities, including expanding distribution channels and exploring alternative virtual channels.
- Online capabilities enable interaction with overseas customers, contributing to accessibility and market reach. Leveraging on existing platforms and integrating process adaptations such as remote signature implementation ensured the company could tap into the growing market of locals migrating overseas.
- An increased focus on the youth segment via marketing on social media platforms.
- In order to address customer needs of the period, the Company promoted policies with short term premium payments.
- Shifting towards high-value policies and medical policies to ensure increased returns.
- Product development teams are focused on capitalising on the Company's strengths to create policies with higher returns, thereby enhancing the customer value proposition.
- In the wake of inflation, data analytics were utilised to run internal campaigns to increase life cover for underinsured individuals through new policies or existing policy increases. Minimum coverage limits for critical illness and major surgery were increased to improve customer satisfaction and address potential instances of underinsurance.
- Utilising RPA to streamline filling of group cover quotation formats by automating the capturing of customer data.

UPGRADING THE CUSTOMER EXPERIENCE

- Identified areas for improvement in the customer app based on usage data, including push notifications.
- Identifying and addressing unclaimed customer benefits, such as claim payments or advanced payments, to ensure customer satisfaction and minimise liabilities.
- Improving processes to expedite policy issuance by streamlining the underwriting process using data analytics and customer risk profiling.
- Hospital certifications are now digitised, simplifying the approval process for insurance claims.
- The Company's retirement plans offer increased flexibility and customisation compared to competitors.
- Analysing rejected claims in underinsured segments to assess opportunities to offer compensation payments from the Company's fund.
- Increasing customer convenience by transitioning from traditional in-branch interactions into virtual platforms and home visits. Proof of service is obtained through photographs and video calls.
- Efforts are underway to streamline claim settlement processes, particularly for small claims.

419

Number of unclaimed payment recipients reached through additional efforts

07

Product improvements and revisions

26

Data analytics dashboards

SOCIAL RESPONSIBILITY

OUR UNMATCHED COMMITMENT TO POLICYHOLDERS.

A Heartfelt Thank You to Ceylinco Life!

"I had lost my policy document and changed my residence, making it difficult to track my policy details. As a result, I was unaware that my policy had matured. However, Ceylinco Life went the extra mile to locate me and provided my maturity benefit within just 24 hours after finding me. Their dedication and outstanding service truly exceeded my expectations. I am extremely grateful for their support and professionalism.

Thank you, Ceylinco Life, for putting your policyholders first "

Dr. E.S Kularatne



CUSTOMER SECURITY AND GOOD GOVERNANCE

- A Data Protection Officer has been appointed, and a data protection management program is underway with external consultants, addressing customer and internal document review, policy and procedure development, and data breach/leakage concerns.
- Stringent measures and protocols are in place to ensure customer confidentiality is maintained. These include number masking for non-essential staff, a three-level approval process for sharing customer data with external parties, and the increasing use of NDAs.
- Customer data transit encryption has been implemented, and a robust process is in place to ensure the safe and secure disposal of customer documents, thereby reflecting the organisation's protection of sensitive data. Data confidentiality is also maintained during interactions with partners and third parties.

00

Cybersecurity breaches

Rs. 6.7 Mn

Invested in data security enhancements



COMPLIANCE AND GOOD GOVERNANCE

- AML (Anti-Money Laundering) procedures are in place for customer onboarding and servicing, including customer risk profiling, underwriting, and continuous due diligence conducted for high-risk customers.
- A business intelligence team conducts visits to customers at random or as required to assess for fraudulent activities. An honesty index system is used to monitor and penalise sales officers involved in fraudulent or misleading activities. All complaints are monitored and evaluated.
- The Company maintains a zero-tolerance policy towards fraud and does not engage in anti-competitive or anti-trust practices.
- A rigorous approval process is in place for marketing and product related materials based on IRCSL guidelines, with all disclosures and materials reviewed by the Compliance Officer and relevant regulatory bodies prior to release.
- No legal actions were taken against the Company for anti-competitive behaviour, antitrust and monopoly practices in 2024. No significant instances of non-compliance with laws and regulations during the reporting period.

00

Regulatory sanctions or fines

00

Actions taken against fraudulent behaviour

The Role of Technology in Safeguarding Policyholders and their Needs

Technology and digitisation provide opportunities for sustainable marketing and operations, while providing opportunities to create a seamless, simplified, customer experience.

- The digitisation of processes across the organisation has ensured optimised performance can be maintained.

Refer to page 170 for more information on digitalisation of organisational processes

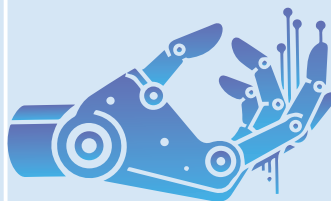
Refer to page 159 on the impact of digitalisation on cost savings and resource management

- Conversely, digitalisation creates a space for data breaches and privacy concerns, however, regular updates in cybersecurity and technology ensure the necessary safeguards can be deployed.

Refer to page 208 for more information on the organisation's approach to cybersecurity and data privacy

- Digitalisation supports improved governance and risk management.

Refer to page 219 for more information on IT governance and its role in risk management



SOCIAL RESPONSIBILITY

GROWING PARTNERSHIPS WITH AGENTS

THE PARTNERSHIPS WITH SALES AGENTS AND BUSINESS PARTNERS ARE A VITAL COMPONENT OF OUR OPERATIONS. WHILE THE FORMER ARE A KEY CONTRIBUTOR TOWARDS REVENUE GROWTH, THE LATTER OFFERS WIDE-RANGING CAPABILITIES THAT FACILITATE THE FULFILMENT OF DIVERSE NEEDS RELATED TO DAILY OPERATIONS AND EXPANSION.

2,577

Independent
Contractors

1,186

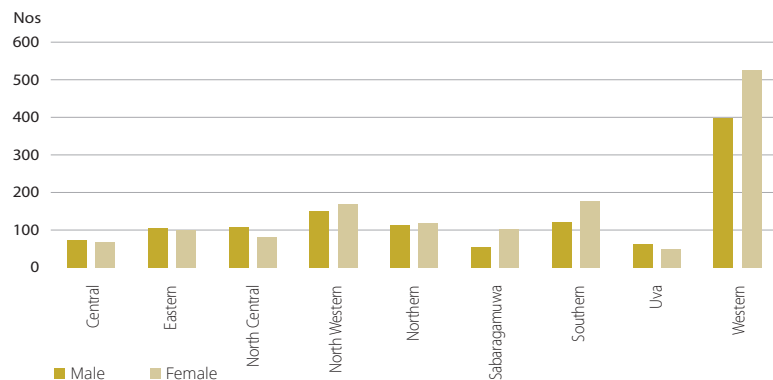
Number of Male
Sales Officers

1,391

Number of Female
Sales Officers

STRENGTHENING THE SALES FORCE

Ceylinco Life's sales force is the cornerstone of the organisation's success, and contributes to 99% of its total revenue. The sales force comprises diverse individuals from across the island, and has a high representation of female agents, comprising approximately 54% of the total force.



Number of Sales Agents

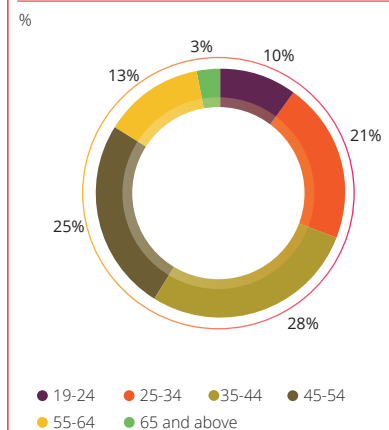
2,577



Age Group	No of sales agents
19-24	269
25-34	552
35-44	703
45-54	641
55-64	330
65 and above	82
Total	2,577

Province	Gender	
	Male	Female
Central	74	67
Eastern	105	100
North Central	107	81
North Western	151	169
Northern	114	119
Sabaragamuwa	55	102
Southern	120	178
Uva	63	50
Western	397	525
Total	1,186	1,391

AGE-WISE NUMBER OF SALES AGENTS

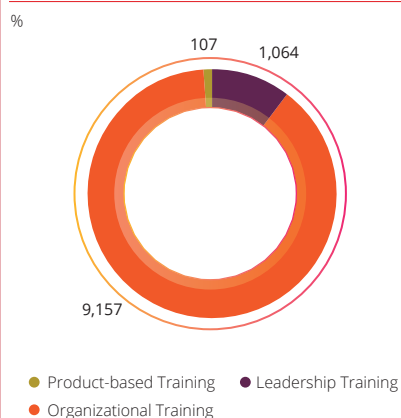


The sales force is characterised by strong leadership, a commitment to excellence, and adaptability in the face of challenges - all supported by well-established policies and practices which empowers every agent to deliver exceptional outcomes and be fit for the future.

COMPREHENSIVE TRAINING AND DEVELOPMENT

- Training programmes are conducted on various aspects such as leadership, language, product knowledge, customer service, and governance, as well as the applicable laws and IRCSL regulations to enhance knowledge.
- Field training and role plays are periodically conducted to enhance skills.
- A training credit system has been introduced to monitor and recognise a commitment to training and development. Training credit is monitored in relation to promotions, and linked to mid-year awards and annual award competitions, thereby ensuring learning is linked to rewards.
- A Learning Management System (LMS) has been introduced, enabling the sales agents to access vital training material at their convenience.
- The Company has partnered with Sri Lanka Institute of Marketing (SLIM) to facilitate professional courses to aid in the development of the sales force.

NUMBER OF PARTICIPANTS



Type	Training Programme	No. of Participants
Leadership Training	Leadership Academy	93
	Leadership Training (LDR)	440
	SMART Trainers Training	255
	Training on Spirit of Entrepreneurs	70
	Training conducted by international trainer - Mr Haridas Kandasamy from Malaysia	206
	CFMC	126
Organisational Training	Advanced Skills Training (ADS)	1,565
	Basic Skills Training (BSK)	524
	Cross Road Training	294
	HOB Training	612
	Management Training	125
	Nil Performers Training	22
	Orientation Programme	478
	Sales Refresher Training	5,008
	Skills Sharpening Training	478
	CFPDC	51
Product-based Training	CRO Product Training	107

SOCIAL RESPONSIBILITY

GROWING PARTNERSHIPS WITH AGENTS

21.20H

Training Hours
Per Sales Agent

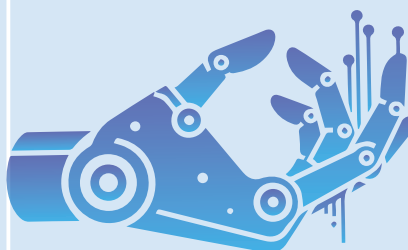
10,454

Total Participants for the
Training Programmes**The Role of Technology in Growing Partnerships with Agents**

Digital transformation and the adoption of technology empower service excellence, while simplifying operations, and empowering sales agents to complete their tasks efficiently.

- Providing access to digital resources, and real-time market insights to facilitate performance excellence, remain apprised of new developments, and offer timely solutions to clients.
- The Company relies on Customer Relationship Management Systems (CRM), online policy tracking and digital communication platforms to streamline operations and enhance the customer experience, while enabling the team to work efficiently and effectively.
- The organisation has equipped the sales force with tabs and devices to support sales. Additionally, the organisation's digital platform is now supported on smart mobile devices, facilitating added convenience at a lower cost.

- Implementing full-time and part-time agents working through virtual channels, with training and connectivity provided through platforms like Teams and Zoom.
- Facilities such as virtual meetings and remote signatures are utilised to support customer convenience and ensure verification.
- Leveraging technology to facilitate lead generation - for example, the referral feature of the Ceylife app enables policyholders to earn income by referring potential customers, thereby creating sales opportunities.

**SUPPORTING WELL-BEING AND SATISFACTION**

- Creating platforms such as the Sales Summit, Annual Awards and Mid-Year Awards ensures sales officers can share their experiences, challenges, and suggestions for improvement, and facilitates the organisation to constantly monitor and address their needs.
- Regular communication with the sales force leaders provides insights into the team's evolving needs, including product knowledge, sales strategies, and customer interaction tools.
- In times of uncertainty, such as during economic downturns or regulatory changes, Ceylinco Life has demonstrated resilience through proactive crisis management strategies. These include offering flexible payment options, reinforcing the agents' confidence with clear communication, and adjusting sales targets to align with market realities.
- Offering health benefits and a supportive work environment has helped the sales team remain focused, motivated, and resilient, even during challenging periods.
- Several opportunities and platforms are available for the sales force to report any grievances, should they occur.

Sales Engagement Programmes

Daily meetings at branch level with the agency head, supervisors, and the sales force

Monthly planning meetings

Branch outings

Award ceremonies

Annual general meeting with the union

Annual sportsmeet

Virtual Christmas carols

Digital New Year festival

Quiz competition



Grievance Management

The sales force can report grievances to their Agency Head/Agency Supervisors as well as to Regional Sale Managers/Zonal Managers, Business Development Managers and Senior Business Development Managers.

The Company has launched an Agent Care Call Center, allowing agents to report any issues they may encounter.

The Company has established a dedicated program called "Liya Saviya" to address and report issues faced by women in the sales force.

The sales force has the right to directly report their grievances to the Business Development Manager, Board Members, and the Chairman.

CREATING A PERFORMANCE-ORIENTED, CUSTOMER-CENTRIC CULTURE

- The organisation's performance-driven incentive structure ensures that sales agents remain motivated to achieve their goals. The system is designed to drive sales growth, reward consistency and high-quality service, and promote a culture of achievement and dedication.
- Key Performance Indicators (KPIs) and sales data help identify trends, areas for improvement, and potential gaps in training, support, or resources. The organisation's rewards are directly linked to performance.
- The organisation offers remuneration and rewards in the form of commissions, incentives, competition money, insurance covers, allowances, and performance grants.
- Three ceremonies are conducted during the year to recognise high performers, i.e., the Annual Award Ceremony, the Mid-Year Award Ceremony and the High Flyer Event. Rewards for the annual and mid-year award ceremonies include local and overseas tours, cash prizes and weekend packages.
- If a complaint is received from a customer regarding a Sales Officer, the Business Intelligence Unit is responsible for investigating the entire customer base associated with that sales agent. This includes gathering feedback on the sales officers. The management takes appropriate action based on any identified concerns or issues raised.
- The sales force is highly customer-focused, and constantly strives to understand the unique needs and financial goals of each client. This customer-first mentality has positioned Ceylinco Life as a trusted advisor in the lives of its policyholders.

SOCIAL RESPONSIBILITY

GROWING PARTNERSHIPS WITH AGENTS

Rs. 2.48 BnSales force
Commission**313**Agents Qualified
for MDRT Status**2,645**Number of Tabs
provided to Salesforce

Sales agents recognised at the Annual Awards Ceremony

**Ethics and Compliance**

- **Negative Points:** If a sales agent is found to have committed errors or acted in an inappropriate manner, upon proper investigation negative points may be assigned, which will impact the agent's Key Performance Indicators (KPIs), thereby impacting rewards.
- **Fraudulent Activity:** The Company has zero tolerance for fraud. Strict actions are taken against sales officers who violate rules and regulations and those who engage in fraud. (upon proper investigations)
- **Training on Ethics and Good Governance:** Agents undergo training in relation to governance/leadership structures applicable to the Company and the insurance industry, in addition to facing written tests on matters related to Anti-Money Laundering, Anti-Corruption and Bribery Policy and any applicable regulations in the insurance industry.
- **Code of Ethics and Conduct:** Sales agents are trained with respect to the Company's Code of Ethics and Conduct, and are required to abide by it. Additionally, they comply with the IRCSL Code of Ethics.
- **Compliance with Regulations:** The Company complies with all regulations pertaining to minimum educational requirements, best practice guidelines, and maximum commission rates stipulated by the relevant regulatory bodies.
- **Data Protection:** The Company is fully compliant with the Data Protection Act and ensures its principles are practiced throughout the organisation, including within the sales force operations. This commitment ensures that all personal and sensitive data is handled securely and in accordance with legal requirements, protecting the privacy and rights of individuals across all stages of the process.

SOCIAL RESPONSIBILITY

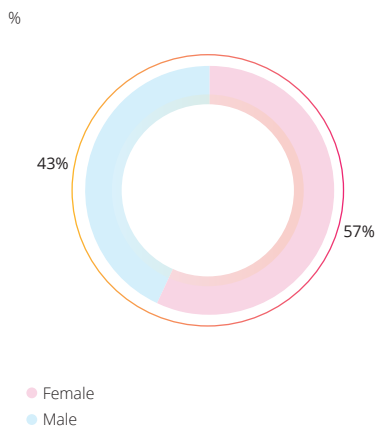
NURTURING EMPOWERED, PROGRESSIVE PEOPLE

OUR WORKFORCE PLAYS AN INTEGRAL ROLE IN CREATING AND DISTRIBUTING VALUE ACROSS OUR WIDE-RANGING STAKEHOLDER GROUPS. THEIR UNIQUE SKILLS, KNOWLEDGE AND CAPABILITIES SUPPORT US IN REACHING OUR LONG-TERM GOALS, WHILE THEIR VALUES AND DEEP COMMITMENT TO SUSTAINABILITY AND SOCIAL RESPONSIBILITY ENSURES THE FUTURE OF POLICYHOLDERS, COMMUNITIES, AND THE ENVIRONMENT IS SECURED.

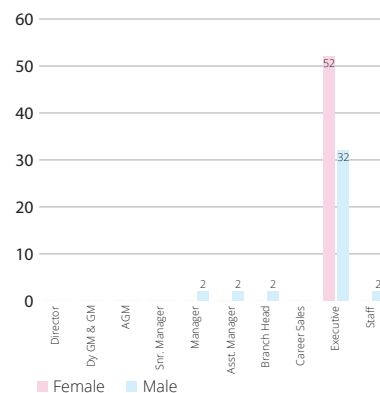
CREATING AN INCLUSIVE, DIVERSE WORKFORCE

By actively prioritising female recruitment, Ceylinco Life remained committed to building a balanced workforce throughout the year. The Company also upheld strong policies and mechanisms to foster inclusion and promote diversity.

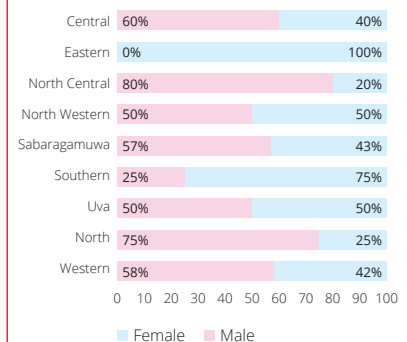
RECRUITMENTS BY GENDER



RECRUITMENTS BY GENDER AND CATEGORY



RECRUITMENTS BY REGION AND GENDER



52
Female
Recruits











40
Male
Recruits



SOCIAL RESPONSIBILITY

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

New Recruits by Age & Gender







Age	18-25		26-35		36-45		46-55		55<		Total
Category											
Manager	0	0	0	2	0	0	0	0	0	0	2
Assistant Manager	0	0	0	0	0	2	0	0	0	0	2
Branch Head	0	0	0	0	0	1	0	1	0	0	2
Career Sales	0	0	0	0	0	0	0	0	0	0	0
Executive	30	21	22	9	0	0	0	1	0	1	84
Staff	0	0	0	1	0	1	0	0	0	0	2
Total	30	21	22	12	0	4	0	2	0	1	92

As an equal opportunity employer, the organisation has implemented a Diversity and Inclusion Policy that encompasses all essential human resource operations and prohibits discrimination based on race, religion, handicap, or any other distinction. The Company's recruitment policy is strictly merit-based.



DIVERSITY & DYNAMICS OF THE EMPLOYEES

The Company currently employs a total 729 individuals, on full time basis.

Employees by Type & Gender

Type of Employment	Region									Grand Total
	Central	Eastern	North	North Central	North Western	Sabaragamuwa	Southern	Uva	Western	
Contract	1			2	1	1	2	1	11	19
	1					1		1	5	8
				2	1		2		6	11
Permanent	51	31	41	40	60	54	51	21	346	695
	8	3	10	5	12	8	7	3	97	153
	43	28	31	35	48	46	44	18	249	542
Special Contract					2	1			12	15
									1	1
					2	1			11	14
Total	52	31	41	42	63	56	53	22	369	729

% of Female Representation - Last 5 Years











	2024	2023	2022	2021	2020
	162	153	144	155	153
	567	587	608	640	661
Total	729	740	752	795	814
% of Female Representation	22.22	20.68	19.15	19.50	18.80
% of Growth	1.55	1.53			

1.55%

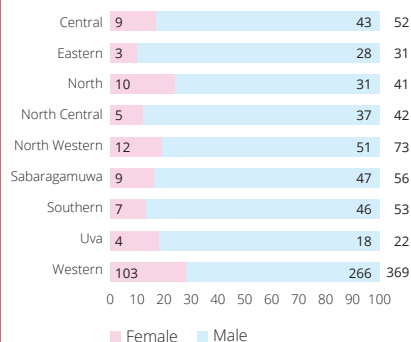
Growth in female representation

We maintained a consistent female representation (19% to 21%) from 2020 to 2023 and subsequently increased it to 22% in 2024, demonstrating a commitment to advancing gender equality within the organization.

Employees by Category, Age & Gender

Age	18-25		26-35		36-45		46-55		55<		Total	%
Category												
Director	0	0	0	0	0	0	0	0	0	5	5	1%
General Manager & Deputy General Manager	0	0	0	0	0	0	0	5	1	8	14	2%
Assistant General Manager	0	0	1	1	2	2	0	12	0	3	21	3%
Senior Manager	0	0	0	1	2	1	0	13	0	3	20	3%
Manager	0	0	0	7	2	8	1	9	0	1	28	4%
Assistant Manager	0	0	8	4	7	11	2	10	1	1	44	6%
Branch Head	0	0	0	1	2	6	1	34	0	3	47	6%
Career Sales	0	0	0	0	0	5	3	31	0	4	43	6%
Executive	37	27	60	91	13	126	18	106	1	13	492	67%
Staff	0	0	0	1	0	4	0	10	0	0	15	2%
Total	37	27	69	106	28	163	25	230	3	41	729	100%
%	5%	4%	9%	15%	4%	22%	3%	32%	0%	6%	100%	

EMPLOYEES BY GENDER & REGION





Our workforce hails from various age groups and regions across the island. We prioritise recruitment from the neighbouring community, thereby extending value for countless Sri Lankans. 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. Owing to the Western Province serving as the commercial hub of the island, the region is home to approximately half of the employee cadre, while the remaining cadre is nearly evenly distributed among the rest of the provinces. During the year, the Company established multiple contact

centres in various regions including the Northern regions, thereby creating greater opportunities for employment. 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.

Employee by Category and Gender

Category	Gender		Total
			
Director	0	5	5
DyGM & GM	1	13	14
AGM	3	18	21
Senior Manager	2	18	20
Manager	3	25	28
Assistant Manager	18	26	44
Branch Head	3	44	47
Career Sales	3	40	43
Executive	129	363	492
Staff	0	15	15
Total	162	567	729

SOCIAL RESPONSIBILITY

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

Employees by Region & Category

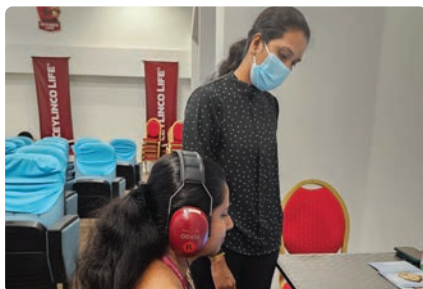
Category	Province										%
	North	Central	Eastern	North Central	North Western	Sabaragamuwa	Southern	Uva	Western	Total	
Director	0	0	0	0	0	0	0	0	5	5	0.69
Deputy General Manager & General Manager	0	0	0	0	2	0	0	0	12	14	1.92
Assistant General Manager	0	0	1	0	1	0	0	0	19	21	2.88
Senior Manager	0	0	1	2	0	2	0	0	15	20	2.74
Manager	2	0	1	1	2	1	1	1	19	28	3.84
Assistant Manager	1	3	0	0	3	2	3	0	32	44	6.04
Branch Head	6	2	1	1	5	7	3	2	20	47	6.45
Career Sales	3	5	3	2	4	4	7	2	13	43	5.90
Executive	29	40	24	36	43	40	37	17	226	492	67.49
Staff	0	2	0	0	3	0	2	0	8	15	2.06
Total	41	52	31	42	63	56	53	22	369	729	100
%	5.62	7.13	4.25	5.76	8.64	7.68	7.27	3.02	50.62	100	

NURTURING HOLISTIC HEALTH AND WELL-BEING

Being a service-oriented company, Ceylinco Life does not pose a hazardous work environment for its staff. We believe

that the well-being of our employees is fundamental to organisational success. Over the past years, the Company has implemented a range of initiatives aimed at fostering a holistic approach to health and well-being, ensuring that all team

members thrive in both personal and professional aspects. The organisation promotes and advocates for a healthy work-life balance, and leverages on its group synergy with Kings Hospital to provide unparalleled healthcare benefits to its workforce.



Ear Testing



Health Camp



Eye Testing

Medical/Emergency Benefit Schemes Disbursed to Employees

Benefit/Scheme	Criteria and Availability	Benefits Paid	
		2024	2023
Company Life Insurance Cover	Offered to all employees, free of charge	Rs.11.25 Mn	Rs.17 Mn
Additional Comprehensive Life Cover	Offered at a concessionary rate to employee & family members	Rs.22.6 Mn	Rs.26 Mn
Ceylinco Life Health Insurance Cover	Free for Associates and concessionary rate for family	Rs.63.3 Mn	Rs. 43.2 Mn
Contributory Medical Fund	To claim OPD bills	Rs.34 Mn	Rs. 32.5 Mn
Critical Illness Retirement Cover	For Associates above 30 years at concessionary rate	Nil	Nil
Death Donations	Immediate or close family members	Rs. 1.6 Mn	Rs. 2.5 Mn
07 days of Sick Leave	All the Associates	3,421 days	3,445 days
Allowance for Basic Medical Checkups	Rs. 10,000 for all employees above the age of 40 (Count)	128	111

Fire Evacuation Training



First Aid Training



Counselling Sessions and Training



SOCIAL RESPONSIBILITY

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

Health and Safety in 2024

Health and Safety Committee

The health and safety committee is responsible for overseeing of health and safety matters within the organisation.

Objective:

Ceylinco Life values all personnel who enters its premises and takes full responsibility for ensuring their health and safety. We, being a socially responsible entity, treat our environment and surroundings with great respect whilst ensuring that proper controls are in place, aligned with 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

Health & Safety policy of the Company is hosted in the intranet for the access of all employees.

Currently there is no occupational health and safety management system in placed.

Focus Areas:

- A safe working environment
- Safe systems of work
- Provision of necessary information, instructions, training and supervision that is reasonably necessary to ensure that each associate is protected from injuries and health risks
- 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 action in response to associates' complaints

Health and Safety Audit

Based on the findings of the health & safety audit conducted in 2024, tangible steps were implemented to ensure compliance with health & safety standards at both the Head Office and branch levels.

Counselling Sessions and Training

An awareness programme was conducted across the head office and branch level on mental health with the support of qualified Counsellor.

Health Camp

A health camp was conducted during the year to promote the physical well-being of employees.

**Mental
Health is
Important**



Counselling Programme For Ceylinco Life Employees

Conducted by –

Psychological Counsellors

Ms Chathuri Ariyasena

Ms Selani Abeykoon

Contact Numbers – 0778245953 / 0742819557

Sessions – Online or Physical

(Locations – Colombo / Kandy / Matara)

• **Confidentiality of Sessions:**

All counselling sessions will be strictly confidential and solely between the employee and the counsellor.

• **Appointment Booking:**

Employees are required to directly contact the provided numbers to book an appointment.

• **Session Options:**

You have the flexibility to choose between online sessions or physical sessions.

• **Cost Coverage:**

The first two counselling sessions will be fully borne by the company.

• **Employee Eligibility:**

This benefit is extended **only to Ceylinco Life employees**. Sessions for family members can be arranged privately, if necessary.

Please provide your employee number when booking an appointment. This is solely for payment purposes only. The counsellors will not disclose any session related information to Ceylinco Life.

0

Workplace
Accidents

02

First Aid and Fire Training
Programmes Conducted

62

Participants in First Aid and Fire
Training Programmes

400

Participants in the Mental
Health Awareness Programme

CREATING A CONDUCTIVE WORK ENVIRONMENT

We focus on creating a compelling work environment by nurturing opportunities for employee engagement and open communication, in addition to simplifying and streamlining processes to enhance employee productivity. We strive to integrate ethical principles within the organisation, thereby creating a culture of accountability and transparency across all operations.



EMPLOYEE ENGAGEMENT AND COMMUNICATION

We encourage employees to express their views and opinions in order to facilitate organisational growth and development. In line with this principle, a new platform called 'Log your Concern' was introduced during the year, enabling employees to communicate their concerns with the Human Resources Department for necessary action.

Employee Involvement in Strategy

- A Strategic Planning Committee, comprising five Executive Directors and eight senior employees, meets monthly, while weekly sales meetings are held to discuss strategy and progress.
- An idea generating program is held to encourage staff members to come up with new ideas and fresh concepts. Employees receive feedback on their submissions in order to foster a culture of ongoing learning.
- Any changes to the Company's rules, processes, or operations are communicated to staff members with sufficient notice and posted on the intranet to ensure their accessibility.

- Internal emails and employee newsletters are alternative channels through which employees can remain informed on significant changes within the organisation.

Open Communication, Freedom of Association and Collective Bargaining

- Every permanent employee of Ceylinco Life automatically becomes a member of the Ceylinco Life Employees' Union, which upholds the fundamental right to freedom of association. The Union's leaders have the authority to bring any issues to the attention of the organisation's highest level, and all members are required to adhere to the Union's laws and regulations.
- Maintaining cordial, transparent, and ongoing working relationships between the employees and the organisation is accomplished by:

- 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

SOCIAL RESPONSIBILITY

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

INTEGRITY, FAIR TREATMENT AND ETHICAL PRACTICES

Ceylinco Life has implemented extensive policies that outline guidelines pertaining to data protection, whistleblowing, and the prevention of money laundering and terrorist funding, owing to its deep commitment towards preserving integrity

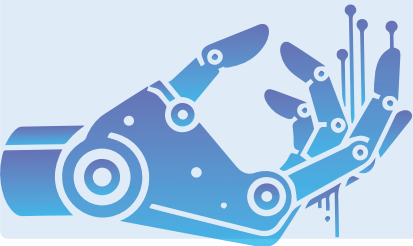
and trust. To ensure zero tolerance against ethical infractions, violations of the organisation's code of conduct, as well as instances of bribery and corruption, the policies are subject to frequent reviews and amendments as necessary. All policies are hosted in the Company's intranet and also included

in induction programmes. 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.

The Role of Technology in Nurturing Empowered, Progressive People

Integrating digital capabilities across operations ensures that employees are empowered to utilise automation to minimise mundane tasks and create opportunities for more high-level strategies and ideation. The following improvements enabled employees to achieve greater levels of productivity, and fulfil their tasks seamlessly.

- Transitioning from manual, human-centric processes to a digitalised, automated workflow system.
- Facilitating remote signatures and creating the right platforms to enable the onboarding of Sri Lankan customers living overseas.
- Paperless processes have reduced environmental impact, while improving information accessibility and streamlining tasks.
- Enabled mobility and secure remote management of software by deploying Microsoft 365-powered MDM solutions for all Company-issued laptops, smartphones, and tablets. The organisation supports remote work capabilities for staff with laptops and ensures seamless connectivity between contact centres.
- Strengthening IT governance mechanisms, thereby enhancing data protection and security.



Policy/Mechanism	Purpose
Grievance Handling Policy	Enables employees to alert the management to any grievances and concerns for necessary action.
Prevention of Sexual Harassment Policy	A stringent policy is enforced in this regard and communicated across all employee categories.
Liya Saviya Hotline	The Liya Saviya hotline empowers female employees to report any irregularities, grievances and misconduct to an independent committee for their immediate action.
Whistle-Blower Policy	Robust safeguarding mechanisms ensure 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 is in place to prevent data leakages. All information is classified to ensure that only the intended audience has access to it.

HERE FROM OUR TEAM: HOW WE FOSTER CAREER GROWTH AND DEVELOPMENT



It has been four years now since I joined Ceylinco Life, a journey which has been so rewarding for me both as an employee and as an individual. During my tenure, I have received so many opportunities from my company for improving not only my knowledge, but also for honing my technical skills. I also had the honour of being recognised with an Outstanding Achievement Award at the company's Annual Awards 2024. I take so much pride in working for this organisation.

W. P. T. A. Kumara
Technical Foreman



For the past 22 years, Ceylinco Life has been the foundation of my professional growth, shaping me into the person I am today. This esteemed organization has provided me with ample opportunities to develop both technical expertise and essential soft skills, allowing me to thrive in the life insurance industry. Through its unwavering commitment to recognizing and nurturing individual strengths, Ceylinco Life has fostered a culture of trust, loyalty, and career advancement. I am proud to be part of a company that not only empowers its people but also upholds excellence as an industry leader.

Pratheepa Rajakumar
Manager - Operations

Ceylinco Life is committed to recognising its staff members with both intrinsic and extrinsic rewards while fostering their development and progress via ongoing training and development. The Company does not restrict employee mobility, and offers opportunities to pursue prospects for growth and development both inside and outside the Company.

CAREER ADVANCEMENT AND SUCCESSION PLANNING

Ceylinco Life continued its promotion cycle, and as a result, 114 employees achieved professional advancements during the year. When filling vacancies, the Company prioritises internal recruitment and adheres to clearly defined succession plans. Eligibility for each position is determined by specific requirements and criteria assigned to each employee category.

As a result, Ceylinco Life ensures that every employee is well-prepared for the next phase of their career by bridging skill gaps through targeted training and development programs.

114
Promotions
during the year

18%
of female cadre
promoted

Promotions by Category

Category	Female Cadre	Female Promotions	As a % of Cadre	Male Cadre	Male Promotions	As a % of Cadre	Total
Directors	0	0	-	5	0	-	0
Deputy General Manager & General Manager	1	0	-	13	2	15	2
Assistant General Manager	3	0	-	18	4	22	4
Senior Manager	2	1	50	18	0	-	1
Manager	3	2	67	25	7	28	9
Assistant Manager	18	1	6	26	5	19	6
Branch Head	3	1	33	44	4	9	5
Career Sales	3	0	-	40	0	-	0
Executive	129	24	19	363	63	17	87
Staff	0	0	-	15	0	-	0
Total	162	29	18	567	85	15	114

SOCIAL RESPONSIBILITY

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

Promotions by Category & Province

Category	Province									Total
	Central	Eastern	North	North Central	North Western	Sabaragamuwa	Southern	Uva	Western	
Deputy General Manager & General Manager	0	0	0	1	0	0	0	0	1	2
Assistant General Manager	0	0	0	0	0	0	0	0	4	4
Senior Manager	0	0	0	0	0	0	0	0	1	1
Manager	0	1	2	0	1	0	1	0	4	9
Assistant Manager	1	0	0	0	0	0	0	0	5	6
Branch Head	0	0	0	0	1	0	0	0	4	5
Career Sales	0	0	0	0	0	0	0	0	0	0
Executive	4	2	7	3	9	8	6	1	47	87
Staff	0	0	0	0	0	0	0	0	0	0
Total	5	3	9	4	11	8	7	1	66	114

A structured promotion mechanism is adopted by the Company, enabling candidates to demonstrate their eligibility for applied positions, with all promotions made based on cadre requirements.



TRAINING AND DEVELOPMENT

Training and development is an integral part of Ceylinco Life's Performance Management System. All employees are required to complete a minimum number of training hours to earn Continuous Professional Development (CPD) points which is linked with their annual and mid-year appraisals. Employee KPIs reflect their training progress, which in turn influence remuneration, career advancements, and other benefits.



Training needs are collected through a performance appraisal feedback mechanism, while a training needs analysis is conducted periodically.

Ceylinco Life also offered 11 internships to graduates and undergraduates, thereby facilitating the development of future generations and preparing them for the workforce.

Average Training Hours by Type & Gender

Training hours by type			Total
Functional Training	2,736.69	8,190.51	10,927.20
Soft Skills Training	236.00	598.00	834.00
Workshop & Seminars	460.30	2,260.90	2,721.20
Total	3,432.99	11,049.41	14,482.40
Number of Employees	162	567	729
Average Training Hours Per Employee	21.19	19.49	19.87

Training Hours by Category and Gender

Category			Total
Senior Manager	204.56	1,186.43	1,390.99
Manager	118.68	778.78	897.46
Assistant Manager	565.65	602.10	1,167.75
Executives	2,430.10	6,987.85	9,417.95
Career Sales and Branch Heads	114.00	1,494.25	1,608.25
Grand Total	3,432.99	11,049.41	14,482.40

Training on Leadership Development



REWARDS, REMUNERATION AND SECURITY

Ceylinco Life maintained its reputation for providing superior compensation while promoting job security and financial stability. In order to increase employee retention and support them in the face of growing living expenses, the Company concentrated on updating its pay and benefits structures. Accordingly, the bonus structure is aligned with the performance ratings of each employee to ensure all employees contribute towards organisational development.

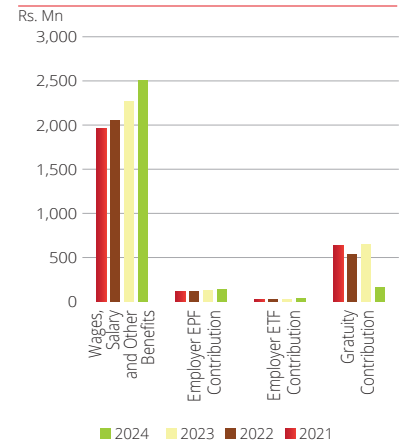
Regardless of gender, all new hires receive a base entry-level salary that is appropriate for their experience and skill level and in accordance with industry standards. The starting salary is far above the government imposed minimum wage.

Remuneration, rewards, and adequacy for promotions are determined based on a comprehensive evaluation process, outlined below:

Category-wise Ratio of Basic Salary of Women to Men

Category	Women	Men	Total
Director	-	100.00	100.00
Senior Manager	12.36	87.64	100.00
Manager	9.57	90.43	100.00
Assistant Manager	44.78	55.22	100.00
Branch Head	7.39	92.61	100.00
Career Sales	9.43	90.57	100.00
Executive	19.98	80.02	100.00
Total	14.63	85.37	100.00

STAFF EXPENSES



A 180-degree evaluation is conducted bi-annually, comprising self-evaluations which are assessed by the respective Heads Of Department for accuracy.

Heads of Department determine the degree of employee contribution towards departmental and organisational objectives.

All employees receive performance and career development feedback from their supervisors.

Alignment with KPIs is determined via the HRIS, thereby ensuring the process is standardised.

Awards and Recognition



SOCIAL RESPONSIBILITY

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

EMPLOYEE RETENTION AND TALENT MANAGEMENT















In Sri Lanka's labour market, skilled labour migration continues to be a debilitating concern, especially with

respect to white-collar industries. Volatile economic conditions have resulted in many individuals migrating overseas to seek improved prospects. Ceylinco Life also was subject to this phenomenon,

and as a result employee attrition stood at 14%, with 103 resignations taking place during the year.











Employee Retention

Service Period by Category & Gender

Service	2>		3-5		6-10		11-15		16-20		21-25		25<		Total
Category															
Director	0	0	0	0	0	0	0	0	0	0	0	0	0	5	5
Deputy General Manager & General Manager	0	0	0	1	0	0	0	1	0	2	1	2	0	7	14
Assistant General Manager	0	1	2	1	1	0	0	4	0	3	0	4	0	5	21
Senior Manager	0	1	0	2	1	0	1	2	0	2	0	5	0	6	20
Manager	0	3	0	0	1	6	0	5	0	3	2	4	0	4	28
Assistant Manager	6	6	2	0	3	1	3	4	2	7	0	3	2	5	44
Branch Head	1	4	0	1	0	0	1	9	1	17	0	9	0	4	47
Career Sales	0	0	0	0	0	0	2	4	1	17	0	8	0	11	43
Executive	75	61	14	25	6	29	14	46	2	80	1	60	17	62	492
Staff	0	2	0	2	0	1	0	4	0	2	0	1	0	3	15
Total	82	78	18	32	12	37	21	79	6	133	4	96	19	112	729

As of December 31, 2024, an impressive 64% of the total workforce (470 employees) had been with the Company for more than 10 years. This milestone reflects the organization's strong culture, career development opportunities, and dedication to employee well-being, reinforcing its position as an employer of choice in the industry.

Turnover by Age & Category

Age	18-25		26-35		36-45		46-55		55<		Total
Category											
Senior Manager	0	0	0	0	0	1	0	2	0	1	4
Manager	0	0	0	0	0	0	0	2	0	0	2
Assistant Manager	0	0	1	0	1	2	0	0	1	0	5
Branch Head	0	0	0	0	0	1	0	2	0	1	4
Career Sales	0	0	0	0	0	0	0	3	0	2	5
Executive	14	6	25	19	1	5	0	5	0	4	79
Staff	0	0	0	0	0	1	0	1	0	2	4
Total	14	6	26	19	2	10	0	15	1	10	103

Turnover by Category & Province

Category	Province									Grand Total
	Central	Eastern	North	North Central	North Western	Sabaragamuwa	Southern	Uva	Western	
Senior Manager	1	0	1	0	0	0	1	0	1	4
Manager	0	0	0	0	1	0	0	0	1	2
Assistant Manager	0	0	0	0	0	0	0	0	5	5
Branch Head	0	1	0	1	0	0	0	0	2	4
Career Sales	1	0	0	0	1	1	2	0	0	5
Executive	5	2	6	3	4	2	5	1	51	79
Staff	2	0	0	0	0	0	1	0	1	4
Grand Total	9	3	7	4	6	3	9	1	61	103

PARENTAL LEAVE

With respect to parental leave, Ceylinco Life offers 84 working days for live births. During 2024, out of 9 employees who were due to return to work, 7 employees did so, resulting in a 78% return to work rate. Furthermore, 1 out of 6 employees (17%) who returned during the year 2023 was retained after 12 months.

Details of Return to Work and Retention After Parental Leave

No of employees entitled for Parental leave	162
No of employees who took Parental leave in 2024 (A)	6
No of employees who took Parental leave in 2023 and due to return in 2024 (B)	4
No of employees who took Parental leave in 2024 and returning due in 2025 (C)	1
No of employees (Returning due in 2024) (A+B-C)	9
No of employees Returned to work	7
No of employees Not Returned to work	2
Returned to work in previous year (2023) and retained after 12 months	1

Return to Work Rate

78% of employees returned to work after parental leave

■■■■■■■■□□ (7/9 employees)

Retention Rate (12 - Months Post Return)

Only 17% of employees remained after 12 months

■□□□□□ (1/6 employees)

CEYLINCO LIFE PLURALISM

At Ceylinco Life, we celebrate diversity and inclusivity as key pillars of our corporate culture. Our commitment to pluralism is reflected in the vibrant traditions, events, and initiatives that bring our employees together, fostering unity and mutual respect.

Throughout the year, we embraced cultural and religious harmony with events such as the Awurudu Celebrations, honouring Sri Lankan heritage, and Bhakthi Gee, which showcased our deep-rooted spiritual values. The Staff Get-together & Christmas Carols created an atmosphere of togetherness, reinforcing the joy of shared experiences.

CEYLINCO LIFE SPORTS MEET



SOCIAL RESPONSIBILITY

NURTURING EMPOWERED, PROGRESSIVE PEOPLE

We also continued to empower and develop our team through initiatives like the 11th Installation of the Ceylinco Life Toastmasters Club, encouraging leadership and communication skills. Additionally, our Women's Day celebration highlighted our commitment to gender equality and the invaluable contributions of women in our organization.

These initiatives reflect our unwavering belief that a diverse and inclusive workplace fosters innovation, collaboration, and long-term success. Ceylinco Life remains dedicated to nurturing a culture where everyone feels valued, respected, and empowered to thrive.



Christmas Carols



Christmas Party



11th installation of the Ceylinco Life Toastmasters Club.



Ceylinco Life Toastmasters Club's outbound meeting - In Malaysia



Women's Day



Bhakthi Gee



Annual Staff and family Get-together



SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES



CEYLINCO LIFE'S COMMUNITY EFFORTS ARE ALIGNED WITH OUR VISION OF PROTECTING EVERY FAMILY, AND SECURING THEIR FUTURE. THESE COMPRISE TWO MAIN FACETS, NAMELY, TO REINFORCE THE NATION'S HEALTHCARE SECTOR, AND SUPPORT THE DEVELOPMENT OF EDUCATIONAL INFRASTRUCTURE. ALL PROJECTS ARE SPEARHEADED, MONITORED AND CONDUCTED BY OUR EMPLOYEES, THEREBY ENSURING THEY ENGAGE WITH THE COMMUNITY AND CONTINUE TO UPHOLD ORGANISATIONAL VALUES IN ALL THEY DO.

211

Total Employees
Involved

3,700

Total Man-Hours
Invested

EDUCATIONAL INFRASTRUCTURE DEVELOPMENT

Identified Problem:

Many schools in remote areas are in dire need of basic infrastructure and facilities.

Response:

Impacted
SDGs:



The Company invests in classroom projects, by identifying underprivileged schools, providing them with essential infrastructure such as classrooms and relevant facilities, and engage in their long-term upkeep and development.

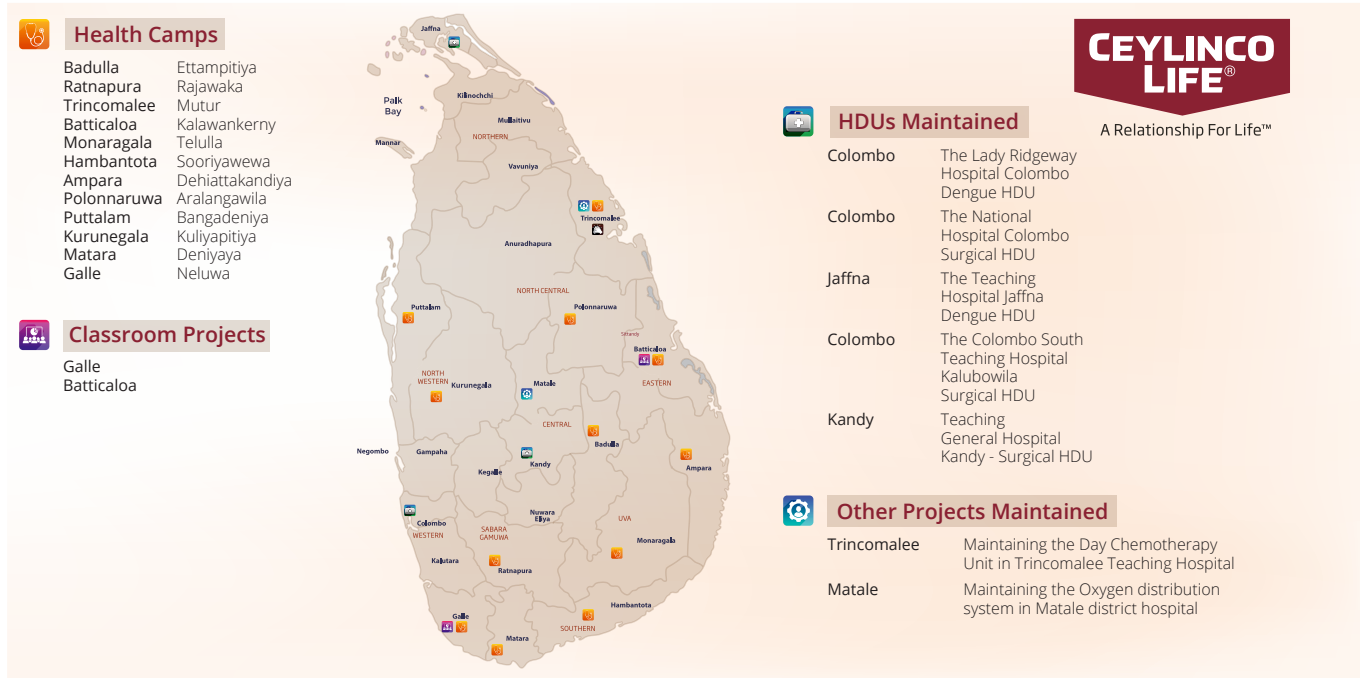
Purpose:

Empowering the growth of future generations, while offering them opportunities for strength and stability.

SOCIAL RESPONSIBILITY

BUILDING RESILIENT COMMUNITIES

IMPACT OF COMMUNITY INITIATIVES IN 2024



Ceylinco Life successfully completed the construction of classroom projects in Galle and Batticaloa districts during the year.

Classroom Project ⁸⁸

Location: GA/Elpitiya Bogaha Kanishta Vidyalaya,

Rs. 1.7 Mn
Invested

195
Beneficiaries

10
Employees Engaged

Classroom Project ⁸⁹

Location: BT /Thalankudah Sri Vinayagar Vidyalayam,
Thalankudah, Arayampathy, Batticaloa

Rs. 1.6 Mn
Invested

454
Beneficiaries

12
Employees Engaged

89
Classrooms
Constructed
to Date

Rs. 40 Mn+
Invested
to date

02
Classrooms
Constructed

649
Total
Beneficiaries

Rs. 3.34 Mn
Invested

22
Employees
Involved



Scan the QR
code for a video
perspective of the
new classrooms.



SUPPORTING THE NATION'S HEALTHCARE SECTOR



Waidya Hamuwa Programmes in 2024

Identified Problem:

The rising costs of healthcare and limited investment on healthcare infrastructure poses a challenge to provide a better care, while placing a burden on rural communities in terms of accessing medical facilities and care.

Response:

Impacted SDGs:



- To conduct health camps to screen people for non-communicable diseases (NCDs), to prescribe medicines to control them, and to provide medical advice on the prevention of NCDs by maintaining a healthy lifestyle.
- To build, donate and maintain fully-equipped High Dependency Units (HDUs) and deploy essential medical equipment and support across public sector hospitals.

Purpose:

To support the health and welfare of communities, reduce inequalities, and increase the accessibility of healthcare across the island.

MAINTENANCE OF HIGH DEPENDENCY UNITS

Ceylinco Life has constructed and donated fully-furnished High Dependency Units (HDUs) to key government hospitals throughout the island. HDUs are required to upgrade patients from regular care or serve as a step down from critical care, thereby enabling the release of essential space within intensive care units as

required. These units are used to treat patients with critical illnesses, or provide post-surgery care prior to transferring the patient to a ward.

A three-person team is solely responsible for monitoring and responding to HDU needs and requests. Additionally, Regional Managers are involved in annually engaging with the hospitals and reporting on any feedback received.



2,609
Participants



4,622
Tests Conducted



1,090
Blood sugar tests conducted



1,377
Vision tests conducted



663
ECG tests conducted



622
Spectacles prescribed



706
Cholesterol tests conducted



164
Urine tests conducted to identify chronic kidney diseases

Outcomes:

~20%

of the participants were identified with a health condition

345

individuals discovered that they were living with an NCD for the first time

59%

of beneficiaries were women

5,000+

kilometres travelled

Rs. 3.26 Mn
invested

05

High Dependency Units

Rs. 459,000+

Invested in Maintenance in 2024

1,000 +

Patients Served in 2024

BUILDING RESILIENT COMMUNITIES



Scan the QR code for an informative video on the health camps conducted during the year.



Ceylinco Life team involved in organising a Health camp in Neluwa.

Timeline of Investments in Health camps

December 2012	The Lady Ridgeway Hospital Colombo – Dengue HDU	Rs. 10.5 Mn
November 2013	The National Hospital Colombo - Surgical HDU	Rs. 2.93 Mn
December 2014	The Teaching Hospital Jaffna – Dengue HDU	Rs. 2.73 Mn
February 2018	The Colombo South Teaching Hospital – Kalubowila - Surgical HDU	Rs. 11.75 Mn
July 2019	Teaching General Hospital – Kandy - Surgical HDU	Rs. 11.5 Mn

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 2024. All investments are monitored, audited and follow due processes to ensure accountability, integrity and ethical practices. All investments in community engagements disclosed herein are in-kind.

SOCIAL RESPONSIBILITY

EMPOWERING SUPPLIERS AND BUSINESS PARTNERS

WE HAVE FOSTERED LONGSTANDING RELATIONSHIPS WITH DIVERSE RANGE OF SUPPLIERS AND BUSINESS PARTNERS. OUR SUPPLIER BASE REPRESENTS A WIDE RANGE OF EXPERTISE THAT HAS HELPED US TO ACHIEVE BETTER QUALITY AND COST SAVINGS.

1,684

Local Suppliers

11

International Suppliers

713

New Suppliers



Banking and
Financial
Institutions



Actuarial
Consultants



Advertising and
Media Agencies



Labs and
Hospitals



Bancassurance
Partners

**Rs. 2,069
Mn**

Payments
Disbursed To
Local Suppliers



Reinsurance
Partners



Suppliers of
Complimentary
Items



Utility
Services



Consultants and
Auditors



Office Furniture
and Air
Conditioner
Suppliers

Rs. 202 Mn

Payments
Disbursed To
International
Suppliers



Building
Lessors



Equipment
Suppliers



Insurance &
Security



IT Services



Vehicle
Management
Services



Stationery
and Printing
Suppliers



Janitorial
Services



Maintenance
Services



Construction
Services



Transport and
Courier Services



SOCIAL RESPONSIBILITY

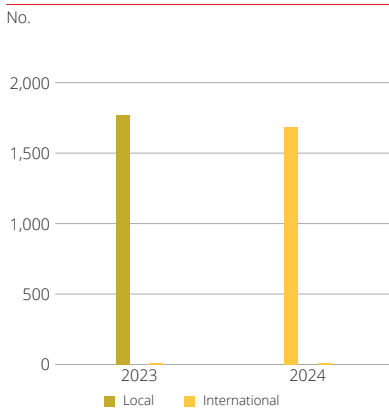
EMPOWERING SUPPLIERS AND BUSINESS PARTNERS

TRANSPARENT, ETHICAL AND FAIR SOURCING

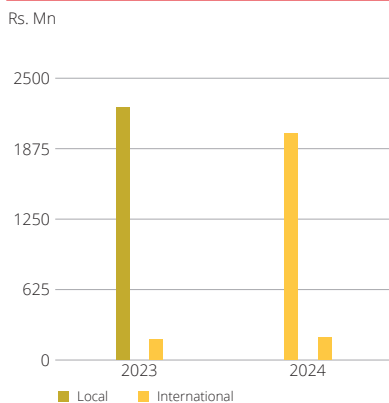
Ceylinco Life prioritises transparency and accountability in all its relationships with its suppliers. The organisation strives to maintain long-term partnerships wherever possible, by engaging with a group of carefully selected business partners.

The following processes and mechanisms ensure the organisation upholds equitable and fair sourcing principles:

LOCAL VS. INTERNATIONAL SUPPLIER COMPOSITION BY COUNT



LOCAL VS. INTERNATIONAL PAYMENTS



All supplier assessments are overseen by the Central Procurement Unit.

Every supplier that meets the screening criteria is registered in the corporate database.

To support socioeconomic development and advancement, we collaborate with local Small and Medium-sized Enterprises (SMEs) and domestic suppliers. Such suppliers are encouraged to submit bids and estimates, regardless of project scale.

When initiating the procurement process, we give equal opportunity for all registered supplier to submit quotations and ensures that at least two suppliers are maintained per category in the system.

All contracts are awarded based on a set of predefined standards and capabilities.

We distribute the procurement of large quantities of goods among several parties whenever possible.

We build supplier relationships in local communities wherever possible to facilitate equal opportunities for growth. This commitment is reflected in our procurement policy, particularly with respect to the areas of cleaning, maintenance, and construction.

There are no negative environmental or social impacts in the supply chain.

Key suppliers represent a larger portion of the supply chain

SCREENING AND QUALITY ASSURANCE

To maintain the highest standards of excellence and quality, we follow a rigorous screening process and a transparent procurement policy. We assess, among other things, whether the suppliers engage in child labour, their level of compliance with environmental related activities and whether they comply with statutory requirements.

To assess supplier competencies and capabilities, we conduct site visits or virtual meetings in addition to reviewing all pertinent certifications and documents. The supplier is added to the supplier database if all criteria are met, and no inconsistencies are evident. All suppliers are required to adhere to the Code of Conduct. During the year, the Company reviewed existing policies and the Code of Conduct to ensure all necessary aspects were covered.



Regulatory Compliance and Ethical Conduct

- Determine supplier compliance with relevant laws and regulations. Strict policies are in place against child labour, and human rights violations.
- Conduct due diligence to ensure adherence to Ceylinco Life's Anti - Bribery & Corruption Policy.
- Ensure compliance with safety standards.



Sustainable Practices

- Determine compliance with environmental regulations and sustainable sourcing.
- Prioritise partnering with suppliers committed towards environmental sustainability and manufacturing eco-friendly products.



Quality Management and Process Excellence

- Evaluate management, employees, technological and organisational capabilities.
- Evaluate whether processes, capacity and technology align with organisational standards.
- Evaluate quality assurance policies and procedures.
- Use of a multi-pronged quality management process, including

random checks, customer feedback, and detailed assessments.



Financial Feasibility

- Assessment of cost vs. benefit and ensuring reasonable pricing.
- Evaluation of financial performance and status of suppliers.
- Prioritize on small-scale suppliers to enhance their capacity.

Building Construction

- The Company works with suppliers to maximise resources and implement sustainable methods, such as pre-cast construction and the creation of green buildings.
- Building construction contractors are chosen on a project-by-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 regulations set by the Construction Industry Development Authority's (CIDA) are followed.
- A Director subsequently receives the recommended suppliers' information for review and approval.

MEETING SUPPLIER NEEDS

Ceylinco Life does not use credit facilities and consistently aims to pay supplier invoices within days. The organisation holds a strong reputation for trust among suppliers, which leads to long-term engagement and high levels of supplier satisfaction. Ceylinco Life also assists suppliers in resolving their working capital requirements.

Should any issues arise, suppliers are provided with the necessary contact details and are even granted the

opportunity to approach the highest levels of management with their concerns. The organisation has facilitated suppliers to explore their potential and opened doors to new market opportunities.

During the year 2024, Ceylinco Life organised an awareness programme to employees regarding supplier engagement.

SUPPLIER DEVELOPMENT AND TRAINING

Where applicable, Ceylinco Life collaborates with suppliers to ensure the optimal project outcomes are achieved. This was particularly evident during the Company's green building construction process, during which the organisation partnered with its suppliers to uphold principles of responsible resource management and consumption. Contractors were exposed to knowledge sharing and training on sustainable practices as needed, via video tutorials and on-site guidance.

CEYLINCO LIFE – A GUIDING HAND IN MY JOURNEY

Since 2005, we have been working closely with Ceylinco Life as a supplier of gift items.

Struggling as a start-up, the major orders we received from the company eased off our financial burdens and helped us stay afloat. Expanding our business meant investing in better equipment, which led us to look for bank loans. In those moments, Ceylinco Life's timely payments stood by us like a strong foundation, making it easier to secure financial support. Today we work with cutting-edge technology like CNC wood routers and laser cutters, taking our craftsmanship to new heights. But beyond machines and growth, what truly stands out is the guidance, encouragement, and support we received from Ceylinco Life's officials. Their words and actions pushed us forward.

If there's one thing I know for sure, it's that Ceylinco Life played a crucial role in getting us to where we are today.

Therefore, from the bottom of my heart, I extend my heartfelt gratitude to the entire Ceylinco Life family. I wish them continued growth, success, and prosperity in the years ahead!

Varuna Athukorala
Athukorala Enterprises

PARTNERSHIPS WITH REINSURERS

Ceylinco Life's relationships with its reinsurers are vital in providing additional assurance against high-value risks and enabling the business to pursue growth and expansion while achieving its goals.

PARTNERSHIPS WITH ACTUARIES

For the past thirty years, Ceylinco Life's internal actuarial team has collaborated with Willis Towers Watson India Private Ltd., a reputable global actuarial consulting firm. While Willis Towers Watson conducts the year-end actuarial valuation, the Company's own employees manage most of the actuarial work. The designated actuary signs off on the valuation results.

PARTNERSHIP WITH ASSOCIATIONS

Ceylinco Life is a member of the Insurance Association of Sri Lanka (IASL) and represents all of its sub-committees. The IASL is the apex organisation of Sri Lanka's insurance industry involved in formulating and executing joint industry initiatives. We are also member of the Sri Lanka Insurance Institute (SLII) which is the industry's sole educational body established to enhance professionalism.

ENGAGEMENT WITH REGULATORY BODIES

1. Financial Intelligence Unit of Central Bank of Sri Lanka.
2. Insurance Regulatory Commission of Sri Lanka.
3. Department of Inland Revenue.
4. Sri Lanka Accounting & Auditing Standards Monitoring Board.

**BEYOND
INSURANCE**

STRENGTH IN GOVERNANCE

Trust is our foundation. With transparency, ethical leadership and risk resilience, we uphold the highest governance standards-ensuring stability and accountability. Through our robust governance framework we are shaping a future where trust and responsibility define success.

THE RIGHT CONTROLS





CORPORATE GOVERNANCE

Corporate governance ensures that Ceylinco Life upholds the highest standards of accountability, transparency, and ethical decision-making, while integrating principles of responsible stewardship across its business operations. By establishing clear roles, responsibilities, and processes, the Company's robust corporate governance mechanisms fosters trust with key stakeholder groups, enhances the Company's long-term sustainability and reputation, and ensures compliance with legal and regulatory standards.

UNDERSTANDING CLI'S APPROACH TO CORPORATE GOVERNANCE

Governance:

Governing Policies:	CA Sri Lanka Code of best Practice & CSE rules on Corporate Governance, Code of Business Conduct & Ethics
Responsibility:	The Board and the entire organization

KEY CHALLENGES:

*'Insurance Confidence' level in Sri Lanka stands at a concerning average, with many citizens expressing skepticism or uncertainty about the industry. This directly translates to the country's low insurance penetration rate of 1.1%.

*Simplifying the Insurance Experience, Simplifying Customer Interactions, Investing in Public Education and Awareness, are few areas the regulator had devised new compliances.

*CLI has to adopt quickly to these ever changing regulatory/compliance landscape.

*In this endeavour governance plays a key role in the organization to protect and comply with the regulatory risks.

CORPORATE GOVERNANCE

STRENGTHS

- Strong governance framework ensuring compliance with IRCSL regulations and corporate governance codes.
- Independent Board oversight with audit governance and risk committees enhancing accountability.
- Adherence to SLFRS 17 SLFRS/LKAS and strong financial reporting standards.
- Ethical governance practices with a focus on transparency and risk management.
- ESG integration promoting responsible corporate governance.
- Established internal controls and regulatory compliance mechanisms.

OPPORTUNITIES

- Strengthening ESG and sustainable governance frameworks enhance corporate reputation and attract investors.
- Improving transparency and reporting through enhanced governance disclosures.
- Implementing AI-driven governance tools for compliance, fraud detection, and risk management.
- Enhancing cybersecurity and digital governance to mitigate IT and data risks.

WEAKNESSES

- Challenges in fully adapting to SLFRS 17 and SLFRS 09.
- Ethical and ESG Implementation Gaps
- Cybersecurity governance gaps as digitalisation expands.
- Room for further educating the employees on latest regulatory developments i.e. Personal Data protection, Anti Corruption etc...

THREATS

- Regulatory and compliance risks due to evolving IRCSL policies and governance standards.
- Reputational risks from governance lapses, ethical concerns, or compliance failures.
- Economic and political instability affecting governance decisions and business sustainability.
- Increasing stakeholder expectations for greater corporate responsibility and transparency.
- Cybersecurity risks and data governance challenges in the digital era

Risks

R2, R3, R5, R6, R7, R8, R9

Key

Stakeholders

Shareholder, Regulators, Policyholders, Community & Environment

Material Topics

M4 M8 M12 M13 M14

SDGs



Relevant Capitals



UNGC



FOCUS AREAS FOR 2024



Stewardship-Board Composition and Leadership



Accountability-Ethical Practices & Risk Management



Transparency-Integrated reporting/ Disclosures



Sustainability-ESG being the core of Governance

Future Outlook: Refer pages 116-117



CHAIRMAN'S MESSAGE ON CORPORATE GOVERNANCE

It is with great pleasure and responsibility that I present to you the Chairman's Report on Corporate Governance. This year marked a pivotal chapter in our journey, where we intensified our focus on corporate governance, strengthened our Environmental, Social, and Governance (ESG) framework and maintained unwavering compliance with regulatory expectations, particularly those outlined in Section 9 of the Colombo Stock Exchange (CSE) Listing Rules on Corporate Governance as mandated by Direction 02 of 2022 (Revised) issued by the Insurance Regulatory Commission of Sri Lanka. These efforts underpin our commitment to long-term sustainability and stakeholder value creation.

STRENGTHENING CORPORATE GOVERNANCE

Corporate governance remains the cornerstone of our operations, enabling us to navigate a dynamic business environment with resilience and accountability. At Ceylinco Life, we adhere to a governance framework that is not only compliant with regulatory requirements but also reflective of global best practices.

KEY INITIATIVES AND ACHIEVEMENTS IN GOVERNANCE DURING THE YEAR

Board Composition and Leadership

- **Diverse and independent leadership:** Our Board comprises a balanced mix of Independent Directors, industry experts, and seasoned executives, ensuring diverse perspectives and robust decision-making.
- **Focused subcommittees:** Active subcommittees, including Audit, Risk Management, Nominations and Governance, Remuneration, Related Party Transactions and Review, Investment and ESG Committees, provide specialised oversight, enhancing the effectiveness of governance processes.

- **Continuous development:** We prioritize the professional development of our Directors through targeted training on emerging trends such as insurance technology, ESG integration, personal data protection, anti-corruption and evolving regulatory requirements.

TRANSPARENCY AND ACCOUNTABILITY

- **Proactive disclosures:** We ensure comprehensive, accurate, and timely disclosures, which provides stakeholders with a clear view of our operational and financial performance.
- **Integrated reporting:** Our Annual Report adopts an integrated approach, demonstrating the interconnectivity of financial performance, strategic goals, and ESG outcomes.

ETHICAL PRACTICES AND RISK MANAGEMENT

- **Code of conduct:** All employees and Directors are bound by a stringent Code of Conduct that fosters integrity, ethical behaviour, and a zero-tolerance approach to corruption.
- **Robust risk management framework:** We maintain a proactive risk management framework that identifies, assesses, and mitigates

risks across our operations, ensuring business continuity and resilience.

EMBEDDING ESG INTO OUR CORE

At Ceylinco Life, we recognise the growing importance of ESG considerations in building a sustainable future. Our ESG strategy is deeply integrated into our operations, ensuring that we contribute meaningfully to societal and environmental wellbeing while upholding governance excellence.

ENVIRONMENTAL RESPONSIBILITY

- **Green investments:** We actively invest in sustainable investment avenues, including renewable energy projects and green bonds. During the year, Ceylinco Life was the anchor investor with a LKR 2 Billion investment in the country's first green bond issued by DFCC Bank.
- **Carbon footprint reduction:** By optimising energy usage in our facilities and promoting digital solutions, we have reduced our carbon footprint by 7% compared to the last year.
- **Paperless operations:** Our transition to paperless documentation and digitalised sales process has not only improved efficiency but also minimized environmental impact.

CORPORATE GOVERNANCE

SOCIAL IMPACT

- **Customer-centric innovation:** We promoted Medical Saver Plan designed to provide enhanced coverage and accessibility, prioritising the critical need of the well-being of society.
- **Community engagement:** Through programs like Waidya Hamuwa we supported 2,609 individuals by improving access to healthcare. We constructed two classroom buildings for schools in Elpitiya and Batticaloa region.

GOVERNANCE EXCELLENCE

- **ESG Committee:** A dedicated ESG Committee at the Board level oversees the integration of sustainability into strategic decision-making.
- **Sustainability reporting:** We publish an annual ESG report aligned with global standards such as GRI Global Reporting Initiative (GRI framework) SLFRS, S1 and SLFRS S2 (Voluntary adoption), Contribution to SDGs, Contribution to 10 UN principles, ensuring transparency and accountability in our sustainability efforts.
- **Data protection and cybersecurity:** Recognizing the sensitivity of customer data, and the changing regulatory environment we have appointed a Data Protection Officer and invested in cutting-edge cybersecurity measures to safeguard our systems and ensure regulatory compliance.

REGULATORY COMPLIANCE: A PILLAR OF STABILITY

Compliance with Section 9 of the CSE Listing Rules on Corporate Governance is fundamental to our operations. This year, we;

- Enhanced our corporate disclosures by adopting a more detailed reporting structure for financial and non-financial information.
- Maintained compliance with governance-related provisions, including those pertaining to related party transactions and Directors' independence.
- Strengthened internal controls to ensure alignment with evolving regulatory standards.

FINANCIAL AND STRATEGIC PERFORMANCE

Despite global economic uncertainties, Ceylinco Life demonstrated resilience and adaptability. Key highlights include:

- **Revenue growth:** Achieving a year-on-year growth of 11.16%, driven by our innovative product offerings and customer-focused strategies.
- **Market leadership:** Retaining our position as the No. 1 life insurer.
- **Operational efficiency:** Streamlining processes and leveraging technology to enhance cost efficiency and service delivery.

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, CSE rules on Corporate Governance 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.



LOOKING AHEAD

As we move forward, we remain committed to:

1. Deepening our ESG integration to address emerging sustainability challenges.
2. Innovating our product portfolio to meet the evolving needs of our customers.
3. Strengthening governance practices to maintain trust and credibility with all stakeholders.

We acknowledge and thank our shareholder, policyholders, employees and partners for their unwavering support and trust. Together, we will continue to build a future of resilience, sustainability and shared value.

R RENGANATHAN,
Executive Chairman



MESSAGE BY THE SENIOR INDEPENDENT DIRECTOR

As the Senior Independent Director (SID) of Ceylinco Life, it is my privilege to provide a perspective on our governance practices, the Board's role in overseeing sustainable growth and our commitment to creating long-term value for all stakeholders. The year under review has been marked by dynamic changes in the operating environment and our steadfast focus on governance has enabled us to navigate challenges effectively and seize emerging opportunities.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The role of the Senior Independent Director is to provide an independent oversight mechanism that ensures transparency, accountability, and objectivity in the Board's deliberations. In this capacity, I act as a liaison between the Board and shareholders, ensuring that the concerns and expectations of stakeholders are addressed in a timely and transparent manner. My responsibilities include:

- Supporting the Chairman in maintaining an effective governance framework.
- Providing counsel and support to Independent Directors and fostering their active contribution.
- Ensuring that the Board's activities align with the Company's strategic objectives and stakeholder interests.

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 with Executive Directors and three confidential meetings with 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 which includes the performance of the Chairman.

FOCUS ON ESG AND SUSTAINABILITY

As global attention increasingly centers on sustainability, we have prioritized embedding ESG principles into our core operations. From an independent perspective, I am pleased with the Board's proactive approach in addressing these areas:

- **Environmental:** Our initiatives to reduce carbon emissions and support green investments align with global best practices.
- **Social:** Strengthening and fostering community development through our community-centric initiatives demonstrate our commitment to societal wellbeing.
- **Governance:** Our adherence to Section 9 of the Colombo Stock Exchange (CSE) rules on Corporate Governance though a non-listed entity exemplifies our commitment towards transparency, accountability and regulatory requirements.



LOOKING AHEAD

As we move forward, the Board remains committed to:

- Strengthening the alignment between our strategy and stakeholder expectations.
- Further integrating ESG considerations into decision-making processes.
- Enhancing governance practices to adapt to an evolving regulatory and market landscape.

On behalf of the Board, I thank you for your continued trust and support. We remain dedicated to delivering sustainable growth and enduring value to all our stakeholders.

Yours sincerely,

DR. HARSHA CABRAL PC
Senior Independent Director

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY AT CEYLINCO LIFE

An effective Corporate Governance framework forms the bedrock of strength in achieving an organisation's objectives while balancing the interests of its key stakeholders, including shareholders, employees, customers, suppliers and the community.

At its core, Corporate Governance aims to ensure accountability, fairness and transparency in a company's relationship with its stakeholders. By setting the foundation for ethical decision-making and efficient management, Corporate Governance promotes the sustainable success of an organisation.

Ceylinco Life believes in managing its business with accountability and responsibility with a strong commitment towards its stakeholders by providing accurate, adequate and timely disclosures of relevant information. Corporate Governance also encompasses the processes through which the organisation's objectives are established and pursued within the framework of social, regulatory and market environments. Furthermore, it adheres to the principles of fairness, accountability, stewardship and professionalism.

Ceylinco Life's Corporate Governance philosophy is reflected in the Company's business principles, values and business practices. This foundation helps build trust among stakeholders, including the Company's sole shareholder, employees, policyholders, suppliers, regulatory authorities, and the broader community, ultimately prioritising adherence to the governance framework which is an integral component of the Company's Corporate Governance structure.

By emphasising on these principles, we have over the years strengthened our governance practices, enhanced stakeholder trust and achieved our strategic objectives in a sustainable manner. This has been the strong foundation which has enabled the Company to achieve its corporate purpose and execute its strategy.

GOVERNANCE FRAMEWORK

Statutory Compliance

- Companies Act No. 07 of 2007
- Regulation of Insurance Industry Act No. 43 of 2000 as amended
- IRCSL Rules, Directions and Determinations
- Section 9 of the CSE Listing Rules on Corporate Governance
- Inland Revenue Act No. 24 of 2017 (as amended)
- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by CA Sri Lanka
- Other applicable legislation

Voluntary Compliance

- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka
- International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework
- Global Reporting Initiative (GRI) Standards 2021 – Core option
- United Nations Sustainable Development Goals

Internal Frameworks

- Articles of Association
- Terms of Reference of Board Sub-Committees
- Comprehensive suite of Internal policies

Assurance Mechanisms

- External Auditors
- Internal Controls
- Internal Code of Business Conduct and Ethics
- Internal Auditors
- Other assurance services

GOVERNANCE DIMENSIONS

Stewardship

Transparency

Accountability

Sustainability

Founded on our Core Values

Professionalism

Rewarding

Integrity

Dedication

Excellence

Board Governance

- Board composition and diversity
- Corporate strategy and oversight
- Independence
- Board evaluation
- Training and development
- Board remuneration
- Ethics and corporate culture

Governance Initiatives

Financial Governance

- External Audit
- Internal Audit
- Shareholder relations
- Major or material financial transactions
- Compliance with the financial reporting framework
- Financial discipline

Risk Governance

- Risk management and internal controls
- Compliance systems and controls
- Whistleblowing policy
- Data privacy and security
- Anti-Money Laundering policy

Sustainability Governance

- Embedding ESG considerations in strategy
- Business Continuity Planning
- Compliance with the sustainability reporting frameworks
- ESG policy

Materiality Topics Assessment and Stakeholder Relations

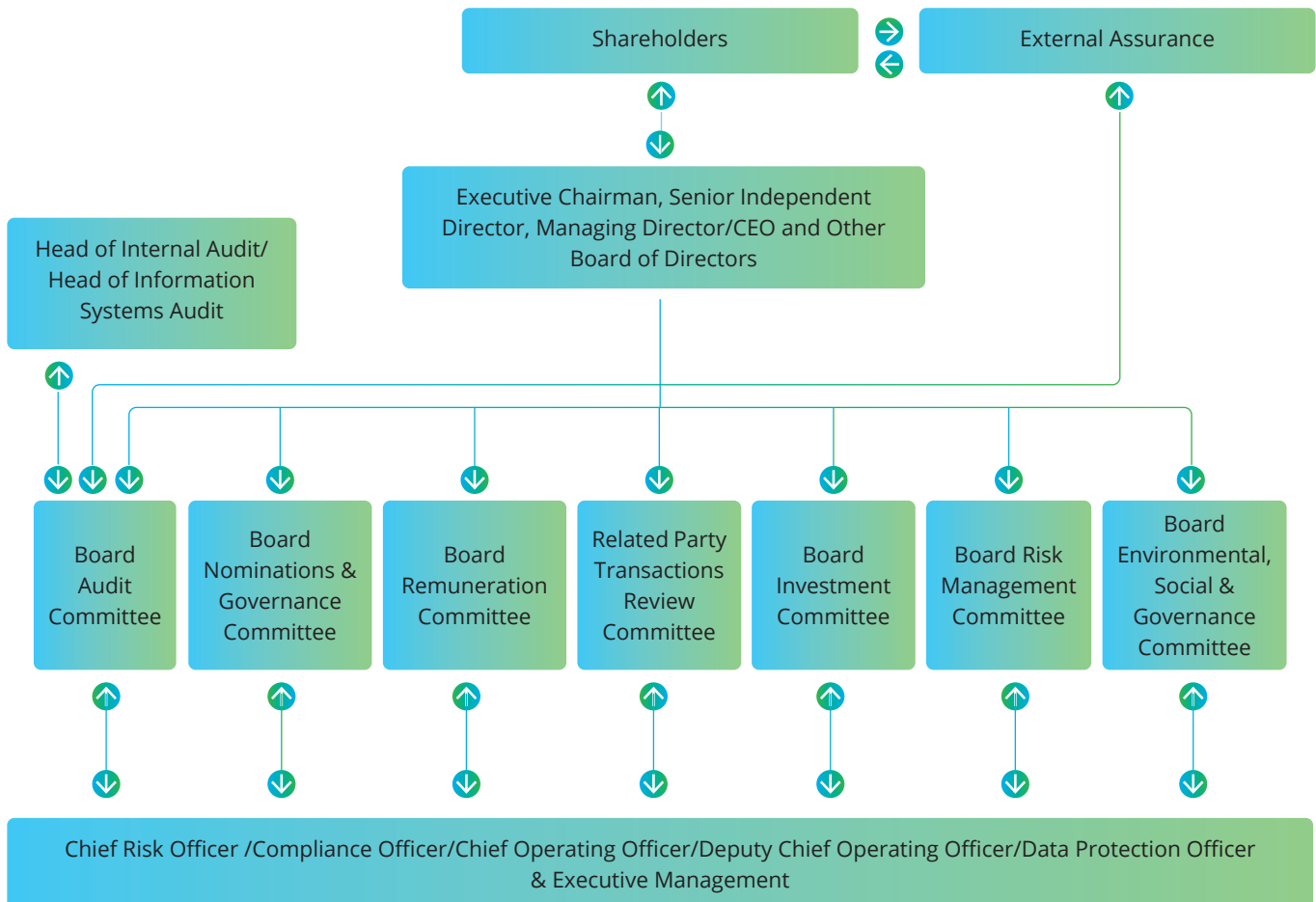
Creating Shareholder Value

GOVERNANCE STRUCTURE

The governance structure is built on well-defined roles and responsibilities, greater accountability, and clear reporting lines of the Board, Board Committees, Corporate Management and Executive Management Committees. Responsibility and accountability for conducting operations and assuming risk under the purview of the Corporate Management lie with those heading the strategic business units and support functions.

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 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.

GOVERNANCE STRUCTURE



CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS

The Board of Directors of Ceylinco Life plays a pivotal role in guiding the strategic direction towards sustainable value creation. The Board of Directors manages and supervises the overall business of the Company ensuring the best interests of the wider stakeholder groups of the Company.

The Board performs the following functions :

- Guides the Company in examining and approving the strategic direction to achieve sustainable success, and periodically monitor their implementation.
- Plays a key role in defining sustainability policies and strategies, identifying annual and long-term objectives, and monitoring their implementation and evolution.























- Establishes the nature and level of risk appetite with the Company's strategic objectives.
- Sets the Corporate Governance guidelines and rules for the Company
- Ensures the correct management of corporate information through a structured compendium of rules and procedures for the internal management.
- They are the Guardians of shareholder trust and corporate integrity by being the custodians of information concerning the Company and their disclosures.
- Promotes the communication with other stakeholders relevant to the Company.
- During the year 2024, the Company has established and maintained a formal policy governing matters relating to the Board of Directors complying with the Listing Rule

No.9.5.1. To ensure compliance with Listing Rule No. 9.7.1, each member of the Board has declared conformity with the fit and proper assessment criteria outlined in Listing Rule No. 9.7.3 by providing signed declarations for the year under review. Individuals who fail to comply with the criteria as per the above rule will no longer be eligible to serve as Directors of the Company. The Board recognizes the importance of assessing both its own performance and that of its committees to monitor effectiveness, as stipulated in sections A.9.1 and A.9.2 of the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.

- During the year, members of the Board, including the Chairman, and members of committees underwent evaluation to ensure the continued efficiency of both the Board and its committees.

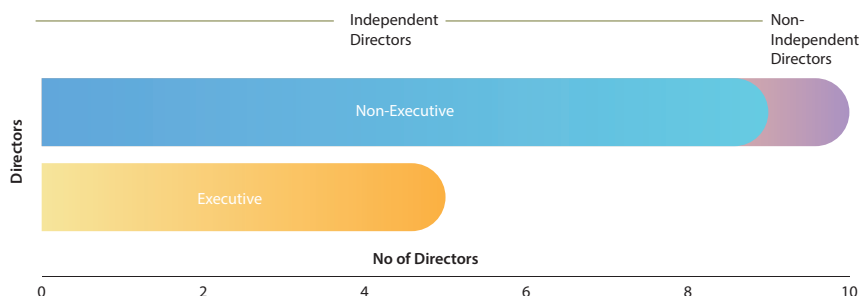
BOARD COMPOSITION AS AT 31ST DECEMBER 2024

Director	Status	No of Years on the Board as at 31.12.2024		Board Sub-committee membership	
Mr R Renganathan	Executive Chairman	Years	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	BIC Board Investment Committee (Chairman)	
		Months	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>		
Mr E T L Ranasinghe	Managing Director/ Chief Executive Officer	Years	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	BIC Board Investment Committee	
		Months	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>		
Mr P D M Cooray	Senior Executive Director/Head of HR and Training	Years	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	BESGC Board Environmental, Social and Governance Committee	
		Months	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>		
Mr P A Jayawardena	Senior Executive Director/Chief Financial Officer	Years	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	BIC Board Investment Committee	
		Months	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>		
				BESGC Board Environmental, Social and Governance Committee	

Director	Status	No of Years on the Board as at 31.12.2024		Board Sub-committee membership	
Mr S R Abeynayake	Executive Director/ Chief Operating Officer	Years		BIC	Board Investment Committee
		Months		BESGC	Board Environmental, Social and Governance Committee
Dr L J S Harsha Cabral PC	Independent Non-Executive Director/ Senior Independent Director	Years		BNGC	Board Nominations and Governance Committee (Chairman)
		Months			
Mr J Durairatnam	Independent Non-Executive Director	Years		BAC	Board Audit Committee
		Months		BNGC	Board Nominations and Governance Committee
Mr W W L R A Fernando	Independent Non-Executive Director	Years		RPTRC	Related Party Transactions Review Committee (Chairman)
		Months			
Mr O G V J Senanayake	Independent Non-Executive Director	Years		BRMC	Board Risk Management Committee (Chairman)
		Months			
Mr H M Hennayake Bandara (resigned w.e.f. 31.12.2024)	Independent Non-Executive Director	Years		BAC	Board Audit Committee
		Months		BRMC	Board Risk Management Committee
				BIC	Board Investment Committee
Mr E R C Moraes	Independent Non-Executive Director	Years		BRC	Board Remuneration Committee (Chairman)
		Months			
Mr M Ismail	Independent Non-Executive Director	Years		BRC	Board Remuneration Committee
		Months			
Ms R J Moraes	Independent Non-Executive Director	Years		BRMC	Board Risk Management Committee
		Months		BRC	Board Remuneration Committee
Prof S K Chandrasekera	Non-Independent Non-Executive Director	Years		RPTRC	Related Party Transactions Review Committee
		Months			
Ms A A Ludowyke	Independent Non-Executive Director	Years		BAC	Board Audit Committee (Chairperson)
		Months		BNGC	Board Nominations and Governance Committee
				RPTRC	Related Party Transactions Review Committee

CORPORATE GOVERNANCE

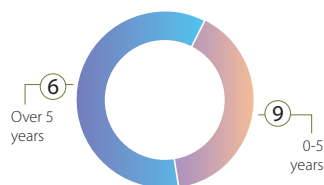
BOARD COMPOSITION AS AT 31ST DECEMBER 2024



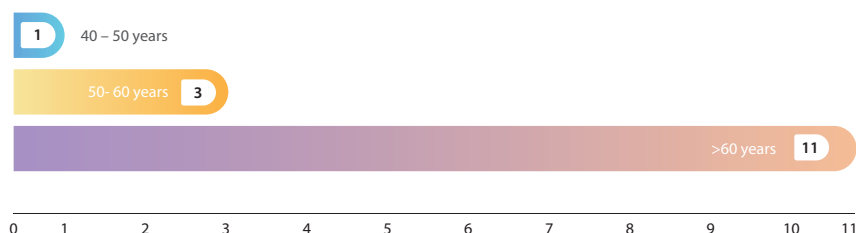
GENDER ANALYSIS OF THE DIRECTORS



LENGTH OF SERVICE



DIVERSITY OF AGE



EXPERTISE - BOARD OF DIRECTORS

Specific skills	Accounting, Finance and Management				
	Investment & banking		IT	Marketing	Economic
General skills	Human Resource Management				
	Medicine	Legal	Engineering	Architectural	

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 the 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 the 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.
- Recognizing 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.
- 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.

BALANCE OF POWER

The Chairman, Mr. Renganathan, plays an

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.
- In charge and be responsible for the general control, direction and supervision of the business activities of the Company.

CEO

- 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.

executive role in the Company and his role is separate from that of the CEO. Dr. Harsha Cabral PC functions as the Senior Independent Director of the Company 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.

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 a decision making.

SENIOR INDEPENDENT DIRECTOR

- Supporting the Independent 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.

BOARD SUBCOMMITTEES AS AT 31ST DECEMBER 2024

Seven Board subcommittees 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. Five further Management committees have been established along subject specific lines

to help drive the Company's strategic aspirations.

The Terms of Reference (TOR) for the Board sub-committees delineates the respective scope and responsibilities. Refer to the respective Board sub-committee reports from pages 251-261 for further information.

Board Audit Committee



Independent Non-Executive Directors

Board Environmental, Social and Governance Committee



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

CORPORATE GOVERNANCE



ESG GOVERNANCE – BOARD OVERSIGHT ROLE

Refer to the report on page 261 for the Report of the Board Environmental, Social, and Governance Committee, which outlines the Board ESG Committee structure, roles, and responsibilities.

The Board ESG Committee is responsible for overseeing robust processes for identifying, assessing, and monitoring ESG-related risks and opportunities, reporting quarterly to the Board of Directors. The Executive Risk Committee supports the Board ESG Committee by evaluating ESG-related risks and opportunities before integrating them into the Company's strategy.

Ceylinco Life aligns its ESG commitments with global frameworks, including the UN Sustainable Development Goals (SDGs), GRI Standards, UN Global Compact, and

COMPANY SECRETARY

The Company Secretary plays a pivotal role in guiding the Board of Directors and overseeing the compliance with the Companies Act, Board processes and other relevant rules and regulations. The Board holds the responsibility of appointment and removal of the Company Secretary as prescribed by applicable laws and regulations. By the Board Charter and procedures all Directors are provided access to the counsel and services of the Company Secretary.

The following are the key responsibilities of the Company Secretary.

- Facilitating the smooth operation of the Company's formal decision making and reporting machinery.
- Organising Board and Board subcommittee 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.
- 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.
- Continuously reviewing developments in corporate governance.

SLFRS S1 and S2. The company monitors progress against actual performance on a quarterly and annual basis, with a particular focus on energy efficiency and renewable energy adoption.

ESG GOVERNANCE – MANAGEMENT'S ROLE

At the management level, the ESG Subcommittee and Sub Risk

Committees (1st line of defence) oversee and manage ESG-related risks and opportunities. The Chairman of the Board ESG Committee is responsible for setting targets, ensuring that ESG Subcommittee members implement strategies, and reporting progress to the Board ESG Committee.

GOVERNANCE VALUE CREATION

Board inputs	Outputs	Governance outcomes
Setting and monitoring strategy Stakeholder management and engagement Financial oversight Governance and Compliance Sustainability & ESG Integration Risk Management	Acting in the best interest of the Company in line with the corporate philosophy	<ul style="list-style-type: none"> • Performance and value for stakeholders • Ethical Leadership & Integrity • Strengthened internal controls • Stakeholder Confidence & Reputation • Clear financial and non-financial reporting • Independent and diverse Board
		<ul style="list-style-type: none"> • Delivery on strategic priorities • Environment sustainability • Social Sustainability • Corporate Governance • Financial performance (Link to each pillar)
		<ul style="list-style-type: none"> • Adoption of best governance practices • ESG & Sustainability Integration • Long-term corporate resilience • Effective risk identification and mitigation

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 local and international portfolios, and deeper discussions regarding areas of strategic importance.

1. STRATEGY

During the year, the Board and its various committees discussed, oversaw and monitored Ceylinco Life's key strategic initiatives.

Financial Performance

- 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.
- 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..
- 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.

Environmental Sustainability

- Changes were made to put in place a green building construction methodology.
- Invested Rs. 2.0 Bn in Green Bond issued by DFCC Bank PLC.
- Conducting an e-waste campaign.
- Board oversight and approvals for Investments made in solar projects, rain 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.
- Actively promoting recurrent payment methods to reduce paper usage and fuel consumption.
- Digitalization of onboarding related documentation and creating customer convenience.
- Conversion to SMS and e-premium payment receipts instead of issuing hard copies.

Social Responsibility

- Organizing health camps in rural communities to raise awareness about the prevention and control of non-communicable diseases, with a focus on providing education and resources for healthier lifestyles.
- Assisting the state health system by establishing and maintaining

Governance Value creation process-Time allocated for each category of value creation



High Dependency Units (HDUs) in five state hospitals, as well as providing essential infrastructure and equipment support to regional hospitals to enhance healthcare services.

- Supporting rural schools by improving their infrastructure, including the construction of classroom buildings and other essential facilities to create a conducive learning environment.
- Continuing the Ceylinco Life Pragma Scholarship Scheme for the 23rd consecutive year, offering scholarships to the children of policyholders based on their outstanding achievements in Year 5, Ordinary Level, and Advanced Level exams, as well as special accomplishments in extracurricular activities.


Corporate Governance

- Through Board Audit and Risk Management Committees, the Board assessed the cyber security and IT Governance of the Company
- Review of Policy on Risk Management & Internal Controls and Risk Management Framework.
- 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.
- Establishment of a Policy on Relations with Shareholders and Investors.

CORPORATE GOVERNANCE


- Corporate Communications and digital channels with various stakeholders.
- Reviewed the Policy on Whistleblowing.
- Reviewed the Policy on Anti-bribery and corruption.
- Review of remuneration for Executive Directors including CEO, senior management staff and all other employees

2. PERFORMANCE AND REPORTING



PERFORMANCE

- Discussed strategic direction, market dynamics, and challenges and key risks faced during the year, including the impact of current transition of the fiscal and monetary policy of the country, its direction and effects on business performance. These external factors have been carefully considered in our business and risk management strategies.
- Periodically discussed and reviewed operational, financial performance and governance updates.



REPORTING

- Checked the compliance with the statutory reporting requirements (Refer to Statement of Directors' Responsibility for Financial Reporting on page 262.).
- 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.

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.

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 CLI'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 discharging its responsibilities for 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 their 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 report. Key focus areas addressed during the year are discussed in detail in the Risk Management report (pages 76 to 89), Report of the Board Audit Committee (pages 254 to 255) and the Report of the Board Risk Management Committee (pages 259 to 260).

During 2024, CLI 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 2024, CLI's internal controls over financial reporting are effective.

IT GOVERNANCE

In order to align with trends in rapid digitalisation and transformation, the organisation strengthened its governance of the IT function during the year. To this end, the Company enhanced its IT oversight via a robust structure with clearly defined roles and responsibilities, in addition to investing in a range of system improvements and process enhancements.

IT GOVERNANCE AND OVERSIGHT:

The Head of Information Security is equipped with the relevant knowledge and expertise and heads the ICT vertical. ICT functions have been segregated as follows: Information System Developments, ICT Operations (including branch operations), Communication Network and IT Security. An ICT Risk Committee has been established to identify cyber-risks and report to the same to the Chief Risk Officer (CRO). Identified Critical Cyber Risks are then discussed at the ERM Meetings for necessary action.

Head of Internal Audit/ Head of Information Systems Audit

- Develops annual Objective Key Results (OKRs) and aligns these to the overall Company KPIs.

Chief Information Security Officer

- Ensures that the information security strategy is closely aligned with the overall business strategy and governance framework.

Chief Risk Officer

- Responsible for identifying and overseeing overall organisational risks, in addition to developing, facilitating, and monitoring the control framework and execution of risk response strategies.

Data Protection Officer

- To ensure the implemented Personal Data Protection Management Program (PDPMP) is in line with the requirements of the Act to meet the required compliance standards, and to keep the Company informed regarding any new directives issued by the Data Protection Authority.
- Creating awareness on the importance of Data Protection among all sales and non-sales staff and conducting periodic audits on the Company's PDPMP can also be stated as the duties required to be done by the DPO.

In complying with the Personal Data Protection Act No 09 of 2022, Ceylinco Life as a Controller, has fulfilled the following requirements of the Act:

- The implementation of a Personal Data Protection Management Program (PDPMP)
- Appointing a Data Protection Officer (DPO) with effect from 15th April 2024 in compliance with Section 20 of the Personal Data Protection Act.

The PDPMP ensures that the company has implemented all required measures through its policies and procedures to protect customer and other stakeholders' personal data.

The responsibilities of the Data Protection Officer are set out on the previous page.

IT AND CYBER RISKS

With the increased thrust towards digitalisation the Board is committed to identifying and managing IT related risks including cybersecurity 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.

IT REPRESENTATION AT THE BOARD RISK COMMITTEE

- Ensured active IT participation in the Board Risk Committee (BRC) to align technology risks with overall enterprise risk management.
- Provided regular updates on cybersecurity, IT governance, compliance, and emerging technology risks to support informed decision-making.
- Contributed to the development of risk mitigation strategies related to IT infrastructure, data protection, and business continuity.
- Strengthened the organization's risk posture by integrating IT risk assessments into broader corporate risk frameworks.

CORPORATE GOVERNANCE

IT Governance Enhancements in 2024

Endpoint Detection and Response (EDR) Implementation	<ul style="list-style-type: none"> Successfully deployed an advanced EDR solution in collaboration with an external managed service provider to strengthen cybersecurity defenses. Established 24/7 continuous monitoring, proactive threat detection, and automated incident response mechanisms to mitigate security risks.
Software License and Patch Management	<ul style="list-style-type: none"> Implemented a centralized software license management tool to enhance compliance, reduce unauthorized software usage, and optimise licensing costs. Established a structured patch management process to ensure timely updates and security patches across all Company-owned devices. Improved visibility and control over software assets, ensuring alignment with regulatory and financial requirements.
Mobile Device Management (MDM) Integration	<ul style="list-style-type: none"> Deployed Microsoft 365-powered MDM solutions for all Company-issued laptops, smartphones, and tablets, enabling secure remote management. Enforced strict security policies, including encryption, multi-factor authentication (MFA), and remote wipe capabilities for lost or stolen devices. Enhanced data protection and compliance by ensuring corporate data remains secure across all endpoints.
Vulnerability Assessment and Penetration Testing (VAPT)	<ul style="list-style-type: none"> Conducted thorough internal and external VAPT assessments to identify and address potential security vulnerabilities across IT infrastructure. Implemented risk-based remediation measures, ensuring critical security gaps were promptly addressed. Strengthened overall cybersecurity posture by aligning security improvements with industry best practices.
Disaster Recovery (DR) Testing	<ul style="list-style-type: none"> Successfully executed DR testing for 2024, simulating real-world failure scenarios to evaluate system resilience. Assessed the effectiveness of business continuity and disaster recovery plans to minimize operational disruptions.
Escrow Testing for Critical Software	<ul style="list-style-type: none"> Conducted escrow testing for mission-critical applications to validate accessibility and continuity in case of vendor-related risks. Ensured that the organisation maintains operational control over essential software assets in the event of vendor failure or contract termination. Strengthened contingency planning for software dependencies, reducing potential business impact.
Standardisation of Linux Operating Systems	<ul style="list-style-type: none"> Successfully upgraded and standardised all free Linux operating systems to Red Hat Enterprise Linux (RHEL) to improve stability, security, and vendor support. Implemented best practices for system administration, patch management, and performance optimisation to enhance operational efficiency.
External Project Management for Critical Projects	<ul style="list-style-type: none"> Engaged external project management experts to oversee high-risk, mission-critical projects, ensuring proper governance and risk mitigation. Improved project execution efficiency by leveraging external expertise in planning, execution, and monitoring. Minimised project risks by implementing structured methodologies and best practices aligned with industry standards.
IT Security Policy Review (ISO 27001 Compliance)	<ul style="list-style-type: none"> Conducted a comprehensive review of IT security policies to align with ISO/IEC 27001 standards and regulatory compliance requirements. Strengthened security controls, access management, and data protection policies to enhance overall cybersecurity resilience. Improved awareness and enforcement of security policies across the organisation.

Succession Planning & Staff Skill Development	<ul style="list-style-type: none"> Established a structured succession planning framework to ensure business continuity for critical IT roles. Implemented targeted training and certification programs to upskill key IT personnel and enhance their expertise in emerging technologies. Encouraged professional development to strengthen internal capabilities and reduce dependency on external resources.
Replacement of Obsolete Hardware & Software	<ul style="list-style-type: none"> Successfully decommissioned and replaced outdated hardware and legacy software platforms with modern, high-performance alternatives. Improved system reliability, security, and efficiency by adopting the latest technology standards and best practices. Reduced maintenance costs and security risks associated with outdated infrastructure.
Raising Awareness	<ul style="list-style-type: none"> Relevant policies, standards, procedures and guidelines are published on the Company intranet and users have been requested to adhere to them. Regular emails are circulated to the employee base creating awareness of cyber security threats. Awareness training and sessions were held with the support of external security consultant 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.



Compliance

The Company is bound by the Code of Business Conduct and Ethics which applies to all employees including KMP's and Directors who are responsible for

overseeing measures to promote and uphold the highest standards of integrity. The code is available on the intranet for all employees and is reinforced at all levels through structured communication. The Compliance Officer reports on the status of statutory and non-statutory compliance to the Board Audit Committee and thereafter such reports will be forwarded 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.

There were no instances of non-compliance with laws and regulations during the year. There were no fines for such instances as well.

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 as well off duty. These policies are documented and communicated in a clear manner allowing easy access to respective parties 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 including human rights throughout the Company and in business relationships is an expected practice.

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 green concepts and sustainable development.
- Policy on Environmental and Governance Sustainability.
- Agreements contain anti-corruption and bribery clauses.
- Information is given on the code of business conduct with and ethics of the Company with links to the relevant website references.

CUSTOMERS AND THE COMMUNITY

- Customer complaint management procedure of the Company is available on the website.
- Implementation of the requirements under the Personal Data Protection Act.

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.

The Company has established and maintained the following policies in terms of the Rules of the Colombo Stock Exchange and the availability of such policies is published in the Company's website www.ceylincolife.com.

- Policy on matters relating to the Board of Directors
- Policy on Board Committees
- 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
- Policy on Risk Management and Internal Control
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social and Governance sustainability
- Policy on Corporate Disclosures
- Policy on Whistleblowing
- Policy on Anti-Bribery and Corruption
- Investment Policy Statement -Policyholders' Fund
- The Policy on Control and Management of Non-Financial Assets
- Investment Policy Statement-Shareholders Fund

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 207.

Key aspects of the Code of Conduct

Conflict of interest

Reporting of any transactions which a party may directly or indirectly related/ interested

Misuse of corporate opportunities

Protection and proper use of the Company's assets

Confidentiality of information

Compliance with laws and regulations

Fair dealing

Professionalism and customer service

Treating all stakeholders with honesty transparency, and equity

A Declaration was signed by all Directors confirming their compliance with the above code.

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

Preliminary investigation is commenced by the committee comprising of Executive Directors of the Company based on the evidence received.

Arrive at a decision on the complaint based on the facts and findings of preliminary investigation.

Convey the decision in writing to the appropriate parties for necessary corrective action or documentation.

Convey the final decision to the complainant and appreciate the contribution appropriately, if the complaint is not anonymous.

APPROACH TO ANTI-BRIBERY AND CORRUPTION

Anti-bribery and corruption policy and processes are in place to its 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. The policy was reviewed in line with the Anti-Corruption Act No. 9 of 2023.

A gift register is maintained by the Company.

Communication of critical concerns

Ceylinco Life treats the stakeholders as 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 the interests of the stakeholders 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 pages 90 to 98 of this Annual Report.

Relations with Shareholders

The Company places considerable importance on communication with its sole shareholder Ceylinco Holdings PLC (formerly known as Ceylinco Insurance PLC). Various means of ongoing and periodic communications 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 2024 at 2.30 p.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 2023 together with the Report of the Auditors.
- Approving the first and final dividend of Rs. 15/- per share for the year ended 31st December 2023.
- Re-election of Mr R Renganathan who retired at the AGM in terms of Section 210 of the Companies Act No.7 of 2007.
- Re-election of Directors, M/s J Durairatnam, W W L R A Fernando and O G V J Senanayake who retired in terms of Article 18B of the Articles of Association of the Company.

- Re-appointment of M/s Ernst & Young, Chartered Accountants as the Company's Auditors for the ensuing year and authorizing the Directors to determine their remuneration.
- Authorizing the Directors to determine contributions to charities and other donations for the year ending 31st December 2024.

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 seek to act in the best interest of such connected stakeholders. Key engagement mechanisms and responses of the Company to matters raised are provided in the 'Stakeholder engagement' section on pages 90 to 98.

CORPORATE GOVERNANCE

BOARD MEETINGS

Board meetings are held every two months and 5 meetings were held during 2024. The Board Meeting calendar is communicated to all members before the start of the next calendar year.

PRIOR TO THE MEETING

- Chairman sets the Board agenda in consultation with the CEO and the Company Secretary.
- Agenda and Board Papers for meetings are sent generally at least one week prior to the meeting, ensuring Board members receive timely, high-quality information that enables them to make sound decisions.

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 (2) weeks of the Meeting being held, in compliance with code.
- Follow-up action required is tabulated by the Company Secretary and forwarded to the respective departments / committees for action.

DURING THE MEETING

- Directors are provided accurate, relevant, and timely information on which they base their decisions.
- 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 provided regulations.

Meeting attendance as at 31st December 2024

Name of the Director	Status	Board Meetings	Board Audit Committee	Board Risk Management Committee	Related Party Transactions Review Committee	Board Remuneration Committee	Board Nominations and Governance Committee	Board Investment Committee	Board Environmental, Social and Governance Committee
Mr R Renganathan	Executive Chairman	5/5						3/4	1/1
Mr E T L Ranasinghe	Managing Director/Chief Executive Officer	5/5						4/4	1/1
Mr P D M Cooray	Senior Executive Director/Head of HR and Training	5/5							1/1
Mr P A Jayawardena	Senior Executive Director/Chief Financial Officer	5/5						4/4	1/1
Mr S R Abeynayake	Executive Director/Chief Operating Officer	5/5						4/4	1/1
Dr L J S Harsha Cabral PC	Independent Non-Executive Director/Senior Independent Director	5/5					2/2		
Mr J Durairatnam	Independent Non-Executive Director	4/5	4/4				2/2		
Mr W W L R A Fernando	Independent Non-Executive Director	4/5			4/4				
Mr O G V J Senanayake	Independent Non-Executive Director	5/5		4/4					
Mr H M Hennayake Bandara (resigned w.e.f. 31.12.2024)	Independent Non-Executive Director	5/5	4/4	4/4			4/4		
Mr E R C Moraes	Independent Non-Executive Director	5/5				2/2			
Mr M Ismail	Independent Non-Executive Director	5/5				2/2			
Ms R J Moraes	Independent Non-Executive Director	5/5		4/4		2/2			
Prof S K Chandrasekera	Non-Independent Non-Executive Director	5/5			3/4				
Ms A A Ludowyke	Independent Non-Executive Director	5/5	4/4		4/4		2/2		

1. 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 and in the CSE Rules on Corporate Governance were taken into account in the process of determination of independence of the 10 Non-Executive Directors.

DECLARATION

- All Non-Executive Directors as at the date of this report submitted signed declarations in terms of the above regulations and the said declarations were reviewed at the Board Nominations and Governance Committee Meeting and the Meeting of the Board of Directors.

CORPORATE GOVERNANCE

OUTCOME

- Eight (08) Directors out of Nine (09) Non-Executive Directors were deemed independent based on their declarations and the information available to the Board and One (01) Director was not independent due to the fact that he holds an executive directorship in a related company.

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.

Directors also have unrestricted access to the management team, Company information as well as other resources required to effectively execute their responsibilities. Access to external professional advice is available to Directors at the Company's expense.

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 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 subcommittee considers the circumstances, appropriate controls and protocols, and makes a recommendation 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 with the approval of the IRCSL, a brief resume of the Director will be forwarded to the sole shareholder of the Company for their information.	Appointments during 2024 - No appointments were made in 2024
Re-election	<p>The re-election of Directors is governed by the Articles of Association and the Code of Best Practice on Corporate Governance and performed 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.</p> <p>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 2 of 2022 (Revised) on Corporate Governance Framework for insurers.</p>	<p>Re-elections during 2024</p> <p>- M/s J Durairatnam, W W L R A Fernando and O G V J Senanayake who retired by rotation in terms of the Articles of Association of the Company were re-elected (Article 18B) by the Shareholder.</p> <p>Mr. R Renganathan was re-elected by the Shareholder in terms of Section 210 and 211 of Companies Act No. 7 of 2007.</p>
Retirement	<p>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.</p> <p>In terms of Direction No. 02 of 2022 (Revised) dated 25th February 2022 issued by the Insurance Regulatory Commission of Sri Lanka;</p> <p>B.2. the total period of service of a Director of an insurer, other than an Executive Director shall not exceed nine years (except for Major Shareholder Directors and Technical Directors)</p> <p>3.(i). the age of a person who serves as Director shall not exceed 75 years</p>	<p>Retirements during 2024 - There were no retirements during 2024.</p> <p>Mr. H M Hennayake Bandara resigned from the Board of the Company w.e.f. 31.12.2024.</p>

Training

On appointment, all Directors receive a comprehensive induction 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, which requirements are coordinated through the Company Secretary.

The following training sessions were conducted for Directors,

- Personal Data Protection Act and Electronic Transactions Act
- Anti-Corruption Act No. 9 of 2023
- Actuarial Valuations
- Underwriting
- AML/CFT process

Succession planning

Succession remained a key focus for the Board. The Board Nominations and Governance Committee discussed succession planning in detail 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 embracing the clear benefits of diversity while also taking into account current and anticipated future business needs. This includes contingency planning for any unforeseen resignations or orderly refreshing of the Board and Sub-Committees and looking ahead to 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 and others. 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 employees and its Executive Directors. 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 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 complex responsibilities relevant to 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, the Board, 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. Independent Director's fees are determined by the Board and supported by the Remuneration Committee which also

seeks advice from HR professionals. A Board approved policy is in place for the determination of remuneration for Non-Executive Directors.

The breakdown of remuneration paid to Directors' is disclosed on page 397 in the Annual Report. For further details, refer to the Remuneration Committee Report on page 251.

Diversity and equality

A Board which consists of diverse age groups, gender, skills, experience, perspectives and background creates the right platform for effective governance and sound decision making. The Board of Ceylinco Life encompasses professionals from various backgrounds ranging in the age group of 40 -72 years. The Board consists of 13 male members and 2 female members, ensuring representation of women. Such diversity fosters and encourages better risk management along with greater understanding of the implications of business decisions to stakeholders.

Board Diversity and Commitment to Enhancing Diversity Across the Organization

At Ceylinco Life, we recognize that a diverse Board is essential to driving innovation, making well-rounded decisions, and reflecting the community we serve. Our Board of Directors is composed of individuals with varied backgrounds, perspectives, experiences, and expertise such as accounting, finance and auditing, investment and banking, management, legal, marketing, medical, architectural, engineering, IT, HR which enables us to tackle complex challenges and seize opportunities in an ever-changing business landscape.

We are deeply committed to advancing diversity, equity, and inclusion at all levels of the organization. Our Board serves as a model for this commitment, ensuring that diversity is not only celebrated but embedded in our strategic priorities. We

CORPORATE GOVERNANCE

believe that fostering a diverse workforce is fundamental to our success and long-term sustainability.

In addition to maintaining a diverse Board, we actively work to enhance diversity across our organization by:

- **Implementing Inclusive Recruitment Practices**
- **Providing Growth and Development Opportunities**
- **Building a Culture of Inclusion**

We understand that fostering an inclusive environment is an ongoing journey, and we are dedicated to continually learning, adapting, and driving meaningful change. By enhancing diversity across the organization, we aim to create an environment where every individual can thrive, contribute, and reach their full potential.

2. COMBINED ASSURANCE

4.1 Internal audit

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 based on the risk based Internal and Information system annual audit plans 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 AGM held in 2024, Messrs. Ernst & Young were appointed as external auditors of the Company for 2024. 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 Audit Committee Meeting held on 19th February 2025, 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 2025 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 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA ('THE CODE')

The status of compliance with the Code is given below:

Principle		Level of Compliance	Page No/s.
A	Directors		
A.1	The Board	Complied. The Board of the Company comprised fifteen of eminent professionals drawn from multiple fields and ten of them are Non-Executive Directors as at 31st December 2024. Nine Directors were Independent Directors. They brought diverse perspectives and independent judgement to deliberate on matters set before the Board.	212-213
A.1.1	Regular Board Meetings	Complied. The Board meets regularly. Five meetings were held during the year. Each Board Subcommittee also has its own schedule of meetings as set out in the respective Committee Reports.	224-225
A.1.2	Role and Responsibilities of the Board	Complied. The Board provides entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed.	214-215
A.1.3	Act in accordance with laws of the country	Complied.	221
A.1.4	Access to advice and services of the Company Secretary	Complied. All Directors are able to obtain the advice and services of the Company Secretary.	216
	Availability of Directors' and Officers' Liability Insurance	Complied. The Company has obtained a Directors' and Officers' Liability Insurance for the Directors and KMPs.	246
A.1.5	Independent Judgement	Complied. 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 minimizes the tendency for one or a few members of the Board to dominate the Board processes or decision-making.	214-215
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	Complied. Board Meetings and Board Subcommittee 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.	224

CORPORATE GOVERNANCE

Principle	Level of Compliance	Page No/s.
A.1.8 Board induction and training	Complied. Training need of Directors were discussed at Senior Independent Director's Meetings with Non-Executive Directors and Executive Directors and at Board Meetings. The following training sessions were conducted for Directors; <ul style="list-style-type: none"> - Personal Data Protection Act and Electronic Transactions Act - Anti-Corruption Act No. 9 of 2023 - Actuarial Valuations - Underwriting - AML/CFT processes 	227
A.2 Clear division of responsibilities at the head of the company, which will ensure balance of power and authority	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. A Senior Independent Director was appointed since the Chairman holds an executive position of the Company.	215
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.	215
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.	53-57
A.5 Board balance	Complied.	209
A.5.1-A.5.5 Constitution of the Board and Independence	The Board consisted of 15 Directors of whom 10 Directors held Non-Executive positions. as at 31st December 2024. Nine Directors out of the ten Non-Executive Directors were Independent Directors. All Non-Executive Directors as at the date of this Report have submitted annual Declarations in terms of these rules declaring their independence/non-independence. The Declarations were submitted to the Board Nominations and Governance Committee for review purposes and the Board of Directors have determined their independence/non-independence as applicable.	
A.5.6 Alternate Directors	There are no alternate directors appointed to represent the directors of the Company.	
A.5.7-A.5.10 Executive Chairman and Senior Independent Director	Complied. A Senior Independent Director (SID) was appointed since the Chairman holds an executive position. Two meetings each were held by SID with Non-Executive Directors without the presence of the Executive Directors during the year. The outcome of the meetings was discussed with the Executive Directors and the concerns (if any) were addressed. A Report from the SID is included in the Annual Report.	209

Principle	Level of Compliance	Page No/s.
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.	224
A.7 Appointments to the Board Nominations and Governance Committee		
Formal transparent procedure for the appointment of new Directors to the Board	Complied.	252-253
A.7.1 Composition of the Committee	Complied. Refer to the Board Nominations and Governance Committee Report	
A.7.2 Annual assessment of Board Composition	Complied.	
Fit and Proper Assessment Criteria for Directors and CEO	Complied.	
A.7.3 Succession Planning for CEO and all KMPs	Complied. Chief Operating Officer and Deputy Chief Operating Officer were appointed.	
A.7.4 Disclosure to the Shareholders regarding the appointment of new directors to the Board.	Complied. Shareholder's approval is obtained prior to the appointment of new Directors.	
A.7.5 Identification of Chairman, Committee members and the functions of the Committee	Complied. Refer to the Report of the Board Nominations and Governance Committee.	252-253
A.7.6 Terms of Reference of the Committee	Complied. Terms of Reference was reviewed by the Committee.	
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.	226
A.9 Appraisal of Board Performance	Complied. The Board Performance Evaluation Checklist was completed by all Directors (confidential survey) and the outcome was summarized and submitted to the Board Nominations and Governance Committee for review purposes. The review of the Committee was submitted to the Board for necessary actions. Performance of Executive Directors and Non-Executive Directors were conducted as separate groups. Executive Directors were evaluated by each Non-Executive Director and Non-Executive Directors were evaluated by each Executive Director and the Chairman and the outcome was summarized and tabled at the Meetings of the Board nominations and Governance Committee and the Board of Directors for review and necessary actions (if required).	246

CORPORATE GOVERNANCE

Principle		Level of Compliance	Page No/s.
		The performance evaluation of the Chairperson 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 were submitted to the Board for review purposes.	53-57
A.10	Annual Report to disclose specified information regarding Directors	Complied.	
A.11	Appraisal of Chief Executive Officer	Complied. Annual appraisal of the CEO was conducted.	246
B	Directors' Remuneration		
B.1	Remuneration Procedure	Complied. The following Board approved policies are in place; <ul style="list-style-type: none"> • Remuneration Policy for all employees. • A policy on Remuneration for Non-Executive Directors. 	
B.2	Remuneration Committee	Complied. Terms of Reference is in place. Refer to the Report of the Board Remuneration Committee.	251
B.3	Disclosure of Remuneration	Complied.	395
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 to the following reports. <ul style="list-style-type: none"> • Chief Executive Officer's and Chief Financial Officer's Responsibility Statement • Statement of Directors' Responsibility in Financial Reporting • Statement on Risk Management and Internal Control • Independent Auditors' Report • Related Party Transactions Note 44 in the Financial Statements Report of the Related Party Transactions Review Committee	263 262 264 273-274 256

Principle		Level of Compliance	Page No/s.
D.2	Risk Management and Internal Control	Complied. A Board approved Policy on Risk Management and Internal Control is in place.	259-260
D.2.1	Risk Management Framework	A Board approved Risk Management Framework is in place. The Company has established a Board Risk Management Committee to oversee risk management. The Committee comprises three Independent Directors and the Chairperson is an Independent Director. A Board approved Terms of Reference is in place . The Annual Report consists of a Report of the Board Risk Management Committee setting out its role and how it discharged the responsibilities.	
D.2.2	Internal Controls and Internal Audit function,	Complied. Refer to Statement on Risk Management and Internal Controls; Report of the Board Audit Committee Report of the Board Risk Management Committee.	264 254-255 259-260
D.3	Audit Committee	Complied. Board Audit Committee consists of three Independent Non-Executive Directors and chaired by an Independent Non-Executive Director who is a member from a professional accounting body. A Board approved Audit Committee Charter (Terms of Reference) is in place. Refer to Report of the Board Audit Committee.	254-255
D.4	Risk Committee	Complied. Board Risk Management Committee consists of three Independent Non-Executive Directors and chaired by an Independent Non-Executive Director. The following documents approved by the Board are in place; <ul style="list-style-type: none"> • Policy on Risk Management and Internal Control • Risk Management Frame Work • Terms of Reference of the Committee Refer to Report of the Board Risk Management Committee.	259-260
D.5	Related Party Transactions Review Committee	Complied. Related Party Transactions Review Committee consists of three Independent Non-Executive Directors and chaired by an Independent Non-Executive Director. The following documents approved by the Board are in place; <ul style="list-style-type: none"> • Related Party Policy and Procedure • Terms of Reference of the Committee Declarations were obtained quarterly from the related parties in respect of the related party transactions and tabled at the Committee meetings. Refer to Report of the Related Party Transactions Review Committee.	256

CORPORATE GOVERNANCE

Principle	Level of Compliance	Page No/s.
D.6 Code of Business Conduct and Ethics	Complied. Internal Code of Business Conduct and Ethics is in place. Declarations were obtained from the Directors and KMPs regarding the compliance on the Code. Training sessions are conducted for new employees.	222 227
D.7 Corporate Governance Disclosures	Complied. Refer to Corporate Governance Report in this Annual Report.	229-234
E Institutional Investors	Complied.	
F Other investors	Not applicable	
G Internet of Things and Cybersecurity	Refer to 'IT and Cyber risks' in the Corporate Governance Report.	219
H Sustainability : ESG Risk and Opportunities	Complied. Board Environmental, Social and Governance Committee was established in October 2024 and a Terms of Reference and a Policy on Environmental, Social and Governance approved by the Board are in place. Refer to -Report of the Board Environmental, Social and Governance Committee	261
I Establishment and Maintenance of Policies	Complied. The Board has established the following policies as at the date of this report; <ul style="list-style-type: none"> • Policy on Matters relating to the Board of Directors • Policy on Board Committees • 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 • Policy on Risk Management and Internal Control • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance sustainability • Policy on Corporate Disclosures • Policy on Whistleblowing • Policy on Anti-Bribery and Corruption • Investment Policy Statement - Shareholders' Fund • Investment Policy Statement - Policyholders' Fund • The Policy on Control and Management of Non-Financial Assets 	222

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 the Direction No.02 of 2022 (Revised) issued by the IRCSL on 25th February 2022 is given below.

Section	Requirement	Level of Compliance Reference/Page No/s
A	Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka (amended as the Code of Best Practice on Corporate Governance 2023)	Compliance Status is given on pages 229 -234 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 to pages 212-213
	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 to pagea 212-213
	3 Age of Directors	Age of person who serves as Director shall not exceed 75 years. Complied Refer to page 212-213
	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 Refer to page 236-240
	5 Other Company Directorships	Total Number of directorships in other companies should not exceed 20. Complied Refer to page 249-250
	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 to this table and the Company website www. ceylincolife.com
	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

CORPORATE GOVERNANCE

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 the Section 9 of the Listing Rules of the CSE is given below.

Section	Requirement	Level of Compliance/Implementation Status (Complied/Not complied)	Page No./s
9.2	Policies		
9.2.1	Companies to establish and maintain the policies as per the Rules.	Complied. The following policies were established by the Company; <ul style="list-style-type: none"> • Policy on Matters relating to the Board of Directors • Policy on Board Committees • 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 • Policy on Risk Management and Internal Control • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance sustainability • Policy on Corporate Disclosures • Policy on Whistleblowing • Policy on Anti-Bribery and Corruption • Investment Policy Statement – Shareholders' Fund • Investment Policy Statement - Policyholders' Fund • The Policy on Control and Management of Non-Financial Assets Availability of the policies is published on the Company web-site.	222
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	Complied.	
9.2.4	Availability of the policies to the shareholders upon written request.	Complied.	

Section	Requirement	Level of Compliance/Implementation Status (Complied/Not complied)	Page No./s
9.3	Board Committees		
9.3.1	Establishment and maintenance of the Board Subcommittees	Complied. The Company has established the following Board Subcommittees; <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 	245
9.3.2	Compliance with the composition, responsibilities and disclosures in respect of the above committees	Complied	215
9.3.3	The Chairperson of the Company shall not be the Chairperson of the above Committees	Complied	215
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Complied	224
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	
9.4.2	Communication and relations with shareholders and investors	Complied. Policy on Relations with Shareholders and Investors is published on the Company web-site.	222
9.5	Policy on Matters relating to the Board of Directors	Complied. A Policy on Matters relating to the Board of Directors is in place.	222
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. Chairperson is an Executive Director. Hence, the Board has appointed a Senior Independent Director (SID).	215

CORPORATE GOVERNANCE

Section	Requirement	Level of Compliance/Implementation Status (Complied/Not complied)	Page No./s
9.6.2	Informing the Regulator with regard to the appointment of SID with the rationale for appointment of an Executive Director as the Chairperson.	Complied.	
9.6.3	Appointment of an Independent Director as the SID	Complied.	209
	Independent Directors' Meetings with SID	Two meetings were held during the year. Outcome of the meetings were communicated to the Chairperson and other Board members.	
	Chairperson's performance	Chairperson's performance was appraised at a Non-Executive Directors' Meeting with SID.	
	Casting Vote	The SID is entitled to a casting vote at the above meetings.	
	Report of SID	A Report is published in the Annual report.	
9.6.4	Rational for appointment of SID	Complied.	215
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.	246
		All Directors have submitted Declarations and same were tabled at the Meeting of the Board Nominations and Governance Committee and assessed.	
9.7.5	Disclosure in the Annual Report	Complied.	
		Refer to Directors' Report and the Corporate Governance Report.	
9.8	Board Composition		
9.8.1	The Board to consist of minimum 5 Directors	Complied.	244-245
		The Board consisted of 15 Directors as at 31st December 2024	
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.	244-245
		The Board consisted of 9 Independent Directors as at 31st December 2024.	
9.8.3-5	Criteria for Determining Independence and submitting of Declarations	Complied.	245-246
		Each Independent Director as at the date of this report 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 to Directors' Report and the Corporate Governance Report.	
9.9	Alternate Directors	Alternate Directors are not appointed by the Company.	
9.10	Disclosures relating to Directors		
9.10.4	Disclosures in the Annual Report	Complied.	53-57

Section	Requirement	Level of Compliance/Implementation Status (Complied/Not complied)	Page No./s
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.	252-253
9.11.4	Composition of the Committee	Complied. The Committee consists of 3 Independent Non-Executive Directors and the Chairperson is an Independent Director.	
9.11.5	Functions	Complied as mentioned in the Report of the Board Nominations and Governance Committee.	
9.11.6	Disclosure in the Annual Report	Complied Refer to the Report of the Board Nominations and Governance Committee.	
9.12	Remuneration Committee		
9.12.1-4	Remuneration Committee and Remuneration Policy	Complied.	251
9.12.5	Terms of Reference of the Committee	Complied.	
9.12.6	Composition of the Committee	Complied. The Committee consists of 3 Independent Non-Executive Directors and the Chairperson is an Independent Director.	
9.12.7	Functions	Complied as mentioned in the Report of the Board Remuneration Committee.	
9.12.8	Disclosure in the Annual Report	Complied. Refer to the Report of the Board Remuneration Committee.	
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.	254-255
9.13.2	Availability of a Terms of Reference of the Audit Committee	Complied.	
9.13.3	Composition	Complied. 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 recognized professional accounting body. The Committee meets on a quarterly basis to recommend the financial statements.	

CORPORATE GOVERNANCE

Section	Requirement	Level of Compliance/Implementation Status (Complied/Not complied)	Page No./s
9.13.4	Functions	Complied. Refer to the Report of the Board Audit Committee in this Report. 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 to the Report of the Board Audit Committee in this Report.	
9.14	Related Party Transactions Review Committee		
9.14.1	of a Related Party Transactions Review Committee	Complied.	256
9.14.2	Composition	Complied. The Committee consists of 3 Non-Executive Directors of whom 2 Directors are Independent Non-Executive Directors. The Chairperson of the Committee is an Independent Non-Executive Director.	
9.14.3	Functions	Complied as mentioned in the Report of the Related Party Transactions Review Committee. 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	Complied. There were no transactions which required shareholder approval during the period under review.	
9.14.8	Disclosures in the Annual Report	Complied.	

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 2024.

This report covers the statutory requirements and directions of the Companies Act No. 07 of 2007, the Regulation of 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 voluntary adherence to the recommended best practices on Corporate Governance as per the Code of Best Practice on Corporate Governance issued by CA Sri Lanka and the Rules of the Colombo Stock Exchange [CSE] on Corporate Governance. This report was approved by the Board of

Directors on 20th February 2025. 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.	241-242
Section 168 (1) (b)	Signed Financial Statements of the Company for the accounting period completed in accordance with Section 152.	275-398
Section 168 (1) (c)	Independent Auditors' Report on the Financial Statements of the Company.	273-274
Section 168 (1) (d)	Accounting Policies of the Company and any changes therein.	282-398
Section 168 (1) (e)	Particulars of the entries made in the Interests Registers of the Company during the accounting period.	246
Section 168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	395
Section 168 (1) (g)	The total amount of donations made by the Company and its subsidiaries during the accounting period.	240
Section 168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during the accounting period.	244-245
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.	370
Section 168 (1) (j)	Auditors' relationship or any interest with the Company.	244
Section 168 (1) (k)	Acknowledgement of the contents of this report/Signatures on behalf of the Board of Directors.	248

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, Mission and Values

The Company is strategically aligned to its Vision and Purpose which are set out on pages 14-15 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 from the IRCSL on 01st June 2015.

The Directors declared that the Company did not engage in any activity, which

ANNUAL REPORT OF THE BOARD OF DIRECTORS

contravenes with laws and regulations of the country during the said period.

The ultimate Holding Company is Ceylinco Holdings PLC. Subsidiaries of the Company as of 31st December 2024 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 specialized 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 Message from the Chairman given on pages 40 to 43, the Managing Director/CEO's Review on pages 44 to 48 and the 'Strategy and resource allocation' and resource allocation' on pages 107 to 120 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 286 to 292.

2.5 Future Developments

Likely future developments of the business are discussed in the Chief Executive Officer's Review on pages 44 to 48. The Company has taken into consideration 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 achieve 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 282 to 398, 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, and Rules and Regulations of the Insurance Regulatory Commission of Sri Lanka. The said Accounting Policies adopted in the Financial Statements, are given on pages 282 to 398 as required by the Section 168 (1) (d) of the Companies Act No. 07 of 2007.

The Statement of Directors' Responsibility appearing on page 262 forms an integral part of this Report.

The Financial Statements of the Company, for the year ended 31st December 2024, 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 275 to 398. 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 explained on pages 282 to 398. 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. 17.70 per share for the year ended 31st December 2024 will be submitted for approval by the shareholders at the forthcoming Annual General Meeting to be held on 27th March 2025.

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.

The relevant disclosure is given under Note 45 to the Financial Statements on pages 397-398.

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 2024 was Rs. 37.14 Bn (Rs. 33.41 Bn in 2023). 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 362.

4.2 Profits and Appropriations

The Profit before Tax of the Company amounted to Rs. 10.05 Bn in 2024 (Rs. 8.44 Bn in 2023) marking an increase of 19.10%. Further, the Net Profit after Tax of the Company amounted to Rs. 7.07 Bn in 2024 (Rs. 5.8 Bn in 2023), indicating an increase of 21.88%.

On this basis, the dividend payout ratio amounts to 12.52% in 2024, compared to 12.93 % in the year 2023.

4.3 Dividends on Ordinary Shares

For the year ended 31 December,	2024	2023
	Rs.000'	Rs.000'
Profit Before Taxation (PBT)	10,052,081	8,439,753
Income Tax Expenses	2,980,594	2,637,920
Profit for the Year	7,071,487	5,801,833
Dividends Paid	885,001	750,001

The Board of Directors proposed a first and final dividend of Rs. 17.70 per share

(Rs. 15/- in 2023) amounting to a total sum of Rs. 885 Mn for the year ended 31st December 2024 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 27th March 2025 and subject to the directions issued by the Insurance Regulatory Commission of Sri Lanka. Further, Rs. 6.3 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. The Board authorised the distribution, in terms of Section 56 of the Companies Act No. 07 of 2007. The Solvency Certificate from the Company's Auditors to that effect was obtained.

4.4 Reserves

A summary of the Company's reserves is given below;

Total reserves of the Company stood at Rs. 60.75 Bn as at 31st December 2024. 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 279 and the Note 21 to the Financial Statements on pages 350 to 353.

4.5 Taxation

Tax expense has been computed at the rates given in Note 35 to the Financial Statements, appearing on pages 370 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. 13.72 Bn. Total capital expenditure during the year for the acquisition of property, plant and equipment by the Company, amounted to Rs. 614.4 Mn. More information on Property, Plant

and Equipment is given in Notes 7 to the Financial Statements.

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.

The details of capital expenditure approved and contracted for are given in Note 7(c) to the financial Statements.

4.7 Market Value of Land and Buildings

The Company carried out a re-valuation of all its freehold land and buildings as at 31st December 2024. 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.

The next revaluation exercise on the freehold land and buildings of the Company will be carried out as at 31st December 2025.

4.8 Investments

Total investments of the Company and other equity investments amounted to Rs. 222.5 Bn as of 31st December 2024.

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 'building resilient communities' on pages 197 to 200.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

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 31st December 2024, 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 did not purchase its own shares during the year under review.

5.2 Substantial Shareholding

The Company is a fully owned subsidiary of Ceylinco Holdings PLC (formerly known as 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 372 to 373.

5.3 Information on Ratios and Net Asset Value of Shares

Ratios relating to dividends, net assets, net assets value price per share are presented below.

For the year ended 31 December,	2024	2023	%
Dividend per share (Rs.)	17.70	15	18
Dividend Payout (Rs. Mn)	885	750	18
Net assets value per share (Rs.)	1,214.91	1,087.47	11.72

5.4 Issue of Shares or Debentures

During the year the Company did not raise 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 10th Annual General Meeting, carried out an audit on the Financial Statements of the Company for the year ended 31st December 2024. The Auditors' Report issued thereon, is given on pages 273 to 274 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 authorize the Directors to determine their remuneration.

6.2 Auditors' Remuneration

The fees paid to the Auditors are disclosed in Note 33 (b) to the Financial Statements.

6.3 Auditors' Independence

A confirmation of Independence has been provided by Messrs. Ernst & Young as required by Section 163 (3) of the Companies Act No. 07 of 2007, in connection with the audit for the year ended 31st December 2024, 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 2024 consisted of 15 Directors with a wide knowledge and experience on economic, financial, banking, IT, commerce, HR, marketing, engineering and healthcare backgrounds as detailed in the Board of Directors' profiles on pages 53 to 57.

Names of the Directors of the Company during and as end of 31 December 2024, 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
Dr Harsha Cabral PC	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

Name of the Director	Status
Mr H M Hennayake Bandara (Resigned w.e.f. 31.12.2024)	Independent Non-Executive Director
Mr E R C Moraes	Independent Non-Executive Director
Mr M Ismail	Independent Non-Executive Director
Ms R J Moraes	Independent Non-Executive Director
Prof S K Chandrasekera	Non-Independent Non-Executive Director
Ms A A Ludowyke	Independent Non-Executive Director

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

Mr. H M Hennayake Bandara resigned from the Board with effect from 31st December 2024.

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 who will be over 70 years of age will retire and be eligible to be re-elected as a Director at the forthcoming Annual General Meeting of the Company. 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 issued 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 6th February 2025 and recommended to the Board of Directors to notify to the Shareholder. The Board recommended at their meeting held on 20th February 2025, the re-election of the following Directors after considering the recommendations of the Board Nominations and Governance Committee.

- Mr. E R C Moraes
- Mr. M Ismail
- Ms. R J Moraes

Further details are given under the 'Notice of the AGM' on page 425.

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 225 and in the respective Committee reports on pages 251 to 261.

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 2023 issued by CA 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 and a Board Environmental, Social and Governance Committee on 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 31st December 2024 is tabulated in the respective Committee reports on pages 251 to 261.

7.6 Declarations by Non-Executive Directors

All Non-Executive Directors of the Board as at the date of this Report have

ANNUAL REPORT OF THE BOARD OF DIRECTORS

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 2023 issued by CA Sri Lanka and the Board determined that eight Non-Executive Directors are independent by nature 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 as at the date of this Report 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 31st December 2024 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, Executive Directors' performance, Non-Executive Directors' 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 2023 and the CSE Rules on Corporate Governance.

The Directors completed separate questionnaires for each evaluation

processes and the outcome was summarized and tabled at the Board Nominations and Governance Committee meeting held on 6th February 2025 for discussion/review purposes. The recommendations of the Board Nominations and Governance Committee meeting were further discussed at the Board Meeting held on 20th February 2025 and those evaluations are maintained with the records of the Company Secretary.

The Senior Independent Director at a meeting of the Non-Executive Directors held on 20th February 2025 appraised the performance of the Chairperson 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 2023 and the CSE Rules on Corporate Governance. Separate Individual questionnaires were completed by the Directors in respect the above and the outcome was summarized by the Company Secretary and submitted to the meetings.

7.10 Remunerations and Other Benefits of Directors

Directors' remuneration in respect of the Company for the financial year ended 31st December 2024 is given in Note 44 (iv) 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 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 392 of this Annual Report and the report of the Related Party Transactions Review Committee given on page 256.

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

During the year the Company 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 392.

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) 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. 100.83 Bn as at 31st December 2024.

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 Transactions 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. SLFRS 9 implementation process is in place and Ernst & Young acts as the consultant. The latest developments are given in detail under 'Financial Performance' on pages 127-151.

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 76 under the topic of 'Enterprise Risk Management'.

13. SUSTAINABILITY

The Company has embedded sustainability into its strategic planning process and focuses on business expansion and growth in a sustainable and responsible manner. More details are provided on pages 107 to 120.

14. HUMAN RESOURCES POLICY

The Company is committed to maintaining 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 2024 was 729 (2023 – 740). 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 "Nurturing Empowered, Progressive People" on pages 183 to 196.

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. WHISTLE-BLOWER POLICY

The Company has a whistle-blower 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 is 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. Since 2017 the Company has 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 153 to 166.

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS

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 on Corporate Governance are given on pages 205 to 240.

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 recognizes digitalization 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 organization. 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 "safeguarding Policyholders and their Needs" on pages 171-177.

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 'Building Resilient Communities' section on pages 197 to 200.

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 eleventh 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 27th March 2025 at 2.00 p.m. The Notice of the AGM appears on page 425 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

20th February 2025
Colombo, Sri Lanka

ANNEXURE TO THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

Directorships/Positions in other entities as at 31st December 2024

Director	Company in which Other Directorships/ Positions held	Status/Position
Mr R Renganathan – Executive Chairman	Ceylinco Holdings 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 Holdings PLC *	Executive Director
	Ceylinco Healthcare Services Ltd	Executive Director
	Serene Resorts Ltd	Executive Director
	Kings Hospital Colombo (Pvt) Ltd	Non-Executive Director
Mr P D M Cooray – Senior Executive Director/Head of Human Resources and Training	Ceylinco Holdings PLC*	Executive Director
	Serene Resorts Ltd	Non-Executive Director
Mr P A Jayawardena – Senior Executive Director/Chief Financial Officer	Ceylinco Holdings 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 Holdings 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 (Non-Executive)
	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)
	Air Lanka (Pvt) Ltd	Chairman (Independent)
	Sri Lankan Airlines Ltd	Director (Independent)
	Sri Lanka Catering Ltd	Director (Independent)
	Hayleys PLC *	Director (Non-Executive)
	DIMO PLC *	Director (Non-Executive)
	Alumex PLC *	Director (Non-Executive)
	Chevron Lubricants Lanka PLC *	Director (Independent)
	Sri Lanka Institute of Information Technology (Guarantee) Ltd.	Director (Independent)
	SLIIT International (Pvt) Ltd	Director (Independent)
	Nanadiriya (Guarantee) Ltd	Chairman (Independent)

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Director	Company in which Other Directorships/ Positions held	Status/Position
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 (resigned w.e.f. 31.12.2024)	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	MICD Associates (Pvt) Ltd	Executive Director
	Hellibeas Racing (Pvt) Ltd	Executive Director
	Proride (Pvt) Ltd	Independent Non-Executive Director
	M A M Holdings (Pvt) Ltd	Executive Director
	Urban Development Authority	Director
Ms R J Moraes - Independent Non-Executive Director	Nil	Nil
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
	Tokyo Cement Company (Lanka) PLC*	Independent Non-Executive Director

* Listed entities

REPORT OF THE BOARD REMUNERATION COMMITTEE



COMPOSITION AND MEETINGS

The Committee comprised of the following members during the year and as at 31 December 2024.

Name	Category	Meeting Attendance
Mr E R C Moraes (Chairman)	Independent Non-Executive Director	2/2
Mr M Ismail	Independent Non-Executive Director	2/2
Ms R J Moraes	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. A Board approved Remuneration Policy is in place for the above purposes.

TERMS OF REFERENCE

The Committee's terms of reference outline 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 Resources 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 2024

- Recommended the annual salary increments of the employees.
- Discussed the survey results of 'Great Place to Work' and the proposed actions.
- Reviewed the Remuneration Policy of the Company in line with the latest developments in the market.
- Established a Policy on Remuneration for Non-Executive Directors.
- Reviewed the Terms of Reference [TOR] of the Committee.

- Discussed the Self-Evaluation of the Remuneration Committee in terms of the TOR and the performance of the Committee independently by all members and the outcome was submitted to the Board for review purposes.

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) to the financial statements.

All Independent Non-Executive Directors receive a fee for serving on the Board and Board Subcommittees. They do not receive any performance related incentive.

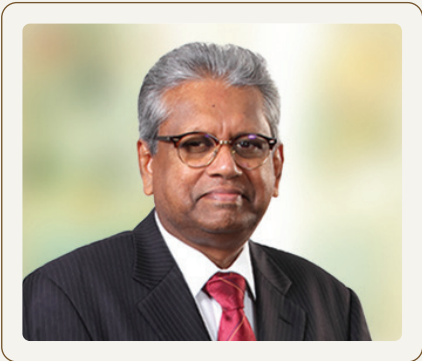
The Company does not have an Employee Share Ownership Plan for Directors and Key Management Personnel.

CONCLUSION

In 2025, 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
20th February 2025

REPORT OF THE BOARD NOMINATIONS AND GOVERNANCE COMMITTEE



COMPOSITION AND MEETINGS

The Committee comprised of the following members during the year and as at 31 December 2024.

Name	Category	Meeting Attendance
Dr Harsha Cabral PC (Chairman)	Independent Non-Executive Director/ Senior Independent Director	2/2
Mr J Durairatnam	Independent Non-Executive Director	2/2
Ms A A Ludowyke	Independent Non-Executive Director	2/2

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 of the Colomb Stock Exchange on Corporate Governance 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 appointment 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 DURING THE YEAR 2024 AND AS AT THE DATE OF THE REPORT

- Monitoring corporate governance and/or regulatory developments, that may impact the Committee/ Company and recommending actions or changes it considered necessary for Board approval.

- Reviewed the structure, size and composition of the Board and the Board Committees
- Recommendation of appointment of Director, Dr (Mrs) R A Perera to the Board and the notification of resignation of Independent Director, Mr. H M Hennayake Bandara.
- 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 is over 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.
 - b. Recommended the rotation of Mr. E R C Moraes, Mr. M Ismail and Ms R J Moraes in terms of Article 18(B) of the Company's Articles of Association.
- 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 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 205 to 240.

DISCLOSURES :

The Company has a documented policy in place for the nomination of 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 pages 53 to 57 of the Annual Report. Details of the training programs/ brainstorming sessions conducted for Directors, are published in the Corporate Governance Report of this Report.

All Non-Executive Directors as at the reporting date 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 2023 issued by CA Sri Lanka and the Board determined that eight Non-Executive Directors were independent by nature 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 2023, both the Executive Directors (including Managing Director/CEO) and Non-Executive Directors as at the reporting date 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 the above criteria.

Board Performance Evaluation, performance evaluation of Executive and Non-Executive Directors and the evaluation of the Board Subcommittees were carried out and the improvements required were discussed at the meeting of the Board of Directors held on 20th February 2025.

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 Committee completed its self-assessment during the year, conducted by the Chairman and Committee members and concluded that the Committee continues to operate effectively.



Dr. Harsha Cabral PC
Chairman – Board Nominations and Governance Committee
20th February 2025

REPORT OF THE BOARD AUDIT COMMITTEE



COMPOSITION AND MEETINGS

The Committee comprised of the following members during the year 2024 and as at the date of this report.

Name	Category	Meeting Attendance
Ms A A Ludowyke (Chairperson)	Independent Non-Executive Director	4/4
Mr. J. Durairatnam	Independent Non-Executive Director	4/4
Mr. H M Hennayake Bandara (Resigned w.e.f. 31.12.2024)	Independent Non-Executive Director	4/4
Ms. R J Moraes (Appointed w.e.f. 10.02.2025)	Independent Non-Executive Director	N/A

The Chairperson of the Committee, Ms Averil Ludowyke who counts over 39 years' experience in auditing, accounting and finance is a Fellow of the Institute of Chartered Accountants of Sri Lanka and a Fellow of the Chartered Institute of Management Accountants, UK.

The Company Secretary acts as the Secretary to the Committee. The Senior Executive Director/CFO, DGM - 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 issued by CA Sri Lanka. 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.
- Review the Company's processes for monitoring compliance with 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.
- 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 or removal of external auditors, their remuneration and terms of engagement.

- 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 SLFRSSs) and the adequacy of disclosures required by other applicable laws, rules and guidelines.
- Reviewed significant potential accounting policy changes, 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.
- Obtained and reviewed assurance by the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Entity's operations and finances; and by the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Entity's risk management and internal control systems.
- 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, Audit on Underwriting, among others.

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 and their evaluation of the internal control system.
- Reviewed the internal audit reports, nature of significant findings and their recommendations, management response and the status of the implementation of rectification measures on a regular basis.
- Reviewed the controls and procedures in place to provide reasonable assurance that the company's assets and information are safeguarded and policies, controls and procedures are in place to prevent the unauthorized leakage of information.

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 Annual General Meeting scheduled to be held on 27th March 2025.

WHISTLEBLOWING POLICY

In accordance with the Whistleblowing Policy, all incidents which are reported are forwarded to an independent Committee which assesses and investigates matters reported through the whistle-blowing channel and 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 whistleblower..

DISCLOSURES

The Audit Committee has received assurance from the Chief Executive Officer and the Chief Financial Officer that the financial records have been properly maintained and the financial

statements give a true and fair view of the Entity's operations and finances and the Chief Executive Officer's and Chief Financial Officer's Statement is published in page 263 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 on Corporate Governance (as mandated by the Insurance Regulatory Commission of Sri Lanka), 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.

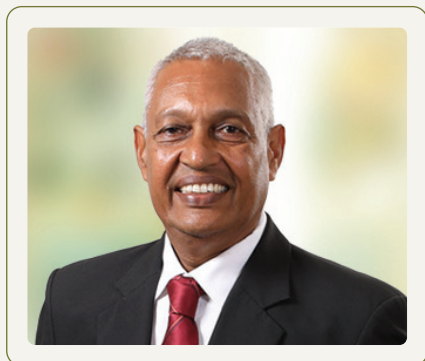
COMMITTEE EVALUATION

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.



Ms A A Ludowyke
Chairperson – Board Audit Committee
20th February 2025

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE



COMPOSITION AND MEETINGS

The Committee comprised of the following Directors during the year and as at 31 December 2024.

Name	Category	Meeting Attendance
Mr. W W L R A Fernando (Chairman)	Independent Non-Executive Director	4/4
Ms. A A Ludowyke	Independent Non-Executive Director	4/4
Prof. S K Chandrasekera	Non-Independent Non-Executive Director	3/4

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 (RPTs) in determining whether the proposed transactions are in compliance with various applicable laws and standards, the governance code and the CSE 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.

ACTIVITIES IN 2024

- 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. Quarterly declarations were obtained from the main related parties including the directors.

- 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 Committee carried out its self-assessment in terms of the Terms of Reference.
- 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
20th February 2025

REPORT OF THE BOARD INVESTMENT COMMITTEE



From an Investments perspective, we concluded yet another challenging year where our key focus was on managing our policyholders' funds with utmost care, particularly in a period of uncertainty - both locally and globally. Similar to the past, by prioritizing clarity and caution in our investment decisions, we reinforced the trust placed in us and ensured that our actions aligned with the core values and long-term vision of the organization.

COMPOSITION AND MEETINGS

The Committee comprised of the following members during the year, including as of 31st December 2024.

Name	Status of Directorship	Meeting Attendance
Mr. R Renganathan	Executive Chairman	3/4
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 (Resigned w.e.f. 31.12.2024)	Independent Non-Executive Director	4/4

The Company Secretary acts as the Secretary to the Board Investment

Committee. The Chief Risk Officer, Head of Investments – Front Office and the Senior Dealer attended meetings by invitation. Mr R S W Senanayake, an industry veteran acts as a Consultant to the Committee.

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 objectives of the Committee is to oversee the investment decision making process, investment management function and investment risk management, while providing direction and guidance to the Strategic Asset Allocation of investments.

Key Responsibilities

- Review and recommend significant and critical investment strategies and proposals to the Board.
- Exercise due care to ensure that the interests and rights of policyholders are not compromised.
- 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 macroeconomic 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 in a timely manner to ensure that it remains applicable and in-line with the changes in business, regulatory and economic environment.

KEY ACTIVITIES OF 2024

Prudent Investments

- Reviewed and recommended the significant and critical investment proposals and strategies to the Board.
- Ensured that investments were made prudently, aligned with diverse investment objectives and risk profiles, while effectively positioning and managing funds to meet the expectations of key stakeholders, including policyholders, shareholders and regulators.
- In response to the evolving financial and economic landscape, all investment-related policies were reviewed, to capitalize on unique investment opportunities. As interest rates declined significantly throughout the year amidst economic recovery, necessary revisions were proposed to the Board for approval to optimize portfolio performance.
- In response to a more favourable economic outlook, we strategically introduced an allocation to non-fixed income securities, under

REPORT OF THE BOARD INVESTMENT COMMITTEE

Carefully defined limits and a rigorous monitoring framework. This approach allowed us to tactically capitalize on market movements while ensuring risk was effectively managed in line with our investment objectives.

- Invested in upgrading SAP S/4HANA ERP solution, enhancing our investment management capabilities, improving information processing and risk management, amongst many other benefits.
- Investment-Related Internal Controls
- 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 investments 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 investment-related policy documents in a timely manner 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 related 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 authorized 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 and external 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.

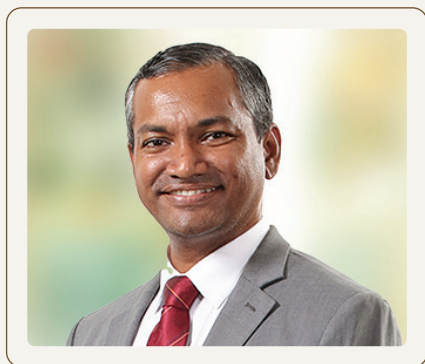


R Renganathan

Chairman - Board Investment Committee

20th February 2025

REPORT OF THE BOARD RISK MANAGEMENT COMMITTEE



COMPOSITION AND MEETINGS

The Committee comprised of the following Directors during the year and as at 31 December 2024.

Name	Category	Meeting Attendance
Mr. O G V J Senanayake (Chairman)	Independent Non-Executive Director	4/4
Mr. H M Hennayake Bandara (resigned w.e.f. 31.12.2024)	Independent Non-Executive Director	4/4
Ms. R J Moraes	Independent Non-Executive Director	4/4

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 acts as a consultant to the Committee since 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 including ESG 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 Sub-Committee as clearly as possible to ensure that all risks are addressed.
- Review and oversee the risk profile of the Company including ESG risks 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 2024

- 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 Personal Data Protection Act No. 9 of 2022, and their impact to the Company.
- Reviewed the proceedings of Enterprise Risk Management [ERM] Executive Committee meetings.
- Regularly reviewed the IT disaster recovery operations, servers and equipment required and the DR tests conducted.
- Followed up on the escrow agreements entered into with various vendors of key IT systems used by the Company.
- Established a Policy on Risk Management and Internal Control and reviewed the Risk Management Framework, Risk Appetite Statement and Terms of Reference of the Committee.
- 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 and Risks

REPORT OF THE BOARD RISK MANAGEMENT COMMITTEE

associated with 'Bring Your Own Device'.

- Discussed Risk classification, risk heatmap and the identified high risks as well as reclassification of 'Reinvestment Risk' from high to extreme.
- Discussed the Personal Data Protection Project, appointment of Data Protection Officer and the way forward with the regulations.
- Discussed the gap analysis based on the Terms of Reference of the Committee and the matters discussed at the meetings to identify the effectiveness of the Committee.
- Reviewed the action plans of the management to ensure preparedness against fire.
- Discussed verification of authenticity of e-documents in underwriting and claim process.
- Conducted a self-assessment of the Committee

PROFESSIONAL ADVICE

The Committee is authorized 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 year.



O. G. V. J. Senanayake
Chairman – Board Risk Management Committee

20th February 2025

REPORT OF THE BOARD ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE



COMPOSITION AND MEETINGS

The Committee comprised of the following Directors as at 31st December 2024.

Name	Category	Meeting Attendance
Mr. R. Renganathan (Chairman)	Executive Chairman	1/1
Mr. E. T. L. Ranasinghe	Managing Director/Chief Executive Officer	1/1
Mr. P. D. M. Cooray	Senior Executive Director/Head of HR and Training	1/1
Mr. P. A. Jayawardena	Senior Executive Director/Chief Financial Officer	1/1
Mr. S. R. Abeynayake	Executive Director/Chief Operating Officer	1/1

The Board Environmental, Social and Governance Committee [Board ESG Committee] was established on 30th October 2024. The Company Secretary acts as the secretary to the Committee. The Deputy Chief Operating Officer, Subcommittee members representing ESG, Heads of Departments or any other person as the Committee thinks fit may be invited to the meetings of the Committee.

PURPOSE OF THE COMMITTEE

The purpose of the Committee is to assist the Board with the Company's ongoing commitment to environmental stewardship, health and safety, corporate social responsibility, corporate governance and sustainability as relevant to the Company.

TERMS OF REFERENCE

The Terms of Reference of the Board ESG 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 Board Risk Management Committee and the Executive Risk Committees supervising broad risk categories. The matters discussed in the Committee are informed to the Board of Directors on a regular basis.

KEY RESPONSIBILITIES

- To consider sustainability/ESG risk and opportunities in the Company's business model, operations, short- and medium-term planning and in its long-term strategy to ensure that the Company remains resilient and able to deliver durable and sustainable value over the short, medium and long term in order to maintain the confidence and continued engagement of shareholders and all significant stakeholders.
- To continuously engage with and consider the views of its stakeholders to better understand and manage the Company's sustainability/ESG risk and opportunities, as stakeholder expectations are heightening across various sustainability/ESG issues relating to the protection of environment and other ESG issues.
- To establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors and such factors to be addressed through a process of environmental governance and social governance.
- To establish a governance structure to support sustainability/ESG factors including its ability to create value and manage risks in the short, medium and long term, recognizing, managing and measuring on all pertinent aspects of sustainability using financial and non-financial measures.
- To provide sufficient information in the company's annual report to enable investors and other stakeholders to assess how

ESG risks and opportunities are recognized, managed, measured and reported.

ACTIVITIES PERFORMED AFTER THE ESTABLISHMENT OF THE COMMITTEE ON 30TH OCTOBER 2024

- Reviewed the Policy on Environmental, Social and Governance Sustainability.
- Formed an Executive Committee to identify the ESG risks and opportunities and to report to the Board ESG Committee
- Reviewed the health camps conducted during the year 2024
- Reviewed the Green Initiatives planned for the year 2025
- Discussed the progress of carbon footprint calculation for the year 2024
- Voluntarily adopted SLFRS S1 and S2, ensuring enhanced accountability and readiness for evolving regulatory standards.

PROFESSIONAL ADVICE

The Committee is authorized to obtain professional advice internally and/or externally as and when it deems necessary, at the Company's expense.

CONCLUSION

The Committee will continue to address the ESG Risks and Opportunities in the Company's business model, operations, short- and medium-term planning and in its long-term strategy to ensure that the Company remains resilient and able to deliver durable and sustainable value over the short, medium and long term in order to maintain the confidence and continued engagement of shareholders and all significant stakeholders.

R Renganathan
Chairman – Board Environmental, Social and Governance Committee
20th February 2025

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, 2024, 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 2024 ; 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 Holdings 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 2024 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 273 to 274.

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

20th February 2025
Colombo

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S STATEMENT

The Financial Statements of Ceylinco Life Insurance Limited as at 31 December 2024 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;
- SEC and CSE regulations pertaining to Corporate Governance and the functions of the Audit Committee.

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 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 31st December 2024 were audited by Messrs. Ernst & Young and their Report is given on pages 273 to 274.

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.

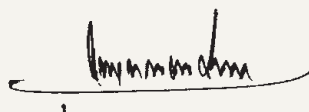
We confirm that to the best of our knowledge:

- 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

20th February 2025
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 2023 (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 misstatement 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 "Enterprise Risk Management" section from pages 76 to 89 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 Report of the Board Audit Committee on pages 254 to 255.

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



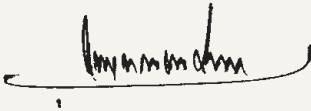
(Ms) A A Ludowyke

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

20th February 2025
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 FY 2024



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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 2024 (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 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 6 March 2025. 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

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Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva BSc (Hons) - MIS Msc - IT, V Shakhthivel B.Com (Sp)

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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 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 organization 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 organization'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

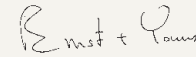
Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

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 2024, in order for it to be in accordance with the Criteria.



18 March 2025
Colombo

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF CEYLINCO LIFE INSURANCE LIMITED ON THE INTEGRATED ANNUAL REPORT 2024



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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 Information on how it's 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 2024 (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, organizational 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 on 6 March 2025. 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

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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 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 organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring 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 2024, in order for it to be in accordance with the Criteria.

R. M. S. + P. S.

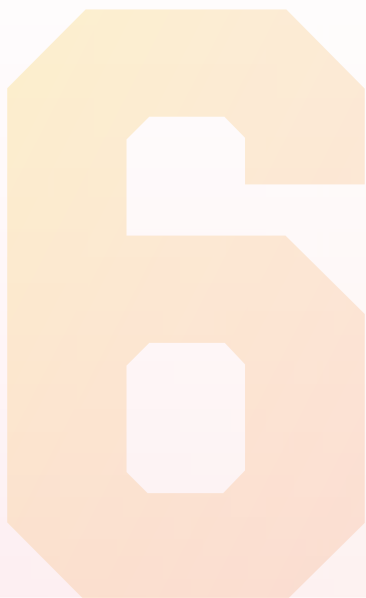
18 March 2025
Colombo




**BEYOND
INSURANCE**

RESPONSIBLE GROWTH

Our commitment goes beyond protecting assets to building enduring resilience. By aligning profitability with purpose, we ensure that our performance is not just resilient—it's transformative, securing a stable future for all.



FINANCIAL CALENDAR

Annual Report 		Annual General Meeting 	
2025	20 February	2025	27 March
2024	22 February	2024	28 March
Final Dividend payment (for previous year) 		Final Dividend proposed 	
2025	April	2025	20 February
2024	20 May	2024	22 February

ACTUARIAL REPORT



18 February 2025

To The Directors of Ceylinco Life Insurance Limited

Actuarial Valuation as at 31 December 2024

I have carried out an actuarial valuation of the Life Fund of Ceylinco Life Insurance Limited ("the Company") as at 31 December 2024. 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 2024 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 2024, 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 and Subcontinent

Willis Towers Watson India Private Limited

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CIN – U67190HR1996PTC051336

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 2024, and the income statement, 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 2024, 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.

Other information included in the Group's 2024 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on this regard.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the 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.

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INDEPENDENT AUDITORS' REPORT



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 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.

20 February 2025
Colombo

STATEMENT OF FINANCIAL POSITION

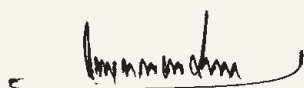
As at 31 December		Comments	Page	Note	GROUP		COMPANY	
					2024	2023	2024	2023
					Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets								
Intangible Assets	294	6			198,841	260,454	193,121	260,235
Property, Plant and Equipment	298	7			16,984,533	16,218,212	13,721,111	12,819,913
Right-of-use Assets	308	8(a)			224,606	181,424	222,671	179,490
Investment Properties	310	9			1,809,465	1,589,299	4,755,200	4,646,800
Investment in Subsidiaries	315	10			-	-	1,511,000	1,511,000
Investment in Associates	317	11(a)			8,385,699	7,310,729	2,641,672	2,641,672
Financial Instruments	24							
Held to Maturity Financial Assets	322	12(a)			120,106,107	111,819,800	119,151,154	111,170,229
Loans and Receivables	324	12(b)			94,405,809	70,646,195	93,648,345	69,589,711
Available-For-Sale Financial Assets	326	12(c)			895,550	4,216,304	798,888	4,210,309
Financial Assets at Fair Value Through Profit or Loss	328	12(d)			2,359	4,430,355	2,359	4,330,727
Employee Gratuity Benefit Asset	336	13			5,561,859	6,947,880	5,561,859	6,947,880
Employee Pension Benefit Asset	339	14(a)			3,623,648	1,159,395	3,623,648	1,159,395
Reinsurance Receivables	62	341	15		545,635	683,424	545,635	683,424
Income Tax Receivables	344	16(a)			6,868	6,620	-	-
Loans to Life policyholders	44	347	17		3,008,273	2,930,981	3,008,273	2,930,981
Premium Receivables	57	348	18		423,419	405,029	423,419	405,029
Other Assets	349	19			955,847	859,888	680,180	582,424
Cash and Cash Equivalents	350	20			954,750	678,161	948,618	677,077
Total Assets					258,093,268	230,344,150	251,437,154	224,746,296
Equity and Liabilities								
Equity Attributable to Equity Holders of Parent								
Stated Capital	351	21(a)			500,001	500,001	500,001	500,001
Retained Earnings	351	21(c)			53,798,797	46,526,537	48,741,674	42,420,188
AFS Reserve	352	21(d)			12,250	19,107	12,250	19,107
Revaluation Reserves	352	21(e)			1,209,396	1,127,873	723,700	666,188
Restricted Regulatory Reserve	352	21(g)			3,456,184	3,456,184	3,456,184	3,456,184
Special Reserve	352	21(f)			7,311,651	7,311,651	7,311,651	7,311,651
Total Ordinary Shareholders' Equity					66,288,279	58,941,353	60,745,459	54,373,319
Non-Controlling Interests					10,042	9,499	-	-
Total Equity					66,298,321	58,950,852	60,745,459	54,373,319

STATEMENT OF FINANCIAL POSITION

As at 31 December		Comments	Page	Note	GROUP		COMPANY	
					2024	2023	2024	2023
					Rs.'000	Rs.'000	Rs.'000	Rs.'000
Liabilities								
Insurance Contract Liabilities - Life	32	355	22(a)		180,898,094	157,540,297	180,895,714	157,537,917
Insurance Contract Liabilities - Unit Linked	33	355	22(a)		200,674	228,774	200,674	228,774
Insurance Contract Liabilities-Family Takaful	33	355	22(a)		19,441	17,496	19,441	17,496
Individual Investment Fund - ISF	33	355	22(a)		427,762	414,963	427,762	414,963
Employee Gratuity Benefit Liability		336	13(a)		14,701	11,259	-	-
Deferred Tax Liabilities		345	16(c)		1,461,408	1,229,749	691,449	542,211
Reinsurance Payables	61	359	24		913,880	1,148,390	913,880	1,148,390
Trade and Other Payables		361	25		6,286,056	5,654,236	5,970,252	5,334,351
Lease Liabilities		308	8 (b)		216,229	176,790	221,305	181,867
Interest Bearing Borrowings		359	23(a)		-	4,053,574	-	4,053,574
Bank Overdraft		350	20		1,356,705	917,769	1,351,226	913,434
Total Liabilities					191,794,949	171,393,297	190,691,702	170,372,977
Total Equity and Liabilities					258,093,268	230,344,150	251,437,154	224,746,296

The above Statement of Financial Position is to be read in conjunction with the notes to the Financial Statements on pages to 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

Director/Chief Financial Officer

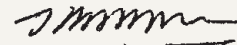
The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and Signed on behalf of the Board by;



R. Renganathan

Executive Chairman



E.T.L. Ranasinghe

Managing Director/Chief Executive Officer

20th February, 2025

INCOME STATEMENT

For the Year Ended 31 December,	Comments	Page	Note	GROUP			COMPANY		
				2024 Rs.'000	2023 Rs.'000	Change %	2024 Rs.'000	2023 Rs.'000	Change %
Net Income				65,462,371	61,267,125	6.85	64,998,690	60,762,627	6.97
Gross Written Premium	29	362	26(a)	37,139,573	33,410,928	11.16	37,140,416	33,411,394	11.16
Premiums Ceded to Reinsurers	62	363	26(c)	(549,963)	(639,875)	(14.05)	(549,963)	(639,875)	(14.05)
Net Written Premium	50			36,589,610	32,771,053	11.65	36,590,453	32,771,519	11.65
Revenue from Subsidiaries		363	26(f)	444,129	435,164	2.06		-	
				37,033,739	33,206,217	11.53	36,590,453	32,771,519	11.65
Fees and Commission Income	22	364	27	232,301	101,657	128.51	232,301	101,657	128.51
Investment Income	38	364	28	27,774,793	27,615,027	0.58	27,743,534	27,479,553	0.96
Realised Gains/(Losses)	59	366	29	191,948	106,631	80.01	191,948	106,631	80.01
Fair Value Gains/ (Losses)	21	366	30	193,198	186,652	3.51	207,342	252,009	(17.72)
Other Operating Revenue	53			36,392	50,941	(28.56)	33,112	51,258	(35.40)
Other Revenue				28,428,632	28,060,908	1.31	28,408,237	27,991,108	1.49
Gross Benefits and Claims Paid	27	367	31(a)	(25,298,611)	(23,425,601)	8.00	(25,298,611)	(23,425,601)	8.00
Claims Ceded to Reinsurers	10	367	31(b)	249,992	290,552	(13.96)	249,992	290,552	(13.96)
Gross Change in Contract Liabilities	28	367	31(c)	(23,051,748)	(23,015,741)	0.16	(23,051,748)	(23,015,741)	0.16
Net Benefits and Claims				(48,100,367)	(46,150,790)	4.22	(48,100,367)	(46,150,790)	4.22
Direct Costs of Subsidiaries				(216,318)	(283,164)	(23.61)	-	-	
Acquisition Cost	1	368	32	(2,478,258)	(2,267,578)	9.29	(2,478,258)	(2,267,578)	9.29
Other Operating and Administrative Expenses	52	368	33	(4,715,394)	(4,024,392)	17.17	(4,285,131)	(3,824,629)	12.04
Finance Cost	23	370	34	(83,264)	(80,179)	3.85	(82,853)	(79,877)	3.73
Total Other Expenses				(7,493,234)	(6,655,313)	12.59	(6,846,242)	(6,172,084)	10.92
Total Benefits, Claims and Other Expenses				(55,593,602)	(52,806,103)	5.28	(54,946,609)	(52,322,874)	5.01
Profit Before Share of Associates				9,868,769	8,461,022	16.64	10,052,081	8,439,753	19.10
Share of Profit of Associates		317	11(a)	1,205,144	567,524	112.35	-	-	
Profit Before Tax				11,073,913	9,028,546	22.65	10,052,081	8,439,753	19.10
Tax Expense	30	371	35(a)	(3,071,087)	(2,719,867)	12.91	(2,980,594)	(2,637,920)	12.99
Profit for the Year				8,002,826	6,308,679	26.85	7,071,487	5,801,833	21.88
Profit Attributable to:									
Equity Holders of the Parent				8,002,280	6,307,264	26.87	7,071,487	5,801,833	21.88
Non-Controlling Interests		372	36(b)	546	1,415	(61.41)	-	-	
				8,002,826	6,308,679	26.85	7,071,487	5,801,833	21.88
Basic Earnings Per Share		372	37(a)	160.05	126.15	26.87	141.43	116.04	21.88
Dividend Per Share		373	38	-	-	-	17.70	15.00	18.00

The above Income Statement is to be read in conjunction with the notes to the Financial Statements on pages 282 to 398 which form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December			GROUP		COMPANY	
			2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
	Page	Note				
Profit for the Year			8,002,826	6,308,678	7,071,487	5,801,833
Other Comprehensive Income						
Items that will not be reclassified subsequently to income statement						
Revaluation Surplus/ (Deficit) During the Year	374	39	606,906	927,204	572,604	835,944
Actuarial Gain/(Loss) on Defined Benefit Plans	374	39	(592,453)	(1,567,939)	(591,685)	(1,568,623)
Share of Other Comprehensive Income of Equity Accounted Investees	374	39	90,351	(14,643)	-	-
Items that may be reclassified subsequently to income statement						
Net Gain/(Loss) on Available-For-Sale Assets	374	39	77,637	34,696	77,637	34,696
Income Tax relating to Components of Other Comprehensive Income	374	39	(34,777)	(55,930)	(24,923)	(28,347)
Other Comprehensive Income for the Year, Net of Tax			147,664	(676,612)	33,633	(726,329)
Total Comprehensive Income for the Year, Net of Tax			8,150,490	5,632,067	7,105,120	5,075,503
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent			8,149,947	5,630,652	7,105,120	5,075,503
Non-Controlling Interests			543	1,415	-	-
			8,150,490	5,632,067	7,105,120	5,075,503

The above Statement of Comprehensive Income is to be read in conjunction with the notes to the Financial Statements on pages 282 to 398 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 2023			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	373	38	-	-	-	-	(912,501)	-	(912,501)	-	(912,501)
Transferred to Long Term Insurance Fund			-	-	-	(715,344)	1,568,623	(41,975)	811,304	-	811,304
Share of associates' 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
Net Profit for the Year			-	-	-	-	8,002,280	-	8,002,280	546	8,002,826
Other Comprehensive Income for the Year			-	-	-	571,967	(501,666)	77,362	147,663	(3)	147,660
Total Comprehensive Income for the Year			-	-	-	571,967	7,500,614	77,362	8,149,943	543	8,150,486
Final Dividend Paid - 2023	373	38	-	-	-	-	(750,001)	-	(750,001)	-	(750,001)
Transferred to Long Term Insurance Fund			-	-	-	(490,444)	591,685	(84,220)	17,021	-	17,021
Share of associates' change in equity			-	-	-	-	(70,039)	-	(70,039)	-	(70,039)
Balance As At 31st December 2024			500,001	7,311,651	3,456,184	1,209,396	53,798,797	12,250	66,288,280	10,042	66,298,322

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	Total Equity
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
COMPANY										
Balance As At 1st January 2023			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	373	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
Net Profit for the Year			-	-	-	-	7,071,487	-	7,071,487	7,071,487
Other Comprehensive Income for the Year			-	-	-	547,956	(591,685)	77,362	33,633	33,633
Total Comprehensive Income for the Year			-	-	-	547,956	6,479,802	77,362	7,105,120	7,105,120
Final Dividend Paid - 2023	373	38	-	-	-	-	(750,001)	-	(750,001)	(750,001)
Transferred to Long Term Insurance Fund			-	-	-	(490,444)	591,685	(84,220)	17,021	17,021
Balance As At 31st December 2024			500,001	7,311,651	3,456,184	723,700	48,741,674	12,249	60,745,459	60,745,458

STATEMENT OF CASH FLOWS

For the Year Ended 31 December			GROUP		COMPANY	
			2024	2023	2024	2023
	Page	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities						
Premium/ Revenue received from Customers			37,121,183	33,373,988	37,122,026	33,374,454
Reinsurance Premium Paid			(665,538)	(187,018)	(665,538)	(187,018)
Commission Paid			(2,464,402)	(2,205,687)	(2,464,402)	(2,205,687)
Claims and Benefits Paid			(25,068,101)	(23,430,793)	(25,068,101)	(23,430,793)
Reinsurance Receipts in respect of Claims & Benefits			387,781	106,944	387,781	106,944
Interest and Dividends Received			14,285,064	17,943,610	14,253,806	18,022,133
Other Operating Cash Payments			(5,265,906)	(3,980,216)	(5,347,791)	(4,205,337)
Other Income			545,464	609,778	545,464	609,778
Gratuity/ Pension payments	337, 339	13(b) & 14	(210,974)	(695,210)	(209,489)	(695,089)
Income Taxes Paid			(1,821,160)	(2,034,727)	(1,798,915)	(2,015,873)
Interest Paid			(368,658)	(690,231)	(367,059)	(692,671)
Lease Rental Paid			(153,076)	(158,455)	(153,076)	(158,455)
Net Cash Flows from Operating Activities		Note A	16,321,676	18,651,984	16,234,705	18,522,385
Cash Flows from Investing Activities						
Investments in Subsidiary			-	-	-	(300,000)
Acquisition of Investment Property			(17,783)	(223,261)	(17,783)	(223,261)
Acquisition of Financial Investments	330	12(h)	(437,189,177)	(469,344,755)	(436,850,040)	(468,757,414)
Proceeds from Financial Investments	330	12(h)	426,475,218	448,318,861	425,934,646	448,143,935
Acquisition of Property, Plant & Equipment	300	7(b)	(884,401)	(411,651)	(611,695)	(395,158)
Proceeds from Disposal of Property, Plant & Equipment			31,244	28,351	31,244	28,351
Acquisition of Intangible Assets	294	6	(89,398)	(76,311)	(83,753)	(76,076)
Net Cash Flows from Investing Activities			(11,674,298)	(21,708,766)	(11,597,380)	(21,579,624)
Cash Flows from Financing Activities						
Proceeds from short-term borrowing			-	4,053,575	-	4,053,575
Settlement of short term borrowings			(4,053,575)	-	(4,053,575)	-
Interest Paid			(6,150)	-	-	-
WHT deducted on dividends paid - 2024			(97,104)	(119,189)	(97,104)	(119,189)
Net dividends paid to Equity holders			(652,867)	(793,312)	(652,867)	(793,312)
Net Cash Flows from Financing Activities			(4,809,726)	3,141,074	(4,803,576)	3,141,074
Increase / (Decrease) in Cash & Cash Equivalents		Note B	(162,348)	84,292	(166,251)	83,836
Note A						
Reconciliation of Profit Before Tax with Net Cash Flows from Operating Activities						
Profit before tax			11,073,913	9,028,545	10,052,081	8,439,753
Adjustments for:						
Depreciation including Right-of Use Assets	298, 308	7&8	412,919	298,646	333,939	303,257
Interest Income			(189,865)	68,684	-	-

For the Year Ended 31 December	Page	Notes	GROUP		COMPANY	
			2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Provision for Gratuity & Pension			(1,665,761)	(2,220,886)	(1,460,431)	(2,224,479)
Amortisation of Intangible Assets	294	6	151,012	133,666	150,866	133,537
Change in Trade and Other Receivables			(14,627,229)	(10,352,720)	(14,021,746)	(9,157,980)
Change in Reinsurance Receivable			137,789	461,897	137,789	461,897
Increase in Life Insurance Funds	367	31	23,051,748	23,015,741	23,051,748	23,015,741
Increase in Unit-linked Fund			(28,100)	(26,137)	(28,100)	(26,137)
Increase in Takaful Fund			(202)	1,409	(202)	1,409
Increase in Individual Investment Fund (IFS)			(21,952)	22,624	(21,952)	22,624
Change in Trade and Other Payables			695,190	1,427,342	682,917	805,971
Change in Reinsurance Payable			(234,510)	(183,607)	(234,510)	(183,607)
Realised Gains	366	29	(191,948)	(106,630)	(191,948)	(106,630)
Fair value Gain recorded in Income Statement	366	30	(193,198)	(186,652)	(207,342)	(252,009)
Income Tax Paid			(1,821,160)	(2,034,727)	(1,798,915)	(2,015,873)
Payment to gratuity and pension funds			(210,974)	(695,210)	(209,489)	(695,089)
Net Cash Flows from Operating Activities			16,321,676	18,651,984	16,234,704	18,522,385
Note B						
Cash and Cash Equivalents at 1st January			(239,608)	(323,900)	(236,357)	(320,192)
Cash and Cash Equivalents at 31st December		Note C	(401,955)	(239,608)	(402,608)	(236,357)
Increase / (Decrease) in Cash and Cash Equivalents			(162,347)	84,292	(166,251)	83,835
Note C						
Cash at Bank and in Hand	350	20	954,750	678,161	948,618	677,077
Bank Overdraft	350	20	(1,356,705)	(917,769)	(1,351,226)	(913,434)
			(401,955)	(239,608)	(402,608)	(236,357)

The above Statement of Cash Flows is to be read in conjunction with the notes to the Financial Statements on pages 282 to 398 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 14. There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

1.3. Parent Entity and the Ultimate Parent Entity

Ceylinco Holdings PLC, which is a publicly quoted entity registered on the Colombo Stock Exchange of Sri Lanka. The holding company is incorporated and domiciled in Sri Lanka. Ceylinco Life Insurance Limited ("the Company") is a wholly owned subsidiary of Ceylinco Holdings PLC, which is also the ultimate parent of the Company. The Financial Statements of Ceylinco Holdings PLC are available for public use.

Financial Statements

1.4. Consolidated Financial Statements

The Consolidated Financial Statements of Ceylinco Life Insurance Limited, as at and for the year ended 31 December 2024 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.

1.5. Responsibility for Financial Statements

The Board of Directors is responsible for preparation and presentation of the Consolidated Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards. The nature of this responsibility is explained in the Statement of Directors' Responsibility for Financial Reporting on page 262.

1.6. 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 2024 were authorized for issue by the the Board of Directors on 20th February 2025.

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS/LKAS) promulgated by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), 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 and amendments thereto.

2.2. Basis of Measurement

The Financial Statements, except for information on cash flows, have been prepared on an accrual basis under the historical cost convention except for the following:

Item	Basis of Measurement	Note	Page
Land and buildings – LKAS 16	Initially at cost and subsequently at revalued amount	7(a)	
Investment property – LKAS 40	Fair value	9(a)	310
Financial assets at fair value through profit or loss and available-for-sale financial assets – LKAS 39	Fair value	12(c), 12(d)	325, 327
Policyholder liabilities – SLFRS 4	Valued actuarially	41(a).2	378
Net defined benefit assets or liabilities – LKAS 19	Valued actuarially and recognized at present value	13(d), 14(c)	337, 340

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. Presentation of Financial Statements

The assets and liabilities of the Company presented in its 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 to the inflationary factors affecting the Financial Statements.

2.5. 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 under LKAS 1 – “Presentation of Financial Statements”.

2.6. Offsetting

Offsetting of assets and liabilities

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.

Offsetting of income and expenses

Income and expenditures are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standards and as specially disclosed in the Material Accounting Policy Information of the Group.

2.7. Going Concern

In the preparation of the financial statements for the year ended 31 December 2024, the management has carefully considered all available information, including the prevailing macroeconomic conditions, sustainability related risks, and other pertinent events. Based on this evaluation, the management believes that there are no material uncertainties that would cast significant doubt on the Group's ability to continue as a going concern.

Moreover, the management has conducted comprehensive stress testing across a range of scenarios, taking into account factors such as cost management, the Group's ability to sustain operations amidst economic challenges, available cash reserves, access to additional funding to address potential cash flow disruptions, recruitment of essential personnel, anticipated revenue streams, and OPEX (Operating Expenses) and CAPEX (Capital Expenditures) management practices.

As a result of these assessments, the management is confident in the Group's ability to continue operations for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may affect the Group's capacity to continue as a going concern. Consequently, the financial statements have been prepared on a going concern basis.

2.8. Comparative Information

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.

2.9. Rounding

The amounts in the Financial Statements have been rounded off to the nearest rupees thousands, except where otherwise indicated.

2.10. Supplementary Statements - Statement of Financial Position – Life Fund

Supplementary Statement of Financial Position of Life Insurance Fund together with notes are disclosed on pages 400 to 401.

3. USE OF MATERIAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 Material accounting judgements

Information about judgments made in applying accounting policies that have material effects on the amounts recognized in these Financial Statements are included in the following notes.

Critical Judgements	Note	Page
Deferred Tax Asset and Liabilities	16 (i)	346
Significant Judgment in determining the insurance contract liabilities	22(a)	353
Measurement of defined benefit obligation	13(d), 14(c)	337, 340

3.2 Accounting assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a risk of resulting in material adjustments for the year ended 31 December 2024 are included in the following notes.

Critical Judgements	Note	Page
Key actuarial assumptions used in valuing Life Insurance Contract Liabilities	41.(a)(2)	378
Fair value of Investment Properties	9(a)	310
Determination of Fair Value and Fair Value Hierarchy	12.(g)	328
Useful lifetime of property, plant and equipment	7	295
Fair value of land and buildings	7(a)	299
Key actuarial assumptions used in Measurement of defined benefit obligation	13(d), 14(c)	337, 340
impairment of non-financial assets	12(a), 12(a).1, 12(b).1, 12(c).1	323, 323, 324, 326
Going concern of Associates and Subsidiaries	11	316
Liability Adequacy Test (LAT)	22(a)	355
Deferred Tax Asset and Liabilities	16(i)	346
Financial Assets and Financial Liabilities that have a short-term maturity	12(i)	331

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Specific accounting policies

Material accounting policy information has 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.

Content	Note	Pg No
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Notes To The Statement Of Financial Position

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Accounting 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 Income Statement. Insurance receivables are derecognised 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 outflow. Dividend and interest income are classified as operating cash inflows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. Operating segments will be identified based on how management evaluates and makes decisions at the group level. This could be based on different lines of business, geographical regions, or other organizational criteria.

Life insurance segment is separately identified as policyholder and shareholder funds, which are monitored and managed independently, as they require different operational, risk management, and marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Reportable operating segment	Class of information	Explanation
Policyholder Fund	Nature of the Funds	CLIL operates three distinct policyholder funds categorized by product type: Participating, Non-Participating, and Universal Life. Each fund has a dedicated account where all related transactions are recorded. The assets for these funds are managed separately, ensuring that policyholder liabilities are appropriately aligned with corresponding assets in both value and duration. Furthermore, all investments adhere to the regulatory guidelines set forth in IRCSL Determination.
	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.
Shareholder Fund	Nature of the Fund	CLIL maintains a dedicated Shareholder Fund to manage shareholder assets independently. This fund records all income and expenses related to shareholder activities.
	Products offered	No products are offered under the Shareholder Fund.
	Revenue driver	Investment income generated from shareholder's assets and surplus transferred from the Policyholder Fund based on actuarial recommendation
Healthcare segment	Nature of business	Detection and treatment of cancer
	Products offered	Cancer screening and radiation treatment including tomotherapy treatment
	Revenue driver	Fee income from treatments, medical tests, registration fees net of discounts.
Retirement resort	Nature of business	Offering premium hospitality services for the elderly for independent and assisted living
	Products offered	Packages for residential care for the elderly
	Revenue driver	Monthly resident income from the occupants

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 2024

	Life Insurance			Healthcare	Retirement Resort	Adjustments and Eliminations	Total
	Policyholders Rs.'000	Shareholders Rs.'000	Total Rs.'000				
Gross Written Premium	37,140,416	-	37,140,416	-	-	(843)	37,139,573
Premium Ceded to Reinsurers	(549,963)	-	(549,963)	-	-	-	(549,963)
Net Written Premium	36,590,453	-	36,590,453	-	-	(843)	36,589,610
Revenue from Subsidiaries	-	-	-	366,624	86,566	(9,061)	444,128
Fees and Commission Income	232,301	-	232,301	-	-	-	232,301
Investment Income	21,768,883	5,974,651	27,743,534	119,742	69,671	(158,154)	27,774,793
Realised Gains/(Losses)	58,056	133,892	191,948	-	-	-	191,948
Fair Value Gains/(Losses)	153,575	53,767	207,342	8,956	-	(23,100)	193,198
Other Operating Revenue	33,112	-	33,112	3,075	238	(33)	36,392
Other Revenue	22,245,927	6,162,310	28,408,237	498,396	156,475	(190,348)	28,872,760
Segment Revenue	58,836,380	6,162,310	64,998,690	498,396	156,475	(191,191)	65,462,370
Gross Benefits and Claims Paid	(25,298,611)	-	(25,298,611)	-	-	-	(25,298,611)
Claims Ceded to Reinsurers	249,992	-	249,992	-	-	-	249,992
Gross Change in Contract Liabilities	(23,051,748)	-	(23,051,748)	-	-	-	(23,051,748)
Net Benefits and Claims	(48,100,367)	-	(48,100,367)	-	-	-	(48,100,367)
Direct Cost of Subsidiaries	-	-	-	(178,143)	(27,071)	-	(205,214)
Acquisition Cost	(2,478,258)	-	(2,478,258)	-	-	-	(2,478,258)
Other Operating and Administrative Expenses	(3,912,180)	(372,950)	(4,285,131)	(371,490)	(70,009)	131	(4,726,499)
Finance Costs	(82,853)	-	(82,853)	-	(2,010)	1,600	(83,263)
Other Expenses	(6,473,291)	(372,950)	(6,846,242)	(549,633)	(99,091)	1,730	(7,493,235)
Segment Benefits, Claims and Other Expenses	(54,573,658)	(372,950)	(54,946,609)	(549,633)	(99,091)	1,730	(55,593,602)
Share of Profit of Associates	-	-	-	-	-	1,205,144	1,205,144
Income tax expense	(1,255,722)	(1,724,871)	(2,980,593)	64,611	(18,844)	(136,260)	(3,071,086)
Segment Results for the year	3,007,000	4,064,489	7,071,488	13,374	38,540	879,423	8,002,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment income statement for the year ended 31 December 2023

	Life Insurance			Healthcare	Retirement Resort	Adjustments and Eliminations	Total
	Policyholders	Shareholders	Total				
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Written Premium	33,411,394	-	33,411,394	-	-	(466)	33,410,928
Premium Ceded to Reinsurers	(639,875)	-	(639,875)	-	-	-	(639,875)
Net Written Premium	32,771,519	-	32,771,519	-	-	(466)	32,771,053
Revenue from Subsidiaries	-	-	-	378,028	57,136	-	435,164
Fees and Commission Income	101,657	-	101,657	-	-	-	101,657
Investment Income	21,773,239	5,706,315	27,479,553	143,965	106,998	(115,490)	27,615,026
Realised Gains/(Losses)	100,196	6,434	106,631	-	-	-	106,631
Fair Value Gains/(Losses)	155,278	96,730	252,009	12,644	-	(78,000)	186,653
Other Operating Revenue	51,258	-	51,258	(1,078)	842	(81)	50,941
Other Revenue	22,181,627	5,809,480	27,991,108	533,559	164,976	(193,571)	28,496,072
Segment Revenue	54,953,147	5,809,481	60,762,627	533,559	164,977	(194,038)	61,267,124
Gross Benefits and Claims Paid	(23,425,601)	-	(23,425,601)	-	-	-	(23,425,601)
Claims Ceded to Reinsurers	290,552	-	290,552	-	-	-	290,552
Gross Change in Contract Liabilities	(23,015,741)	-	(23,015,741)	-	-	-	(23,015,741)
Net Benefits and Claims	(46,150,790)	-	(46,150,790)	-	-	-	(46,150,790)
Direct Cost of Subsidiaries	-	-	-	(257,718)	(25,446)	-	(283,164)
Acquisition Cost	(2,267,578)	-	(2,267,578)	-	-	-	(2,267,578)
Other Operating and Administrative Expenses	(3,477,559)	(347,071)	(3,824,629)	(143,346)	(50,577)	(5,840)	(4,024,392)
Finance Costs	(79,877)	-	(79,877)	-	(2,743)	2,441	(80,179)
Other Expenses	(5,825,013)	(347,071)	(6,172,084)	(401,064)	(78,766)	(3,399)	(6,655,313)
Segment Benefits, Claims and Other Expenses	(51,975,803)	(347,071)	(52,322,874)	(401,065)	(78,765)	(3,400)	(52,806,104)
Share of Profit of Associates	-	-	-	-	-	567,524	567,524
Income tax expense	(1,000,122)	(1,637,798)	(2,637,920)	(32,577)	(23,032)	(26,338)	(2,719,867)
Segment Results for the year	1,977,222	3,824,612	5,801,834	99,917	63,178	343,749	6,308,679

5.(b) Segment Statement of Financial Position as at 31 December 2024

	Life Insurance			Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Total Rs.'000
	Policyholders	Shareholders	Total				
	Rs.'000	Rs.'000	Rs.'000				
Intangible Assets	-	193,120	193,121	20	5,844	(145)	198,841
Property, Plant & Equipment	9,955,799	3,765,313	13,721,111	492,284	26,218	2,744,921	16,984,534
Right-of-use Assets	222,671	-	222,671	-	2,963	(1,028)	224,606
Investment Property	1,916,700	2,838,500	4,755,200	-	-	(2,945,735)	1,809,465
Investment in Associates	42,990	2,598,682	2,641,672	-	-	5,744,027	8,385,699
Investment in Subsidiaries	15,000	1,496,000	1,511,000	-	-	(1,511,000)	-
Financial Instruments	168,108,491	45,492,255	213,600,746	1,206,877	546,124	56,079	215,409,826
Reinsurance Assets	545,635	-	545,635	-	-	-	545,635
Loans to Policyholders	3,008,273	-	3,008,273	-	-	-	3,008,273
Premium Receivables	423,419	-	423,419	-	-	-	423,419
Other Assets	4,947,373	5,866,933	10,814,306	18,691	65,457	204,518	11,102,972
Total Assets	189,186,351	62,250,803	251,437,154	1,717,873	646,606	4,291,637	258,093,268
Insurance Contract Liabilities	181,543,590	-	181,543,590	-	-	2,380	181,545,970
Other Liabilities	7,642,761	1,505,349	9,148,111	84,566	45,215	971,087	10,248,979
Total Liabilities	189,186,351	1,505,349	190,691,700	84,566	45,215	973,467	191,794,949

Segment Statement of Financial Position as at 31 December 2023

	Life Insurance			Healthcare Rs.'000	Retirement Resort Rs.'000	Adjustments and Eliminations Rs.'000	Total Rs.'000
	Policyholders	Shareholders	Total				
	Rs.'000	Rs.'000	Rs.'000				
Intangible Assets	-	260,234	260,235	67	298	(146)	260,454
Property, Plant & Equipment	9,526,400	3,293,513	12,819,913	510,209	30,271	2,857,820	16,218,212
Right-of-use Assets	179,490	-	179,490	-	7,236	(5,301)	181,424
Investment Property	1,871,900	2,774,900	4,646,800	-	-	(3,057,499)	1,589,301
Investment in Associates	42,990	2,598,682	2,641,672	-	-	4,669,057	7,310,729
Investment in Subsidiaries	15,000	1,496,000	1,511,000	-	-	(1,511,000)	-
Financial Instruments	144,715,805	44,585,171	189,300,976	1,246,762	564,930	(13)	191,112,655
Reinsurance Assets	683,424	-	683,424	-	-	-	683,424
Loans to Policyholders	2,930,981	-	2,930,981	-	-	-	2,930,981
Premium Receivables	405,029	-	405,029	-	-	-	405,029
Other Assets	4,623,125	4,743,651	9,366,776	17,122	8,368	259,679	9,651,945
Total Assets	164,994,144	59,752,150	224,746,296	1,774,160	611,103	3,212,597	230,344,154
Insurance Contract Liabilities	158,199,149	-	158,199,149	-	-	2,380	158,201,529
Other Liabilities	6,794,995	5,378,832	12,173,827	154,349	48,223	638,581	13,014,980
Total Liabilities	164,994,144	5,378,832	170,372,976	154,349	48,223	640,961	171,216,508

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.(c) Segment Statement of Cash Flows

For the Year Ended 31 December 2024	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		16,234,705	102,814	(15,843)	-	16,321,676
Net Cash Flows from Investing Activities		(11,597,380)	(99,530)	22,612	-	(11,674,298)
Net Cash Flows from Financing Activities		(4,803,576)	-	(6,150)	-	(4,809,726)
Increase / (Decrease) in Cash & Cash Equivalents		(166,251)	3,284	619	-	(162,348)
Note B						
Cash and Cash Equivalents at 1st January		(236,357)	(3,830)	580	-	(239,608)
Cash and Cash Equivalents at 31st December	Note A	(402,608)	(546)	1,198	-	(401,955)
Increase / (Decrease) in Cash and Cash Equivalents		(166,251)	3,285	619	-	(162,347)
Note A						
Cash at Bank and in Hand		948,618	4,987	1,198	(54)	954,750
Bank Overdraft		(1,351,226)	(5,533)	-	54	(1,356,705)
		(402,608)	(546)	1,198	-	(401,955)

5.(c) Segment Statement of Cash Flows

For the Year Ended 31 December 2023	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 B.						
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)

5.(d) Disclosure Under Paragraph 23 (a) to (i) of SLFRS 08

As at 31st December	2024			2023		
	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	(843)	125	718	(466)	186	280
Revenue from External Customers	37,139,573	-	-	33,411,394	-	-
Interest Income	27,743,534	120,190	69,671	27,479,553	106,998	143,965
Interest Expenses Recognized on Lease Creditors	(28,126)	-	-	(24,304)	-	-
Depreciation on Property, Plant and Equipment	(267,459)	(4,237)	(8,194)	(234,573)	(4,167)	(6,508)
Amortisation of Intangible Assets	(150,866)	(46)	(99)	(133,537)	(46)	(82)
Depreciation of Right of Use Assets	(66,479)	-	(4,272)	(68,684)	-	(4,272)

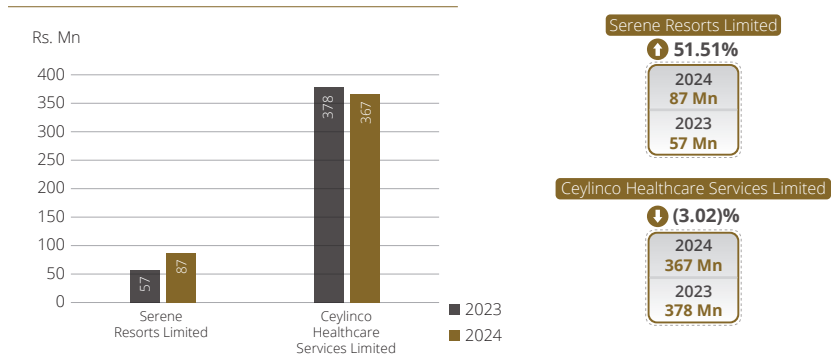
5.(e) Disclosure Under Paragraph 24 (a & b) of SLFRS 08

As at 31st December	2024			2023		
	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000	Life Insurance Rs.'000	Healthcare Rs.'000	Retirement Resort Rs.'000
Additions to Property, Plant and Equipment	614,395	268,568	12,688	423,217	3,554	18,926
Additions to Intangible Assets	83,753	-	5,646	77,636	-	235
Investment in Associate	2,641,672	-	-	2,641,672	-	-

5.(f) Summarised information of Significant Subsidiaries

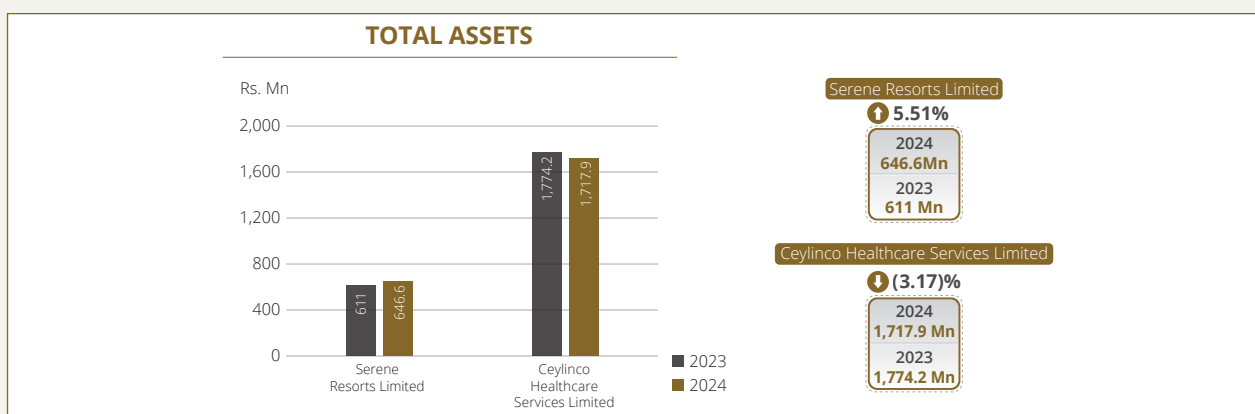
Summarised Income Statement	SERENE RESORTS LIMITED		CEYLINCO HEALTHCARE SERVICES LIMITED	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Revenue	86,537	57,136	366,624	378,028
Cost of Sales	(38,175)	(29,729)	(178,143)	(257,718)
Other Income	238	842	3,075	(1,078)
Administrative Expenses	(57,923)	(45,793)	(364,437)	(128,693)
Selling & Distribution Expenses	(982)	(500)	(7,053)	(14,653)
Finance Income/ (Cost)	67,661	104,256	120,194	143,965
Profit Before Tax	57,356	86,211	(50,784)	132,494

REVENUE



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Summarised Financial Position	SERENE RESORTS LIMITED		CEYLINCO HEALTHCARE SERVICES LIMITED	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Current Assets	8,802	6,874	1,225,568	1,263,884
Non-Current Assets	637,804	604,229	492,305	510,276
Total Assets	646,606	611,102	1,717,873	1,774,160
Current Liabilities	33,781	34,195	25,244	31,464
Non-Current Liabilities	11,434	14,027	59,323	122,885
Equity	601,391	562,880	1,633,306	1,619,811
Total Equity and Liabilities	646,606	611,102	1,717,873	1,774,160



Summarised Statement of Cash Flows	SERENE RESORTS LIMITED		CEYLINCO HEALTHCARE SERVICES LIMITED	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Operating Cash Flows	(15,843)	(23,205)	102,814	14,388
Investing Cash Flows	22,612	30,141	(99,530)	(15,317)
Financing Cash Flows	(6,150)	(5,550)	-	-
Net Increase /(Decrease) In cash and cash equivalents	619	1,386	3,285	(930)
Cash and Cash Equivalent at the Beginning of the Year	580	(807)	(3,830)	(2,900)
Cash and Cash Equivalent at the End of the Year	1,198	580	(545)	(3,830)

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	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	GROUP		COMPANY		
		Computer Software & License	Total	Computer Software & License	Total
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost					
At 1 January 2023		991,001	991,001	979,260	979,260
Addition		77,870	77,870	77,636	77,636
Disposal/ Write off		(2,007)	(2,007)	(2,007)	(2,007)
At 1 January 2024		1,066,864	1,066,864	1,054,889	1,054,889
Addition		89,398	89,398	83,753	83,753
At 31 December 2024		1,156,262	1,156,262	1,138,642	1,138,642
Accumulated Amortisation and Impairment					
At 1 January 2023		673,191	673,191	661,564	661,564
Amortisation	33	133,666	133,666	133,537	133,537
Writeoff		(447)	(447)	(447)	(447)
At 1 January 2024		806,410	806,410	794,654	794,654
Amortisation	33	151,012	151,012	150,866	150,866
At 31 December 2024		957,421	957,421	945,521	945,521
Carrying amount					
As at 01 January 2023		317,810	317,810	317,695	317,695
At 1 January 2024		260,455	260,455	260,235	260,235
At 31 December 2024		198,841	198,841	193,121	193,121

6 (a) Other changes to intangible assets

Other than disclosed in above note, there were no other changes to the intangible assets during the period under review (2023- Nil)

6 (b) Acquisition of Intangible Assets during the year**Group**

During the year, the Group acquired intangible assets amounting to Rs.89.4 Mn (2023- Rs. 77.8 Mn).

Company

During the year, the Company acquired intangible assets amounting to Rs .83.8 Mn (2023- Rs. 77.6 Mn).

6 (c) Fully Amortised Intangible Assets in use**Group**

Intangible Assets includes fully amortized Computer software which are in the use of normal business activities having an initial cost of Rs. 745.Mn. (2023- Rs. 341.94 Mn).

Company

Intangible Assets includes fully amortized Computer software which are in the use of normal business activities having an initial cost of Rs. 733.94 Mn. (2023- Rs. 330.48 Mn).

6 (d) Title Restriction on Intangible Asset

There were no title restriction on Intangible Asset.

6 (e) Intangible assets pledged as securities

There were no items pledged as securities for liabilities as at the reporting date (2023 - Nil).

6 (f) Assessment of impairment of Intangible Assets

The Group has assessed potential impairment indicators of intangible assets as at 31st December 2024. Based on the assessment, no impairment indicators were identified.

6 (g) Capitalisation of Borrowing Costs

There were no capitalised borrowing costs related to the acquisition of Intangible Assets during the year. (2023 - Nil)

6 (h) 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.

6 (i) Individually material / significant intangible assets

The company has invested in the FIS actuarial software system to support adopting SLFRS 17. This system has a material effect to the financial statements due to its impact to the valuation of the life insurance contract liabilities.

Criteria	Assessment
Carrying Amount	Rs. 51.5 Mn (25.9% of the total NBV of the group intangible asstes) - (Material)
Profit Impact	CSM calculation and other IFRS 17 related accounting treatments - (Material)
Amortization Effect	Rs. 13.5 Mn Annual amortization - (Not material in group level)
Regulatory Compliance	Required for IFRS 17 financial reporting - (Material)
Operational Significance	The system helps to meet reporting responsibilities, improve risk management, and develop more profitable products faster - (Material)

6 (j) Amount of contractual commitments for acquisition of intangible assets

There were no contractual commitments for acquisition of intangible assets as at the reporting date.

6 (k) Revaluation of intangible assets

Since the cost model has been followed, there is no revaluation adjustment for intangible assets.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 valuation techniques mentioned in the note 7(a). 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 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	Depreciation rate	Useful Life	Residual Value
Buildings	5%	50-70 years	Nil
Furniture and fittings	20%-10%	5-10 years	5%
Office equipment	10%	3-10 years	5%
Computer equipment	20%	2-5 years	Nil
Motor vehicles	20%	4-5 years	30%
Plant and machinery	20% -10%	5 -10 years	Nil
Linen	33.33%	3 years	Nil

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 other comprehensive income 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.

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.

Cost of dismantling

The estimated costs of dismantling, removing, or restoring items of property, plant and equipment is zero.

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 statement 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Movement of Property, Plant and Equipment (PPE) - Group

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 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
Revaluation	464,800	370,376	-	-	-	-	-	-	835,176
Disposals	-	-	-	(31,677)	(887)	(291)	(3,016)	-	(35,871)
Written - Off	-	-	-	(18,794)	(18,916)	(112,540)	(10,993)	-	(161,243)
Transfer	-	393,101	-	-	-	-	-	(393,101)	-
Other Changes	-	(5,988)	-	-	(47,859)	(49,083)	1,154	-	(101,776)
At 1 January 2024	9,383,300	5,534,230	998,807	844,187	779,561	414,894	355,418	11,906	18,322,303
Additions	159,386	31,750	254,677	81,662	51,198	294,510	4,848	17,615	895,646
Revaluations	352,928	148,219	-	-	-	-	-	-	501,147
Disposals	-	-	(504,367)	(10,622)	(4,654)	(4,627)	(2,561)	-	(526,832)
Asset Written off	-	-	-	(26,328)	(18,444)	(6,155)	(879)	-	(51,806)
Transfer	-	8,546	-	-	-	-	-	(8,546)	-
Other Changes	-	(152,931)	-	-	3,299	(409)	5,171	-	(144,870)
At 31 December 2024	9,895,614	5,569,815	749,117	888,900	810,959	698,213	361,996	20,975	18,995,588
Accumulated Depreciation at Cost/Valuation									
At 1 January 2023	-	102,247	453,902	446,234	502,171	410,524	297,766	(75,342)	2,137,502
Depreciation 33	-	92,710	53,024	72,899	46,135	31,990	14,887	-	311,645
Disposals	-	-	-	(25,747)	(11,527)	(103,137)	(12,049)	-	(152,460)
Other Changes	-	(91,903)	-	-	-	-	-	-	(91,903)
Revaluation	-	-	-	-	(52,446)	(48,141)	(106)	-	(100,692)
At 1 January 2024	-	103,053	506,927	493,386	484,334	291,236	300,498	(75,342)	2,104,091
Depreciation 33	-	107,914	54,064	46,168	45,685	80,146	12,463	-	346,440
Disposals/Written off	-	-	(276,329)	(21,928)	(19,987)	(9,467)	(2,989)	-	(330,700)
Reclassification	-	-	-	-	(420)	(1,439)	(27)	-	-
Other Changes	-	(1,133)	-	-	-	-	-	-	(3,018)
Revaluation	-	(105,758)	-	-	-	-	-	-	(105,758)
At 31 December 2024	-	104,076	284,662	517,626	509,612	360,476	309,946	(75,342)	2,011,055
Carrying Amount									
At 1 January 2023	8,918,500	4,592,196	541,101	404,575	312,190	107,181	67,060	260,016	15,202,819
At 1 January 2024	9,383,300	5,431,178	491,879	350,801	295,228	123,658	54,920	87,248	16,218,213
At 31 December 2024	9,895,614	5,465,739	464,455	371,274	301,347	337,737	52,050	96,317	16,984,533

Movement of Property, Plant and Equipment (PPE) -Company

	Note	Freehold Land Rs.'000	Building 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 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)	(10,993)	-	(161,243)
Transfer		-	387,113	-	-	-	-	(387,113)	-
Other Changes		-	-	-	(47,859)	(49,083)	1,154	-	(95,788)
At 1 January 2024		7,759,400	4,271,400	844,188	699,908	394,981	262,939	-	14,232,814
Additions		159,386	30,065	81,662	45,554	293,016	2,012	2,700	614,395
Revaluation		339,328	138,719	-	-	-	-	-	478,047
Disposals		-	-	(10,622)	(4,654)	(4,627)	(2,561)	-	(22,465)
Asset Written off		-	-	(26,328)	(18,444)	(6,155)	(879)	-	(51,806)
Other Changes		-	(8,385)	-	3,299	(409)	5,171	-	(324)
At 31 December 2024		8,258,114	4,431,800	888,900	725,661	676,806	266,680	2,700	15,250,661
Accumulated Depreciation at Cost/Valuation									
At 1 January 2023		-	-	446,233	460,543	391,645	211,697	-	1,510,117
Depreciation	33	-	78,643	72,899	40,912	30,731	11,388	-	234,573
Adjustment		-	124	-	-	-	-	-	124
Disposals		-	-	(25,747)	(11,527)	(103,137)	(12,049)	-	(152,460)
Revaluation		-	(78,769)	-	-	-	-	-	(78,769)
Other Changes		-	-	-	(52,446)	(48,132)	(106)	-	(100,683)
At 1 January 2024		-	-	493,386	437,481	271,107	210,930	-	1,412,903
Depreciation	33	-	94,556	46,168	38,872	78,736	9,128	-	267,459
Disposals/Written off		-	-	(21,928)	(19,987)	(9,467)	(2,989)	-	(54,371)
Revaluation		-	(94,556)	-	-	-	-	-	(94,556)
Other Changes		-	-	-	(420)	(1,439)	(27)	-	(1,885)
At 31 December 2024		-	-	517,625	455,946	338,937	217,043	-	1,529,550
Carrying Amount									
At 01 January 2023		7,339,500	3,466,463	404,576	276,024	106,287	63,868	178,491	11,835,209
At 1 January 2024		7,759,400	4,271,401	350,802	262,427	123,874	52,009	-	12,819,913
At 31 December 2024		8,258,114	4,431,801	371,275	269,715	337,869	49,637	2,700	13,721,111

7. (a) Valuation of Freehold Land and Building

The Company performed a valuation of the freehold land and buildings as at December 2024 and significant changes in the market value of the properties at the reporting date have been recognized in revaluation reserve.

As at 31 December 2024, 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 2024.

Valuation models used for valuation include Cost Basis method, Investment Method and Comparison Method and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 buildings	Fair Value ⬆ when Price per Perch ⬆ Fair Value ⬆ when Price per Perch ⬆ Fair Value ⬆ when Price per Square Foot ⬆ Fair Value ⬆ when Price per Square Foot ⬆ Fair Value ⬆ when Depreciation Rate ⬆ Fair Value ⬆ when Depreciation Rate ⬆
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 buildings	Fair Value ⬆ when Price per Perch ⬆ Fair Value ⬆ when Price per Perch ⬆ Fair Value ⬆ when Price per Square Foot ⬆ Fair Value ⬆ when Price per Square Foot ⬆ Fair Value ⬆ when Depreciation Rate ⬆ Fair Value ⬆ when Depreciation Rate ⬆
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 buildings	Fair Value ⬆ when Price per Perch ⬆ Fair Value ⬆ when Price per Perch ⬆ Fair Value ⬆ when Price per Square Foot ⬆ Fair Value ⬆ when Price per Square Foot ⬆ Fair Value ⬆ when Depreciation Rate ⬆ Fair Value ⬆ when Depreciation Rate ⬆
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	Fair Value ⬆ when Gross Annual Rental ⬆ Fair Value ⬆ when Gross Annual Rental ⬆

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. 895.6 Mn (2023-Rs. 445.7 Mn-). Cash payments amounting to Rs. 884.4 Mn (2023 - Rs. 411.7 Mn) 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. 614.3 Mn (2023 - 423.2 Mn) - Cash payments amounting to Rs. 611.7 Mn (2023- Rs. 395.1 Mn) were made during the year for purchase of Property, Plant and Equipment.

7.(c) Capital Commitments

The group has committed to pay an amount of Rs.166.6 Mn (2023 - Rs.33.2 Mn) as at the reporting date under contracts entered into on capital expenditure projects.

7.(d) Title Restrictions on Property, Plant and Equipment

There were no restrictions 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 was no temporarily idle Property, Plant and Equipment as at year ended 31 December 2024.

7.(f) Assessment of Impairment

The Group has assessed the potential Impairment indicators of Property, Plant and equipment as at 31 December 2024. 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 Equipment 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. (2023 Nil).

7 (h) Compensation from third parties for Items of PPE

There was no compensation received / receivable from third parties for items of property, plant and equipment that were impaired, lost or given up as at the reporting date.

7 (i) Property, plant and equipment retired from active use

There was no property plant and equipment retired from active use as at the reporting date (2023 - Nil)

7 (j) Permanent fall in value of property, plant and equipment

There was no permanent fall in the value of property, plant and equipment which required an impairment provision to be recognised in the Financial Statements as at 31 December 2024.

7 (k) Fully Depreciated Property, Plant and Equipment

The initial cost of fully depreciated property, plant and equipment which is still in use as at reporting date is as follows;

At 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Plant and Machinery	128,936	118,061	-	-
Computer Equipment	186,172	179,616	166,035	166,920
Office Equipment	80,228	234,649	57,455	206,658
Furniture and Fittings	88,075	203,062	3,668	126,507
Motor Vehicles	6,787	211,152	6,787	211,152
	490,198	946,540	233,945	711,237

7(l) Property Plant and Equipment under Construction

Refer the capital WIP column of the Movement of Property, Plant and Equipment (PPE) note -Group / Company as at 31.12.2024

Below is the breakup of the Capital work-in-progress as at 31.12.2024

Capital work-in-progress - Nittambuwa - Rs. 2 Mn

Capital work-in-progress - Ambalanthota- Rs. 0.7 Mn

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 (m) Details of Freehold Land & Buildings of Company

COMPANY

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2024				Date of the Valuation
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	
No.115, Greens Road, Negombo	13169	A-0-R-0-P-15.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 13,200	67,500	126,000	193,500	31/12/24
No.115, Greens Road, Negombo	7345	A-0-R-0-P-37.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 15,700	168,800	115,300	284,100	31/12/24
No.60 1/1, 60 1/2 & 60 1/3, Colombo Road, Kaluwella, Galle	11385	A-0-R-0-P-20.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 12,000	72,400	85,400	157,800	31/12/24
No.163, Dharmapala Mawatha, Anuradhapura	22015	A-0-R-1-P-10.68	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,250,000 Rs. 12,000	215,400	198,100	413,500	31/12/24
No.144, Hambanthota Road, Kachcheriyagama, Tissamaharama	8130	A-0-R-1-P-00.00	Contractor's Test Method	Price per perch Price per Sq ft	Rs.800,000 - 2,800,000 Rs. 11,333	72,000	69,100	141,100	31/12/24
No .45, Dharmapala Mawatha, Rathnapura	2560	A-0-R-0-P-35.50	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,0000,000 Rs. 10,500	106,500	18,800	125,300	31/12/24
No .45, Dharmapala Mawatha, Rathnapura (New Building)	8102	-	Contractor's Test Method	Price per Sq ft	Rs. 18,500	-	134,900	134,900	31/12/24
No. 401, Main Street , Panadura	7116	A-0-R-1-P-4.12	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 5,250,000 Rs. 18,000	231,600	104,400	336,000	31/12/24
No. 423, Main Street , Kalutara	12001	A-0-R-0-P-32.75	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,500,000 Rs. 14,200	114,600	136,300	250,900	31/12/24
No, 327, Badulla Road , Bandarawela	8970	A-0-R-0-P-17.01	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,250,000 Rs. 12,850	38,300	95,100	133,400	31/12/24
No. 106, Havelock Road, Colombo 05	61630	A-0-R-0-P-35.27	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 18,600,000 Rs. 19,335	656,000	893,700	1,549,700	31/12/24
No. 32, Mistry Hills, Nuwara Eliya	5227	A-0-R-0-P-26.9	Contractor's Test Method	Price per perch Price per Sq ft	Front -Rs. 1,200,000 Rear -Rs. 1,000,000 Rs. 10,000	29,600	52,300	81,900	31/12/24
No15 , Rex dias Piyanama Mawatha, Wennappuwa	8664	A-0-R-0-P-37.40	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,600,000 Rs 12,000	59,800	83,200	143,000	31/12/24
No 91, Baudhaloka Mawatha, Gampaha	9458	A-0-R-0-P-32.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 7,000,000 Rs. 15151	227,500	118,200	345,700	31/12/24
No. 40, Rajapihilla Road, Kurunegala	10485	A-0-R-0-P-15.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,850,000 Rs. 16,000	59,700	138,400	198,100	31/12/24
No.90/4, Kurunegala Road, Munneswaram, Chilaw	6385	A-0-R-0-P-30.0	Contractor's Test Method	Price per perch Price per Sq ft	Rs.800,000 - 1,800,000 Rs. 15,500	39,000	99,000	138,000	31/12/24
No 406, Galle Road, Rawatawatta, Moratuwa	6874	A-0-R-0-P.39.72	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,300,000 Rs.1,430 - 2,000	170,800	12,000	182,800	31/12/24
No. 37, 39 & 41, Kannarthiddy Road, Vannarponnai, Jaffna	4144	A-0-R-1-P-7.9	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,500,000 Rs. 6,000	167,700	11,200	178,900	31/12/24
No. 37, 39 & 41, Kannarthiddy Road, Vannarponnai, Jaffna - New Building	13710		Contractor's Test Method	Price per Sq ft	Rs. 13500	-	166,600	166,600	31/12/24

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2024				Date of the Valuation
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	
No.22 (New 32), Lloyd's Avenue, Batticaloa	12317	A-0-R-0-P-23.83	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,000,000 Rs. 15,000	71,500	147,800	219,300	31/12/24
No.02, Gower Street, Colombo-05	2610	A-0-R-1-P-27.25	Market Comparable Method/ Contractor's Test Method	Price per perch Price per Sq ft	Rs. 18,500,000 Rs. 10,000	1,244,100	13,000	1,257,100	31/12/24
			Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,800,000 Rs. 15,000	108,000	152,700	260,700	31/12/24
No. 20 & 22/3 , Along Kandy Road, Trincomalee	11310	A-0-R-1-P-20	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,800,000 Rs. 15,000	108,000	152,700	260,700	31/12/24
No.38 & 38/B Rajapilla Road, Kurunegala	0	A-0-R-0-P-23.93	Market Comparable Method	Price per perch	Rs. 3,850,000	92,100	-	92,100	31/12/24
No.92 & 98 Jampetah Street, Colombo - 13	18480	A-0-R-1-P-11.22	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 6,500,000 Rs. 9,480 - 12,500	332,900	119,500	452,400	31/12/24
No.70, Park Street, Colombo 02	4510	A-0-R-1-P-32.4	Contractor's Test Method	Price per perch Price per Sq ft	Rs.18,500,000 Rs. 30,200	1,339,400	122,600	1,462,000	31/12/24
No.615, Galle Road, Mount Lavinia	4315	A-0-R-1-P-12.44	Market Comparable Method	Price per perch Price per Sq ft	Rs. 7,300,000 Rs. 7,500	367,500	22,700	390,200	31/12/24
No.274, Panadura Road, Horana	5860	A-0-R-0-P-25.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 3,850,000 Rs. 16,000	98,200	82,000	180,200	31/12/24
No.63, King Street, Kandy	14650	A-0-R-1-P-1.25	Contractor's Test Method	Price per perch Price per Sq ft	Front - Rs. 12,000,000, Rear - Rs. 8,255,000 Rs. 9,000	433,100	85,700	518,800	31/12/24
No.45, Anagarika Dharmapala Mawatha, Matara	7232	A-0-R-0-P-26.44	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 8,000,000 Rs. 10,000	211,500	34,400	245,900	31/12/24
No.213/1, 213/2 & 213/3, Highlevel Road, Nugegoda	2250	A-0-R-0-P-23.75	Market Comparable Method/ Contractor's Test method	Price per perch Price per Sq ft	Rs. 4,300,000 Rs. 10,000	102,100	20,300	122,400	31/12/24
No.15A, Jaya Mawatha, Kadawatha	5914	A-0-R-0-P-19.5	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,800,000 Rs. 15,000	54,600	77,600	132,200	31/12/24
No.26, Expressway Access Road, Ja -Ela	7230	A-0-R-0-P-32	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 2,500,000 Rs. 27,000	80,000	195,200	275,200	31/12/24
No 198, Horana Road, Mampe, Piliyandala	5683	A-0-R-0-P-25.34	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 4,500,000 Rs. 16,000	114,000	81,800	195,800	31/12/24
No 43 & 45, Galle Road, Wellawatta, Colombo 6	14338	A-0-R-0-P-25.31	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 17,500,000 Rs. 3,700 - 11,000	442,900	47,000	489,900	31/12/24
No.582 , Malabe Road, Malabe.	5600	A-0-R-0-P-29	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 5,500,000 Rs. 18,500	159,500	98,400	257,900	31/12/24
No 301/A, point pedro Rd, Nelliady, Karaveddy	9462	A-0-R-1-P-4.30	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 900,000 Rs. 16,000	39,900	132,500	172,400	31/12/24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2024				Date of the Valuation
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	
No 301/A, point pedro Rd, Nelliady, Karaveddy		A-0-R-1-P-13.78	Market Comparable Method	Price per perch	Rs. 450,000	24,200	-	24,200	31/12/24
Wewagedara, Divulapitiya.	5229	A-0-R-0-P-40	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,500,000 Rs. 15,500	60,000	73,000	133,000	31/12/24
No.746/A, 746/1/1 & 746/B, Trincomalee Street, Madandawela, Matale	4904	A-0-R-0-P-31	Contractor's Test Method	Price per perch	Rs. 3,242,000 Rs. 33,450	100,500	164,000	264,500	31/12/24
No.101, Veyangoda Road, Minuwangoda	3475	A-0-R-0-P-37.23	Contractor's Test Method	Price per perch Price per Sq ft	Rs. 1,850,000 Rs. 22,500	68,900	78,200	147,100	31/12/24
No 394, Neboda Road, Matugama	1400	A-0-R-1-P-2.74	Market Comparable Method	Price per perch Price per Sq ft	Rs. 1,300,000 Rs.14,500	55,600	25,400	81,000	31/12/24
251/B/4 Colombo Road, Horagollawatha, Nittambuwa	-	A-0-R-0-P-35.90	Market Comparable Method	Price per perch	Rs. 2,000,000	71,800	-	71,800	31/12/24
No 27 Fifth Cross Street Nambimulla Ambalanthota	-	A-0-R-1-P-8	Market Comparable Method	Price per perch	Rs. 1,150,000	55,200	-	55,200	31/12/24
67C, Delovita, Kirindiwela	-	A-0-R-0-P-30	Market Comparable Method	Price per perch	Front - Rs. 1,200,000 Rear - Rs. 941,400	33,414		33,414	31/12/24
Total						8,258,114	4,431,800	12,689,914	

COMPANY

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023				Date of the Valuation
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
No .45,Dharmapala Mawatha , Rathnapura (New Building)	8,102	-	Contractor's Test Method	Price per Sq ft	Rs. 18,000	-	131,300	131,300	31/12/24
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	31/12/24

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023				Date of the Valuation
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
No 91, Baudhaloka 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	31/12/24
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	31/12/24
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	31/12/24
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. 4,200,000 Rs.1,430 - 2,000	166,700	12,000	178,700	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
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	31/12/24
No.274, Panadura Road, Horana	5,860	A-0-R-0-P-25.5	Contractor's Test Method	Price per perch	Rs. 3,750,000	95,600	79,100	174,700	31/12/24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023		Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	Date of the Valuation
					Estimation for Unobservable Inputs					
				Price per Sq ft	Rs. 15,000					
No. 65, King Street, Kandy	14,650	A-0-R-1-P-1.25	Contractor's Test Method	Price per perch	Rs.12,000,000	433,100	76,200	509,300	31/12/24	
				Price per Sq ft	Rs. 8,000					
No. 45, Anagarika Dharmapala Mawatha, Matara	7,232	A-0-R-0-P-26.44	Replacement Cost Method	Price per perch	Rs. 7,750,000	204,900	32,500	237,400	31/12/24	
				Price per Sq ft	Rs. 9,000					
No. 213, Highlevel Road, Nugegoda	2,250	A-0-R-0-P-23.75	Market Comparable Method	Price per perch	Rs. 4,300,000	102,100	19,800	121,900	31/12/24	
				Price per Sq ft	Rs. 9,800					
No. 15A, Jaya Mawatha, Kadawatha	5,914	A-0-R-0-P-19.5	Contractor's Test Method	Price per perch	Rs. 2,500,000	48,800	76,500	125,300	31/12/24	
				Price per Sq ft	Rs. 14,800					
No. 26 Gammedda Road, Jaela	7,230	A-0-R-0-P-32	Market Comparable Method	Price per perch	Rs. 2,300,000	73,600	182,200	255,800	31/12/24	
					Rs. 25,200					
192, Horana Road, Piliyandala	5,683	A-0-R-0-P-25.34	Contractor's Test Method	Price per perch	Rs. 4,000,000	101,400	76,700	178,100	31/12/24	
				Price per Sq ft	Rs. 15,000					
No 43 & 45, Galle Road, Wellawatta, Colombo 6	12,676	A-0-R-0-P-25.31	Contractor's Test Method	Price per perch	Rs. 17,000,000	430,300	47,000	477,300	31/12/24	
				Price per Sq ft	Rs. 3,700 - 11,000					
No. 582 Malabe Road Malabe	5,600	A-0-R-0-P-29	Contractor's Test Method	Price per perch	Rs. 5,000,000	145,000	95,800	240,800	31/12/24	
				Price per Sq ft	Rs. 18,000					
No. 301, point pedro Rd, Nelliady, Karaveddy	9,462	A-0-R-1-P-4.30	Contractor's Test Method	Price per perch	Rs. 850,000	37,700	124,000	161,700	31/12/24	
				Price per Sq ft	Rs. 15,000					
Mirigama Road, Wewagedara, Divulapitiya.	5,229	A-0-R-0-P-40	Contractor's Test Method	Price per perch	Rs. 1,250,000	50,000	70,600	120,600	31/12/24	
				Price per Sq ft	Rs. 15,000					
No.301/A, Point Pedro Road, Nellyyaddy		A-0-R-1-P-13.78	Contractor's Test Method	Price per perch	Rs. 400,000	21,500	-	21,500	31/12/24	
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	31/12/24	
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	85,400	156,900	242,300	31/12/24	
					Rs. 24,000					
No.115, Greens Road, Negombo	7,345	A-0-R-0-P-37.5	Contractor's Test Method	Price per perch	Rs. 4,300,000	161,300	115,300	276,600	31/12/24	
				Price per Sq ft	Rs. 15,700					
No.101, Veyangoda Road, Minuwangoda		A-0-R-0-P-37.23	Contractor's Test Method	Price per perch	Rs. 1,800,000	67,000	74,000	141,000	31/12/24	
				Price per Sq ft	Rs. 21,300					
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	31/12/24	
Total						7,759,400	4,271,400	12,030,800		

7 (n). Movement of Revalued Freehold Land & Buildings, if Accounted on Cost

	Freehold land	Building
At Cost		
As at 1 January 2023	3,103,297	2,654,895
Addition during the year	-	80,549
Disposal during the year	-	-
As at 31 December 2023	3,103,297	2,735,444
Addition during the year	159,386	30,065
Disposal during the year	-	-
As at 31 December 2024	3,262,683	2,765,509
Depreciation		
As at 1 January 2023	-	396,555
Addition during the year	-	1,611
As at 31 December 2023	-	398,166
Addition during the year	-	601
As at 31 December 2024	-	398,767
Carrying amount		
As at 1 January 2023	3,103,297	2,258,340
As at 31 December 2023	3,103,297	2,337,278
As at 31 December 2024	3,262,683	2,366,742

8. RIGHT-OF-USE ASSETS**ACCOUNTING POLICY**

A right-of-use asset (ROU asset) is an intangible asset that represents a lessee's right to use an underlying asset for a lease term. It is a key concept in SLFRS 16, that governs how to account for leases.

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

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 asset and a 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.

NOTES TO 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	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 1 January	181,424	197,747	179,490	195,813
Impact of new leases	109,660	74,862	109,660	74,862
Preclosure of Leases	-	(22,501)	-	(22,501)
Depreciation for the year	(66,479)	(68,684)	(66,479)	(68,684)
As at 31 December	224,606	181,424	222,671	179,490

8.(b) Lease liabilities

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 1 January	176,790	202,410	181,867	207,338
Impact of new leases	109,660	74,862	109,660	74,862
Preclosure of Leases	-	(23,933)	-	(23,933)
Accretion of Interest	28,126	24,155	28,126	24,304
Rental paid during the year	(86,644)	(94,193)	(86,644)	(94,193)
Rental paid in Advance	(11,705)	(6,511)	(11,705)	(6,511)
As at 31 December	216,229	176,790	221,305	181,867

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	
	2024	2023	2024	2023
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Within one year	57,875	78,131	57,875	78,131
After one year but not more than three years	128,768	109,913	128,768	109,913
After three years but not more than five years	19,588	40,021	19,588	40,021
More than five years	15,074	22,677	15,074	22,677
Total operating lease rentals payable	221,305	250,742	221,305	250,742

8.(d) Amounts recognised in profit or loss

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31st December				
Depreciation Charge for the year	66,479	68,684	66,479	68,684
Interest on lease liabilities	(28,126)	24,155	28,126	24,304

8.(e) Amounts recognised in statement of cash flows

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31st December				
Advance paid to Right of Use Asset	(11,705)	(6,511)	(11,705)	(6,511)
Payment of Lease Liabilities	(86,644)	(94,193)	(86,644)	(94,193)

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.

8.(h) Sale-and-Lease back transactions

The group does not have sale and leased back transactions as at the reporting date.

8.(i) Sub leases

The group does not have sub leased properties as at the reporting date.

8.(j) Restrictions and covenants imposed by the leases

There were no restrictions or covenants imposed under lease agreements which required to be disclosed in these financial statements.

8.(k) Incremental Borrowing rate

The Average Weighted New Lending Rate (AWNLR) was used as the discount rate in determining liabilities. Throughout 2024, the discount rate fluctuated within a range of 15.17% in January to 10.77% in December, reflecting a downward trend over the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.

	Note	GROUP		COMPANY	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At 1 January		1,589,299	1,288,730	4,646,800	4,268,230
Additions		17,783	223,261	17,783	223,261
PPE to IP - Reclassification		134,867	-	-	-
Fair Value Gains	30	67,517	77,308	90,617	155,309
At 31 December		1,809,465	1,589,299	4,755,200	4,646,800

9. (a) Valuation of Investment Properties

As at 31 December 2024 the fair values of the land and buildings 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 buildings held for investment purpose is 31 December 2024.

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 buildings	Fair Value ⬆️ when Price per Perch ⬆️ Fair Value ⬆️ when Price per Perch ⬆️ Fair Value ⬆️ when Price per Square Foot ⬆️ Fair Value ⬆️ when Price per Square Foot ⬆️ Fair Value ⬆️ when Depreciation Rate ⬆️ Fair Value ⬆️ when Depreciation Rate ⬆️
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	Gross Annual Rental Increase ⬆️ Fair Value Increase ⬆️ Gross Annual Rental Decrease ⬆️ Fair Value Decrease ⬆️ Years Purchase Increase ⬆️ Fair Value Increase ⬆️ Years Purchase Decrease ⬆️ Fair Value Decrease ⬆️ Void Period Decrease ⬆️ Fair Value Increase ⬆️ Void Period Increase ⬆️ Fair Value Decrease ⬆️

The fair value measurement for all land and buildings held for investment purpose has been categorized as a Level 3 based on the inputs to the valuation techniques used.

9.(b) Temporarily Idle Investment Property

There was no temporarily idle Investment property as at 31 December 2024.

9.(c) Assessment of Impairment

The Group assessed the potential Impairment indicators of Investment Properties as at 31 December 2024 . Based on the assessment, no impairment indicators were identified and it was 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 were no capital commitments as at reporting date under contracts entered into on capital expenditure projects.

9.(e) Title restriction on Investment Property

There were no restrictions on the title of the Investment Property of the Group and Company as at reporting date.

9.(f) Capitalization of Borrowing Cost

There were no capitalised borrowing costs relating to the acquisition of Investment Property during the year. (2023 Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9.(g) Details of Investment Properties of Company

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	2024			Date of the Valuation
						Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	
No. 36, 1st Cross road ,Talbot Town, Galle	6,668	A-0-R-0-P-20	Contractor's Test Methods	Rent per Sq.ft per month	Rs.145 - Rs. 160	150,000	33,500	183,500	24-12-2024
No.24A, New Galle Road, Nammimulla, Ambalangoda	4,614	A-0-R-0-P-20	Investment Method	Rent per Sq.ft per month	Rs.110 - Rs. 150	92,000	28,000	120,000	24-12-2024
No. 428 & 428/2/1, R. A. De Mel Mawatha, Colombo 03	8,249	Condominium	Investment Method	Rent per Sq.ft per month	Rs.82- Rs. 195	-	157,000	157,000	24-12-2024
No. 60, Park Street, Colombo 02	34,854	A-0-R-1-P-2.82	Contractor's Test Method	Rent per Sq.ft per month	Rs.200 - Rs. 300	753,600	289,300	1,042,900	24-12-2024
No. 70, Park Street, Colombo 02	4,510	A-0-R-1-P-72.40	Contractor's Test Method	Rent per Sq.ft per month	Rs.3,5000		142,100	142,100	24-12-2024
No. 06, Railway Station Road, Matara	2,982	A-0-R-0-P-25.88	Market Comparable Method	Rent per Sq.ft per month	Rs.80 - Rs. 135	116,500	9,800	126,300	24-12-2024
Serene Resorts, Bopitiya Road, Uswetakeiyawa	38,177	A-2-R-3-P-30	Contractor's Test Methods	Price per perch	Rs.670,000	314,900	280,300	595,200	24-12-2024
No 38, Abdul Gafoor Mawatha, Colombo 03	-	A-0-R-1-P-4.5	Market Comparable Method	Price per perch	Rs.18,500,000	823,500	-	823,500	24-12-2024
No. 02 Gower Street Colombo 05	2,610		Investment Method	Price per Sq.ft per 10,000	Rs.10,000 - 10,000	-	19,700	19,700	24-12-2024
No.09A & 9/1A, Layards Road,Colombo 05	4,120	A-0-R-0-P14.26	Contractor's Test Methods	Price per Sq.ft per	Rs.9,000 - 9,000	235,300	34,300	269,600	24-12-2024
No 63, Janadhipathi Mawatha Colombo 1	-	A-0-R-0-P-13.84	Market Comparable Method	Price per perch	Rs.23,000,000	318,300	-	318,300	24-12-2024
No. 10, & 10/1, Gower Street, Colombo 05	5680	A-0-R-0-P-20.25	Contractor's Test Methods	Price per Sq.ft per	Rs.10,500	344,300	29,800	374,100	24-12-2024
No.42/1, Dickmon road, Havelock town, Colombo 05	3885	A-0-R-0-P-20.00	Contractor's Test Methods/ Market Comparable Method	Price per perch	Rs.12,655,000	253,100	121,000	374,100	24-12-2024
No 1 A Gower Street, Colombo 5	3260	A-0-R-0-P-10.75	Contractor's Test Methods/ Market Comparable Method	Price per perch	Rs.17,000,000	182,800	26,100	208,900	24-12-2024
Total						3,584,300	1,170,900	4,755,200	

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	Estimation for Unobservable Inputs	2023			Date of the Valuation
						Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	
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	1-P-72.40	Market Comparable Method	Rent per Sq.ft per month	Rs.33,500	-	136,000	136,000	31-12-23
No. 06, Railway Station Road, Matara	2,982	0-P-25.88	Investment Method	Rent per Sq.ft per month	Rs.80 - Rs. 135	112,600	9,500	122,100	31-12-23

Addresses	Building Sq. Ft.	Land Extent	Method of Valuation	Significant Unobservable Inputs	2023				Date of the Valuation
					Estimation for Unobservable Inputs	Value of Land Rs.'000	Value of Buildings Rs.'000	Cost/ Revaluation Rs.'000	
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	31-12-23
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	31-12-23
No. 02 Gower Street Colombo 05	2,610		Investment Method	Price per Sq.ft per	Rs.10,000 - 10,000	-	13,100	13,100	31-12-23
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	31-12-23
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	31-12-23
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	31-12-23
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	31-12-23
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	

9.(h) Rental Income

	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rental Income Derived from Investment Properties	364	28(a)	35,608	30,786	43,728	38,786
Direct operating Expenses Generating Rental Income			(308)	-	(308)	-
Direct operating Expenses that did not generate Rental Income			(3,368)	(3,740)	(3,368)	(3,740)
Net Profit Arising From Investment Properties			31,933	27,046	40,053	35,046

9.(i). Maturity analysis – contractual undiscounted cash flows

The group 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	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within one year	28,993	29,909	28,993	29,909
After one year but not more than three years	33,873	43,817	33,873	43,817
After three years but not more than five years	24,988	27,726	24,988	27,726
More than five years	18,514	30,856	18,514	30,856
Expected Future Rentals	106,368	132,308	106,368	132,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 fair value on the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree 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 fair value on the acquisition date 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.

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.

Subsidiary Companies	Nature of the Business
Serene Resorts Limited	Offering premium hospitality services for the elderly for independent and assisted living.
Ceylinco Healthcare Services Limited	Cancer screening and radiation treatment including tomotherapy treatment.

Unquoted Shares	% of Direct Holding		Number of Shares		Cost	
	2024	2023	2024	2023	2024 Rs.'000	2023 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%	99.60%	107,100,000	107,100,000	1,071,000	1,071,000
					1,511,000	1,511,000

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 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 has no 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 investment 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.

The Financial Statements of the associate are 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.

Associate Company	Nature of the business
Citizens Development Business Finance PLC	Offering financial services such as fixed deposits, savings accounts, leasing, hire purchase and loans.
Kings Hospital Colombo (Pvt) Ltd	Offering a wide range of medical services, advanced technology, and preventive health screenings, with a focus on delivering high-quality, cost-effective care across various specialties such as cardiology, orthopaedics, urology, and general surgery.

11.(a) Investments in Associates

GROUP	% Holding		Number of Shares		Value	
	2024	2023	2024	2023	2024 Rs.'000	2023 Rs.'000
Quoted Investments (At Cost)						
Citizens Development Business Finance PLC	30.68%	30.68%	21,498,096	21,498,096	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
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	-	-	-	-	6,057,518	4,974,308
Kings Hospital Colombo (Pvt.) Limited	-	-	-	-	(417,240)	(409,000)
Group Investment in Associates (Equity Basis)	-	-	-	-	8,385,699	7,310,729

COMPANY	% Holding		Number of Shares		Value		Fair Value	
	2024	2023	2024	2023	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Quoted Investments (At Cost)								
Citizens Development Business Finance PLC	30.68%	30.68%	21,498,096	21,498,096	807,672	807,672	5,310,030	4,299,619
					807,672	807,672	5,310,030	4,299,619
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
					1,834,000	1,834,000	1,834,000	1,834,000
Total					2,641,672	2,641,672	7,144,030	6,133,619

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	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Associate's Statement of Financial Position								
Total Assets	143,540,286	126,703,539	44,038,160	38,872,646	8,533,222	8,590,983	3,728,165	3,753,400
Total Liabilities	(120,573,030)	(107,521,931)	(36,991,806)	(32,987,728)	(3,886,626)	(5,426,946)	(1,698,067)	(2,371,033)
Net Assets	22,967,256	19,181,608	7,046,354	5,884,917	4,646,596	3,164,037	2,030,098	1,382,368
Associate's Revenue and Profit								
Revenue	25,984,765	21,370,589	7,972,126	6,556,497	4,558,767	3,795,529	1,991,725	1,658,267
Profit Before Tax	5,645,534	2,269,747	1,732,050	696,358	181,755	(367,188)	79,409	(160,424)
Profit After Tax	3,856,900	1,716,663	1,183,297	526,672	(18,858)	88,781	(8,239)	38,788
Other Comprehensive Income	287,193	(47,543)	88,111	(14,586)	-	-	-	-

The above summarized financial information includes the 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	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash and Cash Equivalent	3,597,285	7,980,016	1,103,647	2,448,269	119,896	131,525	52,382	57,463
Non Current Financial Liabilities	-	-	-	-	2,951,123	3,158,127	1,289,345	1,379,786
Current Financial Liabilities	-	-	-	-	578,237	664,845	252,632	290,471
Depreciation and Amortization	-	-	-	-	314,055	312,331	137,210	136,457
Interest Income	-	-	-	-	(12,784)	-	(5,585)	-
Interest Expenses	(11,826,210)	(13,643,733)	(3,628,281)	(4,185,897)	-	-	-	-
Income Tax Expense	(1,788,634)	(553,084)	(548,753)	(169,686)	(200,614,821)	455,968	(87,648,615)	199,213

	Citizens Development Business Finance PLC				Kings Hospital Colombo (Pvt.) Limited			
	Total -Associate		Share of Associate		Total -Associate		Share of Associate	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Associate's Cash Flows								
Cash flows from operating activities	-	-	-	-	1,054,201	635,929	460,581	277,837
Cash flows from Investment activities	-	-	-	-	(284,425)	(21,764)	(124,265)	(9,509)
Cash flows from Financing activities	-	-	-	-	(434,163)	409,533	(189,686)	178,925

* Cash Flow Information - As Citizens Development Business Finance PLC's financial year-end differs from the Group's, its cash flow information was unavailable at the time of preparation and is therefore not included in the above note.

11(c) Fair Value of the Investment

Fair Value of the Company's investments in the associate as at reporting date is given in the note 11(a).

11(d) Impairment of Investment in Associates

Having evaluated the business continuity plans and the cash flows of the associates, the Group determined that no impairment provision is required for the carrying value of investment in associates as at 31 December 2024.

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.

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 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 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 trading activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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.

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.

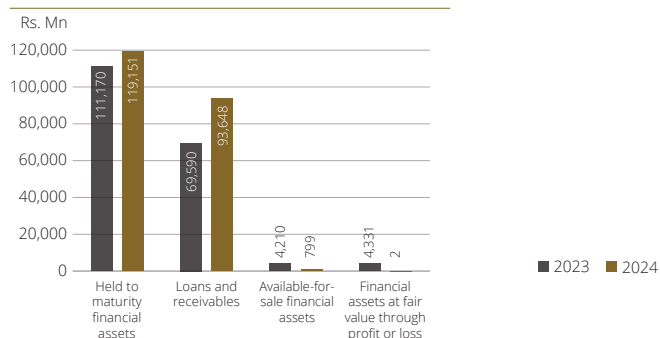
When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards 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.

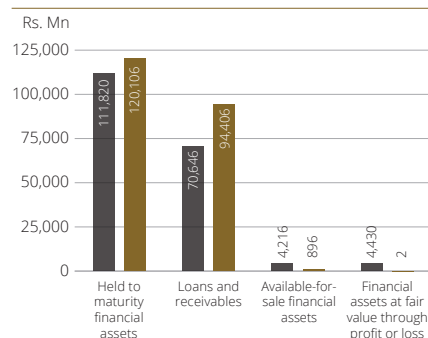
The following table consists of the fair values of the financial investments together with their carrying values.

As at 31 December	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to maturity financial assets	322	12(a)	120,106,107	111,819,800	119,151,154	111,170,229
Loans and receivables	324	12(b)	94,405,809	70,646,195	93,648,345	69,589,711
Available-for-sale financial assets	325	12(c)	895,550	4,216,304	798,888	4,210,309
Financial assets at fair value through profit or loss	327	12(d)	2,359	4,430,355	2,359	4,330,727
Total Financial Instruments			215,409,825	191,112,655	213,600,746	189,300,976

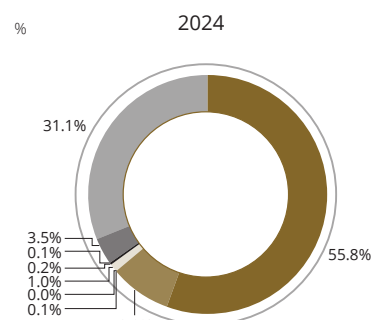
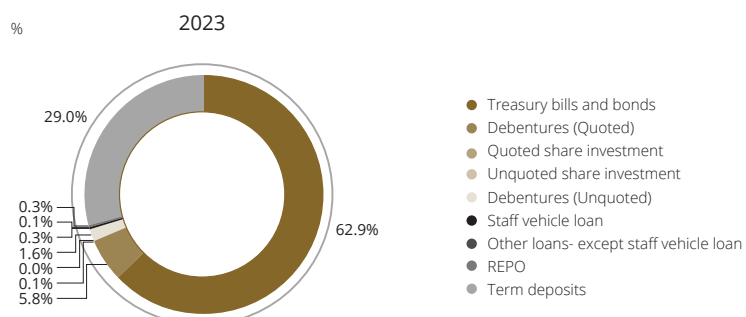
COMPOSITION OF FINANCIAL INSTRUMENTS - COMPANY



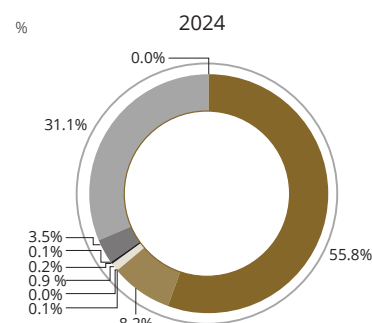
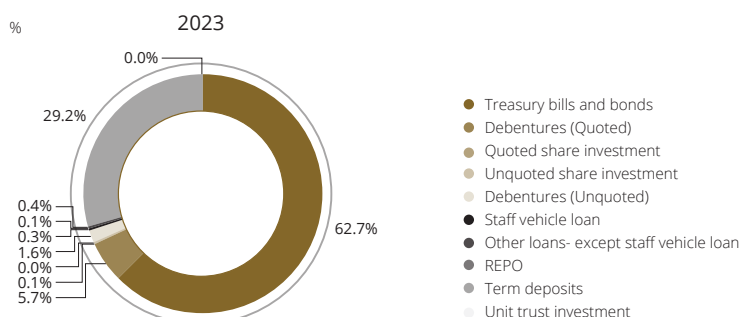
COMPOSITION OF FINANCIAL INSTRUMENTS - GROUP



COMPOSITION OF FINANCIAL INSTRUMENTS - COMPANY



COMPOSITION OF FINANCIAL INSTRUMENTS - GROUP



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table compares the fair values of the financial instruments to their carrying values:

As at 31 December	GROUP				COMPANY			
	2024		2023		2024		2023	
	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	120,106,107	124,833,552	111,819,800	111,131,551	119,151,154	123,877,565	111,170,229	111,131,551
Loans and receivables	94,405,809	93,615,296	70,646,195	70,646,195	93,648,345	93,615,296	69,589,711	69,589,711
Available-for-sale financial assets	895,550	895,550	4,216,304	4,216,304	798,888	798,888	4,210,309	4,210,309
Financial assets at fair value through profit or loss	2,359	2,359	4,430,355	4,430,355	2,359	2,359	4,330,727	4,330,727
Total Financial Instruments	215,409,825	219,346,757	191,112,655	190,424,405	213,600,746	218,294,108	189,300,976	189,262,298

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

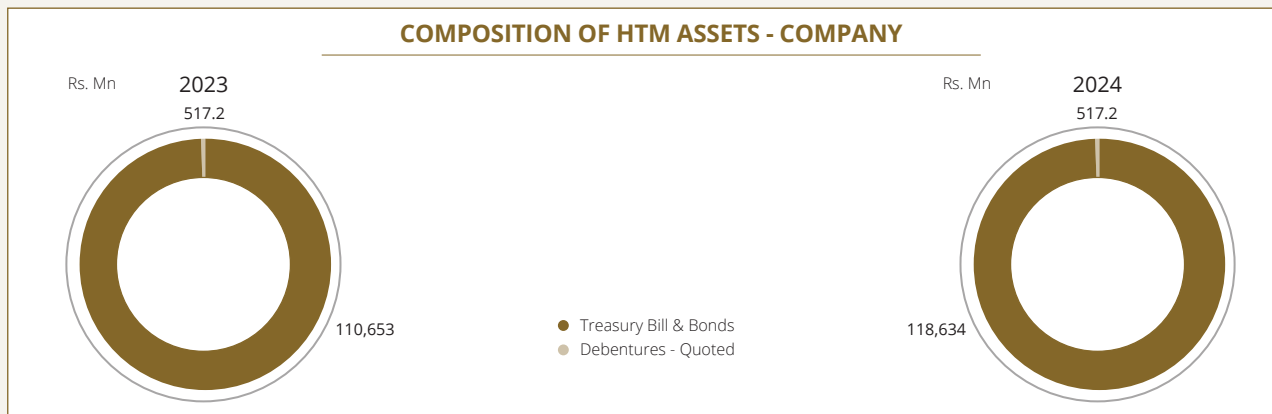
Any impairment loss on an HTM investment is recognized as finance cost in the income statement.

De-recognition

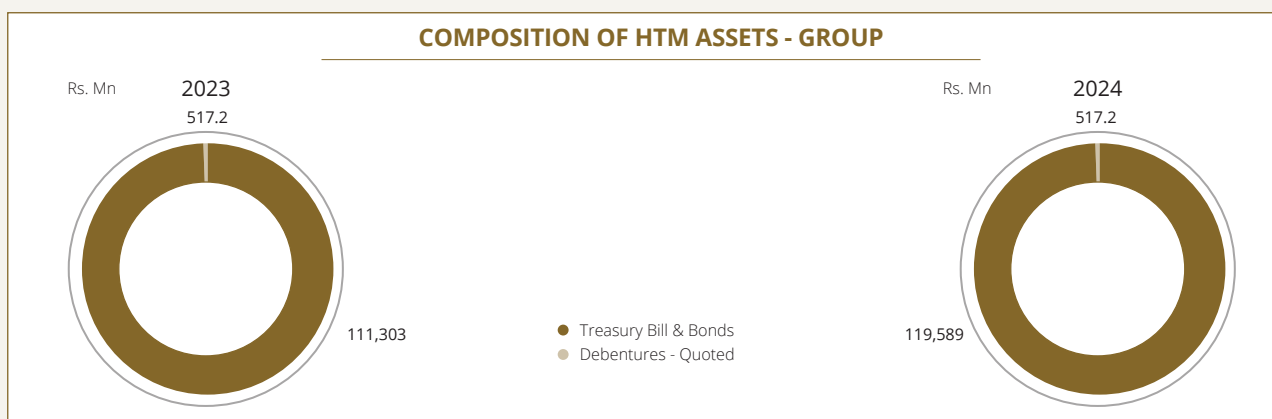
Gains and losses are recognised in Income Statement when the investments are de-recognised or impaired, as well as through the amortisation process.

As at 31 December	Pages	Note	GROUP		COMPANY	
			2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Fair value						
Treasury Bill & Bonds			124,340,983	110,638,983	123,384,996	110,638,983
Debentures - Quoted			492,568	492,568	492,568	492,568
Total Held to Maturity Financial Assets at Fair Value			124,833,552	111,131,551	123,877,565	111,131,551
Amortised Cost						
Treasury Bill & Bonds			119,588,942	111,302,584	118,633,989	110,653,013
Debentures - Quoted	332	12(j)	517,165	517,216	517,165	517,216
Total Held to Maturity Financial Assets at Amortised Cost			120,106,107	111,819,800	119,151,154	111,170,229

COMPOSITION OF HTM ASSETS - COMPANY



COMPOSITION OF HTM ASSETS - GROUP



12. (a). 1. Impairment of Financial Investments at HTM

The Group has not experienced any indication for impairment in respect of HTM financial assets.

12. (a). 2. Re-Classification

During the Year Group did not reclassify any financial assets under this category.

12. (a). 3. Fair Value Measurement

The Group 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). in page 328.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Gains and losses are recognised in Income Statement when the investments are de-recognised or impaired, as well as through the amortisation process.

As at 31 December		Page	Note	GROUP		COMPANY	
				2024	2023	2024	2023
				Rs.'000	Rs.'000	Rs.'000	Rs.'000
Staff Vehicle Hire Purchase				433,115	481,833	433,115	481,833
Staff Loans other than vehicle Hire Purchase				161,852	170,777	161,852	170,777
Repo Investment				7,523,175	763,026	7,522,760	562,303
Debentures - Unquoted	333	12 (j)(3)		2,033,634	3,096,106	2,033,634	3,096,106
Debentures - Quoted	332	12 (j)(2)		17,057,357	10,378,459	17,057,357	10,378,459
Term Deposits	333	12 (j)(4)		67,196,676	55,755,994	66,439,627	54,900,233
Total				94,405,809	70,646,195	93,648,345	69,589,711



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 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 did not reclassify any financial assets under this category.

12. (b). 3. Fair Value Measurement

The Group 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). in page 328.

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

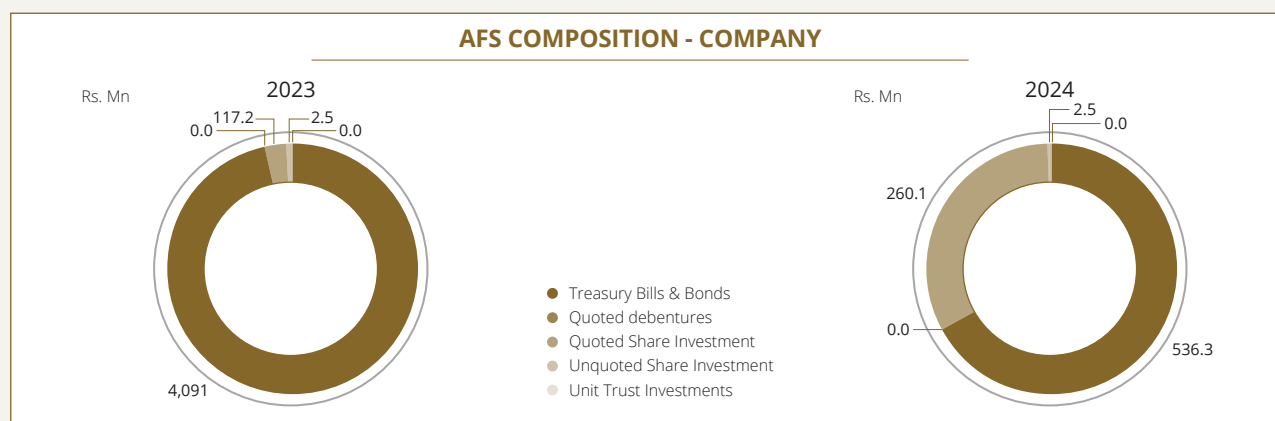
Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses on available-for sale equity instruments are recognised in Other Comprehensive Income and presented within equity in the available-for-sale reserve. Fair value changes of Available For Sale financial assets of life insurance related assets are included under life policyholders' Available For Sale reserve fund through OCI in 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".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

De-recognition

When an investment is derecognized, the cumulative gain or loss in Other Comprehensive Income is transferred to the Income Statement.

As at 31 December	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Treasury Bills & Bonds			536,251	4,090,551	536,251	4,090,551
Quoted Share Investment	332	12 (j)(5)	260,112	117,233	260,112	117,233
Unquoted Share Investment	332	12 (j)(6)	2,525	2,525	2,525	2,525
Unit Trust Investments			96,662	5,995	-	-
Total Available-For-Sale Financial Assets at Fair Value			895,550	4,216,304	798,888	4,210,309



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 did not reclassify any financial assets under this category.

12. (c). 3. Fair Value Measurement

The Group 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. (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 and Treasury Bonds unless otherwise have been classified as available-for-sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December			GROUP		COMPANY	
			2024	2023	2024	2023
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair value						
Treasury Bills & Bonds			814	4,429,310	814	4,329,682
Short Term Investment - Quoted	334	12 (j)(7)	1,545	1,045	1,545	1,045
Total Financial Assets at Fair Value Through Profit or Loss			2,359	4,430,355	2,359	4,330,727

12. (d) .1. Re-Classification

During the Year Group did not reclassify any financial assets under this category.

12. (d) .2. Fair Value Measurement

The Group 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) in page 328.

12 (e). Accrued Investment Income

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Held to Maturity Investments	2,643,054	2,776,510	2,643,054	2,776,510
Loans & Receivables	701,849	522,369	698,516	522,369
Available for sale investments	4,621	4,844	4,621	4,844
	3,349,524	3,303,723	3,346,191	3,303,723

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 assets held under Financial assets have been disclosed under Note 43 on Page 392.

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
Investment in 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

The following table shows an analysis of Assets & Liabilities recorded at fair value by level of the fair value hierarchy:

COMPANY	2024				2023			
	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	1,545	-	-	1,545	1,045	-	-	1,045
Debt securities	814	-	-	814	4,329,682	-	-	4,329,682
	2,359	-	-	2,359	4,330,727	-	-	4,330,727
Available-For-Sale Financial Assets:								
Equity securities	260,112	-	2,525	262,637	117,233	-	2,525	119,758
Debt securities	536,251	-	-	536,251	4,090,551	-	-	4,090,551
	796,363	-	2,525	798,888	4,207,784	-	2,525	4,210,309
Loan Receivables								
Debt securities	-	-	-	-	-	-	69,589,711	69,589,711
							69,589,711	69,589,711
Held to Maturity Financial Assets								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY	2024				2023			
	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
Debt securities	120,759,510	475,000	-	121,234,510	110,638,983	492,568	-	111,131,551
	120,759,510	475,000	-	121,234,510	110,638,983	492,568	-	111,131,551
Total Financial Assets	121,558,232	475,000	2,525	122,035,757	119,177,494	492,568	69,592,236	189,262,298
Property Plant and Equipment's								
Land	-	-	8,258,114	8,258,114	-	-	7,759,400	7,759,400
Buildings	-	-	4,431,801	4,431,801	-	-	4,271,401	4,271,401
	-	-	12,689,915	12,689,915	-	-	12,030,801	12,030,801
Investment Properties	-	-	4,755,200	4,755,200	-	-	4,646,800	4,646,800
Total Assets	121,558,232	475,000	17,447,640	139,480,872	119,177,494	492,568	86,269,837	205,939,899
Financial Liabilities							4,053,574	4,053,574
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 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 1 January 2024	111,819,800	70,646,195	4,216,305	4,430,354	191,112,655
Purchases	116,540,069	266,320,376	6,731,651	51,613,032	436,850,040
Maturities	(113,593,751)	(249,258,082)	(10,552,302)	(324,500)	(369,338,463)
Disposals	-	-	(4,721)	(56,591,463)	(56,596,183)
Fair value gains recorded in the income statement	-	-	176,344	116,725	293,069
Fair value gains recorded in other comprehensive income	-	-	77,637	-	77,637
Interest Accrual Adjustment	170,358	(143,028)	223	11,939	(42,468)
Amortisation adjustment	5,169,631	6,840,350	153,745	842,939	13,056,153
As at 31 December 2024	120,106,106	94,405,811	798,883	99,026	215,412,440

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 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 1 January 2024	111,170,212	69,589,712	4,210,310	4,330,726	189,300,960
Purchases	114,019,930	264,789,027	6,731,651	51,309,432	436,850,040
Maturities	(111,342,079)	(247,444,082)	(10,552,302)	-	(369,338,463)
Disposals	-	-	(4,721)	(56,591,463)	(56,596,183)
Fair value gains recorded in the income statement	-	-	176,344	116,725	293,069
Fair value gains recorded in other comprehensive income	-	-	77,637	-	77,637
Interest Accrual Adjustment	133,456	(176,147)	223	-	(42,468)
Amortisation adjustment	5,169,631	6,889,835	159,746	836,938	13,056,150
As at 31 December 2024	119,151,150	93,648,345	798,889	2,358	213,600,746

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Instruments Category - Fair Value Basis

Instruments	Measurement Basis
Government Securities	
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
Investment in Listed Shares	Weighted Average (VWA) prices
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 > 1year	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	
	2024	2023	2024	2023
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Commercial Bank of Ceylon PLC	517,165	517,216	517,165	517,216
Total	517,165	517,216	517,165	517,216

12. (j). (2) Loans and Receivables -Debentures (Quoted)

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Abans PLC	-	175,754	-	175,754
Citizens Development Business Finance PLC	-	114,137	-	114,137
Commercial Bank of Ceylon PLC	8,479,605	4,872,982	8,479,605	4,872,982
DFCC Bank PLC	2,635,502	2,202,531	2,635,502	2,202,531
Hatton National Bank PLC	4,427,457	2,861,924	4,427,457	2,861,924
National Development Bank PLC	1,514,793	151,131	1,514,793	151,131
Total	17,057,357	10,378,459	17,057,357	10,378,459

12 (j) (3) Loans and Receivables -Debentures (Unquoted)

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Kings Hospital Colombo Private Limited	1,585,254	1,612,129	1,585,254	1,612,129
Nations Trust Bank PLC	448,380	450,891	448,380	450,891
National Savings Bank	-	1,033,086	-	1,033,086
Total	2,033,634	3,096,106	2,033,634	3,096,106

12. (j). (4) Loans and Receivables - Fixed Deposits

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Bank of Ceylon	14,653,321	12,588,034	14,551,358	12,288,157
Central Finance Company PLC	499,998	499,979	499,998	499,979
Citizens Development Business Finance PLC	635,127	546,421	635,127	546,421
Commercial Bank of Ceylon PLC	6,886,656	-	6,886,656	-
Commercial Credit & Finance PLC	-	12,176,885	-	12,176,885
Hatton National Bank PLC	7,386,550	341,382	7,043,395	299,060
National Development Bank PLC	2,742,186	2,468,537	2,742,186	2,468,537
National Savings Bank	13,106,401	11,131,767	13,106,401	10,618,205
People's Bank	14,418,239	12,618,047	14,418,239	12,618,047
People's Leasing & Finance PLC	-	1,038,804	-	1,038,804
Sampath Bank PLC	4,177,456	1,287,786	4,017,342	1,287,786
Seylan Bank PLC	2,690,741	1,025,692	2,538,924	1,025,692
Union Bank of Colombo PLC	-	32,660	-	32,660
Total	67,196,676	55,755,994	66,439,627	54,900,233

12. (j). (5) Available-For-Sale Financial Assets - Quoted Shares

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
Commercial Credit and Finance PLC	228,846	117,233	228,846	117,233
Hemas Holdings PLC	17,462	-	17,462	-
John Keells Hotels PLC	5,150	-	5,150	-
The Kingsbury PLC	5,330	-	5,330	-
The Lanka Hospitals Corporation PLC	3,324	-	3,324	-
Total	260,112	117,233	260,112	117,233

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. (j). (6) Available-For-Sale Financial Assets - Unquoted Shares

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000	Carrying Value Rs.'000
CEG Education Holdings (Pvt.) Ltd.	2,525	2,525	2,525	2,525
Total	2,525	2,525	2,525	2,525

12. (j). (7) Financial Assets at Fair Value Through Profit or Loss - Quoted Shares

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Fair Value Rs.'000	Fair Value Rs.'000	Fair Value Rs.'000	Fair Value Rs.'000
Banking, Finance and Insurance				
National Development Bank PLC	15	8	15	8
Commercial Bank of Ceylon PLC	68	36	68	36
DFCC Bank PLC	243	166	243	166
Central Finance PLC	41	23	41	23
Manufacturing, Plantations				
Chevron Lubricants Lanka PLC	80	45	80	45
Tokyo Cements Company PLC	90	60	90	60
Dipped Products PLC	191	98	191	98
Chemical Industries Colombo PLC	27	17	27	17
Hayleys PLC	131	72	131	72
Kotagala Plantations PLC	1	1	1	1
Service				
John Keells Holdings PLC	104	80	104	80
Aitken Spense PLC	323	261	323	261
Hemas Holdings PLC	131	85	131	85
Dialog Axiata PLC	41	31	41	31
Royal Palms Beach Hotels PLC	4	3	4	3
Asiri Surgical Hospital Holdings PLC	36	39	36	39
Ceylon Hospitals PLC	19	20	19	20
Total	1,545	1,045	1,545	1,045

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 of actuarial gain / (losses), current services cost and interest cost

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.

The defined benefit plans typically expose the Group to following risks

Interest risk - Present value of the defined benefit plan liability is calculated using a discount rate determined by reference to long term interest rate. Accordingly, a decrease in the long-term interest rate will increase the plan liability.

Longevity risk

Present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

Present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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. EMPLOYEE GRATUITY BENEFIT ASSET

The amounts recognised in the income statement are as follows:

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current service cost	63,830	48,140	62,660	47,572
Interest cost on benefit obligation	258,360	154,508	257,436	153,755
Expected return on plan assets	(1,494,159)	(1,254,854)	(1,494,159)	(1,254,854)
	(1,171,967)	(1,052,206)	(1,174,063)	(1,053,527)
Net actuarial gain/ (loss) recognised in other comprehensive income	(2,876,493)	(1,202,801)	(2,875,726)	(1,203,484)

The amounts recognised in the statement of financial position at the reporting date are as follows:

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Present value of the defined benefit obligation	336	13.(a)	(1,673,635)	(1,446,271)
Fair value of plan assets	337	13.(b)	7,235,494	8,394,151
Employee Gratuity Benefit Asset	338	13.(e)	5,561,859	6,947,880

13. (a) The Movement of the present value of the defined benefit obligation

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Defined Gratuity Benefit obligation of the company				
At 1 January	1,446,271	863,793	1,446,271	863,793
Current service cost	62,660	47,572	62,660	47,572
Interest cost	257,436	153,755	257,436	153,755
Benefits paid	(145,647)	(62,057)	(145,647)	(62,057)
Actuarial (gains) / losses	52,915	443,208	52,915	443,208
As at 31 December	1,673,635	1,446,271	1,673,635	1,446,271
Gratuity Liability -Subsidiaries	14,701	11,259	-	-

As at 31 December 2024, 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:

As at 31 December	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 1 January	8,394,151	7,049,744	8,394,151	7,049,744
Contribution Paid by employer	315,644	911,886	315,644	911,886
Expected return on plan assets	1,494,157	1,254,854	1,494,157	1,254,854
Actuarial gains /(Loss)	(2,822,811)	(760,276)	(2,822,811)	(760,276)
Benefit Paid	(145,647)	(62,057)	(145,647)	(62,057)
As at 31 December	7,235,494	8,394,151	7,235,494	8,394,151

13.(c) Details of Plan Assets:

The distribution of the Plan Assets at the reporting date is as follows:

As at 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 31 December				
Investment in shares	3,610,740	5,597,200	3,610,740	5,597,200
Fixed Deposits	744,300	1,002,022	744,300	1,002,022
Other Assets	2,880,456	1,794,929	2,880,456	1,794,929
Total Plan Assets	7,235,496	8,394,151	7,235,496	8,394,151

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 Holdings PLC, market value amounting to Rs.3,610,740,381 as at the reporting date.(2023 - Rs. 5,597,199,180).

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:

	2024	2023	Description
Financial Assumptions			
Future salary increases	11.00%	10.00%	Normal annual salary increment rate per employee was considered
Discount rate	11.60%	12.60%	Determined based on the long-term Government Bond rate and expected inflation in long-term
Expected rate of return on plan assets	11.60%	12.60%	Determined based on the long-term Government Bond rate and expected inflation in long-term
Demographic Assumptions			
Retirement Age	60 Yrs	60 Yrs	Age which employee is normally retired
Attrition Rate	1%	1%	The probability of employee leaving the organisation other than death, illness and normal retirement
Mortality Table	IALM2006-08	IALM2006-08	A 1967/70 mortality table issued by the Institute of Actuaries, London

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13.(e) Change in the defined benefit obligation and fair value of the plan assets

COMPANY

2024	Amounts charged to income statement					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	(1,446,271)	(62,660)	(257,436)	(320,096)	145,647	-	-	(131,284)	78,369	(52,915)	-	(1,673,635)
Fair value of plan assets	8,394,151	-	-	-	(145,647)	1,494,157	-	-	-	(2,822,811)	315,644	7,235,494
Benefit assets/(Liability)	6,947,880	(62,660)	(257,436)	(320,096)	-	1,494,157	-	(131,284)	78,369	(2,875,726)	315,644	5,561,859

2023	Amounts charged to income statements					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

Gratuity benefit asset has been in excess of the Gratuity benefit liability due to share investment which has share appreciation annually.

13.(f). A quantitative sensitivity analysis for significant assumptions are as follow:

Sensitivity Analysis

Sensitivity level	Discount Rate		Rate of Future salary increasement rate		Rate of Employee Turnover		
	Increase	Decrease	Increase	Decrease	Increase	Decrease	
	1%	1%	1%	1%	1%	1%	
Impact on defined benefit obligation (Rs. 000)	2024	(131,284)	148,991	148,424	(133,077)	5,298	(5,929)
Impact on defined benefit obligation (Rs. 000)	2023	(98,843)	111,792	112,430	(101,039)	11,935	(13,259)

13.(g). Method and Assumptions Used in Preparing the Sensitivity Analysis

The above sensitivity analysis is based on a change in significant assumptions 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 12.60.% to 11.6% 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

	2024	2023
Within the next 12 Months	40,641	156,870
2nd Following Year	66,139	27,193
3rd Following Year	67,361	83,522
4th Following Year	92,748	84,402
5th Following Year	197,012	113,589
Between 5 and 10 Years	1,370,048	1,368,797
Sum of Years 11 and above	4,264,989	3,617,107

14. EMPLOYEE PENSION BENEFIT ASSET

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 Holdings PLC and Pension Fund of Ceylinco Holdings PLC.

As at 31 December 2024, 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 in excess over the Pension benefit liability due to appreciation in the value of the investment in shares over the previous financial year end.

GROUP/ COMPANY

2024	Remeasurement gains/(losses) in other comprehensive income										
		Interest cost	Sub total		Return on	Recognised	Actuarial		Actuarial	Contributions	As at 31
	As at 01	on benefit	Included in	Benefit	(excluding	in Income	arising from	Experience	Gains/	by employer	December
	January	obligation	Profit/Loss	paid	net interest	Statement	demographic	adjustments	(Losses)		
	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	(422,849)	(61,923)	(61,923)	16,622	-	(45,301)	-	(524,840)	(524,840)	-	(992,990)
Fair value of plan assets	1,582,244	-	-	(16,622)	199,362	182,740	-	-	2,808,880	42,775	4,616,640
Total recognised benefit (liability) / Asset	1,159,395	(61,923)	(61,923)	-	199,362	137,439	-	(524,840)	2,284,040	42,775	3,623,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP/ COMPANY

2023	Remeasurement gains/(losses) in other comprehensive income										
	As at 01 January	Interest cost on benefit obligation	Sub total Included in Profit/Loss	Benefit paid	Return on plan assets (excluding amounts in net interest expenses)	Recognised in Income Statement Note	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Actuarial Gains/(Losses)	Contributions by employer	As at 31 December
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000			
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

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	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investment in shares	3,390,020	813,131	3,390,020	813,131
Fixed Deposits	691,884	-	-	-
Other Assets	534,736	769,111	534,736	769,111
Total Plan Assets	4,616,637	1,582,242	4,616,637	1,582,242

Plan Assets include investment in equity shares of Ceylinco Holdings PLC , market value amounting to Rs. 3,390,020,000/- at the Reporting date. (2023 - 813,130,915 /-)

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:

	2024	2023
Financial Assumptions		
Discount rate	10.00%	12.60%
Expected rate of return on plan assets	10.00%	12.60%
Future salary increases	8%	10%
Attrition rate	1% p.a	1% p.a
Retirement age	60 Yrs	60 Yrs
Mortality Table	IALM2006-08	IALM2006-08

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.

14 (d). A quantitative sensitivity analysis for significant assumptions as at 31 December are as follows:

Sensitivity level	Discount Rate	
	Increase 1%	Decrease 1%
Impact on defined benefit obligation (Rs. 000) 2024	(41,511)	45,478
Impact on defined benefit obligation (Rs. 000) 2023	(18,464)	20,417

The average duration of defined benefit plan obligation at the end of the reporting period is 15 years (2023: 15 years)

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 on gross basis 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 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 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 an another party.

As at 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Reinsurance Receivable - Swiss Re	235,456	328,202	235,456	328,202
Reinsurance Receivable - Munich Re	310,179	354,963	310,179	354,963
Reinsurance Receivable - RGA	-	259	-	259
Total Reinsurance Receivables	545,635	683,424	545,635	683,424

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	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Up to 90 Days	135,945	105,542	135,945	105,542
91-180 Days	75,157	123,412	75,157	123,412
181- 365 Days	98,417	114,680	98,417	114,680
More than 365 Days	236,115	339,790	236,115	339,790
Total	545,635	683,424	545,635	683,424

15.(b) Fair Value Measurement

The carrying value of reinsurance receivables approximates the fair value at the reporting date.

15.(c) Impairment Losses on Reinsurance Receivables

The Company assessed potential impairment loss on reinsurance receivables as at 31st December 2024 and the Company did 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

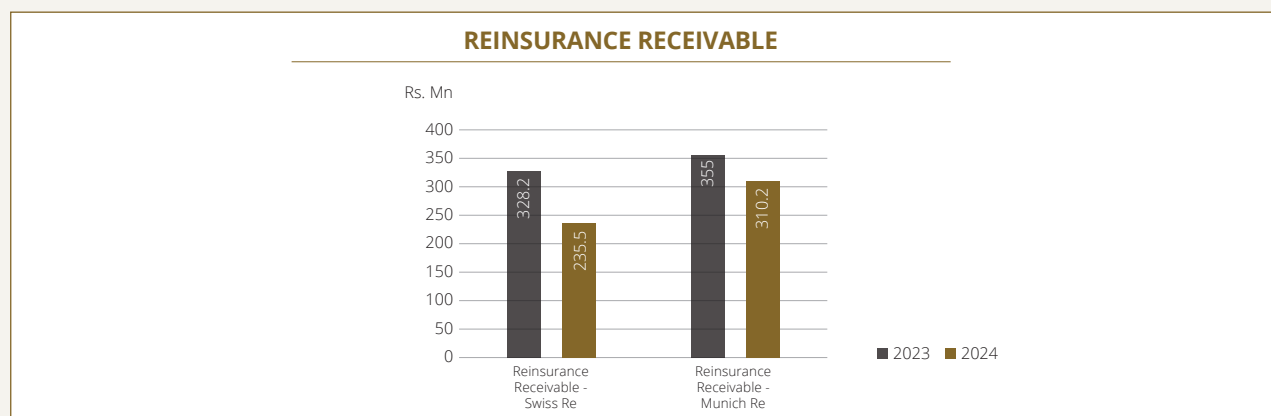
The Group does not hold any collateral as security against potential default by reinsurers.

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

Refer note 41.(a).1. in page 377 for reinsurance risk note for risk mitigation initiatives



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 other comprehensive income.

(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 2024 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 2024 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 2024 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 and that affects neither accounting nor taxable profit or loss;
- 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

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 Liabilities

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arising from the initial recognition of goodwill or 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 the taxable profit or loss:

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Offsetting

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Measurement of Deferred Tax

Deferred tax assets and liabilities are measured at the tax rates expected to apply when the asset is realized or liability is settled.

The applicable tax rates must be enacted or substantively enacted at the reporting date.

Recognition aligns with the underlying transaction-either in Other Comprehensive Income (OCI) or directly in equity.

Tax Benefits in Business Combinations

If tax benefits from a business combination do not meet recognition criteria initially, they may be recognized later if new information becomes available.

Tax Uncertainties and Adjustments

Tax laws, regulations, and taxable income projections can be uncertain.

Differences between actual results and assumptions could require adjustments to tax income and expenses.

Tax Rate

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.

(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	
			2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 1 January			6,620	6,376	-	-
Estimated tax expense for the period			(2,856,004)	(2,651,821)	(2,856,004)	(2,517,716)
Tax Payable Recognized			2,013,341	1,699,380	2,013,341	1,565,263
Notional tax/ WHT recognized	345	16.(b)	842,911	952,685	842,663	952,453
As at 31 December			6,869	6,620	-	-

As at 31 December	GROUP	
	2024	2023
	Rs.'000	Rs.'000
As at 1 January	1,229,749	1,132,194
Amounts recorded in the income statement	53,882	(7,564)
Amounts recorded in other comprehensive income	34,503	55,930
Deferred Tax on Share of profit of Associate	143,274	49,188
As at 31 December	1,461,408	1,229,749

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. (d) Deferred Tax Liability- Company

	Other Comprehensive Income Statement		Income Statement		Statement of Financial Position	
	2024	2023	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Temporary Difference from Property Plant and Equipment	-	-	91,914	(18,418)	(160,090)	(68,176)
Temporary Difference from Investment Properties	-	-	32,675	4,517	(221,201)	(188,526)
Temporary Difference from Revaluation reserve	24,648	36,180	-	-	(310,157)	(285,509)
Temporary Difference from Available for sale financial assets	-	(7,833)	-	-	-	-
Deferred Tax Expense/(Income)	24,648	28,347	124,590	(13,901)	-	-
Deferred Tax Liabilities					(691,449)	(542,211)

Total Deferred Tax Liability

As at 31 December	GROUP	
	2024	2023
	Rs.'000	Rs.'000
As at 1 January	542,211	527,765
Amounts recorded in the income statement	124,590	(13,901)
Amounts recorded in other comprehensive income	24,648	28,347
As at 31 December	691,449	542,211

16. (e) Expiry date of carried forward tax loss

Expiry date of carried forward tax loss as per the Inland Revenue Act. No. 24 of 2017 is maximum of six years . As of the reporting date there is a carried forward tax loss as per the note 16(c). in page 345.

16. (f) Unrecognised deferred tax liabilities

As at the reporting date, there is no unrecognised deferred tax liabilities (2023 - Nil).

16. (g) Deferred tax and income tax on items directly recognised in equity

During the period ended 31 December 2024, the group did not recognise any deferred tax and income tax expenses on transactions which are directly recorded in equity (2023 Nil).

16. (h) Unrecognised deferred tax assets

As at the reporting date, there are no unrecognised deferred tax assets (2023- Nil).

16. (i) Unrecognised tax losses and unused tax credits

As at 31.12.2024, the Group has accumulated tax losses amounting to Rs.23.16 Mn which are available for offset against future taxable profits. Deferred tax asset has been recognized in respect of these losses as the management believes that there would be future taxable profits within the allowable period for utilization. Further, there were no unused tax credits for the Company to recognise a differed tax asset as at the reporting date.

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 are as follows.

17.(a) Movement of Policy Loans

As at 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as of 1st January	2,930,981	2,703,623	2,930,981	2,703,623
Loans Granted/Capitalization During the Period	2,919,204	3,179,047	2,919,204	3,179,047
Repayment During the Period	(2,841,912)	(2,951,689)	(2,841,912)	(2,951,689)
Balance as at 31 December	3,008,273	2,930,981	3,008,273	2,930,981

17.(b) Fair value of loans to life policyholders

The fair value of the policyholder loans is equal to its carrying value as those are given at competitive market rates.

17.(c) Concentration risk of loans to life policyholders

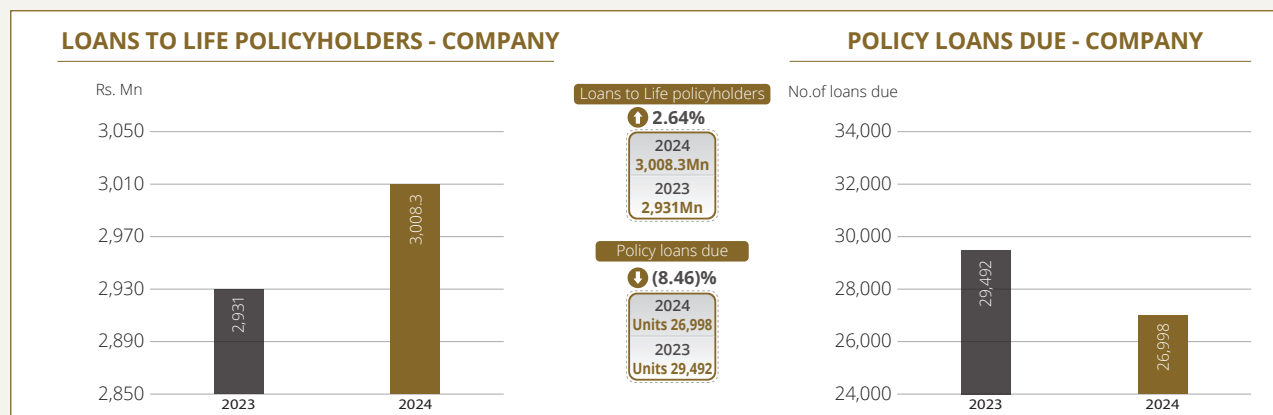
There is lower concentration of credit risk with respect to policyholders, as the company has a large number of dispersed receivables. If the total receivable under the loan, including interest due and accrued, exceeds the cash surrender value, the policy terminates and becomes void. The Company has 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 assessed the potential impairment loss of Loans to Life Policyholders as at 31st December 2024. 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 2024 was 26,998 (2023 - 29,492)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17.(f) Collateral Details

The company does not hold any collateral as security against potential default by policyholders other than surrender.

17 (g) Maturity Analysis

Maturity Analysis of Loans to Life Policyholders is given in Note 41(j) on page 387.

17(h) Financial risk disclosure on loans to life policyholders

The fair value of the policyholder loans is equal to its carrying value as those are given at competitive market rates.

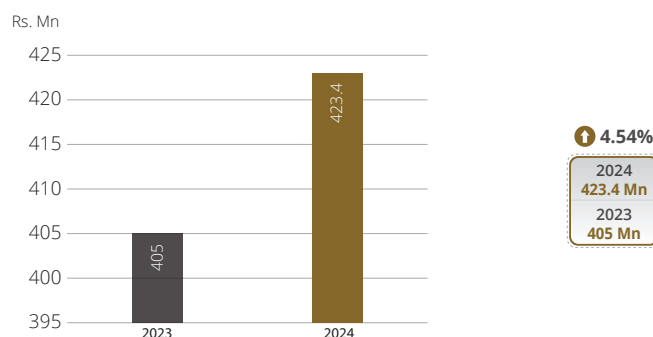
18. PREMIUM RECEIVABLES

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	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Premium Receivables	423,419	405,029	423,419	405,029
Total	423,419	405,029	423,419	405,029

PREMIUM RECEIVABLES - COMPANY



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 Company assessed the potential impairment loss of Premium Receivables as at 31st December 2024. 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.

18 (g) Maturity Analysis

Maturity Analysis of premium receivable is given in Note 41(j) on page 387.

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	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Advances, Deposits & Prepayments	773,551	665,164	500,150	390,740
Inventories	121,802	127,298	119,536	124,258
Deferred staff benefits	60,494	67,426	60,494	67,426
Total Other Assets	955,847	859,888	680,180	582,424

19.(a) Maturity Analysis

Other assets are generally settled within one year.

19.(b) Inventories Pledged

None of the inventories have been pledged as securities for liabilities as at the reporting date (2023 - Nil).

19.(c) Impairment of other assets

The Group assessed potential impairment loss of other assets as at 31 December 2024. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of other assets (2023-Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash in hand and at Bank	954,750	678,161	948,618	677,077
Bank Overdraft	(1,356,705)	(917,769)	(1,351,226)	(913,434)
Total Cash and Cash Equivalents	(401,955)	(239,608)	(402,608)	(236,357)

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

20.(a) Fair value of cash and cash equivalents

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

20.(b) Maturity Analysis

Maturity analysis of cash and cash equivalents is given in Note 41(j) on page 387.

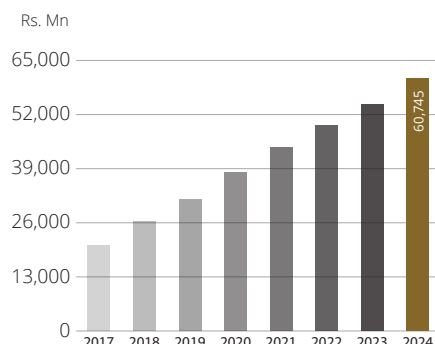
20.(c) Risk management initiatives relating to cash and cash equivalents

Refer Note 41(h) on page 386 for risk management initiatives relating to cash and cash equivalents - Liquidity Risk.

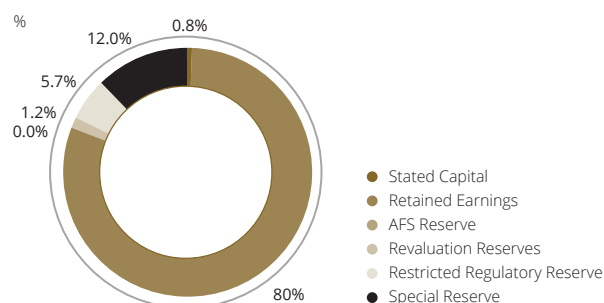
21. EQUITY

As at 31 December	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Ordinary Shares - Voting	351	21.(a)	500,001	500,001	500,001	500,001
Other Reserves	351	21.(b)	65,788,278	58,441,352	60,245,458	53,873,318
			66,288,279	58,941,353	60,745,459	54,373,319

EQUITY - COMPANY



COMPOSITION OF SHAREHOLDER'S FUND -2023



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	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Ordinary Shares - Voting	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.

21.(b) Other Reserves

As at 31 December	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Retained Earnings	351	21.(c)	53,798,797	46,526,538	48,741,674	42,420,188
Available for Sale Reserve	352	21.(d)	12,250	19,107	12,250	19,107
Revaluation Reserve	352	21.(e)	1,209,396	1,127,873	723,700	666,188
Restricted Regulatory Reserve	352	21.(g)	3,456,184	3,456,184	3,456,184	3,456,184
Special Reserve	352	21.(f)	7,311,651	7,311,651	7,311,651	7,311,651
Total			65,788,278	58,441,353	60,245,458	53,873,318

21.(c) Retained Earnings

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st January	46,526,538	41,227,449	42,420,188	37,530,856
Profit for the Period	8,002,280	6,307,264	7,071,487	5,801,833
Other Comprehensive Income for the period	(501,666)	(1,582,787)	(591,685)	(1,568,623)
Dividend paid to Equity Holder for Previous Year	-	(912,501)	-	(912,501)
Dividend paid to Equity Holder for Current Year	(750,001)	-	(750,001)	-
Transferred to Long Term Insurance Fund	591,685	1,568,623	591,685	1,568,623
Change in equity of associates	(70,039)	(81,510)	-	-
Balance as at 31st December	53,798,797	46,526,538	48,741,674	42,420,188

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21.(d) Available for Sale Reserve

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as at 1st January	19,107	18,552	19,107	18,552
Fair value changes recorded in Other Comprehensive				
Income for the period during the year	77,363	42,530	77,363	42,530
Transferred to Long Term Insurance Fund	(84,220)	(41,975)	(84,220)	(41,975)
Balance as at 31st December	12,250	19,107	12,250	19,107

The Available for Sale Reserve comprises the cumulative net change in the fair value of Available for Sale financial instruments held by the Group and the Company as at 31 December 2024 and amortization of fair value changes previously recognized in other comprehensive income in respect of AFS assets reclassified during the period.

21.(e) Revaluation Reserve

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as at 1st January	1,127,873	979,571	666,188	581,769
Other Comprehensive Income for the period	571,967	863,646	547,956	799,764
Transferred to Long Term Insurance Fund	(490,444)	(715,344)	(490,444)	(715,344)
Balance as at 31st December	1,209,396	1,127,873	723,700	666,188

The Revaluation Reserve relates to the gain on revaluation of property, plant and equipment recognised in Equity through OCI.

21.(f) Special Reserve

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 31 December				
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 to the Company from then Ceylinco Holdings PLC (formerly known as Ceylinco Insurance PLC) on 1 June 2015 as a result of the regulatory segregation of composite insurance companies.

21.(g) Restricted Regulatory Reserve

	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 31 December				
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 IRC SL 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 IRC SL. The basis is common 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 IRC SL and can only be released upon receiving approval from IRC SL. The One-Off Surplus in the Shareholders' Fund will remain invested in assets as shown in the note below as per directions of IRC SL.

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”.

The composition of the assets, held to support the Restricted Regulatory Reserve (One-off Surplus for other than participating business) as at 31 December 2024 are disclosed below at their market values:

	2024	2023
As at 31 December	Market Value Rs.'000	Market Value Rs.'000
Assets		
Government Debt Securities	842,568	1,234,486
Deposits with licensed commercial banks		
People's Bank	2,625,596	1,615,027
Bank of Ceylon	-	653,753
Total	3,468,164	3,503,266

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Investment Contracts

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.

IRCSL 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'.

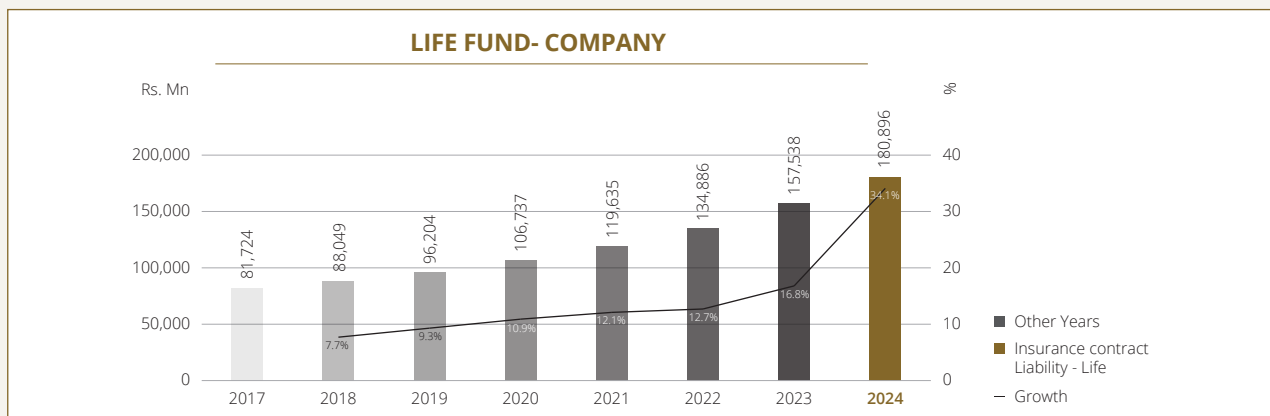
Derecognition

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.

As at 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Insurance Contract Liability - Long Term	180,898,094	157,540,297	180,895,714	157,537,917
Insurance Contract Liability - Unit Linked	200,674	228,774	200,674	228,774
Insurance Contract Liability - Takaful	19,441	17,496	19,441	17,496
Individual Investment Fund (ISF)	427,762	414,963	427,762	414,963
Total Insurance Contract Liabilities	181,545,970	158,201,530	181,543,590	158,199,150

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 2024 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Following the actuarial valuation as at 31 December 2024 the Consulting Actuary has approved a transfer of Rs. 3.0 Bn (2023 - Rs.1.98 Bn) from the Life Fund to the Shareholder's Retained Profit Account.

The Company's Capital Adequacy Ratio (CAR) as at 31 December 2024 was 448.% (2023 - 344%) 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.

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 2024	74,482,806	83,055,111	157,537,917
Gross Premium Income	4,808,825	32,331,591	37,140,416
Premium ceded to reinsurers	(14,472)	(535,491)	(549,963)
Liabilities paid for death, maturities, surrenders, benefits and claims	(6,677,897)	(18,370,722)	(25,048,619)
Investment return	8,904,837	13,222,155	22,126,992
Reinsurance commission income	(3,538)	122,473	118,935
Other operating and Admin Expenses Including Income Tax	(2,321,382)	(2,929,374)	(5,250,756)
Underwriting and net Acquisition Cost	(333,799)	(2,144,459)	(2,478,258)
Net Transfer to Shareholder	(191,599)	(2,815,400)	(3,006,999)
Increase in Pension Saver Fund	-	323,071	323,071
Revaluation Reserve and AFS Reserve Transferred to Life Fund	595,133	(612,154)	(17,021)
As at 31 December 2024	79,248,914	101,646,800	180,895,714

	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
Premium 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	-	447,640	447,640
Revaluation Reserve and AFS Reserve Transferred to Life Fund	731,059	(1,542,363)	(811,304)
As at 31 December 2023	74,482,806	83,055,111	157,537,917

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	
	2024	2023	2024	2023
	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

As at 31 December 2023, the Company's interest-bearing borrowings included a short-term loan obtained from a commercial bank under a clean facility. No assets were pledged as security for the said loan.

23.(a).1 Interest Bearing Borrowings - Face value

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Face Value Rs.'000	Face Value Rs.'000	Face Value Rs.'000	Face Value Rs.'000
Hatton National Bank PLC	-	4,053,574	-	4,053,574
Total	-	4,053,574	-	4,053,574

23.(a) .2 Interest Bearing Borrowings - Movement

As at 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 1st January	4,053,574	-	-	-
Addition During the Year	-	4,053,574	-	4,053,574
Settlement During the Year	(4,053,574)	-	(4,053,574)	-
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.

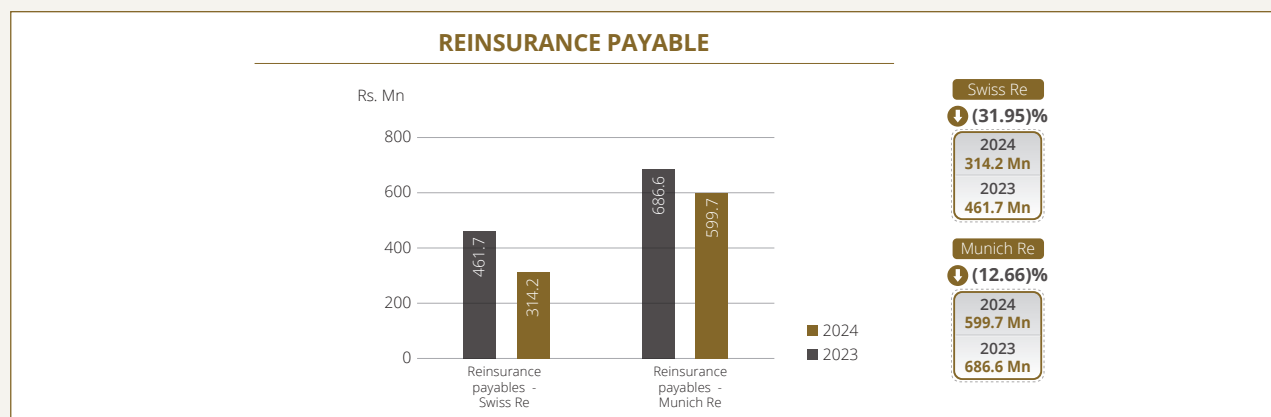
24 REINSURANCE PAYABLES**ACCOUNTING POLICY**

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	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Reinsurance payables - Swiss Re	314,182	461,749	314,182	461,749
Reinsurance payables - Munich Re	599,698	686,641	599,698	686,641
Total	913,880	1,148,390	913,880	1,148,390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The carrying amounts disclosed above in respect of the reinsurance of insurance contracts approximate fair value at the reporting date.



24.(a).The age analysis of the reinsurance Payables

As at 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Up to 180 Days	216,392	435,437	216,392	435,437
181- 365 Days	255,044	136,541	255,044	136,541
More than 365 Days	442,444	576,412	442,444	576,412
Total	913,880	1,148,390	913,880	1,148,390

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	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Policyholders payment in advance			1,306,640	1,200,427	1,306,640	1,200,427
Agency commission payable			457,307	388,745	457,307	388,745
Tax Payable	361	25.(b).I	1,394,135	1,201,971	1,386,643	1,187,787
Trade Creditors & Accrued Expenses			1,892,133	1,857,762	1,583,821	1,552,061
Unclaimed Death Claim Payable			164,770	128,238	164,770	128,238
Unclaimed Other Benefits Payable			1,071,071	877,093	1,071,071	877,093
Total			6,286,056	5,654,236	5,970,252	5,334,351

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

25. (b).1Tax Payable

As at 31 December	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income Tax Payable	361	25. (b). 1.(a)	1,359,713	1,151,979	1,352,221	1,137,795
Other Taxes and Levies			34,422	49,992	34,422	49,992
Total			1,394,135	1,201,971	1,386,643	1,187,787

25. (b).1.(a). Movement of Income Tax Payable

As at 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 January	1,151,979	1,463,898	1,137,795	1,454,300
Estimated tax charge in respect of the current year	2,931,810	2,597,304	2,913,884	2,570,882
Notional Tax / WHT Recovered	(845,284)	(955,678)	(842,663)	(952,451)
Payments made on-account during the year	(1,820,912)	(2,034,484)	(1,798,915)	(2,015,873)
Reversal of income tax over provision	(57,880)	80,939	(57,880)	80,939
As 31 December	1,359,713	1,151,979	1,352,221	1,137,795

(c) Maturity Analysis

All amounts are payable within one year.

References to the maturity analysis is given in Note 41(j) on page 387.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

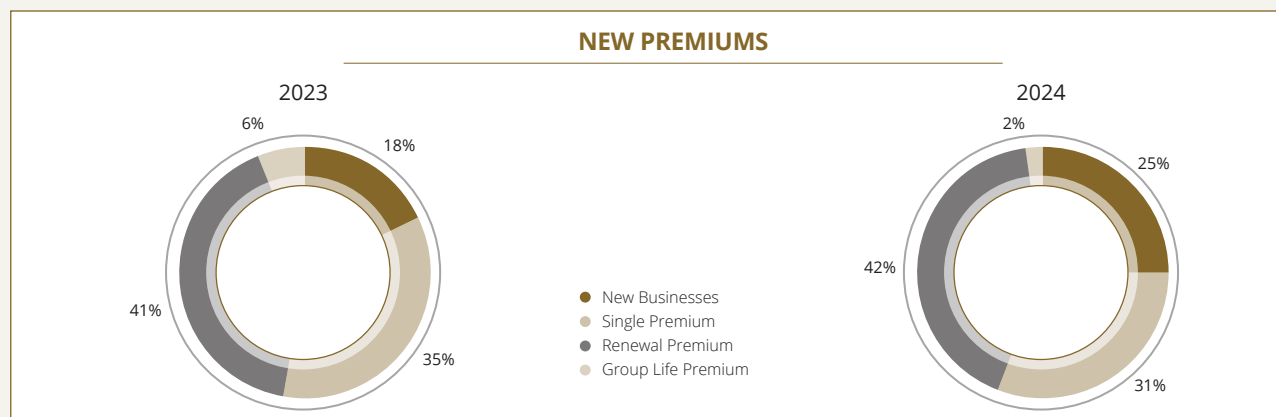
For the Year Ended 31 December	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Life insurance Premium	362	26.(b)	37,139,573	33,410,928	37,140,416	33,411,394
Gross Written Premiums			37,139,573	33,410,928	37,140,416	33,411,394

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.

26.(b) Life Insurance Premium

For the Year Ended 31 December	GROUP		COMPANY		Change %
	2024	2023	2024	2023	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
New Businesses	9,314,077	5,902,767	9,314,077	5,902,767	57.79
Single Premium	11,674,194	11,828,460	11,674,194	11,828,460	(1.30)
Renewal Premium	15,517,693	13,652,749	15,518,536	13,653,215	13.66
Group Life Premium	633,608	2,026,952	633,608	2,026,952	(68.74)
Total	37,139,573	33,410,928	37,140,416	33,411,394	11.16

NEW PREMIUMS



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	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Life insurance	363	26.(d)	549,963	639,875	549,963	639,875
Premiums ceded to Reinsurers			549,963	639,875	549,963	639,875

26.(d) Premiums Ceded to Reinsurers

For the Year Ended 31 December	GROUP		COMPANY		Change %
	2024	2023	2024	2023	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Reinsurance Receivable - Swiss Re	343,539	394,080	343,539	394,080	(12.83)
Reinsurance Receivable - Munich Re	206,424	245,607	206,424	245,607	(15.95)
Reinsurance Receivable - RGA	-	188	-	188	(100.00)
Total	549,963	639,875	549,963	639,875	(14.05)

26.(e) Annualised New Business Life Premium - Rs.

For the Year Ended 31 December	2024	2023
	Rs.	Rs.
Annualised New Business Life Premium	12,064,412,098	12,522,705,828

26.(f) Revenue From Subsidiaries

For the Year Ended 31 December	2024	2023
	Rs.'000	Rs.'000
Ceylinco Healthcare Services Limited		
Revenue from Treatments	346,144	361,057
Medical Tests	20,150	16,975
Registration Fees	535	531
Refunds (Packages and Test) and Discounts	(205)	(535)
	366,624	378,028
Serene Resorts Limited		
Resident Income	86,566	57,136
Group Adjustments	(9,061)	-
Total Revenue from Subsidiaries	444,129	435,164

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Reinsurance commission income	118,935	(9,040)	118,935	(9,040)
Other fees	113,366	110,697	113,366	110,697
Total Fees and Commission Income	232,301	101,657	232,301	101,657

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.

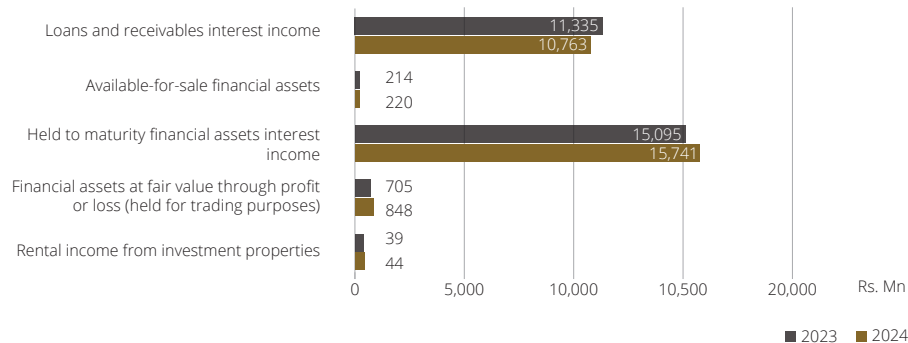
28.(a). Investment Income

For the Year Ended 31st December			GROUP		COMPANY	
			2024	2023	2024	2023
	Page	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rental income from investment properties	313	9.h	35,608	30,786	43,728	38,786
Financial assets at fair value through profit or loss (held for trading purposes)						
Interest income			851,172	706,584	848,188	704,790
Held to maturity financial assets interest income			15,843,093	15,199,114	15,740,896	15,095,466
Available-for-sale financial assets						
Interest income			184,862	202,810	184,862	202,810
Dividend income			12,684	(4,849)	35,207	11,240
Loans and receivables interest income			10,793,470	11,418,323	10,708,786	11,272,801
Interest Income from Staff Loan			53,902	62,259	53,902	62,259
Investment income Excluding Dividend Income of Associate			27,774,793	27,615,027	27,615,570	27,388,152

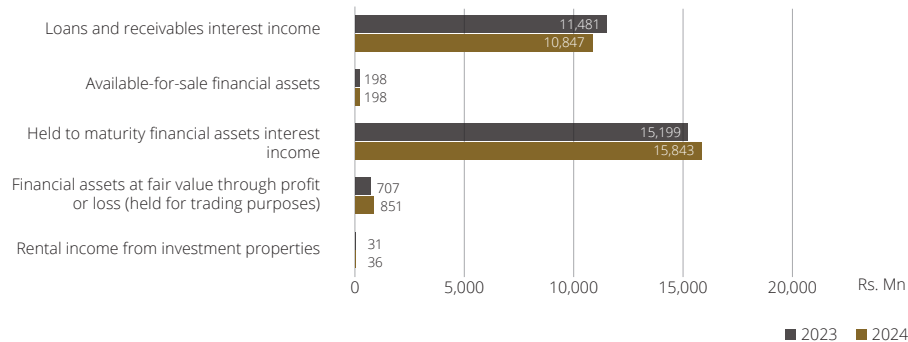
28.(b) Dividend Income from Associate

For the Year Ended 31st December	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Dividend Income	-	-	127,964	91,401
Total Investment Income	27,774,793	27,615,027	27,743,534	27,479,553

INVESTMENT INCOME COMPOSITION- COMPANY



INVESTMENT INCOME COMPOSITION - GROUP



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Property, Plant and equipment	15,604	16,787	15,604	16,040
Right to used Assets	-	(747)	-	-
Total realised gains non financial assets	15,604	16,040	15,604	16,040
Available-for-sale financial assets				
Realised gains from Debt securities	176,344	90,591	176,344	90,591
Total realised gains for available-for-sale financial assets	176,344	90,591	176,344	90,591
Total Realised Gains	191,948	106,631	191,948	106,631

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	
			2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Fair value gains on investment properties	310	9	67,517	77,308	90,617	155,309
Fair value gains on financial assets at fair value through profit or loss (held for trading purposes)			125,681	109,344	116,725	96,700
Total fair value gains			193,198	186,652	207,342	252,009

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

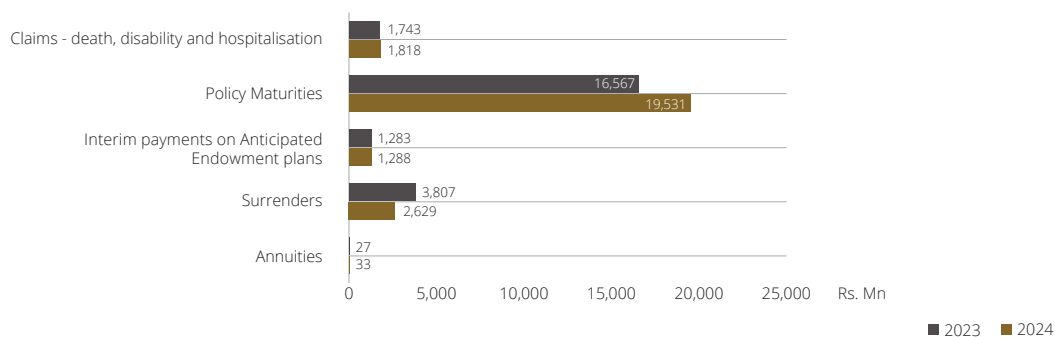
Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

For the Year Ended 31st December	Page	Note	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
31.(a) Gross benefits and claims paid	367	31.d	25,298,611	23,425,601	25,298,611	23,425,601
31.(b) Claims ceded to reinsurers	367	31.d	(249,992)	(290,552)	(249,992)	(290,552)
Gross change in contract						
31.(c) liabilities			23,051,748	23,015,741	23,051,748	23,015,741
Net benefits and claims			48,100,367	46,150,790	48,100,367	46,150,790

31.(d) Gross claims and benefits (Excluding Life fund increase)

For the Year Ended 31st December	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Claims - death, disability and hospitalisation	1,818,332	1,742,719	1,818,332	1,742,719
Policy Maturities	19,531,226	16,566,525	19,531,226	16,566,525
Interim payments on Anticipated Endowment plans	1,287,694	1,282,536	1,287,694	1,282,536
Surrenders	2,628,633	3,807,109	2,628,633	3,807,109
Annuities	32,726	26,712	32,726	26,712
Gross Claims and Benefits	25,298,611	23,425,601	25,298,611	23,425,601
Reinsurance share of claims	(249,992)	(290,552)	(249,992)	(290,552)
Net Claims and Benefits	25,048,619	23,135,049	25,048,619	23,135,049

GROSS CLAIMS AND BENEFITS - COMPANY



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fees and commission expenses	2,478,258	2,267,578	2,478,258	2,267,578
Total	2,478,258	2,267,578	2,478,258	2,267,578

33. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

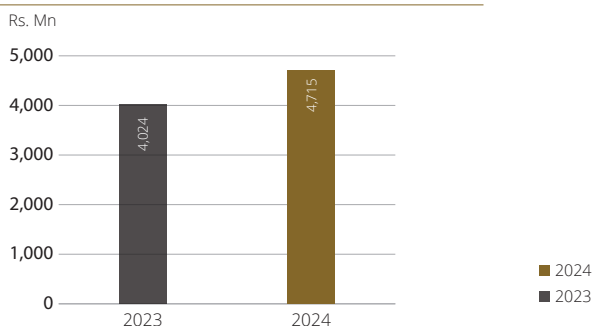
ACCOUNTING POLICY

Expenditure Recognition

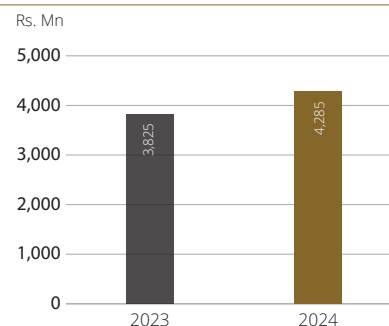
Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Income Statement.

For the Year Ended 31 December	Page	Notes	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Amortisation of intangible assets	294	6	151,012	133,666	150,866	133,537
Depreciation on property and equipment	298	7	346,440	311,645	267,459	234,573
Depreciation on Right-to use Assets	308	8(a)	66,479	68,684	66,479	68,684
Other Operating Expenses			1,662,533	1,564,080	1,398,952	1,523,454
Auditors' remuneration	370	33 (b)	20,699	21,805	19,963	21,274
Employee benefits expense	369	33 (a)	1,276,645	941,837	1,197,871	875,595
Selling expenses			1,147,419	932,144	1,139,384	916,991
Legal Expenses			44,166	50,531	44,156	50,521
Total other operating and administrative expenses			4,715,394	4,024,392	4,285,131	3,824,629

OTHER OPERATING AND ADMINISTRATIVE EXPENSES - GROUP



OTHER OPERATING AND ADMINISTRATIVE EXPENSES - COMPANY



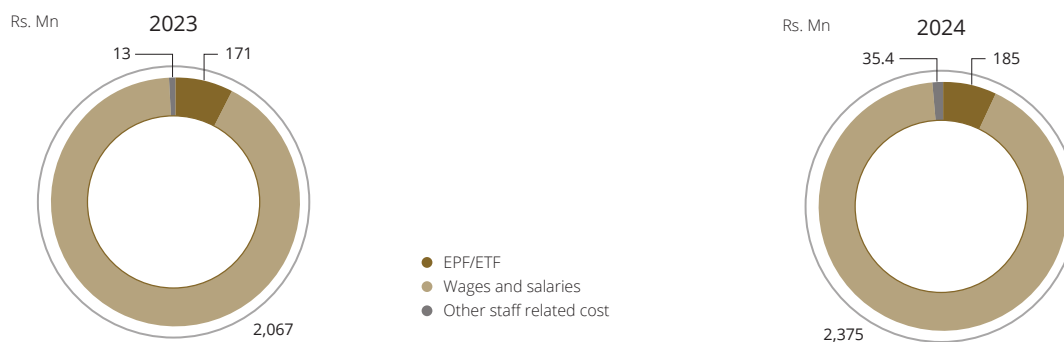
33.(a) Employee Benefits Expenses

For the Year Ended 31 December	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Wages and salaries including bonus & incentives	2,374,640	2,066,874	2,308,390	2,012,292
Employees' Provident Fund 12%	148,232	137,147	142,395	131,278
Employees' Trust Fund 3%	37,166	34,287	35,599	32,820
Defined gratuity benefit & Pension costs	(1,318,833)	(1,309,506)	(1,322,992)	(1,313,099)
Other staff related cost	35,440	13,035	34,479	12,305
Total employee benefits Expenses	1,276,645	941,837	1,197,871	875,595

EMPLOYEE BENEFITS EXPENSES 2023/ 2024 - COMPANY



EMPLOYEE BENEFITS EXPENSES 2023/ 2024 - GROUP



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. (b) . Auditor's Fee and Expenses

For the Year Ended 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Statutory Audit	10,397	7,832	10,397	7,832
Statutory Audit of subsidiaries	736	530	-	-
Audit related Services	3,183	4,619	3,183	4,619
Non Audit Services	6,383	8,823	6,383	8,823
Total	20,699	21,805	19,963	21,274

33. (c) Other Operating Expenses In Respect of Investment Properties

The operating expenses incurred in respect of investment property which does not earn rental income is Rs.3,367,870/- (2023 - Rs.3,082,801/-) The operating expenses incurred in respect of investment property which earns rental income is Rs.307,511/- (2023 - Rs.2,400,552/-)

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.

For the Year Ended 31 December	GROUP		COMPANY	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Interest expense	83,264	80,179	82,853	79,877
Total Finance Cost	83,264	80,179	82,853	79,877

35. INCOME TAX EXPENSE

ACCOUNTING POLICY

Income tax expense comprises current and deferred tax. Refer Accounting Policy under Taxation Note 35 in Page 370.

The major components of income tax expense for the years ended 31 December 2024 and 2023 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	Page	Notes	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax						
Estimated tax charge in respect of the current	371	35.(c)	2,931,810	2,597,304	2,913,884	2,570,882
Over/under provision in respect of previous year			(57,880)	80,939	(57,880)	80,939
Total current tax			2,873,931	2,678,243	2,856,004	2,651,821
Deferred tax						
Origination of temporary differences	345, 346	16.(c), 16.(d)	197,156	41,623	124,590	(13,901)
Total Tax charge to income statement			3,071,087	2,719,867	2,980,594	2,637,920

35.(b) Tax Recorded in Other Comprehensive Income

For the Year Ended 31 December	Page	Notes	GROUP		COMPANY	
			2024	2023	2024	2023
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax			-	-	-	-
Deferred tax	374	39	34,777	55,930	24,923	28,347
Total tax charge to other comprehensive income			34,777	55,930	24,923	28,347

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;

For the year of assessment	2024	2023
	Rs.'000	Rs.'000
Investment Income from the business	6,243,747	6,099,619
Less-Exempted Interest Income	(340,003)	(207,401)
Add- Taxable Gain	2,737	435
Less-Management Expenses	(379,271)	(386,988)
Taxable income	5,527,210	5,505,665
Income tax on share holders' taxable income	30% 1,658,163	@ 30% 1,651,700
Income Tax for Bonuses distributed/ declared to policyholders	1,178,736	1,086,723
	30% 353,621	@ 30% 326,017
Income Tax for Surplus distributed to Shareholders	3,006,999	1,977,222
	30% 902,100	@ 30% 593,167
Estimated tax charge in respect of the current year	2,913,884	2,570,882
Dividend Tax	135,322	81,261
	@15% 20,298	@ 14% 24,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2024 Rs.'000	2023 Rs.'000	Effective ownership by NCI %
Ceylinco Healthcare (Pvt) Ltd	5,778	5,745	100%
Srerene Resorts Ltd	4,266	3,754	100%
Total	10,044	9,499	

36. (b) Profit Allocated to Non-Controlling Interest

Name of the Company	2024 Rs.'000	2023 Rs.'000
Ceylinco Healthcare (Pvt) Ltd	34	815
Srerene Resorts Ltd	512	600
Total	546	1,415

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	
	2024	2023	2024	2023
Profit for the year (Rs.'000)	8,002,280	6,307,264	7,071,487	5,801,833
Weighted Average Number of Ordinary Shares ('000)	50,000	50,000	50,000	50,000
Basic Earnings per Ordinary Share (Rs.)	160.05	126.15	141.43	116.04

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.

38. DIVIDENDS

38.(a) Dividends Proposed

For the Year Ended 31 December	COMPANY	
	2024 Rs.'000	2023 Rs.'000
Final Dividend - Proposed	885,001	750,001
Total Dividend Proposed	885,001	750,001
No. of Shares in issue for the year ('000)	50,000	50,000
Final Dividend Per Share - Proposed (Rs.)	17.70	15.00

The Board of Directors proposed a final dividend of Rs.17.70 (2023 Rs. 15/-) per share, amounting to a total of Rs. 885 million (2023 - Rs. 750 million) on 20 February 2025 out of the profit for the year ended 31 December 2024 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.

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 20 February 2025 and was 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	
	2024 Rs.'000	2023 Rs.'000
Final Dividend - Paid	750,001	912,501
Total Dividend Paid	750,001	912,501
No. of Shares in issue for the year ('000)	50,000	50,000
Final Dividend Per Share - Paid (Rs)	15.00	18.25

The company has paid a final dividend of Rs. 15 per share, amounting to Rs. 750 Mn on 20 May 2024. 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 2023. A statement of solvency was completed and duly signed by the directors on 22 February 2024, and has been audited by Messrs, Ernst & Young Chartered Accountants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

GROUP	2024			2023		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net gain/(loss) on Available-for-sale financial assets	77,637	(275)	77,362	34,696	7,833	42,530
Actuarial gain on defined benefit plans	(592,453)	436	(592,017)	(1,567,939)	(205)	(1,568,144)
Share of other comprehensive income of equity accounted investees	90,351	-	90,351	(14,643)	-	(14,643)
Revaluation surplus/(Deficit) during the year	606,906	(34,938)	571,967	927,204	(63,558)	863,646
Total	182,441	(34,777)	147,663	(620,682)	(55,930)	(676,611)

COMPANY	2024			2023		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net gain/(loss) on Available-for-sale financial assets	77,637	(275)	77,362	34,696	7,833	42,530
Actuarial gain on defined benefit plans	(591,685)	-	(591,685)	(1,568,623)	-	(1,568,623)
Revaluation surplus/(Deficit) during the year	572,604	(24,648)	547,956	835,944	(36,180)	799,764
Total	58,556	(24,923)	33,633	(697,983)	(28,347)	(726,329)

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

- 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 past year from previous years.

Ceylinco Life Insurance Ltd has following capital resources.

As at 31 December	2024 Rs.'000	2023 Rs.'000
Total equity as per the Statement of Financial Position	60,745,459	54,373,319
Adjustments to the capital under the RBC Framework	40,087,131	35,703,952
Available capital resources under the RBC Framework	100,832,590	90,077,271

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.

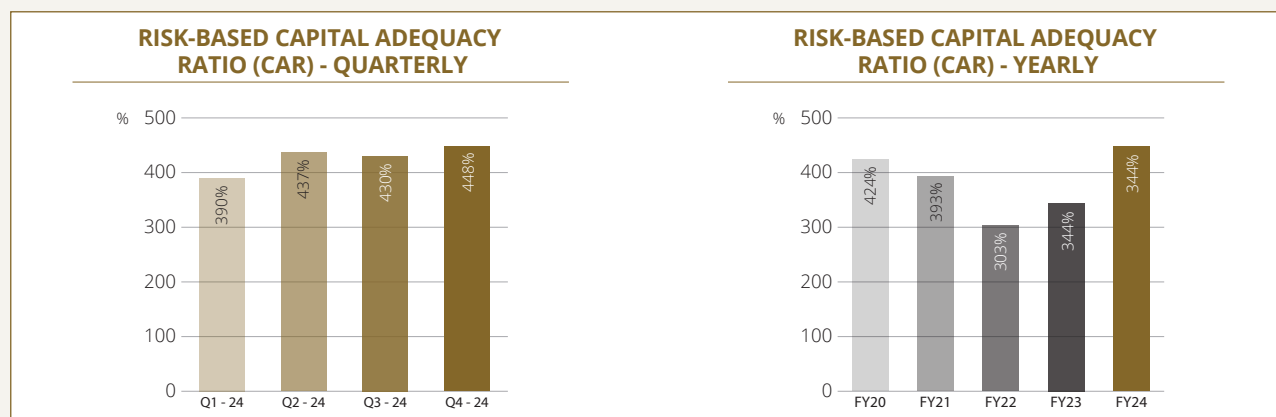
Operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2024	31st December 2023
Total Available Capital (TAC)	Rs. Mn	100,833	90,077
Risk Based Capital Requirement (RCR)	Rs. Mn	22,496	26,174
Risk Based Capital Adequacy Ratio (CAR)	%	448%	344%
Regulatory Minimum CAR	%	120%	120%



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 76 to 89.

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 2024

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 insurances receivables as of 31 st December, with the respective ratings of each reinsurer, company has engaged with.

As at 31 December	Ratings	GROUP		Ratings	COMPANY	
		2024	2023		2024	2023
		Rs.'000	Rs.'000		Rs.'000	Rs.'000
Reinsurance Receivable - Swiss Re	AA-	235,456	328,202	AA-	235,456	328,202
Reinsurance Receivable - Munich Re	AA	310,179	354,963	AA	310,179	354,963
Reinsurance Receivable - RGA	AA-	-	259	AA-	-	259
Total Reinsurance Receivables		545,635	683,424		545,635	683,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

41.(a) 3. Sensitivity of the Value of Insurance Liabilities for Changes in Assumptions

Sensitivity of the Value of Insurance Liabilities as at 12/31/24	Changes in Assumptions	Impact on the Net Best Estimate Liabilities
Expenses	+10%	1.03%
Expenses	-10%	-1.03%
Mortality	+10%	0.26%
Mortality	-10%	-0.26%
Morbidity	+20%	0.28%
Morbidity	-20%	-0.30%
Withdrawal Rate	+20%	-0.56%
Withdrawal Rate	-20%	0.68%

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 Company, due to various reasons such as its declining financial strength. The sub-categories of credit risk include;

- Default risk: the risk that the issuer failing to make timely interest or principal payments.
- Downgrade risk: the risk that the credit rating of the issuer/debt instrument will be downgraded.
- Credit spread risk: the risk that credit spreads will widen.

Financial Credit Risk Management

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 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 Credit Risk Management-

- 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.

Premium Receivable Credit Risk

- 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 Interest rate risk is described under risk management report on pages 76 to 89.

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			
			2024		2023		2024		2023	
			Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Financial instruments										
Held-to-maturity financial assets	322	12(a)								
Government Securities			119,588,942	54.27	111,302,584	56.84	118,633,989	54.29	110,653,013	57.04
Corporate Debts			517,165	0.23	517,216	0.26	517,165	0.24	517,216	0.27
Loans and receivables	323	12(b)								
Repo Investments			7,523,175	3.41	763,026	0.39	7,522,760	3.44	562,303	0.29
Corporate Debts			19,090,991	8.66	13,474,565	6.88	19,090,991	8.74	13,474,565	6.95
Term Deposits			67,196,676	30.50	55,755,994	28.47	66,439,627	30.40	54,900,233	28.30
Other			594,967	0.27	652,610	0.33	594,967	0.27	652,610	0.34
Available-for-sale financial assets	325	12(c)								
Equity securities			262,637	0.12	119,758	0.06	262,637	0.12	119,758	0.06
Debt securities			536,251	0.24	4,090,551	2.09	536,251	0.25	4,090,551	2.11
Unit Trust Investment			96,662	0.04	5,995	0.00	-	-	-	-
Financial assets at fair value through profit or loss	327	12(d)								
Equity securities			1,545	0.00	1,045	0.00	1,545	0.00	1,045	0.00
Debt securities			814	0.00	4,429,310	2.26	814	0.00	4,329,682	2.23
Reinsurance assets	341	15	545,635	0.25	683,424	0.35	545,635	0.25	683,424	0.35
Loans to Policyholders	347	17	3,008,273	1.37	2,930,981	1.50	3,008,273	1.38	2,930,981	1.51
Premium Receivables	348	18	423,419	0.19	405,029	0.21	423,419	0.19	405,029	0.21
Cash and cash equivalents	350	20	954,750	0.43	678,161	0.35	948,618	0.43	677,077	0.35
Total credit risk exposure			220,341,902	100	195,810,249	100	218,526,691	100	193,997,487	100

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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 2024	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	322	12.(a)						
Debt securities			517,165	118,633,989	-	-	-	119,151,154
			517,165	118,633,989	-	-	-	119,151,154
Loans and Receivables	323	12.(b)						
Term Deposits			66,439,627	-	-	-	-	66,439,627
Repo Investments			7,522,760	-	-	-	-	7,522,760
Unquoted Debentures			448,380	-	1,585,254	-	-	2,033,634
Debentures - Quoted			17,057,357	-	-	-	-	17,057,357
Staff and vehicle Loans (Hire Purchase)			-	-	-	-	594,967	594,967
			91,468,124	-	1,585,254	-	594,967	93,648,345
Available-for-Sale Financial Assets	325	12.(c)						
Equity securities			228,846	-	11,179	-	22,612	262,637
Debt securities			-	536,251	-	-	-	536,251
			228,846	536,251	11,179	-	22,612	798,888
Financial Assets at Fair Value through Profit or Loss	327	12.(d)						
Equity securities			367	-	657	520	-	1,545
Debt securities			-	814	-	-	-	814
			367	814	657	520	-	2,359
Total credit risk exposure			92,214,502	119,171,054	1,597,090	520	617,579	213,600,746

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	322	12.(a)						
Debt securities			517,216	110,653,013	-	-	-	111,170,229
			517,216	110,653,013	-	-	-	111,170,229
Loans and Receivables	323	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
Available-for-Sale Financial Assets	325	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	327	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

41. (b).3. Credit Ratings of Financial Instruments - Company

The below table indicates the rating of investments as at 31st December 2024 & 2023.

As at 31 December 2024

	Page	Note	AAA Rs.'000	AA+ Rs.'000	AA Rs.'000	AA- Rs.'000	A+ Rs.'000	A Rs.'000	A- Rs.'000	BBB+ Rs.'000	BBB Rs.'000	BBB- Rs.'000	Unrated Rs.'000	Total Rs.'000
Financial instruments														
Held-to-Maturity Financial Assets														
Debt securities	322	12.(a)	118,633,989	-	-	-	-	-	-	517,165	-	-	-	119,151,153
Loans and Receivables	323	12.(b)	20,629,161	-	-	-	-	40,030,335	15,303,266	12,907,061	2,598,300	-	2,180,221	93,648,345
Available-for-Sale Financial Assets														
														-
Equity securities	325	12.(c)		-	-	-	-	-	-	-	-	-	262,637	262,637
Debt securities	325	12.(c)	536,251	-	-	-	-	-	-	-	-	-	-	536,251
Financial Assets at Fair Value through Profit or Loss														
Equity securities	327	12.(d)	41	-	-	199	299	-	-	-	-	-	1,006	1,545
Debt securities	327	12.(d)	814	-	-	-	-	-	-	-	-	-	-	814
Total			139,800,256	-	-	199	299	40,030,335	15,303,266	13,424,226	2,598,300	-	2,443,864	213,600,746

As at 31 December 2023

	Page	Note	AAA Rs.'000	AA+ Rs.'000	AA Rs.'000	AA- Rs.'000	A+ Rs.'000	A Rs.'000	A- Rs.'000	BBB+ Rs.'000	BBB Rs.'000	BBB- Rs.'000	Unrated Rs.'000	Total Rs.'000
Financial instruments														
Held-to-Maturity Financial Assets														
Debt securities	322	12.(a)	110,653,013	-	-	-	-	-	-	517,216	-	-	-	111,170,229
Loans and Receivables	323	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	325	12.(c)		-	-	-	-	-	-	-	-	-	119,758	119,758
Debt securities	325	12.(c)	4,090,551	-	-	-	-	-	-	-	-	-	-	4,090,551
Financial Assets at Fair Value through Profit or Loss														
Equity securities	327	12.(d)	31	-		121	197	-	-	-	-	-	696	1,045
Debt securities	327	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

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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)	Risk Status	GROUP				COMPANY			
		2024		2023		2024		2023	
		Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
BBB+	Medium Risk	517,165	100.00	517,216	100.00	517,165	100.00	517,216	100.00
		517,165	100	517,216	100	517,165	100	517,216	100

The Group/Company has invested 100.00% (2023 -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.

Loans and Receivables -Debentures (Quoted)	Risk Status	GROUP				COMPANY			
		2024		2023		2024		2023	
		Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AA+	Low Risk	-	-	2,861,924	27.58	-	-	2,861,924	27.58
AA-	Low Risk	-	-	175,754	1.69	-	-	175,754	1.69
A-	Low Risk	2,635,502	15.45	-	-	2,635,502	15.45	-	-
BBB+	Medium Risk	12,907,061	75.67	7,075,513	68.17	12,907,061	75.67	7,075,513	68.17
BBB	Medium Risk	1,514,793	8.88	265,268	2.56	1,514,793	8.88	265,268	2.56
		17,057,357	100	10,378,459	100	17,057,357	100	10,378,459	100

The Group/Company has invested 91.12% (2023- 97.4%) 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)	Risk Status	GROUP				COMPANY			
		2024		2023		2024		2023	
		Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AA+	Low Risk	-	-	1,033,086	33.37	-	-	1,033,086	33.37
BBB	Medium Risk	448,380	22.05	450,891	14.56	448,380	22.05	450,891	14.56
Unrated		1,585,254	77.95	1,612,129	52.07	1,585,254	77.95	1,612,129	52.07
		2,033,634	100	3,096,106	100	2,033,634	100	3,096,106	100

The Group/Company has invested 22.05 % (2023- 47.9%) 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.

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	Risk Status	GROUP				COMPANY			
		2024		2023		2024		2023	
		Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
AAA	Lowest Risk	13,106,401	19.50	10,808,492	19.39	13,106,401	19.73	10,618,205	19.34
A	Low Risk	47,522,223	70.72	39,335,409	70.55	46,916,991	70.62	-	70.44
A-	Low Risk	5,932,925	8.83	5,033,012	9.03	5,781,108	8.70	5,033,012	9.17
BBB	Medium Risk	635,127	0.95	546,421	0.98	635,127	0.96	546,421	1.00
BBB-	Medium Risk	-	-	32,660	0.06	-	-	32,660	0.06
		67,196,676	100	55,755,994	100	66,439,627	100	54,900,233	100

The Group has invested 98.74% (2023- 99.94%) 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 99.04.% (2023- 99.94%) 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.

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;

- i. 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.
- ii. Currency risk: the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates.
- iii. Equity price risk: the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in equity prices.
- iv. 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.
- v. 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 Interest rate risk is described under risk management report on pages 76 to 89

41.(d). Currency Risk

The Company 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 Company 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 Company. 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.

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 76 to 89

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41.(e).1 Exposure to Interest Rate Risk

The following table presents the financial assets and liabilities which are subject to interest rate risk.

GROUP

31 December	2024				2023			
	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	-	119,151,154	-	119,151,154	-	111,819,800	-	111,819,800
Loans & Receivables	-	93,648,337	-	93,648,337	-	70,646,195	-	70,646,195
Available For Sale	-	632,913	-	632,913	-	4,096,546	119,758	4,216,304
Fair Value through Profit & Loss	-	814	-	814	-	4,429,310	1,045	4,430,355
Loans to Life Policyholders	-	3,008,273	-	3,008,273	-	2,930,981	-	2,930,981
Cash and Cash Equivalent	-	-	954,750	954,750	-	-	678,161	678,161
Total Financial Assets	-	216,441,491	954,750	217,396,241	-	193,922,833	798,964	194,721,797
Financial Liabilities								
Interest Bearing Borrowings	-	-	-	-	4,053,574	-	-	4,053,574
Bank Overdraft	-	-	1,356,705	1,356,705	-	-	917,769	917,769
Total Liabilities	-	-	1,356,705	1,356,705	4,053,574	-	917,769	4,971,343

COMPANY

31 December	2024				2023			
	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	-	119,151,154	-	119,151,154	-	111,170,229	-	111,170,229
Loans & Receivables	-	93,648,345	-	93,648,345	-	69,589,711	-	69,589,711
Available For Sale	-	536,251	-	536,251	-	4,090,551	119,758	4,210,309
Fair Value through Profit & Loss	-	814	-	814	-	4,329,682	1,045	4,330,727
Loans to Life Policyholders	-	3,008,273	-	3,008,273	-	2,930,981	-	2,930,981
Cash and Cash Equivalent	-	-	948,618	948,618	-	-	677,077	677,077
Total Assets	-	216,344,838	948,618	217,293,455	-	192,111,154	797,880	192,909,021
Financial								
Interest Bearing Borrowings	-	-	-	-	4,053,574	-	-	4,053,574
Bank Overdraft	-	-	-	-	-	-	913,434	913,434
Total	-	-	-	-	4,053,574	-	913,434	4,967,008

41.(f) Equity Price Risk

The equity price risk is relatively negligible due to Company's diminutive exposure to equity market, except for several strategic investments which are of long-term in nature. However, the Company maintains a closer watch on movements in stock prices and indices.

Following table shows diversification of the equity investments of the Company as of 31 December 2024.

31 December	GROUP				COMPANY			
	2024 Rs.'000	%	2023 Rs.'000	%	2024 Rs.'000	%	2023 Rs.'000	%
Fair Value through Profit & Loss Financial Assets								
Banking, Finance and Insurance	367	0.14	233	0.19	367	0.14	233	0.19
Manufacturing, Plantations	520	0.20	293	0.24	520	0.20	293	0.24
Service	657	0.25	519	0.43	657	0.25	519	0.43
Total Fair Value through Profit & Loss Financial Assets	1,545	0.58	1,045	0.87	1,545	0.58	1,045	0.87
Available For Sale Financial Assets								
Banking, Finance and Insurance	228,846	86.62	117,233	97.04	228,846	86.62	117,233	97.04
Service	33,791	12.79	2,525	2.09	33,791	12.79	2,525	2.09
Total Available For Sale Financial Assets	262,637	99.42	119,758	99.13	262,637	99.42	119,758	99.13
Total Equity	264,182	100	120,803	100	264,182	100	120,803	100

More details on how we mitigate liquidity risk is described under risk management report on pages 76 to 89.

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 76 to 89.

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41.(g)i Risk Associated with SLFRS 17 /SLFRS 09 and risk mitigating actions

Risk Category	Focus Area	Risk Driver	Risk Description	Risk Mitigation Strategy
Operational Risk	Systems & Technology	High data granularity & integration needs	SLFRS 17 requires detailed contract-level data and advanced system capabilities.	Invest in IT infrastructure, automate data processes, and ensure system compatibility.
	Workforce & Expertise	Knowledge gap in new standards	Employees may lack technical expertise in SLFRS 17 & SLFRS 9 applications.	Conduct specialized training, create an internal knowledge hub, and seek external expertise.
Regulatory Risk	Compliance & Reporting	Evolving regulatory landscape	Failure to align with SLFRS 17 & SLFRS 9 may lead to compliance issues and penalties.	Establish governance frameworks, conduct regular compliance audits, and engage with regulators proactively.
Strategic Risk	Business Performance	Impact on financial metrics & KPIs	Changes in profit recognition under SLFRS 17 affect business performance evaluation.	Redefine KPIs, align investor communications, and adjust strategic goals.
Financial Risk	Credit Exposure	Forward-looking credit loss assessments	SLFRS 9's Expected Credit Loss (ECL) model increases provisioning and impacts earnings.	Strengthen credit evaluation, diversify investment exposure, and implement robust risk models.
	Market Volatility	Fair value adjustments & classification	SLFRS 9's asset classification and fair value measurement create earnings volatility.	Regular portfolio reviews, active market monitoring, and effective hedge strategies.

41.(h). Liquidity risk

Liquidity risk is the risk that the Company 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 firm. 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 Company ensures that sufficient liquid assets/credit lines are available to comfortably meet such unforeseen cash outflows, if any.

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 2024	Pages	Notes	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
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	322	12.(a)	120,106,107	61,006,761	31,973,842	9,934,215	15,427,916	1,763,374
Loans and Receivables	323	12.(b)	94,405,809	48,448,592	32,632,709	7,214,188	6,111,768	-
Available-for-sale financial assets								
	325	12.(c)						
Equity securities			262,637	262,637	-	-	-	-
Debt securities			632,913	459,546	96,026	-	77,340	-
Financial assets at fair value through profit or loss								
	327	12.(d)						
Equity securities			1,545	1,545	-	-	-	-
Debt securities			814	814	-	-	-	-
Reinsurance Receivables	341	15	545,635	309,519	236,115	-	-	-
Loans to life policyholders	347	17	3,008,273	409,388	955,632	433,618	959,684	249,952
Premium receivables	348	18	423,419	423,419	-	-	-	-
Cash and Cash Equivalents	350	20	954,750	954,750	-	-	-	-
			220,343,350	112,276,971	65,894,324	17,582,021	22,576,708	2,013,326
Liabilities								
Other Financial Liabilities								
Reinsurance Payables	359	24	913,880	471,436	442,444	-	-	-
Lease Liabilities	308	8.(b)	181,867	67,316	81,950	23,530	9,071	-
Trade and Other Payables	360	25	6,286,056	6,286,056	-	-	-	-
Bank Overdraft	350	20	1,356,705	1,356,705	-	-	-	-
			8,738,508	8,181,513	524,394	23,530	9,071	-

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GROUP

Asset and Liabilities

As at December 2023			Total	No More Than 12 Months	More than 12 Months			
				Less Than 1 Year	1 year to 3 Years	3 year to 5 Years	5 year to 15 Years	More than 15 Years
Pages	Notes		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	322	12.(a)	111,819,800	39,192,530	35,124,487	14,624,420	21,112,168	1,766,195
Loans and Receivables	323	12.(b)	70,646,195	18,519,002	32,365,164	13,669,891	6,092,138	-
Available-for-sale financial assets	325	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	327	12.(d)						
Equity securities			1,045	1,045	-	-	-	-
Debt securities			4,429,310	4,429,310	-	-	-	-
Reinsurance Receivables	341	15	683,424	343,634	339,790	-	-	-
Loans to life policyholders	347	17	2,930,981	461,694	856,177	413,618	941,371	258,121
Premium receivables	348	18	405,029	405,029	-	-	-	-
Cash and Cash Equivalents	350	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								
Reinsurance Payables	359	24	1,148,390	571,978	576,412	-	-	-
Lease Liabilities	308	8.(b)	176,790	62,238	81,950	23,530	9,071	-
Trade and Other Payables	360	25	5,654,236	5,654,236	-	-	-	-
Interest Bearing Borrowings	359	23.(a)	4,053,574	4,053,574	-	-	-	-
Bank Overdraft	350	20	917,769	917,769	-	-	-	-
			11,950,758	11,259,795	658,362	23,530	9,071	

COMPANY

Asset and Liabilities

As at December 2024	Page	Notes	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
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	322	12.(a)	119,151,153	60,051,807	31,973,842	9,934,215	15,427,916	1,763,374
Loans and Receivables	323	12.(b)	93,648,345	47,689,680	32,632,709	7,214,188	6,111,768	-
Available-for-sale financial assets								
Equity securities	325	12.(c)	262,637	262,637	-	-	-	-
Debt securities			536,251	362,884	96,026	-	77,340	-
Financial assets at fair value through profit or loss								
Equity securities	327	12.(d)	1,545	1,545	-	-	-	-
Debt securities			814	814	-	-	-	-
Reinsurance Receivables	341	15	545,635	309,519	236,115	-	-	-
Loans to life policyholders	347	17	3,008,273	409,388	955,632	433,618	959,684	249,952
Premium receivables	348	18	423,419	423,419	-	-	-	-
Cash and Cash Equivalents	350	20	948,618	948,618	-	-	-	-
			218,526,691	110,460,311	65,894,324	17,582,021	22,576,708	2,013,326
Liabilities								
Other Financial Liabilities								
Reinsurance Payables	359	24	913,880	471,436	442,444	-	-	-
Lease Liabilities	308	8.(b)	221,305	57,875	128,768	19,588	15,074	-
Trade and Other Payables	360	25	5,970,252	5,970,252	-	-	-	-
Bank Overdraft	350	20	1,351,226	1,351,226	-	-	-	-
			8,456,662	7,850,788	571,212	19,588	15,074	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY

Asset and Liabilities

As at December 2023	Page	Notes	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
Assets								
Financial instruments								
Held-to-maturity financial assets								
Debt securities	322	12.(a)	111,170,229	38,542,959	35,124,487	14,624,420	21,112,168	1,766,195
Loans and Receivables	323	12.(b)	69,589,711	17,462,516	32,365,164	13,669,891	6,092,138	-
Available-for-sale financial assets								
Equity securities	325	12.(c)	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								
Equity securities	327	12.(d)	1,045	1,045	-	-	-	-
Debt securities			4,329,682	4,329,682	-	-	-	-
Reinsurance Receivables	341	15	683,424	343,634	339,790	-	-	-
Loans to life policyholders	347	17	2,930,981	461,694	856,177	413,618	941,371	258,121
Premium receivables	348	18	405,029	405,029	-	-	-	-
Cash and Cash Equivalents	350	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	359	24	1,148,390	1,148,390	-	-	-	-
Lease Liabilities	308	8.(b)	181,867	67,316	81,950	23,530	9,071	-
Trade and Other Payables	360	25	5,334,351	5,334,351	-	-	-	-
Interest Bearing Borrowings	359	23.(a)	4,053,574	4,053,574	-	-	-	-
Bank Overdraft	350	20	913,434	913,434	-	-	-	-
			11,631,603	11,517,052	81,950	23,530	9,071	-

The Company has no significant of concentration of liquidity risk during the reporting period.

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 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 not entered in to any financial commitments during the year.

42.(c). Assessments from Department of Inland Revenue**Tax Assessments on Income Tax**

The Company has 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, 2019/20, and 2020/21. The Company contends that these assessments are not in accordance with the provisions of the Inland Revenue Act.

The assessment for Y/A 2020/21 is currently being adjudicated by the Commissioner General of Inland Revenue (CGIR). With respect to Y/A 2019/20, the CGIR issued a determination against the Company, which has been appealed to the Tax Appeals Commission (TAC). For Y/A 2015/16 and 2016/17, the TAC ruled in favor of the Company, dismissing the determinations made by the CGIR. The CGIR has subsequently appealed these TAC decisions to the Court of Appeal. For Y/A 2018/19, the TAC's ruling was mixed, with some grounds of appeal being upheld and others being rejected. Both the Company and the Department of Inland Revenue have filed appeals with the Court of Appeal regarding the unfavorable aspects of the TAC's decision. The assessment for Y/A 2017/18 remains under consideration by the TAC.

A significant concern is that these assessments are predominantly based on Section 92 of the Inland Revenue Act, No. 10 of 2006, which has implications for the broader life insurance industry. Furthermore, assessments relating to Y/A 2019/20, 2020/21, and portions of Y/A 2018/19 have been issued under Section 67 of the Inland Revenue Act, No. 24 of 2017, which came into effect on April 1, 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 2024.

Tax Assessments on VAT And NBT on Financial Services

"TAC issued a determination in favor of the Company concerning the Nation Building Tax (NBT) on Financial Services (FS) for Y/A 2016 and 2017. CGIR disagreeing with the TAC's decision, has lodged an appeal with the Court of Appeal against the Company.

For Value Added Tax (VAT) on FS, the TAC and CGIR both ruled in favor of the Company for Y/A 2016 and 2017, respectively. However, the CGIR issued a determination against the Company for Y/A 2018. As a result, the Company has filed an appeal with the TAC, which is currently under consideration. The VAT on FS assessment for Y/A 2021 is presently being reviewed by the designated Commissioner within the CGIR's office."

The Company is of the view that, it is 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.

Similar assessments have been received by the other players in the industry on the same grounds as well. In those cases, Court of Appeal has already determined in favour of the Life Insurance Companies.

The Company is of the view of that the probability of materialization of the above assessments is very remote..

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 pledged as security for liabilities as at end of the reporting period.

44. RELATED PARTY DISCLOSURES

ACCOUNTING POLICY

The Company 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 2024, the Group has not recorded an impairment of receivables relating to amounts owed by related parties (2023 – 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. In addition, Chief Executive Officer has also been classified as Key Management Personnel of the Company.

As Ceylinco Holdings PLC is the ultimate parent of the Company, 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 Ceylinco Holdings PLC have also been identified as Key Management Personnel of the Company.

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.

44.1 Amounts recieved from related parties

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Subsidiaries	393	44.I.a	10,421,829	17,055,280
Equity accounted investees	393	44.I.b	492,495,386	694,901,246
Other related companies	393	44.I.c	61,858,997	51,210,845
Key management personnel	393	44.I.d	13,155,389	28,907,397
Total			577,931,601	792,074,768

44.II Amounts paid to related parties

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Subsidiaries	394	44.II.a	(9,032,218)	(300,000,000)
Equity accounted investees	394	44.II.b	(18,324,913)	(531,536,909)
Other related companies	394	44.II.c	(841,545,562)	(995,462,663)
Key management personnel	394	44.II.d	(478,971,018)	(530,762,380)
Total			(1,347,873,711)	(2,357,761,952)

44.I.a Amount recieved from related parties**Subsidiaries**

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Ceylinco Healthcare Services Ltd.	396	44.IV.a	3,589,065	8,254,846
Serene Resorts Ltd.	396	44.IV.a	6,832,764	8,800,434
Total			10,421,829	17,055,280

44.I.b Equity accounted investees

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Citizens Development Business Finance PLC	396	44.IV.b	292,883,586	694,901,246
Kings Hospital Colombo Pvt Ltd	396	44.IV.b	199,611,800	-
Total			492,495,386	694,901,246

44.I.c Other related companies

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Ceylinco General Insurance Ltd.	397	44.IV.c	61,858,997	51,210,845
Total			61,858,997	51,210,845

44.I.d Key management personnel

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Premium Received	395	44.III.d	13,155,389	28,907,397
Total			13,155,389	28,907,397

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44.II.a Amounts paid to related parties

Subsidiaries

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Ceylinco Healthcare Services Ltd.	396	44.IV.a	(9,032,218)	(300,000,000)
Total			(9,032,218)	(300,000,000)

44.II.b Equity accounted investees

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Citizens Development Business Finance PLC	396	44.IV.b	(14,023,018)	(527,057,711)
Kings Hospital Colombo Pvt Ltd	396	44.IV.b	(4,301,895)	(4,479,198)
Total			(18,324,913)	(531,536,909)

44.II.c Other Related companies

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Ceylinco General Insurance Ltd.	397	44.IV.c	(91,544,812)	(82,961,750)
Ceylinco Holdings PLC	397	44.IV.c	(750,000,750)	(912,500,913)
Total			(841,545,562)	(995,462,663)

44.II.d Key management personnel

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Short-term employee benefits	397	44.IV.d	(397,932,975)	(433,670,322)
Maturity payments of Insurance Policies	397	44.III.d	(5,467,305)	(18,150,000)
Post employment benefits	397	44.IV.d	(75,570,738)	(73,343,058)
Legal Fees paid	397	44.III.d	-	(5,599,000)
Total			(478,971,018)	(530,762,380)

44.III Transaction with related parties

44.III.a Subsidiaries

			COMPANY	
			2024	2023
	Page	Note	Rs.	Rs.
Premium Received/(paid)			842,678	465,776
Rent Received/ (paid)			7,020,000	8,000,000
Investment in Shares			-	(300,000,000)
Medical Fees for staff & Customers			(9,032,218)	-
Reimbursement of Expenses			10,290	5,435,770
Solar Electricity Reimbursement	396	44.IV.a	532,730	3,072,505
Miscellaneous receipts			2,016,131	81,229
Total		44.IV.a	1,389,611	(282,944,720)

44.III.d Key management personnel

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44.IV Transaction with related parties

44.IV.a Transaction with related parties - Subsidiaries

	COMPANY	
	2024 Rs.	2023 Rs.
Ceylinco Healthcare Services Ltd.		
Premium Received	124,704	186,006
Investment In Shares	-	(300,000,000)
Rent Received	1,970,000	2,600,000
Medical Fees for staff & Customers	(9,032,218)	-
Reimbursement of Expenses	10,290	5,435,770
Miscellaneous receipts	1,484,071	33,070
Total	(5,443,154)	(291,745,154)
Serene Resorts Ltd.		
Premium Received	717,974	279,770
Rent Received	5,050,000	5,400,000
Solar Electricity Reimbursment	532,730	3,072,505
Miscellaneous Receipts	532,060	48,159
Total	6,832,764	8,800,434
Total - Subsidiaries	1,389,610	(282,944,720)

44.IV.b Transaction with related parties - Associates

	COMPANY	
	2024 Rs.	2023 Rs.
Citizens Development Business Finance PLC		
Insurance Premium Received	23,787,162	25,989,357
Maturity of Debenture Investment Including Interest	115,500,000	15,500,000
Investment in fixed deposits	-	(500,000,000)
Maturities of fixed deposits	-	500,000,000
Claims paid	(14,023,018)	(27,057,711)
Dividend Received	150,486,672	107,490,480
Rent Received	3,109,752	2,991,957
Interest Received	-	42,929,452
Total	278,860,568	167,843,535
Kings Hospital Colombo Pvt Ltd		
Medical Fees paid	(4,301,895)	(4,479,198)
Debenture Interest Received	199,611,800	-
Total	195,309,905	(4,479,198)
Total - Associates	474,170,473	163,364,337

44.IV.c Transaction with related parties - Other Related companies

	COMPANY	
	2024 Rs.	2023 Rs.
Ceylinco General Insurance Ltd.		
Premium paid	(84,959,275)	(78,236,750)
Premium Received	47,173,153	38,957,354
Claims paid	(6,585,537)	(4,725,000)
Claims Received	14,685,844	12,253,491
	(29,685,815)	(31,750,905)
Ceylinco Holdings PLC		
Dividend paid	(750,000,750)	(912,500,913)
Total	(750,000,750)	(912,500,913)
Total - Other Related Companies	(779,686,565)	(944,251,818)

44.IV.d Compensation of Key management personnel

The summary of compensation of key management personnel for the year is, as follows:

	COMPANY	
	2024 Rs.	2023 Rs.
Short-term employee benefits	(397,932,975)	(433,670,322)
Post employment benefits	(75,570,738)	(73,343,058)
Total	(473,503,713)	(507,013,380)

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 Rs17.70 (2023 Rs.15.00) per share amounting to a total of Rs.885 Million (2023 - Rs. 750 million) on 20 February 2025 out of the profit for the year ended 31 December 2024 and out of the dividends received during 2024 subject to the approval of shareholder at the Annual General Meeting. More details on Dividend Declaration and payments are given on pages 373.

46. EMPLOYEE AND INDUSTRIAL RELATIONS

There were no material issues pertaining to Employees & Industrial relations during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. 148 - 150 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. 150 - 151 for the status of the adoption of the standard.

Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.



SUPPLEMENTARY *Information*

Annexes

STATEMENT OF SUPPLEMENTARY FINANCIAL POSITION - POLICYHOLDERS

As at 31 December	2024 Rs.'000	2023 Rs.'000
Assets		
Property, Plant and Equipment	9,955,799	9,526,400
Right-of-use Asset	222,671	179,490
Investment Properties	1,916,700	1,871,900
Investment in Subsidiaries	15,000	15,000
Investment in Associates	42,990	42,990
Financial Instruments		
Held to Maturity Financial Assets	101,963,605	92,250,851
Loans and Receivables	65,377,429	43,926,443
Available-For-Sale Financial Assets	765,097	4,207,784
Financial Assets at Fair Value Through Profit or Loss	2,359	4,330,727
Employee Gratuity Benefit Asset	1,686,993	3,073,014
Employee Pension Benefit Asset	3,110,060	645,804
Reinsurance Receivables	545,635	683,424
Loans to Life policyholders	3,008,273	2,930,981
Premium Receivables	423,419	405,029
Other Assets	6,223	227,277
Cash and Cash Equivalents	144,097	677,031
Total Assets	189,186,350	164,994,145
Equity and Liabilities		
Liabilities		
Insurance Contract Liabilities - Life	180,895,714	157,537,917
Insurance Contract Liabilities - Unit Linked	200,674	228,774
Insurance Contract Liabilities-Family Takaful	19,441	17,496
Individual Investment Fund - ISF	427,762	414,963
Reinsurance Payables	913,880	1,148,390
Trade and Other Payables	5,156,351	4,369,180
Lease Liabilities	221,305	181,867
Shor Term Loan	-	213,138
Bank Overdraft	1,351,226	882,420
Total Liabilities	189,186,350	164,994,145
Total Equity and Liabilities	189,186,350	164,994,145

INSURANCE REVENUE ACCOUNT

For the Year Ended 31st December,	Glossary item	2024 Rs.'000	2023 Rs.'000	% Change
Gross Written Premium	22	37,140,416	33,411,394	11.16
Net Written Premium (Net of Premiums ceded to reinsurers)	38	36,590,453	32,771,519	11.65
Investment and Other Income Attributable to Policyholders		22,245,927	22,181,627	0.29
Net Benefits Paid	39	(25,048,619)	(23,135,049)	8.27
Increase in Long Term Insurance Fund		(23,051,748)	(23,015,741)	0.16
Acquisition Cost	01	(2,478,258)	(2,267,578)	9.29
Operating and Administrative Expenses Attributable to Policyholders		(3,912,180)	(3,477,559)	12.50
Interest Expense		(82,853)	(79,877)	3.73
Tax expenses		(1,255,722)	(1,000,122)	25.56
Surplus from Life Insurance Business	33	3,006,999	1,977,222	52.1
Surplus From Life Insurance Business		3,006,999	1,977,222	52.08
Investment & Other Income not Attributable to Policyholders		6,162,310	5,809,480	6.07
Operating and Administrative Expenses not Attributable to Policyholders		(372,950)	(347,071)	7.46
Tax expenses		(1,724,871)	(1,637,798)	5.32
Profits From Operations After Interest and Tax Expenses		7,071,488	5,801,833	21.88

QUARTERLY ANALYSIS 2023/ 2024

COMPANY STATEMENT OF INCOME - 2024

(values are to the nearest rupees thousand)

	1st quarter Jan- Mar.24	2nd quarter Apr- Jun.24	3rd quarter Jul- Sep.24	4th quarter Oct- Dec.24	Total Jan- Dec.24
Gross written premiums	8,934,163	11,013,737	7,552,113	9,640,403	37,140,416
Premiums ceded to reinsurers	(165,701)	(141,746)	(145,617)	(96,899)	(549,963)
Net written premiums	8,768,462	10,871,991	7,406,496	9,543,504	36,590,453
Net Earned premium	8,768,462	10,871,991	7,406,496	9,543,504	36,590,453
					-
Investment and Other Income	6,983,498	7,082,721	6,997,975	7,344,044	28,408,237
Net Income	15,751,960	17,954,712	14,404,470	16,887,548	64,998,690
Net benefits and claims	(5,594,932)	(8,379,314)	(5,724,218)	(5,350,156)	(25,048,619)
Gross Change in Contract Liabilities	(6,245,361)	(5,405,691)	(4,486,846)	(6,913,849)	(23,051,748)
Acquisition cost	(604,483)	(630,710)	(616,043)	(627,022)	(2,478,258)
Other operating and administrative expenses	(1,070,593)	(1,239,969)	(1,195,195)	(779,374)	(4,285,131)
Finance cost	(22,042)	(18,640)	(21,736)	(20,435)	(82,853)
Total benefits, claims and other expenses	(13,537,411)	(15,674,324)	(12,044,038)	(13,690,836)	(54,946,609)
Profit before tax	2,214,548	2,280,388	2,360,433	3,196,712	10,052,081
Income tax expense	(674,429)	(674,429)	(724,730)	(907,006)	(2,980,594)
Profit for the year	1,540,119	1,605,959	1,635,703	2,289,705	7,071,487

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 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	20,071,237
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

TEN-YEAR VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION - Total assets are considered as the base figure in the vertical analysis.

COMPANY	2024		2023		2022		2021		2020	
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Assets										
Intangible Assets	193,120	0%	260,235	0%	317,695	0%	296,448	0%	362,838	0%
Property, plant and equipment	13,943,783	6%	12,999,402	6%	12,031,022	6%	10,415,154	6%	9,478,336	6%
Investments	222,508,618	88%	198,100,434	88%	165,906,315	87%	154,455,119	89%	133,707,835	89%
Other assets	14,791,633	6%	13,386,210	6%	13,276,907	7%	8,596,232	5%	7,252,377	5%
Total Assets	251,437,154	100%	224,746,282	100%	191,531,939	100%	173,762,956	100%	150,801,386	100%
Liabilities										
Insurance provision - Life	180,895,714	72%	157,537,917	70%	134,885,839	70%	119,634,780	69%	106,737,377	71%
Unit linked Fund and other funds	647,876	0%	661,232	0%	663,337	0%	686,266	0%	657,389	0%
Equity and Other Liabilities	69,893,564	28%	66,547,133	30%	55,982,764	29%	53,441,910	31%	43,406,620	29%
Total Liabilities	251,437,154	100%	224,746,282	100%	191,531,940	100%	173,762,956	100%	150,801,386	100%
Investor Information										
Return on net assets (%)	11.64		10.67		15.45		15.33		18.18	
Return on Total Assets (%)	2.81		2.58		3.98		3.90		4.60	
Net assets per share Rs.	1,214.91		1,087.47		987.98		883.88		762.90	
Earnings per share Rs.	141.43		116.04		152.64		135.49		138.68	
Dividend per share Rs.	17.70		15.00		18.25		15.75		-	
Dividend Cover (Times)	7.99		6.36		8.36		8.60		-	
Dividend Payout Ratio (%)	12.52		12.93		11.96		11.55		-	

INCOME STATEMENT - Gross Written premium is considered as the base figure in the vertical analysis.

COMPANY	2024		2023		2022		2021		2020	
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Gross written Premium	37,140,416	100%	33,411,394	100%	29,160,164	100%	25,565,050	100%	22,076,250	100%
Net written premium	36,590,453	99%	32,771,519	98%	28,687,967	98%	25,256,551	99%	21,570,788	98%
Investment income and other income	28,408,237	76%	27,991,108	84%	20,071,237	69%	15,129,139	59%	14,912,201	68%
Net claims and benefit	(25,048,619)	-67%	(23,135,049)	-69%	(18,969,266)	-65%	(12,736,308)	-50%	(12,266,513)	-56%
Acquisition Cost	(2,478,258)	7%	(2,267,578)	-7%	(2,097,314)	-7%	(2,369,754)	-9%	(2,123,644)	-10%
Increase in Long Term Insurance fund	(23,051,748)	-62%	(23,015,741)	-69%	(13,375,957)	-46%	(11,803,985)	-46%	(9,423,994)	-43%
Operating & Administrative expenses	(4,285,130)	-12%	(3,824,629)	-11%	(4,300,707)	-15%	(4,836,630)	-19%	(3,823,330)	-17%
Finance Expenses	(82,853)	0%	(79,877)	-0.2%	(104,382)	0%	(93,640)	0%	(78,995)	0%
Profit Before Tax	10,052,082	27%	8,439,753	25.3%	9,911,578	34%	8,545,373	33%	8,766,513	40%
Taxation	(2,980,594)	-8%	(2,637,920)	-7.9%	(2,279,803)	-8%	(1,770,883)	-7%	(1,832,391)	-8%
Profit After Tax	7,071,488	19%	5,801,833	17.4%	7,631,775	26%	6,774,490	26%	6,934,122	31%

2019		2018		2017		2016		2015	
Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
349,626	0%	37,358	0%	56,950	0%	2,759	0%	645	0%
9,401,318	6%	7,567,806	6%	7,371,782	7%	7,068,634	7%	5,343,752	7%
116,918,311	78%	103,744,945	88%	92,264,065	87%	84,220,630	87%	67,139,575	84%
6,542,149	4%	6,709,280	6%	6,402,008	6%	5,166,066	5%	7,751,193	10%
133,211,403	88%	118,059,390	100%	106,094,805	100%	96,458,089	100%	80,235,165	100%
96,204,089	64%	88,049,202	75%	81,723,759	77%	77,925,144	81%	68,011,535	85%
582,925	0%	519,695	0%	427,146	0%	333,129	0%	268,062	0%
36,424,389	24%	29,490,493	25%	23,943,900	23%	18,199,816	19%	11,955,567	15%
133,211,403	88%	118,059,390	100%	106,094,805	100%	96,458,089	100%	80,235,165	100%
21.19		21.93		45.87		25.85		21.81	
5.01		4.91		8.67		3.19		2.57	
629.84		528.51		412.94		238.24		188.93	
133.43		115.89		199.35		61.58		38.03	
13.40		11.90		9.00		7.50		6.25	
9.96		9.74		21.04		8.21		6.08	
10.04		10.27		4.75		12.18		16.44	
2019		2018		2017		2016		2015	
Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
18,718,553	100%	17,812,774	100%	15,765,484	100%	15,027,600	100%	13,456,828	100%
18,168,431	97%	17,355,265	97%	15,343,267	97%	14,653,771	98%	13,146,773	98%
13,392,554	72%	11,394,234	64%	10,280,547	65%	8,780,689	58%	6,740,775	50%
(10,604,066)	-57%	(9,803,550)	-55%	(6,686,980)	-42%	(6,651,682)	-44%	(5,956,745)	-44%
(1,962,792)	-10%	(1,926,454)	-11%	(1,782,479)	-11%	(1,693,985)	-11%	(1,610,178)	-12%
(7,189,811)	-38%	(6,457,292)	-36%	(7,258,502)	-46%	(8,397,889)	-56%	(7,135,304)	-53%
(3,550,209)	-19%	(3,384,487)	-19%	(3,532,496)	-22%	(2,937,262)	-20%	(2,994,099)	-22%
(42,170)	0%	(20,328)	0%	(12,005)	0%	(9,915)	-0.1%	(10,214)	0%
8,211,938	44%	7,157,388	40%	9,807,535	62%	3,743,727	25%	2,181,009	16%
(1,540,269)	-8%	(1,363,100)	-8%	(340,109)	-2%	(667,686)	-4%	(120,963)	-1%
6,671,669	36%	5,794,288	33%	9,467,426	60%	3,076,041	20%	2,060,046	15%

TEN-YEAR HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

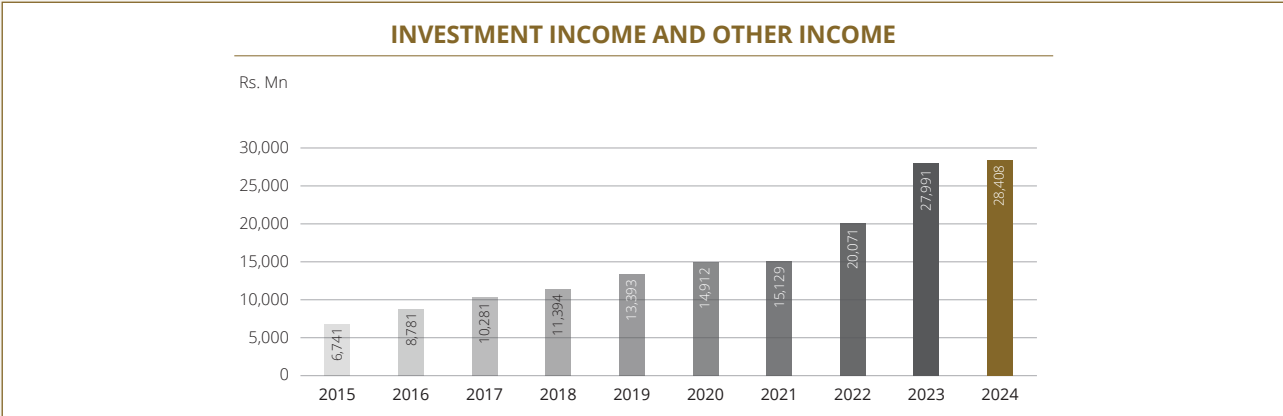
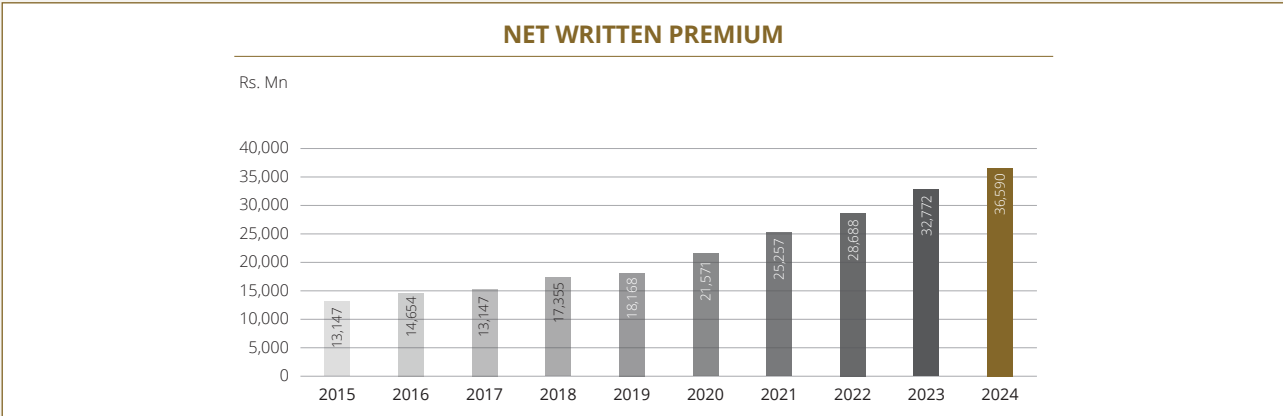
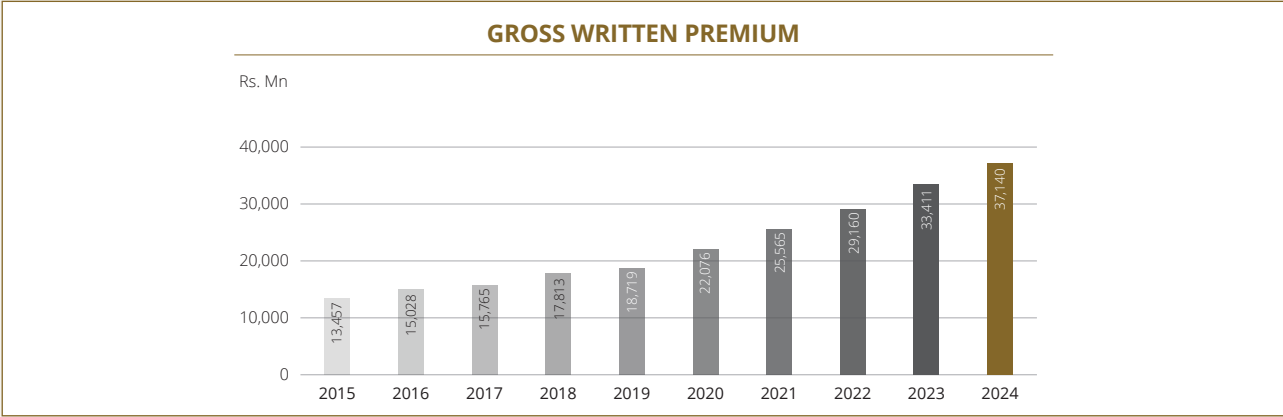
COMPANY	2024 Rs.000	2024 vs 2023	2023 Rs.000	2023 vs 2022	2022 Rs.000	2022 vs 2021	2021 Rs.000	2021 vs 2020	2020 Rs.000	2020 vs 2019
Assets										
Intangible Assets	193,120	-26%	260,235	-18%	317,695	7%	296,448	-18%	362,838	4%
Property, plant and equipment	13,943,783	7%	12,999,402	8%	12,031,022	16%	10,415,154	10%	9,478,336	1%
Investments	222,508,618	12%	198,100,434	19%	165,906,315	7%	154,455,119	16%	133,707,835	14%
Other assets	14,791,633	10%	13,386,210	1%	13,276,907	54%	8,596,232	19%	7,252,377	11%
	-									
Total Assets	251,437,154	12%	224,746,282	17%	191,531,940	10%	173,762,956	15%	150,801,386	13%
Liabilities										
Insurance provision - Life	180,895,714	15%	157,537,917	17%	134,885,839	13%	119,634,780	12%	106,737,377	11%
Unit linked Fund and other funds	647,876	-2%	661,232	0%	663,337	-3%	686,266	4%	657,389	13%
Equity and Other Liabilities	69,893,564	5%	66,547,133	19%	55,982,764	5%	53,441,910	23%	43,406,620	19%
Total Liabilities	251,437,154	12%	224,746,282	17%	191,531,940	10%	173,762,956	15%	150,801,386	13%

INCOME STATEMENT

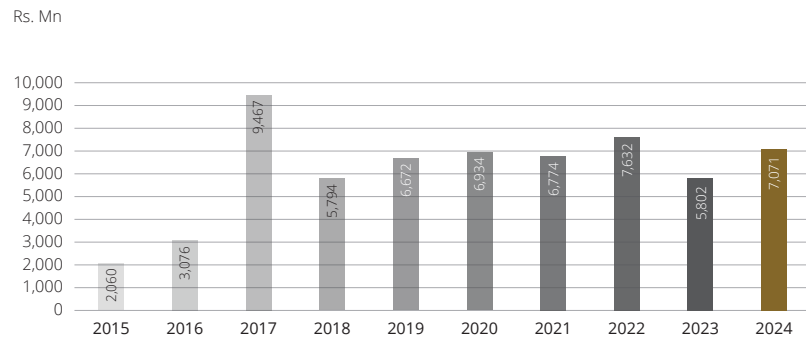
COMPANY	2024 Rs.000	2024 vs 2023	2023 Rs.000	2023 vs 2022	2022 Rs.000	2022 vs 2021	2021 Rs.000	2021 vs 2020	2020 Rs.000	2020 vs 2019
Gross written Premium	37,140,416	11%	33,411,394	15%	29,160,164	14%	25,565,050	16%	22,076,250	18%
Net written premium	36,590,453	12%	32,771,519	14%	28,687,967	14%	25,256,551	17%	21,570,788	19%
Investment income and other income	28,408,237	1%	27,991,108	39%	20,071,237	33%	15,129,139	1%	14,912,201	11%
Net claims and benefit	(25,048,619)	8%	(23,135,049)	22%	(18,969,266)	49%	(12,736,308)	4%	(12,266,513)	16%
Acquisition Cost	(2,478,258)	9%	(2,267,578)	8%	(2,097,314)	-11%	(2,369,754)	12%	(2,123,644)	8%
Increase in Long Term Insurance fund	(23,051,748)	0%	(23,015,741)	72%	(13,375,957)	13%	(11,803,985)	25%	(9,423,994)	31%
Operating & Administrative expenses	(4,285,130)	12%	(3,824,629)	-11%	(4,300,705)	-11%	(4,836,630)	27%	(3,823,330)	8%
Finance Expenses	(82,853)	4%	(79,877)	-23%	(104,382)	11%	(93,640)	19%	(78,995)	87%
Profit Before Tax	10,052,082	19%	8,439,753	-15%	9,911,580	16%	8,545,373	-3%	8,766,513	7%
Taxation	(2,980,594)	13%	(2,637,920)	16%	(2,279,803)	29%	(1,770,883)	-3%	(1,832,391)	19%
Profit After Tax	7,071,488	22%	5,801,833	-24%	7,631,777	13%	6,774,490	-2%	6,934,122	4%
Employee Information										
Revenue per employee	Rs.Mn	89.92	82.11	64.84	50.80	44.82				
Profit Before per employee	Rs.'000	13,788.86	11,405.07	13,180.29	10,748.90	10,769.67				
Number of employees	Nos.	729	740	752	795	814				

	2019 Rs.000	2019 vs 2018	2018 Rs.000	2018 vs 2017	2017 Rs.000	2017 vs 2016	2016 Rs.000	2016 vs 2015	2015 Rs.000	2015 vs 2014
	349,626	0%	37,358	0%	56,950	0%	2,759	0%	645	0%
	9,401,318	7%	7,567,806	6%	7,371,782	7%	7,068,634	7%	5,343,752	7%
	116,918,311	88%	103,744,945	88%	92,264,065	87%	84,220,630	87%	67,139,575	84%
	6,542,149	5%	6,709,280	6%	6,402,008	6%	5,166,066	5%	7,751,193	10%
	133,211,403	100%	118,059,390	100%	106,094,805	100%	96,458,089	100%	80,235,165	100%
	96,204,089	72%	88,049,202	75%	81,723,759	77%	77,925,144	81%	68,011,535	85%
	582,925	0%	519,695	0%	427,146	0%	333,129	0%	268,062	0.3%
	36,424,389	27%	29,490,493	25%	23,943,900	23%	18,199,816	19%	11,955,567	15%
	133,211,403	100%	118,059,390	100%	106,094,805	100%	96,458,089	100%	80,235,165	100%
	2019 Rs.000	2019 vs 2018	2018 Rs.000	2018 vs 2017	2017 Rs.000	2017 vs 2016	2016 Rs.000	2016 vs 2015	2015 Rs.000	2015 vs 2014
	18,718,553	5%	17,812,774	13%	15,765,484	5%	15,027,600	12%	13,456,828	12%
	18,168,431	5%	17,355,265	13%	15,343,267	5%	14,653,771	11%	13,146,773	12%
	13,392,554	18%	11,394,234	11%	10,280,547	17%	8,780,689	30%	6,740,775	-1%
	(10,604,066)	8%	(9,803,550)	47%	(6,686,980)	1%	(6,651,682)	12%	(5,956,745)	22%
	(1,962,792)	2%	(1,926,454)	8%	(1,782,479)	5%	(1,693,985)	5%	(1,610,178)	16%
	(7,189,811)	11%	(6,457,292)	-11%	(7,258,502)	-14%	(8,397,889)	18%	(7,135,304)	-2%
	(3,550,209)	5%	(3,384,487)	-4%	(3,532,496)	20%	(2,937,262)	-2%	(2,994,099)	12%
	(42,170)	107%	(20,328)	69%	(12,005)	21%	(9,915)	-3%	(10,214)	-65%
	8,211,938	15%	7,157,388	-27%	9,807,535	162%	3,743,727	72%	2,181,009	-5%
	(1,540,269)	13%	(1,363,100)	301%	(340,109)	-49%	(667,686)	452%	(120,963)	-87%
	6,671,669	15%	5,794,288	-39%	9,467,426	208%	3,076,041	49%	2,060,046	51%
	37.39		33.31		28.79		25.75		21.22	
	9,729.78		8,294		11,020		4,114		2,328	
	844		863		890		910		937	

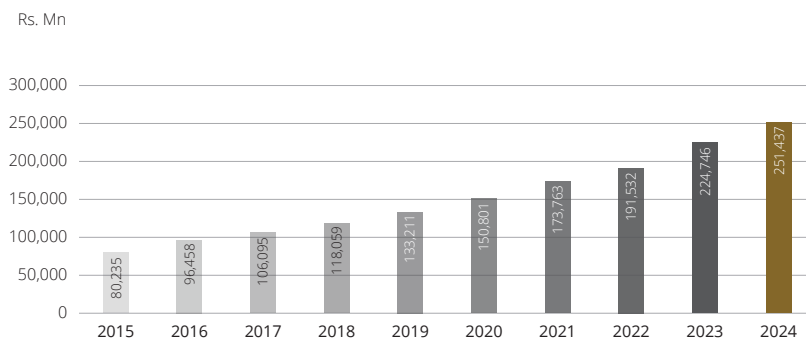
TEN-YEAR SUMMARY



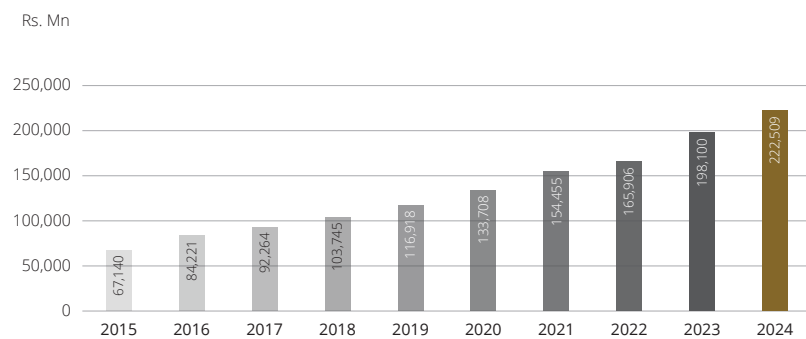
PROFIT AFTER TAX



TOTAL ASSETS



INVESTMENTS





SUSTAINABILITY

Disclosures

GRI CONTENT INDEX

Statement of use	Ceylinco Life Insurance Limited has reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standards

GRI Standard/ Other Source	Disclosure	Page No	Omission		SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason		

General disclosures

	2-1 Organizational details	282				
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GRI Standard/ Other Source	Disclosure	Page No	Requirement(s) Omitted	Omission		SDG Goal	UN Global Impact Ten Principles
				Reason	Explanation		
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	2-21 Annual total compensation ratio		GRI 2-21	Confidentiality constraints	Omitted due to sensitivity of the information		
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	3-2 List of material topics	100-105					
	3-3 Management of material topics	99-105					

GRI Standard/ Other Source	Disclosure	Page No	Omission		SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason		
Economic performance						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	23			8, 9	
	201-2 Financial implications and other risks and opportunities due to climate change	36-38			13	
	201-3 Defined benefit plan obligations and other retirement plans	335-340				
	201-4 Financial assistance received from government		GRI 201-4	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	193			1, 8	
	202-2 Proportion of senior management hired from the local community	185			8	
Indirect economic impacts						
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	157,197-200				
	203-2 Significant indirect economic impacts	157, 197-200				
Procurement practices						
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	201			12	
Anti-corruption						
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	223			16	
	205-2 Communication and training about anti-corruption policies and procedures	223, 182			16	10
	205-3 Confirmed incidents of corruption and actions taken	223			16	

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page No	Omission			SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation		
Anti-competitive behavior							
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	177					
Tax							
GRI 207: Tax 2019	207-1 Approach to tax	342-346					
	207-2 Tax governance, control, and risk management	95, 342-346					
	207-3 Stakeholder engagement and management of concerns related to tax	95, 342-346					
	207-4 Country-by-country reporting	342-346					
Energy							
GRI 302: Energy 2016	302-1 Energy consumption within the organization	18, 160				7, 8, 12, 13	7, 8, 9
	302-2 Energy consumption outside of the organization		GRI 302-2	Not applicable	Not applicable since the Company is in the services sector		
	302-3 Energy intensity		GRI 302-3	Not applicable	Not applicable as the Company in the services sector		
	302-4 Reduction of energy consumption	159					7, 8, 9
	302-5 Reductions in energy requirements of products and services		GRI 302-5	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	159				6, 12	
	303-2 Management of water discharge-related impacts	159				6, 12	7, 8, 9
	303-3 Water withdrawal	18,161					
	303-4 Water discharge		GRI 303-4	Information unavailable/incomplete	The company does not track this information		9
	303-5 Water consumption	18,161				6, 12	5

GRI Standard/ Other Source	Disclosure	Page No	Omission			SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation		
Emissions							
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	165				3, 12, 13, 14, 15	7,8
	305-2 Energy indirect (Scope 2) GHG emissions						
	305-3 Other indirect (Scope 3) GHG emissions						
	305-4 GHG emissions intensity		GRI 305-4	Information unavailable/incomplete	As a service organisation we do not measure emission intensity		
	305-5 Reduction of GHG emissions	165				3, 12, 13, 14, 15	7,8
	305-6 Emissions of ozone-depleting substances (ODS)		GRI 305-6				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		GRI 305-7	Information unavailable/incomplete	The company does not track this information		
Waste							
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	158-159				12	
	306-2 Management of significant waste-related impacts						
	306-3 Waste generated	161					
	306-4 Waste diverted from disposal						
	306-5 Waste directed to disposal		GRI 306-5	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	202					7
	308-2 Negative environmental impacts in the supply chain and actions taken	202					

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page No	Omission		SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason Explanation		
Employment						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	183-184,194-195			5, 8, 10	6
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	187			3, 5, 8	6
	401-3 Parental leave	195			5, 8	1
Labor/management relations						
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	189				
Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	188			5, 8	
	403-2 Hazard identification, risk assessment, and incident investigation	186-189				
	403-3 Occupational health services	186-189				
	403-4 Worker participation, consultation, and communication on occupational health and safety	186-189				
	403-5 Worker training on occupational health and safety	186-189				
	403-6 Promotion of worker health	186-189				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	186-189				
	403-8 Workers covered by an occupational health and safety management system	188				
	403-9 Work-related injuries	18			8	
	403-10 Work-related ill health	18				

GRI Standard/ Other Source	Disclosure	Page No	Omission			SDG Goal	UN Global Impact Ten Principles
			Requirement(s) Omitted	Reason	Explanation		
Training and education							
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	192				4, 5 ,8, 10	6
	404-2 Programs for upgrading employee skills and transition assistance programs	192				8	
	404-3 Percentage of employees receiving regular performance and career development reviews	193				5, 8, 10	
Diversity and equal opportunity							
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	185, 214				5, 8	
	405-2 Ratio of basic salary and remuneration of women to men	193				5, 8	
Non-discrimination							
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	190				5, 8	2, 6
Child labor							
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	190				5, 8, 16	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	190					4

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page No	Omission		SDG Goal	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	197-200				
	413-2 Operations with significant actual and potential negative impacts on local communities		GRI 413-2	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	202				
	414-2 Negative social impacts in the supply chain and actions taken	202				
Marketing and labeling						
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	177				
	417-2 Incidents of non-compliance concerning product and service information and labeling	18				
	417-3 Incidents of non-compliance concerning marketing communications	18				
Customer privacy						
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	176			16	1

SLFRS S1 AND SLFRS S2 COMPLIANCE SUMMARY

Ceylinco Life adopts “Climate First” reporting relief in the first year of reporting as per SLFRS S1&S2. The entity has an option of reporting only climate related industry specific disclosure requirements using the SLFRS S2

SLFRS S1/ SLFRS S2 Core Content	SLFRS S1/S2 section	SLFRS S1/S2 recommended disclosures	Section of the Disclosure in the Annual Report	Page
Governance	SLFRS S1: 26–27	a. The governance body (e.g., a board or committee charged with governance) or individual responsible for oversight of the sustainability related risks and opportunities.	ESG Governance	30, 31, 216
	SLFRS S2: 5–6	b. Management’s role in the process, controls and procedures to monitor, manage and oversee sustainability related risks and opportunities.		
Strategy	SLFRS S1: 28-42	a. Describe how the sustainability-related risks and opportunities (SRROs) are identified over the short, medium, and long-term	Climate Related Risks and Opportunities	36-38
	SLFRS S2: 8-23	b. Describe the impact of climate-related risks and opportunities on the organisation’s business model and value chain, effect on strategy and decision-making, current and anticipated financial effects		
		c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios	Transitional reliefs applied	35
Risk management	SLFRS S1: 43-44	a. Describe the organisation’s processes for identifying and assessing sustainability-related risks and opportunities (SRROs).	Enterprise Risk Management	87, 88, 89
	SLFRS S2: 24-26	b. Extent of integrating both above into entity’s overall risk management process		
Metrics and Targets	SLFRS S1: 45-53	Disclose the metrics used by the organisation to assess sustainability-related sustainability-related risks and opportunities (SRROs) in line with its strategy and risk management process.	GHG Emissions	165
	SLFRS S2: 27-28	To achieve this objective, an entity shall disclose:		
		(a) information relevant to the cross-industry metric	Insurance Sustainability	420 -
		(b) industry-based metrics (Industry-based Guidance on implementing Climate-related Disclosures Volume 17- Insurance applied)	Accounting Standard	421
		(c) Climate-related targets set by the entity	Carbon 5% Down Challenge	163

INSURANCE SUSTAINABILITY ACCOUNTING STANDARD

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Topic Code	Metric	Category	Unit Of Measure	Code	Description	Page
Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	Quantitative	Presentation currency	FN-IN-270a.1	No monetary losses have been incurred because of legal proceedings associated with the marketing and communication of insurance product-related information to new and returning customers. Additionally, there are no contingent liabilities related to this matter.	n/a
	Complaints-to-claims ratio	Quantitative	Rate	FN-IN-270a.2	0.74%	171
	Customer retention rate	Quantitative	Rate	FN-IN-270a.3	83.71%	
	Description of approach to informing customers about products	Discussion and Analysis	n/a	FN-IN-270a.4		172
Incorporation of Environmental, Social and Governance Factors in Investment Management	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies	Discussion and Analysis	n/a	FN-IN-410a.2	Encouraging Transparency & Impact Reporting	141, 142
Policies Designed to Incentivise Responsible Behaviour	Net premiums written related to energy efficiency and low carbon technology	Quantitative	Presentation currency	FN-IN-410b.1	Not applicable	n/a
	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	Discussion and Analysis	n/a	FN-IN-410b.2	We do not have such behaviour incentivize features. However, plan to develop behaviour-based incentive features in the future to encourage positive engagement and sustainable practices.	n/a
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope	Quantitative	Metric tonnes (t) CO ₂ -e	FN-IN-410c.1		n/a
	Gross exposure for each industry by asset class	Quantitative	Presentation currency	FN-IN-410c.2	Transition Reliefs applied as per SLFRS S2 (C4)	
	Percentage of gross exposure included in the financed emissions calculation	Quantitative	Percentage %	FN-IN-410c.3		
	Description of the methodology used to calculate financed emissions	Discussion and Analysis	n/a	FN-IN-410c.4		

INSURANCE SUSTAINABILITY ACCOUNTING STANDARD

Topic Code	Metric	Category	Unit Of Measure	Code	Description	Page
Physical Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes 2	Quantitative	Presentation currency	FN-IN-450a.1	The company has catastrophic insurance coverage for the retention it holds, which includes death and disability resulting from catastrophic events. The exclusions related to natural disasters are not applicable to our coverage. Environmental risks are typically considered during underwriting, based on guidelines provided by reinsurers. Due to data gaps, full SASB compliance is not yet possible; however, the company aims to enhance its data collection efforts.	n/a
	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance) 3	Quantitative	Presentation currency	FN-IN-450a.2		
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy	Discussion and Analysis	n/a	FN-IN-450a.3		
Systemic Risk Management	Exposure to derivative instruments by category: (1) total exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives	Quantitative	Presentation currency	FN-IN-550a.1	Not Applicable	n/a
	Total fair value of securities lending collateral assets	Quantitative	Presentation currency	FN-IN-550a.2	We don't have exposure to this category	n/a
	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	Discussion and Analysis	n/a	FN-IN-550a.3	Enterprise Risk Management- Liquidity Risk	84

TABLE 2. ACTIVITY METRICS

Activity Metric	Category	Unit of Measure	Code	Description	Page
Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance ⁴	Quantitative	Number	FN-IN-000.A	Total no of policies in force disclosed	124

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 Claims Incurred

The aggregate of all claims paid during the accounting period together with attributable claims handling expenses

9 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.

10 Claims Ceded to Reinsurers

Claims ceded to reinsurers contain the proportion of claims paid, which was recovered from reinsurers.

11 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.

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 Cover

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

17 Dividend per Share

Total dividend declared for the financial year, divided by the number of ordinary shares entitled to received that dividend.

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 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.

22 Fees and Commission Income

Fees and commission income includes the charges and policy fees paid by customers and reinsurance commission income.

23 Finance Cost

Finance cost includes charges on the financial services provided by financial institutions, particularly bank charges

24 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.

25 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.

26 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.

27 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.

28 Gross Change in Contract Liabilities

Gross change in contract liabilities is the net transfer to the Life Fund during the period.

29 Gross Written Premium (GWP)

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

30 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

31 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.

32 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

33 Insurance Contract Liabilities

Unit Linked "These items represent the balances of the other separately identifiable funds, in addition to the Life Fund, maintained by a life insurer." Insurance Contract Liabilities-Family Takaful Individual Investment Fund ISF

34 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.

35 Insurance Revenue Account

A statement which shows a financial summary of the insurance related revenue and expenditure transactions for the accounting period.

36 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.

37 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.

38 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.

39 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.

40 Liability Adequacy

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

41 Life Fund

Fund maintained to meet the obligation towards Life Policyholders.

42 Life Fund Surplus

The excess of the assets over the liabilities as determined by the actuary and after the distribution of dividends to policyholders.

43 Life Insurance Business

Insurance (including reinsurance) business falling within the classes of insurance specified as Longterm Insurance Business under the Regulation of Insurance Industry Act No. 43 of 2000.

44 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

45 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.

46 Maturity

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

47 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.

48 Net Assets per Share

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

49 Net Claims

Incurred Claims incurred less reinsurance recoveries.

50 Net Written Premium

Gross written premium less reinsurance premium ceded payable.

51 Operational Risk

The potential for loss resulting from inadequate or failed internal processes or systems, human interactions or external events, but excludes business risk.

52 Other Operating and Administrative Expenses

Other operating and administrative expenses include administration, staff, sales and marketing expenses related to the company

53 Other operating revenue

Other income comprises fees charged for policy administration services, and miscellaneous income.

54 Participating Business

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

GLOSSARY OF KEY TERMS

55 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.

56 Policy schedule/booklet

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

57 Premium receivables

Represent the gross written premium accrued up to the reporting date.

58 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.

59 Realised Gains

Realised gains and losses include gains and losses arising on sale of financial assets and Property, Plant and Equipment.

60 Reinsurance Commission

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

61 Reinsurance Payables

Reinsurance payables contain amounts outstanding to be paid to reinsurers by a life insurer as at the reporting date.

62 Reinsurance Premium Ceded

The premium payable to the reinsurer.

63 Reinsurance Receivables

Represent the amounts receivable by the life insurer from the reinsurer for the claims made the policyholders.

64 Retention

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

65 Return on Shareholders' Equity

Profits after tax divided by total equity attributable to shareholders' as at the reporting date.

66 Return on Total Assets

Profits after tax divided by total assets attributable to shareholders.

67 Rider

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

68 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.

69 Sales Agent

A broker Sales agent is an intermediary between a prospective policyholder and a life insurance company.

70 Surrender

Termination of an insurance policy by the insured before the expiry of its term.

71 Surrender Value

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

72 Total Available Capital (TAC)

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

73 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.

74 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.

75 ESG (Environmental, social and corporate governance)

A framework used to assess an organization's business practices and performance on various sustainability and ethical issues.

76 CRRO - Climate-related Risks and Opportunities

Climate-related risks refers to the potential negative effects of climate change on an entity. These risks are categorised as climate-related physical risks and climate-related transition risks. Climate-related opportunities refers to the potential positive effects arising from climate change for an entity. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for an entity.

77 UN SDGs - United Nations Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations (UN) members in 2015, created 17 world Sustainable Development Goals (SDGs). The aim of these global goals is "peace and prosperity for people and the planet" – while tackling climate change and working to preserve oceans and forests.

78 SRRO- Sustainability-related Risks and Opportunities

Sustainability-related risks and opportunities refer to the potential positive and negative impacts of environmental, social, and governance (ESG) factors on a company. Risks can stem from issues like climate change, regulatory shifts, or social unrest, while opportunities arise from adopting sustainable practices and innovations. Effectively managing these risks and opportunities helps companies minimize losses, enhance their reputation, and improve long-term value.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh (11th) 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, 27th March 2025 at 2.00 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 31st December 2024 together with the Report of the Auditors thereon.
3. To declare a first and final dividend of Rs. 17.70 per share for the year ended 31st December 2024, 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 over 70 years 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. E R C Moraes who retires by rotation in terms of the Article 18B of the Articles of Association of the Company.
6. To re-elect Mr. M Ismail who retires by rotation in terms of the Article 18B of the Articles of Association of the Company.
7. To re-elect Ms. R J Moraes 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 2025.

By Order of the Board,
Ceylinco Life Insurance Limited



K. I. Weththasinghe
Company Secretary

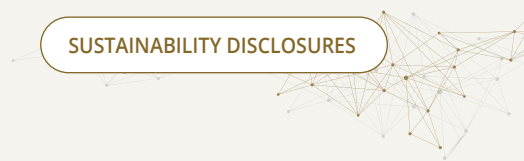
28th February 2025

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. 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 Eleventh (11th) Annual General Meeting of the Company to be held on 27th March 2025 at 2.00 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 31st December 2024 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2	To declare a first and final dividend of Rs. 17.70 per share for the year ended 31st December 2024.	<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. E R C Moraes 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. M Ismail 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 Ms. R J Moraes 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 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.	<input type="checkbox"/>	<input type="checkbox"/>
8	To authorize the Board of Directors to determine donations for the year ending 31st December 2025.	<input type="checkbox"/>	<input type="checkbox"/>

Executed on this day of March 2025

Signature of Shareholder

NOTE:

Instructions as to completion are given overleaf. Please delete the inappropriate words and mark 'X' in the appropriate cages to indicate your instructions as to voting.

FORM OF PROXY

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 of signature.
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	<input type="checkbox"/>
Analyst	<input type="checkbox"/>	Supplier	<input type="checkbox"/>	Customer	<input type="checkbox"/>
NGO	<input type="checkbox"/>	Other	<input type="checkbox"/>	Community	<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 03, 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 Limited

Registered Office:

7th floor, Emaar Capital Tower II,
Sector 26 Sikanderpur, MG Road,
Gurugram - 122022 Haryana, 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 HR and Training

Mr P A Jayawardena

Senior Executive Director/ Chief Financial Officer

Mr S R Abeynayake

Executive Director/Chief Operating Officer

Dr Harsha Cabral PC

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

Independent Non-Executive Director
(Resigned w.e.f. 31.12.2024)

Mr E R C Moraes

Independent Non-Executive Director

Mr M Ismail

Independent Non-Executive Director

Ms R J Moraes

Independent Non-Executive Director

Prof S K Chandrasekera

Non-Independent Non-Executive Director

Ms A A Ludowyke

Independent Non-Executive Director

COMPANY SECRETARY

Mr K I Weththasinghe

PRINCIPAL OFFICER

Mr R Renganathan

SPECIALISED OFFICER

Mr H G A Sirisena

COMPLIANCE OFFICER

Mr Dinushan Dias

RE-INSURERS

Munchener Ruckversicherungs -
Gesellschaft
(Munich RE)-Germany

Swiss Reinsurance Company Ltd

(Swiss Re) - Switzerland

Munich Re Retakaful-

Malaysia (Retakaful branch)

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conceptualised, designed
and produced by
Redworks.



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